



# Central Health

## Financial Statement Presentation

FY 2020 – as of December 31, 2019  
(Preliminary)

Central Health Board of Managers

January 22, 2020

Lisa Owens, Deputy CFO



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Note: HCD = Health Care Delivery



- Year-to-date through December, collected net property tax revenue is \$92 million compared to \$82 million as of December 2018.
- Tax collected through December 2019 is 42% of the adjusted tax levy compared to 41% as of December 2018.
- Disproportionate Share (DSH) IGT \$9 million through December 2019.
- Healthcare Delivery is \$33 million for the three months ending 12/31/2019.
- GAAP reporting Net Assets increased \$43 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 12/31/2019 is \$2 million.
- Contingency Reserve for FY19 is \$64.9 million, budget estimated \$56.5 million.

GAAP: Generally Accepted Accounting Principles refer to a common set of accounting principles, standards, and procedures issued by the Financial Accounting Standards Board. GAAP primary focus is to improve clarity, consistency, and comparability of the communication of financial information.



Assets	Preliminary	
	as of 12/31/2019	as of 12/31/2018
Current Assets		
Cash and cash equivalents	1,228,980	1,580,022
Short-term investments	154,294,915	93,630,773
Ad valorem taxes receivable	133,350,203	127,516,065
Other receivables	4,447,337	6,460,901
Prepaid expenses	884,246	548,815
Total Current Assets	294,205,679	229,736,576
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	5,577,504	6,328,247
Sendero paid-in-capital	71,000,000	71,000,000
Working capital advance to CommUnityCare	4,000,000	4,000,000
Sendero Surplus Debenture	37,083,000	37,083,000
Restricted TCHD LPPF Cash & Investments	2,116,870	-
Total Restricted Cash and Investments or Noncurrent	119,777,374	118,411,247
Capital Assets		
Land	12,546,211	11,770,184
Buildings and improvements	130,395,330	134,354,256
Equipment and furniture	9,576,645	8,779,252
Construction in progress	1,872,285	196,006
Less accumulated depreciation	(44,189,637)	(41,063,482)
Total Capital Assets	110,200,834	114,036,216
<b>Total Assets</b>	<b>524,183,888</b>	<b>462,184,039</b>



<b>Liabilities</b>	<b>Preliminary</b>	
	<b>as of 12/31/2019</b>	<b>as of 12/31/2018</b>
Current Liabilities		
Accounts payable	9,851,859	2,027,321
Salaries and benefits payable	1,283,864	867,587
Other Payables	99,287	90,270
Debt service payable, short-term	1,173,814	1,149,732
Deferred tax revenue	125,902,887	116,856,193
Other deferred revenue	610,794	828,027
Total Current Liabilities	<u>138,922,503</u>	<u>121,819,129</u>
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	2,116,870	-
Debt service payable, long-term	7,285,000	8,350,000
Deferred Revenue	610,000	-
Total Restricted of Noncurrent Liabilities	<u>10,011,870</u>	<u>8,350,000</u>
Total Liabilities	<u>148,934,373</u>	<u>130,169,129</u>
Net Assets		
Unrestricted	265,048,681	217,978,694
Investment in Capital Assets	110,200,834	114,036,216
Total Net Assets	<u>375,249,514</u>	<u>332,014,910</u>
<b>Liabilities and Net Assets</b>	<u><u>524,183,888</u></u>	<u><u>462,184,039</u></u>



Sources / Uses	Dec 2019	FY20 YTD	FY20 Budget	Percent of Budget Used	FY19 YTD
<b>Sources</b>					
Property Tax Revenue	82,319,614	91,681,162	214,906,371	43%	82,398,345
Lease Revenue	857,841	2,573,523	13,749,848	19%	2,573,523
Other Revenue	245,713	529,109	2,150,000	25%	431,158
Tobacco Settlement Revenue	-	-	3,500,000	0%	-
Contingency Reserve (Carryforward)	-	64,898,396	56,499,497	115%	52,648,775
<b>Total Sources</b>	<b>83,423,168</b>	<b>159,682,190</b>	<b>290,805,716</b>	<b>55%</b>	<b>138,051,801</b>
<b>Uses of Funds</b>					
<b>Healthcare Delivery</b>	<b>9,503,515</b>	<b>33,193,903</b>	<b>278,017,581</b>	<b>12%</b>	<b>61,959,470</b>
<b>Administrative Program</b>					
Salaries and benefits	383,448	1,143,956	5,903,601	19%	1,015,656
Consulting Fees	7,750	171,281	1,187,720	14%	57,215
Legal Fees	101,634	207,218	1,390,820	15%	169,255
Other Purchase Goods and Services	135,000	294,279	2,417,737	12%	241,738
<b>Total Administrative Program</b>	<b>627,832</b>	<b>1,816,734</b>	<b>10,899,878</b>	<b>17%</b>	<b>1,483,864</b>
<b>Tax Collection Expenses</b>	<b>402,888</b>	<b>587,891</b>	<b>1,888,258</b>	<b>31%</b>	<b>704,610</b>
<b>Total Uses</b>	<b>10,534,235</b>	<b>35,598,528</b>	<b>290,805,716</b>	<b>12%</b>	<b>64,147,944</b>
<b>Excess Sources / (Uses)</b>	<b>72,888,933</b>	<b>124,083,662</b>			<b>73,903,857</b>



<b>Healthcare Delivery Summary</b>	<b>Dec 2019</b>	<b>FY20 YTD</b>	<b>FY20 Budget</b>	<b>Percent of Budget Used</b>	<b>FY19 YTD</b>
<b>Inter-Governmental Transfers (IGTs)</b>	1,471,839	8,773,729	61,694,651	14%	24,117,173
<b>Healthcare Services</b>					
Member Payment to CCC	-	-	-	0%	10,000,000
Primary Care - (see detail on Slide 11)	4,257,278	12,670,036	50,270,000	25%	199,986
Specialty Care, incld Dental & Behavioral Health	677,935	2,064,602	9,823,856	21%	-
Pharmacy	965,987	2,900,000	11,600,000	25%	-
Post Acute Care	-	-	5,400,000	0%	-
All Other Healthcare Services	65,141	351,194	5,269,990	7%	154,319
Indigent Care & Hospital Performance Incentive	-	-	52,925,000	0%	-
<b>Subtotal Healthcare Services</b>	<b>5,966,341</b>	<b>17,985,832</b>	<b>135,288,846</b>	<b>13%</b>	<b>10,354,305</b>
<b>ACA Premium Assist, Education, Enrollment</b>	<b>501,609</b>	<b>1,598,351</b>	<b>9,856,120</b>	<b>16%</b>	<b>1,163,776</b>
<b>Healthcare Facilities and Campus Redevelopment</b>	<b>414,459</b>	<b>1,224,094</b>	<b>10,996,170</b>	<b>11%</b>	<b>1,001,248</b>
<b>Healthcare Delivery Operating Costs</b>	<b>1,122,064</b>	<b>3,530,288</b>	<b>26,044,728</b>	<b>14%</b>	<b>1,393,169</b>
<b>Debt, Reserves and Transfers</b>	<b>27,203</b>	<b>81,609</b>	<b>34,137,066</b>	<b>0%</b>	<b>23,929,799</b>
<b>Total Healthcare Delivery</b>	<b>9,503,515</b>	<b>33,193,903</b>	<b>278,017,581</b>	<b>12%</b>	<b>61,959,470</b>



Details for Health Care Delivery on the following slides.





Healthcare Delivery - Detail	Dec 2019	FY20 YTD	FY20 Budget	Percent of Budget Used	FY19 YTD
<b>Intergovernmental Transfers (IGTs)</b>					
Private - Uncompensated Care	-	-	-	0%	7,650,298
DSMC - Uncompensated Care	-	-	-	0%	2,754,889
DSH - Disproportionate Share	1,471,839	8,773,729	36,120,000	24%	13,711,986
DSRIP - CCC	-	-	25,574,651	0%	-
DSRIP - DSMC, Dell Children's	-	-	-	0%	-
DSRIP - St. David's	-	-	-	0%	-
<b>Subtotal Intergovernmental Transfers (IGTs)</b>	<b>1,471,839</b>	<b>8,773,729</b>	<b>61,694,651</b>	<b>14%</b>	<b>24,117,173</b>
<b>Healthcare Services</b>					
Member Payment to CCC	-	-	-	0%	10,000,000
Primary Care - (see detail on Slide 11)	4,257,278	12,670,036	50,270,000	25%	199,986
Specialty Care, incld Dental - (see detail on Slide 12)	607,518	1,853,352	8,940,000	21%	-
Specialty Care, Behavioral Health	70,417	211,250	883,856	24%	-
Pharmacy	965,987	2,900,000	11,600,000	25%	-
Post Acute Care	-	-	5,400,000	0%	-
Reproductive and Sexual Health	48,000	144,375	1,950,000	7%	-
Health care services, Pay for Success	-	-	600,000	0%	-
Medical Administration / ICC payment	51,440	154,319	719,990	21%	154,319
Primary & Specialty Care Reserves	(34,299)	52,500	2,000,000	3%	-
Indigent Care	-	-	50,225,000	0%	-
Hospital Performance Incentives	-	-	2,700,000	0%	-
<b>Subtotal Healthcare Services</b>	<b>5,966,341</b>	<b>17,985,832</b>	<b>135,288,846</b>	<b>13%</b>	<b>10,354,305</b>

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Healthcare Delivery Detail (continued)	Dec 2019	FY20 YTD	FY20 Budget	Percent of Budget Used	FY19 YTD
<b>Healthcare Operations and Support</b>					
<b>ACA and Premium Assistance Programs</b>					
High Risk Premium Programs	245,468	727,800	7,000,000	10%	-
CHAP Program	152,603	455,392	2,251,800	20%	534,433
ACA Enrollment and Education Services	103,538	415,159	604,320	69%	629,343
<b>Subtotal ACA &amp; Premium Assist Program</b>	<b>501,609</b>	<b>1,598,351</b>	<b>9,856,120</b>	<b>16%</b>	<b>1,163,776</b>
<b>Healthcare Facilities and Campus</b>					
Salaries and benefits	28,171	85,252	432,555	20%	70,233
Consulting Services	-	-	5,872,788		61,781
Legal Fees	46,681	95,154	234,000	41%	4,714
Other Goods & Svc incl. UT Ground Lease	339,607	1,043,688	4,456,827	23%	864,520
<b>Subtotal Healthcare Facilities and Campus</b>	<b>414,459</b>	<b>1,224,094</b>	<b>10,996,170</b>	<b>11%</b>	<b>1,001,248</b>
<b>Healthcare Delivery Operating Costs</b>					
Salaries and benefits	750,634	2,343,650	15,367,495	15%	960,104
Consulting Services	2,371	8,778	1,073,000	1%	7,144
Legal Fees	18,718	44,980	184,500	24%	3,096
Other Services and Purchased Goods	350,341	1,132,880	9,419,733	12%	422,825
<b>Subtotal HCD Operating Cost</b>	<b>1,122,064</b>	<b>3,530,288</b>	<b>26,044,728</b>	<b>14%</b>	<b>1,393,169</b>
<b>Debt Service, Reserves and Transfers</b>					
Debt Service	27,203	81,609	1,373,283	6%	89,799
FY2020 Capital reserve		-	2,950,000		2,840,000
FY2020 Emergency reserve	-	-	6,406,290		1,000,000
FY2020 Sendero Risk Based Capital	-	-	-		20,000,000
FY2020 Contingency reserve appropriation			23,407,493		-
<b>Subtotal Debt, Reserves and Transfers</b>	<b>27,203</b>	<b>81,609</b>	<b>34,137,066</b>	<b>0%</b>	<b>23,929,799</b>
<b>Total Healthcare Delivery</b>	<b>9,503,515</b>	<b>33,193,903</b>	<b>278,017,581</b>	<b>12%</b>	<b>61,959,470</b>



<b>Healthcare Delivery - Primary Care</b>	<b>Dec 2019</b>	<b>FY20 YTD</b>	<b>FY20 Budget</b>	<b>Percent of Budget Used</b>
<b>Primary Care</b>				
	-			
CommUnity Care	3,287,500	9,862,500	39,000,000	25%
Lone Star Circle of Care	616,600	1,875,000	6,400,000	29%
People's Community Clinic	208,333	625,000	2,500,000	25%
Other Primary Care Providers	144,845	307,536	2,370,000	13%
<b>Subtotal Primary Care Services</b>	<b>4,257,278</b>	<b>12,670,036</b>	<b>50,270,000</b>	<b>25%</b>

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Healthcare Delivery - Specialty Care	Dec 2019	FY20 YTD	FY20 Budget	Percent of Budget Used
Specialty Care				
Ancillary Services	8,333	25,000	100,000	25%
Cardiology	12,500	37,500	150,000	25%
Consultation Services	6,250	18,750	75,000	25%
Dental	83,333	250,000	1,000,000	25%
Dermatology	35,018	101,685	550,000	18%
Durable Medical Equipment	10,000	22,500	115,000	20%
Ear, Nose & Throat ENT	79,167	237,500	400,000	59%
Endocrinology	25,000	75,000	300,000	25%
Gastroenterology	83,333	250,000	1,650,000	15%
General Surgery	25,000	75,000	300,000	25%
Gynecology IPU	0	0	100,000	0%
Nephrology	0	0	200,000	0%
Oncology	50,000	150,000	700,000	21%
Ophthalmology	108,333	325,000	1,725,000	19%
Orthotics & Prosthetics	16,667	50,000	200,000	25%
Podiatry	0	41,667	250,000	17%
Pulmonology	31,250	93,750	375,000	25%
Rheumatology	12,500	37,500	150,000	25%
Specialty Care	8,333	25,000	450,000	6%
Wound Care	12,500	37,500	150,000	25%
<b>Total Specialty Care</b>	<b>607,517</b>	<b>1,853,352</b>	<b>8,940,000</b>	<b>21%</b>



# Questions ? Comments ?

**Balance Sheet (Assets)** – Slide 4**Current Assets**

Cash and Cash Equivalents – \$1.2M compared to \$1.6M December 2018

Short-term Investments – Short-term investments were \$154M at month-end, which is net of restricted investments of \$6M for capital acquisitions.

Ad Valorem Taxes Receivable – \$133M balance is composed of:

Gross Tax Receivables	\$136M
Taxable Assessed Valuation Adjustment	(447)K
Est. Allowance for Doubtful collections	<u>(2.4)M</u>
<b>Total Taxes Receivable</b>	<b>\$133M</b>

Other Receivables – Other receivables total \$4.4M and consists of intercompany balances:

- CommUnityCare - \$3.0M
- Sendero - \$514K
- Community Care Collaborative - \$790K
- Interest and miscellaneous receivables of \$94K

Prepaid Expenses – \$884K balance composed of:

- Prepaid Insurance - \$25K
- TCAD Tax Collection Fees - \$470K
- TCAD Appraisal Fees - \$236K
- Prepaid Memberships/Subscriptions - \$22K
- Deposits - \$6K
- Software - \$125K

**Total Current Assets – \$294M**



**Balance Sheet (Assets)** – Slide 4 (continued)

**Restricted Cash & Investments or Noncurrent**

Investments Restricted for Capital Acquisition – \$5.6M in short-term securities restricted for capital acquisition.

Sendero Paid-in-Capital – \$71M (unchanged)

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

Sendero Surplus Debenture – \$37.1M (unchanged) (\$20M paid by CH in December 2018)

Restricted TCHD LPPF Cash & Investments - \$2.1M

Capital Assets – \$110M, net of accumulated depreciation

**Total Assets** – **\$524M**



**Current Liabilities** – Slide 5

Accounts Payable – Major components of the \$9.8M balance are:

- \$6.5M estimated IBNR.
- \$2.1M estimated healthcare delivery costs for services incurred but not received.
- \$1.2M in vendor invoices at month-end.

Salaries and Benefits Payable – \$1.3M balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued personal time off and various fringe benefit amounts withheld and not yet paid.

Other Payables – \$99K capital lease obligation related to medical equipment leased at Southeast Health and Wellness Center.

Debt Service Payable, Short-Term – \$1.2M balance is comprised of \$1.065M in Certificates of Obligation Payable and \$109K Interest Payable.

Deferred Tax Revenue - \$126M

Other Deferred Revenue - \$611K consists of the lease revenue \$610K for Block 164 Yr2 (FY20) from 2033 LLP and \$794 remains from funds received from the Sendero donation of \$25K.

**Total Current Liabilities** – **\$139M**





**Restricted or Noncurrent Liabilities** – Slide 5 (continued)

Due to TCHD LPPF - \$2.1M Receipts from participants in the LPPF.

Debt Service Payable, Long-Term – \$7.3M balance of the \$16M in Series 2011 Certificates of Obligation, reduced by eight payments made to date. This debt was issued for the North Central clinic. Due annually on 3/1.

Deferred Revenue – Long Term - \$610K is the lease revenue for Block 164 Yr3 (FY21) from 2033 LLP.

**Total Noncurrent Liabilities** – **\$10M**

**Total Liabilities** – **\$149M**

**Net Assets**

Unrestricted Net Assets – \$265M

Investment in Capital Assets – \$110M

**Total Net Assets** – **\$375M**

**Total Liabilities and Net Assets** – **\$524M**

**Sources and Uses Report** – Slide 6

December financials → three months of the fiscal year, 25% of the fiscal year.

**Sources – Total \$83.4M for the month**

Property Tax Revenue – Net property tax revenue for the month was \$82.3M. Net revenue includes \$82.6M current month's collections, less \$243K in adjustments for prior year delinquent taxes.

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

Other Revenue – \$246K investment income for the month, \$529K YTD, compared to \$431K YTD last year.

**Uses of Funds – Total \$10.5M for the month**

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$33M YTD compared to \$62M YTD thru December 2018.

Administration Program – \$628K in expense for the month, which includes:

- Personnel costs – \$383K
- Consulting services – \$8K
- Legal fees – \$102K
- Other general and administrative – \$135K

**Tax Collection Expenses** – \$403K for the month.

**Excess Sources/(Uses)** – \$73M in December. Current YTD is \$124M compared to prior year 2018 YTD of \$74M.



December 2019 Preliminary Monthly Financial Statements (unaudited)

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**Healthcare Delivery Expense** – Slide 7

**Healthcare Delivery Expense** – Total \$9.5M December, \$33M YTD and \$62M December 2018

Intergovernmental Transfers (“IGT’s”) – YTD \$8.8M compared to \$24M last year.

Healthcare Services – Healthcare delivery providers’ expense for December totaled \$6M, which includes:

- Primary care – \$4.3M
- Specialty Care – \$678K
- Pharmacy - \$966K
- Other Healthcare Services - \$65K

ACA Premium Assist, Education, Enrollment – \$502K in expenses for the month.

Healthcare Facilities and Campus Redevelopment - \$414K in expense for the month and \$1.2M YTD.

Healthcare Delivery Operating Cost – \$1.1M in expenses for the month and includes:

- Personnel costs – \$751K
- Consulting Services – \$2K
- Legal Fees - \$19K
- Other services and purchased goods – \$354K

Debt, Reserves and Transfer – \$27K in Debt Service expense for the month

**Total Healthcare Delivery** - for the month of December was \$9.5M.