



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.

Right by All - By being open, anti-racist, equity-minded, and respectful in discourse, we honor those around us and do right by all people.

Collaboration - We partner with others to improve the health of our community.

BUDGET AND FINANCE COMMITTEE MEETING

Wednesday, February 22, 2023, 4:00 p.m.

Videoconference meeting¹

A quorum of the Committee and the presiding officer will be present at:

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

Members of the public may attend the meeting at the address above, or observe and participate in the meeting by using the Zoom meeting link below (copy and paste into your web browser):

<https://us06web.zoom.us/j/87417587892?pwd=bldhbVY4N2R6V0QremFIU3Evakl1QT09>

Meeting ID: 874 1758 7892

Passcode: 654744

Or to participate by telephone only:

Meeting ID: 874 1758 7892

Passcode: 654744

The Committee will meet via videoconference with a quorum present in person and allow public participation via videoconference and telephone as allowed under the Open Meetings Act. Although a quorum of the Committee will be physically present at the location posted in this meeting notice, we strongly encourage all members of the public to observe the meeting virtually and participate in public comment, if desired, through the virtual meeting link or telephone number listed on this meeting notice.

Members of the public who attend in person should conduct a self-assessment before coming to the building to ensure they do not have a high temperature or any symptoms of COVID-19. Anyone who is symptomatic and/or has a fever should contact their healthcare provider for

further instructions. Symptomatic members of the public can still participate, if desired, through the virtual meeting link or telephone number listed on this meeting notice. Resources related to COVID-19 can be found at the following link:

<https://www.centralhealth.net/covid-info/>.

A member of the public who wishes to make comments virtually during the Public Communication portion of the meeting must properly register with Central Health **no later than 2:30 p.m. on February 22, 2023**. Registration can be completed in one of three ways:

- Complete the virtual sign-in form at <https://www.centralhealth.net/meeting-sign-up/>;
- Call 512-978-9190 and leave a voice message with your full name, your request to comment via telephone, videoconference, or in-person at the meeting; or
- Sign-in at the front desk on the day of the meeting, prior to the start of the meeting.

Individuals who register to speak on the website or by telephone will receive a confirmation email and/or phone call by staff with instructions on how to join the meeting and participate in public communication.

PUBLIC COMMUNICATION

Public Communication rules for Central Health Committee meetings include setting a fixed amount of time for a person to speak and limiting Committee responses to public inquiries, if any, to statements of specific factual information or existing policy.

COMMITTEE AGENDA²

1. Review and approve the minutes of the January 18, 2023 meeting of the Budget and Finance Committee. (*Action Item*)
2. Receive updates on the preliminary December 2022 financial statements and pertinent information regarding financial results for January 2023 for Central Health and the Community Care Collaborative. (*Informational Item*)
3. Discuss Central Health owned or occupied real property and potential property for acquisition, lease, or development in Travis County, including next steps in the redevelopment of the Central Health Downtown Campus, administrative offices of Central Health Enterprise partners, and new developments in Eastern Travis County.³ (*Informational Item*)
4. Confirm the next Budget and Finance Committee meeting date, time, and location. (*Informational Item*)

¹ This meeting may include one member of the Budget and Finance Committee participating by videoconference. It is the intent of the presiding officer to be physically present and preside over the meeting at Central Health Headquarters, 1111 Cesar Chavez, Austin, Texas 78702. This meeting location will be open to the public during the open portions of the meeting, and any member participating by videoconference shall be visible and audible to the public members in attendance whenever the

member is speaking. **Members of the public are strongly encouraged to participate remotely through the toll-free videoconference link or telephone number provided.**

- ² The Budget and Finance Committee may take items in an order that differs from the posted order and may consider any item posted on the agenda in a closed session if the item involves 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 or participate via videoconference to discuss matters on the Committee agenda, and any Committee actions will be in conformance with the Central Health Bylaws.
- ³ Possible closed session discussion under Texas Government Code §551.072 (Deliberation Regarding Real Property) and/or Texas Government Code §551.071 (Consultation with Attorney).

Any individual with a disability who plans to attend or view this meeting and requires auxiliary aids or services should notify Central Health as far in advance of the meeting day as possible, but no less than two days in advance, so that appropriate arrangements can be made. Notice should be given to the Board Governance Manager by telephone at (512) 978-8049.

Cualquier persona con una discapacidad que planea asistir o ver esta reunión y requiera ayudas o servicios auxiliares debe notificar a Central Health con la mayor anticipación posible de la reunión, pero no menos de dos días de anticipación, para que se puedan hacer los arreglos apropiados. Se debe notificar al Gerente de Gobierno de la Junta por teléfono al (512) 978-8049.

Central Health Board of Managers Shared Commitments **Agreed adopted on June 30, 2021**

Whereas, the Board of Managers of Central Health has come together as a governing body to ensure the Vision of Central Health: Central Texas is a model health Community;

Whereas, the Board of Managers of Central Health bring this vision into reality by enacting the mission of caring for those who need it most and thereby improving the health of our community;

Whereas, the Board of Managers of Central Health achieves excellence toward this vision and mission through the stated values of Stewardship, Innovation, Respect, and Collaboration;

Whereas, the Board of Managers of Central Health further known as we in this document understand that systemic racism is the root of health inequities that emerge from a history of racism in Texas including Travis County that contributes to the social determinants of health that play a primary role in producing inequitable health outcomes;

Whereas, as an organization, Central Health is anti-racist and committed to a diverse and inclusive culture that seeks equity and social justice in the pursuit of its mission:

1. We Commit to informing all of our actions as Board Managers with the understanding that we are accountable to recognizing and to interrupting systems of oppression. This includes understanding the power structure in the United States, and Texas, and Travis County, that advantages certain community members and has historically disadvantaged other community members based on the color of their skin, race, ethnicity, language, and/or other characteristics. We further understand that to disrupt this power structure and the health inequities it produces, we must collaborate to collectively respond to the lived realities of all ethnicities, races, and identities disadvantaged within this system and all historically oppressed identities and communities disadvantaged within this system. We Commit to understanding that when disadvantaged communities compete against each other, we all lose in this system, and the only way forward is to work together for the benefit of all oppressed communities collectively.
2. We Commit to a model of Generative Leadership which requires us to understand and practice collaboration and accountability demonstrated by following our agreed upon meeting procedures and ensuring all members have the opportunity for comparable speaking time. We further Commit to intentionality prior to speaking including: considering: what is the goal of what I

want to share; is this the right time to share it; and is this in keeping with our collective goal for this particular moment within this particular meeting?

3. We Commit to Generative Conflict which includes engaging in disagreements and differences in perspective in a way that deepens relationships and trust by expanding knowledge and understanding of each other, including expecting our ideas to be expanded and enriched by learning and engaging with other Board Manager ideas, choosing curiosity over competition of ideas, and anchoring our conversations in our common purpose.
4. We Commit to practicing emotional intelligence as leaders which includes being aware of our own emotions and reactions and managing them, as well as being aware of our impact on others and managing this impact for the collective good when we are in our role as Board Managers.
5. We Commit to being aware of our own privileges and advantages in the sociopolitical and economic structure of the United States, Texas, and Travis County to use these for the benefit of interrupting inequities across historically disadvantaged identities.
6. We Commit to preventing the commission of microaggressions through the awareness of the history and oppression of diverse identities and communities. To this end, we Commit to strive to learn the historical context informing the lived realities of all historically oppressed identities and communities, and to use this to prevent use of language and commission of actions that can be harmful given these histories.
7. If we inadvertently commit a microaggression, we strive to immediately become aware on our own of the harm we have caused. If another Board Manager generously helps us become aware of a microaggression we have committed we welcome the support in our learning and growing process as a leader and immediately express appreciation for having made us aware, own the mistake we have made, acknowledge the impact of the harm we have caused, and engage repair through apology and the articulation of what we will do to avoid the repetition of such harm in the future.
8. If we observe one of our fellow Board Managers commit a microaggression, we Commit to calling them in by letting them know in a respectful and kind manner of the mistake that has been made.
9. We understand that many of us, as survivors of historically oppressed identities and communities, carry internalized narratives of oppression, and we can inadvertently express these oppressions against others in ways that cause harm and we Commit to the same process identified in 7 and 8 to engage repair and return to generative collaborative processes.
10. We understand that even without the history of oppression potentiating the weight of harm, expressions of prejudice and rudeness can also cause harm to our shared aims, and we Commit to the same process identified in 7 and 8 to engage repair and return to generative collaborative processes.

11. We Commit to using our Racial and Social Justice Framework (next page) for decision-making as we work together for the collective good of our communities as we eradicate health inequities and create a model healthy community.
12. We understand that we are entrusted with a vital responsibility for our communities and are accountable stewards for the time and resources available to our Board of Managers. We understand that these commitments are entered into to ensure responsible stewardship of this time and resources through generative collaborative processes to reach our vision and mission and we agree that if we do not follow any one of these commitments we welcome our Board Manager colleagues to bring this to our attention through the agreed upon process reflected here and when this occurs, we commit to immediately acknowledging the mistake and engaging in a repair and correction process as indicated in these commitments so that our work to dismantle systemic racism and resulting barriers and achieve health equity can move forward.

Be it adopted that the above agreements will be honored and acted upon by each Board Manager as of 6/30/2021 and henceforth forward as indicated by signature below.

Board Manager Signature

Date

Board Manager Printed Name

Calling In and Repairing Harm

Calling In after Harm in Groups with Shared Values and Aims Stance

Hey, this thing you said/did hurt some folks or could hurt some folks.

A) Here's why that can be hurtful or,

B) Please do some research to learn the history of why that's hurtful.

Implied message: I know you are good and are on this journey with us and we are all going to make mistakes as we unlearn things.

Calling In after Harm in Groups with Shared Values and Aims Sample Language

- I know it wasn't your intention, but what you just said minimizes the horror of _____ e.g. the history of racism, enslavement, the holocaust, etc.
- I know it wasn't your intention but what you just said has the impact of implying that _____ are not competent or as intelligent as others.
- What you just said suggests that _____ people don't belong.
- That phrase has been identified as being disrespectful and painful to _____ people and it's important that we not use it.
- Oh, I have also used that term, but I have now learned that when we use it we are leaving out people who _____ or we are implying that _____ and the word people are learning to use now is _____.
- The term used now by people living with that identity is _____.

Repairing Harm after Microaggressions, Mistakes, and expressions of Prejudice

- Own / Name it
- Recognize the Impact
- Apologize (Do not share context or explanations)
- Make any amends that are possible
- State what you are going to do to learn and do better in the future.

Sample Language: Thank you so much for letting me know. You are right, I used this term or said that phrase and realize that it has the impact of minimizing the experience of _____ or implying that _____. I am deeply sorry and will practice learning the correct language and will research and learn more about this to ensure that I do not make this mistake and cause this harm in the future.

RACIAL and SOCIAL JUSTICE FRAMEWORK

Values and Anti-Racism/Anti-Oppression

- Is this consistent with our values?
- Are we taking steps so we cannot predict outcomes by race and other systemically disadvantaged characteristics?

Intentional and Accountable Storytelling

- What data are we using and has it been disaggregated by race? What is the source of the data? Who is it making visible and invisible? Whose experience is being centralized and whose is being marginalized in the data? Does the way we are using the data reflect the complexity of the issues and reflect the issues accurately?
- What are the stories and narratives we are telling? What is the purpose? Who is interpreting the meaning? Who's it meant for? Who's impacted and how?
- Are we refusing to be ahistorical? Are we fully considering history and the impacts of the historical context?

Power Analysis

- What are the power dynamics in this situation? What are the intersecting spheres of oppression at work in this situation?
- What are the cultural norms of white supremacy at work in this situation?
- Who would benefit and who would be harmed by this action/decision?
- Does this interrupt/disrupt or collude with/reinforce oppressive systems/power structures?
- If this is attempting a solution, where are we locating the problem?
- Does the solution/strategy we are proposing change the system or the individual?
- Who are we asking to change and why?

Relationships

- Who is in the room and who isn't and why? Who is sharing and who is not and why?
- Whose perspective is represented/who is left out? And who is doing the representing? Who do we believe, who do we find credible? Why? Why not?
- Whose experience is being centralized and whose experience is being marginalized? Who is gazing and who is being gazed upon?
- Are we boldly leading toward our racial justice aim by building a broad coalition of support?
- Are we operating from a similar/shared understanding of anti-racism work? Do we have a shared anti-racist understanding of where the problem is located and a shared anti-racist theory of change to generate a solution? Have we agreed upon a shared goal?



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING
February 22, 2023

AGENDA ITEM 1

Review and approve the minutes of the January 18, 2023 meeting of the Budget and Finance Committee. (*Action Item*)

MINUTES OF MEETING – JANUARY 18, 2023
CENTRAL HEALTH
BUDGET AND FINANCE COMMITTEE

On Wednesday, January 18, 2023, a meeting of the Central Health Budget and Finance Committee convened in open session at 3:37 p.m. in person at the Central Health Administrative Offices and remotely by toll-free videoconference. Clerk for the meeting was Briana Yanas.

Committee members present in person: Chair Museitif, Manager Bell, and Manager Kitchen.

Board members present via audio and video or in person: Manager Brinson

Absent: Manager Motwani

COMMITTEE AGENDA

- 1. Review and approve the minutes of the August 10, 2022 meeting of the Budget and Finance Committee.**

Clerk's Notes: Discussion on this item began at 3:38 p.m.

Manager Brinson moved that the Committee approve the minutes of the August 10, 2022 meeting of the Budget and Finance Committee.

Manager Bell seconded the motion.

Chairperson Museitif	For
Manager Motwani	Absent
Manager Kitchen	Abstain
Manager Bell	For

- 2. Receive and discuss a presentation regarding the Central Health Fiscal Year 2022 financial audit.**

Clerk's Notes: Discussion on this item began at 3:39 p.m. Mr. Jimmy Romell, the engagement partner of Central Health's external auditors Maxwell, Locke, and Ritter, gave a brief presentation on the fiscal year 2022 financial audit.

- 3. Discuss scheduling of upcoming Budget and Finance Committee meetings.**

Clerk's Notes: Discussion on this item began at 3:53 p.m. Chair Museitif announced that moving forward, she would like to have a standing Budget and Finance Committee meeting before every Executive Committee and Board of Managers Meeting at around 4:00 pm.

- 4. Confirm the next Budget and Finance Committee meeting date, time, and location.**

Clerk's Notes: Discussion on this item began at 3:54 p.m.

Manager Bell moved that the Committee adjourn.

Manager Brinson seconded the motion.

Chairperson Museitif	For
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Manager Motwani	Absent
Manager Kitchen	For
Manager Bell	For

The meeting was adjourned at 3:56 p.m.

ATTESTED TO BY:

Maram Museitif, Chairperson
Central Health Budget and Finance Committee

Cynthia Valadez, Secretary
Central Health Board of Managers



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

February 22, 2023

AGENDA ITEM 2

Receive updates on the preliminary December 2022 financial statements and pertinent information regarding financial results for January 2023 for Central Health and the Community Care Collaborative. (*Informational Item*)



Central Health

Financial Statement Presentation

FY 2023 – as of December 31, 2022
(Preliminary)

Central Health Board of Managers

February 22, 2022

Lisa Owens, Deputy CFO

Patti Bethke, Controller

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- Slide 4 Balance Sheet - Assets
- Slide 5 Balance Sheet - Liabilities & Net Assets
- Slide 6 Sources & Uses
- Slide 7 HCD - Summary
- Slide 8 HCD - Blank Page
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- Slide 10 HCD - Primary Care
- Slide 11 HCD - Specialty Care

Note: HCD = Health Care Delivery

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- Year-to-date through December collected net property tax revenue is \$115 million compared to \$117 million as of December 2021 representing 40.1% of the adjusted tax levy compared to 43.9% as of December 2021.
- Healthcare Delivery is \$51 million for the year as of 12/31/2022.
- GAAP reporting Net Assets increased \$121 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 12/31/2022 is \$23 million.
- Governmental Accounting Standards Board statement 87, Leases (GASB87) the new lease accounting standard requires entities to report future long term lease obligations, previously reported as operating activity, on the balance sheet to convey control of the right to use the non-financial asset. This will significantly increase long term governmental balance sheets as a result of this requirement. The new rules require lessees to recognize a lease liability and an intangible asset while lessors are required to recognize lease receivables and a deferred inflow of resources on their financial statements.

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Assets	Preliminary as	
	of 12/31/2022	as of 12/31/2021
Current Assets		
Cash and cash equivalents	2,280,034	1,256,987
Short-term investments	439,376,291	326,039,881
Ad valorem taxes receivable	186,486,289	203,985,055
Other receivables	4,717,294	7,341,082
Prepaid expenses	961,408	1,112,769
Total Current Assets	<u>633,821,317</u>	<u>539,735,775</u>
Restricted Cash and Investments or Noncurrent		
Restricted for capital acquisition	112,029,101	79,607,133
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	22,871,244	9,432,264
Total Restricted Cash and Investments or Noncurrent	<u>246,983,345</u>	<u>201,122,396</u>
Lease Receivables		
Lease Receivables Short-Term*	10,695,053	-
Lease Receivables Long-Term *	237,596,533	-
Total Lease Receivables	<u>248,291,586</u>	<u>0</u>
Capital Assets		
Land	26,372,222	26,302,222
Buildings and improvements	63,912,031	56,474,825
Equipment and furniture	17,954,906	17,752,642
Capital Projects in progress	11,887,717	10,850,722
Leased Assets*	43,445,561	0
Less accumulated depreciation	(32,548,452)	(26,052,613)
Total Capital Assets	<u>131,023,984</u>	<u>85,327,799</u>
Total Assets	<u><u>1,260,120,232</u></u>	<u><u>826,185,970</u></u>

* New GASB87 reporting requirement for leases.



Liabilities	Preliminary as of 12/31/2022	as of 12/31/2021
Current Liabilities		
Accounts payable	18,160,243	19,808,511
Salaries and benefits payable	3,373,962	1,966,057
Other Payables	323,477	1,216,226
Debt service payable, short-term	5,066,339	4,843,316
Deferred tax revenue	171,339,244	149,192,293
Other deferred revenue	189,327	828,027
Total Current Liabilities	198,452,592	177,854,431
Restricted or Noncurrent Liabilities		
Funds held for TCHD LPPF	22,871,243	9,432,264
Debt service payable, long-term	75,782,821	80,237,249
Total Restricted of Noncurrent Liabilities	98,654,064	89,669,513
Noncurrent Liabilities Leases*		
Lease Payable Long Term *	43,108,369	0
Deferred Revenue Long Term*	239,755,180	0
Total Noncurrent Liabilities Leases*	282,863,549	-
Total Liabilities	579,970,205	267,523,944
Net Assets		
Unrestricted	520,067,667	417,278,233
Restricted	56,321,194	56,055,994
Investment in Capital Assets	103,761,166	85,327,799
Total Net Assets	680,150,027	558,662,026
Liabilities and Net Assets	1,260,120,232	826,185,970

* New GASB87 reporting requirement for leases.

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Sources / Uses	DEC 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Sources					
Property Tax Revenue	110,600,457	114,738,458	281,605,053	41%	116,823,862
Lease Revenue	1,561,076	4,678,215	13,145,328	36%	2,660,584
Other Revenue	1,236,775	2,679,150	1,500,000	179%	258,246
Tobacco Settlement Revenue	-	-	4,500,000	0%	-
Total Sources	113,398,308	122,095,823	300,750,381	41%	119,742,692
Uses of Funds					
Healthcare Delivery	10,022,780	50,770,599	283,208,878	18%	24,818,470
Administrative Program					
Salaries and benefits	581,569	1,630,274	9,131,752	18%	1,364,309
Consulting Fees	8,700	15,655	1,626,520	1%	57,948
Legal Fees	124,189	469,792	2,756,636	17%	185,967
Other Purchase Goods and Services	68,389	442,163	4,486,802	10%	572,511
FY 2023 Self Insured Emp Health	-	2,000,000	2,000,000	100%	0
Total Administrative Program	782,847	4,557,884	20,001,710	146%	2,180,735
Tax Collection Expenses	503,170	691,369	2,147,650	32%	602,060
Total Uses	11,308,797	56,019,852	305,358,238	18%	27,601,265
Excess Sources / (Uses)	102,089,511	66,075,971	(4,607,857)		92,141,427

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Healthcare Delivery Summary	DEC 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Purchased Healthcare Services					
Primary Care - (see detail on Slide 10)	3,969,060	11,911,311	66,236,822	18%	11,578,841
Specialty Care, incld Dental - (see detail on Slide 11)	1,108,688	2,392,705	27,163,000	9%	1,581,121
Specialty Behavioral Health and Substance Use	67,268	135,484	12,040,000	1%	225,000
Pharmacy	618,119	1,643,991	17,000,000	10%	2,227,256
Post Acute Care	309,928	368,804	5,650,000	7%	-
Community Healthcare Initiatives Fund	9,360	9,360	1,750,000	1%	-
Subtotal Purchased Healthcare Services	6,082,423	16,461,655	129,839,822	13%	15,612,218
Direct Healthcare Services	25,707	25,707	5,673,261	0%	-
Map Eligibility - Increase in period	-	-	2,000,000	0%	-
Subtotal Healthcare Services	6,108,130	16,487,362	137,513,083	12%	15,612,218
ACA Premium Assist, Education, Enrollment	1,023,786	3,148,522	15,236,261	21%	2,930,126
Healthcare Facilities and Campus Redevelopment	210,826	539,901	4,721,027	11%	509,687
Healthcare Delivery Operating Costs	2,547,693	7,197,780	48,241,763	15%	5,357,825
SubTotal	9,890,435	27,373,565	205,712,134	13%	24,409,856
Debt, Reserves and Transfers	132,344	23,397,033	55,496,744	42%	408,614
UT Affiliation Agreement	-	-	22,000,000	0%	-
Total Healthcare Delivery	10,022,780	50,770,599	283,208,878	18%	24,818,470

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Details for Health Care Delivery on the following slides.

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Healthcare Delivery Detail	DEC 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Healthcare Operations and Support					
ACA and Premium Assistance Programs					
ACA Healthcare Premium Assistance Programs	1,011,280	3,135,477	14,648,261	21%	2,679,009
ACA Education and Enrollment Services	12,506	13,045	588,000	2%	251,117
Subtotal ACA & Premium Assist Program	1,023,786	3,148,522	15,236,261	21%	2,930,126
Real Estate and Campus Redevelopment					
Salaries and benefits	49,154	148,814	892,250	17%	83,420
Consulting Services	7,500	10,813	200,000	5%	5,096
Legal Fees	6,088	6,088	175,000	3%	7,567
Other Goods & Svc incl. UT Ground Lease	148,085	374,187	3,453,777	11%	413,604
Subtotal Healthcare Facilities and Campus	210,826	539,901	4,721,027	11%	509,687
Healthcare Delivery Operating Costs					
Salaries and benefits	1,510,289	4,694,582	25,545,451	18%	3,370,856
Consulting Services	2,948	10,976	1,740,000	1%	133,929
Legal Fees	870	884	433,000	0%	3,481
Other Services and Purchased Goods	1,033,586	2,491,338	20,523,312	12%	1,849,559
Subtotal HCD Operating Cost	2,547,693	7,197,780	48,241,763	15%	5,357,825
Debt Service, Reserves and Transfers					
Debt Service	132,344	397,033	5,996,744	7%	408,614
Healthcare Capital Line of Credit	-	-	500,000		
FY2022 Capital reserve	-	23,000,000	49,000,000	47%	-
Subtotal Debt, Reserves and Transfers	132,344	23,397,033	55,496,744	42%	408,614
UT Affiliation Agreement	-	-	22,000,000		
Total Healthcare Delivery	10,022,780	50,770,599	283,208,878	18%	24,818,470

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Healthcare Delivery - Primary Care	DEC 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
Primary Care					
CommUnity Care	3,349,841	10,036,756	49,835,000	20%	9,767,200
Lone Star Circle of Care	378,326	1,307,681	6,955,000	19%	1,269,580
People's Community Clinic	162,643	488,624	3,100,000	16%	502,570
Other Primary Care	78,250	78,250	6,346,822	1%	39,491
Subtotal Primary Care Services	3,969,060	11,911,311	66,236,822	18%	11,578,841

(continued on next page)

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Healthcare Delivery - Specialty Care	DEC 2022	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD	YOY Percent Change	Comments*
Specialty Care							
Ancillary Services & DME	80,236	85,951	2,408,000	4%	31,200	175%	
Cardiology	28,171	83,401	1,215,000	7%	44,400	88%	
Dental Specialty	103,411	270,623	1,500,000	18%	258,797	5%	
Dermatology	64,825	172,935	1,125,000	15%	100,146	73%	
Dialysis	0	0	2,600,000	0%	0	0%	New Service late FY22
Ear, Nose & Throat ENT	5,459	27,271	500,000	5%	57,914	-53%	Provider Vacancy
Endocrinology	69,909	182,110	925,000	20%	99,650	83%	Service Expansion
Gastroenterology	15,889	208,823	2,100,000	10%	209,234	0%	Service Expansion
General Surgery	25,373	43,934	200,000	22%	8,700	405%	
Gynecology	42,380	42,380	1,050,000	4%	0	0%	
Musculoskeletal	209,644	209,644	1,700,000	12%	0	0%	
Nephrology	67,037	125,929	350,000	36%	6,600	1808%	
Neurology	1,150	3,450	300,000	1%	0	0%	New CUC Service
Oncology	28,784	67,082	1,800,000	4%	102,349	-34%	
Ophthalmology	172,285	354,077	3,300,000	11%	316,634	12%	
Palliative Care	5,326	10,148	0	0%	0	0%	
Physical Med & Rehab	35,850	72,810	350,000	21%	0	0%	
Project Access	0	0	330,000	0%	0	0%	
Podiatry	76,189	180,028	1,350,000	13%	94,500	91%	
Pulmonology	27,667	83,000	475,000	17%	60,600	37%	
Referral Services	23,077	69,231	875,000	8%	75,000	-8%	
Reproductive and Sexual Health	11,751	57,053	2,110,000	3%	88,397	-35%	
Rheumatology	14,275	42,825	350,000	12%	27,000	59%	
Urology	0	0	250,000	0%	0	0%	
Total Specialty Care	1,108,688	2,392,705	27,163,000	9%	1,581,121	51%	

* Changes greater than \$90,000 and + / - 33%

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Questions ? Comments ?

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Balance Sheet (Assets) – Slide 4

Current Assets

Cash and Cash Equivalents – \$2.3M compared to \$1.3M December 2021

Short-term Investments – Short-term investments were \$439M at month-end, net of restricted investments totaling \$112M.

Ad Valorem Taxes Receivable – \$186M balance is composed of:

Gross Tax Receivables	\$ 189M
Taxable Assessed Valuation Adjustment	(1.5)M
Est. Allowance for Doubtful collections	(1.3)M
Total Taxes Receivable	<u>\$ 186M</u>

Other Receivables – Other receivables total \$4.7M and includes intercompany balances:

- Sendero - \$955K
- CUC - \$2.5M
- Community Care Collaborative - \$68K
- Accrued Interest - \$717K
- Miscellaneous Receivables – \$267K
- AR Enterprise Health Claims (self-funding) - \$178K

Prepaid Expenses – \$961K balance composed of:

- Insurance - \$40K
- Tax Collection Fees - \$571K
- Deposits - \$82K
- Software - \$92K
- Memberships/Subscriptions - \$27K
- JTT Equipment - \$149K

Total Current Assets – \$634M



Restricted Cash & Investments or Noncurrent

Investments Restricted for Capital Acquisition – \$112M in securities and reserves restricted for capital acquisition.

Sendero Paid-in-Capital – \$71.0M (unchanged)

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

Sendero Surplus Debenture – \$37.1M (unchanged)

Restricted TCHD LPPF Cash & Investments - \$23M

Lease Receivables GASB87* - \$248M

- Lease Receivable Short-Term \$10.7M
- Lease Receivable Long-Term \$238M

Capital Assets – \$131M, net of accumulated depreciation

Total Assets – \$1.3B



Current Liabilities – Slide 5

Accounts Payable – Major components of the \$18.2M balance are:

- \$16M estimated IBNR for healthcare services.
- \$2.6M invoices payable.

Salaries and Benefits Payable – \$3M balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued personal time off.

Other Payables – \$323K Contract Liability.

Debt Service Payable, Short-Term – \$5M in Certificates of Obligation and Interest Payable for Series 2020 and 2021 Taxable and non-Taxable debt.

Deferred Tax Revenue - \$171M

Other Deferred Revenue - \$189K Episcopal Health Foundation Grant

Total Current Liabilities – \$208M

Restricted or Noncurrent Liabilities

Funds held for TCHD LPPF - \$23M receipts from participants in the LPPF.



Debt Service Payable, Long-Term – \$75.8M balance (unchanged):

	Series 2020	Series 2021	
	General Obligation Bonds	Certificates of Obligation Bonds	
Non-tax LT	3.7 M	12.7 M	
Taxable LT		57.4 M	
Premium		2.0 M	
Totals	3.7 M	72.2 M	75.8 M

\$7.285M was originally issued in 2011 for the North Central clinic and refunded May 2020. \$72.9M was issued in 2021 for two clinics and an administration building. Annual payments are due on 3/1 for all Series.

Total Restricted of Noncurrent Liabilities – \$99M

Lease Payable Long-Term GASB87* - \$43M

Deferred Revenue Long-Term GASB87* - \$240M

Total Noncurrent Liabilities Leases* – \$283M

Total Liabilities – \$590M

Net Assets

Unrestricted Net Assets – \$520M

Restricted Net Assets – \$56M

Investment in Capital Assets – \$103M



Total Net Assets – \$520M

Total Liabilities and Net Assets – \$1.3B

*Governmental Accounting Standards Board statement 87, Leases (GASB87) the new lease accounting standard requires entities to report future long term lease obligations, previously reported as operating activity, on the balance sheet to convey control of the right to use the non-financial asset. This will significantly increase long term governmental balance sheets as a result of this requirement. The new rules require lessees to recognize a lease liability and an intangible asset while lessors are required to recognize lease receivables and a deferred inflow of resources on their financial statements.



Sources and Uses Report – Slide 6

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

Sources – Total \$113M for the month

Property Tax Revenue – Net property tax revenue for the month was \$110.6M. Net revenue includes \$110.7K current month's collections; \$50K Penalties and Interest; and \$(154)K in adjustments for prior year delinquent taxes.

Lease Revenue – \$1.6M for Downtown Campus, Hancock Clinic, and land leases

Other Revenue/Expense – \$1.2M which includes:

- Monthly investment income – \$926K
- Grant revenue – \$311K

Uses of Funds – Total \$11M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$10M for the month and \$51M YTD compared to \$25M FY22 YTD.

Administration Program – \$783K in expense for the month, which includes:

- Personnel costs – \$582K
- Consulting fees - \$9K
- Legal fees – \$124K
- Other general and administrative – \$68K

Tax Collection Expenses – \$503K for the month.

Excess Sources/(Uses) – \$102M in December. Current YTD is \$66M compared to \$92M FY22 YTD.



Healthcare Delivery Expense – Slide 7

Healthcare Delivery Expense – Total \$10M current month; \$51M YTD compared to \$25M FY22 YTD.

Intergovernmental Transfers (“IGT’s”) – YTD \$0 for DSRIP IGT compared to \$0 YTD last year for DSRIP IGT.

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

- Primary care – \$4M
- Specialty Care including Dental – \$1M
- Specialty Care - Behavioral Health – \$67K
- Pharmacy - \$618K
- All Other - \$319K

Direct Healthcare Services – \$26K

ACA Premium Assist, Education, Enrollment – \$1M in expenses for the month; \$3M YTD compared to \$3M FY22 YTD

Healthcare Facilities and Campus Redevelopment - \$211K in expense for the month and \$540K YTD.

Healthcare Delivery Operating Cost – \$2.6M in expenses for the month and includes:

- Personnel costs – \$1.5M
- Consulting Services – \$3K
- Legal Fees - \$1K
- Other services and purchased goods – \$1M

Debt, Reserves and Transfer – \$132K in Debt Service

Total Healthcare Delivery - for the month of December was \$10M.

Community Care Collaborative

Financial Statement Presentation

FY 2023 – as of December 31, 2022 (Preliminary)

**Central Health Board of Managers
Board of Managers Meeting
February 22, 2023**

Lisa Owens, Deputy Chief Financial Officer



**Community Care
COLLABORATIVE**

a partnership of Central Health and Seton Healthcare Family

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Preliminary



Highlights

Community Care Collaborative
December 31, 2022

- * Cash is at \$13.3M compared to \$22.6M last year.
- * Total Liabilities are at \$9.7M at the end of December.
- * Net Assets at the end of December are \$3.7M.

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Preliminary

Balance Sheet

Community Care Collaborative
December 31, 2022



	<u>12/31/2022</u>	<u>12/31/2021</u>
Assets		
Cash and Cash Equivalents	13,262,005	22,580,297
Other Receivables	23,980	39,249
Prepaid and Other	116,598	74,642
Total Assets	<u>13,402,583</u>	<u>22,694,189</u>
Liabilities		
AP and Accrued Liabilities	608,976	4,569,897
Deferred Revenue	9,045,686	7,455,418
Other Liabilities	20,421	126,280
Accrued Payroll	0	620
Total Liabilities	<u>9,675,084</u>	<u>12,152,214</u>
Net Assets	<u>3,727,499</u>	<u>10,541,975</u>
Liabilities and Net Assets	<u>13,402,583</u>	<u>22,694,189</u>

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Preliminary

Sources and Uses Report

Community Care Collaborative

Fiscal Year-to-Date through December 31, 2022



Sources of Funds	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
DSRIP Revenue	61,168,472	0	0%	0
Operations Contingency Carryforward	5,362,495	3,938,408	73%	9,123,145
Other Sources	100,000	80,697	81%	3,023
Total Sources of Funds	66,630,967	4,019,105	6%	9,126,168
Uses - Programs				
Healthcare Delivery	19,630,967	291,606	1%	2,473,389
UT Affiliation Agreement	35,000,000	0	0%	0
DSRIP Project Costs	12,000,000	0	0%	1,110,804
Total Uses	66,630,967	291,606	0%	3,584,193
Net Sources (Uses)	-	3,727,499		5,541,975
Net Assets		3,727,499		5,541,975

* Operating under FY20 approved budget.

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Preliminary

Healthcare Delivery Costs

Community Care Collaborative

Fiscal Year-to-Date through December 31, 2022



	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	0	0%	225,903
Specialty Care	3,908,000	0	0%	307,652
Specialty Behavioral Health	8,000,000	0	0%	1,050,000
Post-Acute Care	2,675,000	0	0%	386,001
Urgent and Convenient Care	475,000	0	0%	21,878
Healthcare Delivery - Operations	2,849,742	291,606	10%	481,956
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	291,606	1%	2,473,389

* Operating under FY20 approved budget.

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Preliminary

Thank You

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Preliminary



December 2022 FYTD Financial Statements (unaudited)
Page 1 of 3

Balance Sheet

Current Assets

Cash and Cash Equivalents – \$13.3M

Other Receivables – \$24K Atrium lease receivable

Prepaid and Other – \$117K – \$80K prepaid rent and \$37K Atrium security deposit

Total Assets – \$13.4M

Liabilities

Accounts Payable and Accrued Liabilities – \$609K, which includes:

- \$541K estimated IBNR (Incurred But Not Received) for healthcare provider services
- \$68K due to Central Health

Deferred Revenue – \$9.0M deferred revenue related to DSRIP projects

Other Liabilities – \$20K includes leasehold improvement allowance liability of \$6K and deferred rent of \$15K

Total Liabilities – \$9.7M

Net Assets

Unrestricted Net Assets – \$3.7M



December 2022 FYTD Financial Statements (unaudited)
Page 2 of 3

Total Net Assets – \$3.7M

Total Liabilities and Net Assets – \$13.4M

Sources and Uses Report

December financials > 3 months > 25% of fiscal year

Sources of Funds, Year-to-Date - \$4.0M

Operations Contingency - \$3.9M from FY2022, Emergency reserves of \$5M have been removed in FY2023

Other Sources – \$81K interest income

Uses of Funds, Year-to-Date

Operating Expenses

Healthcare Delivery (Excludes DSRIP) – \$292K

	Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	0	0%	225,903
Specialty Care	3,908,000	0	0%	307,652
Specialty Behavioral Health	8,000,000	0	0%	1,050,000
Post-Acute Care	2,675,000	0	0%	386,001
Urgent and Convenient Care	475,000	0	0%	21,878
Healthcare Delivery - Operations	2,849,742	291,606	10%	481,956
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	291,606	1%	2,473,389

UT Affiliation Agreement – \$0

DSRIP Project Costs – \$0



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

February 22, 2023

AGENDA ITEM 3

Discuss Central Health owned or occupied real property and potential property for acquisition, lease, or development in Travis County, including next steps in the redevelopment of the Central Health Downtown Campus, administrative offices of Central Health Enterprise partners, and new developments in Eastern Travis County.³ (*Informational Item*)



AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date February 22, 2023 Budget and Finance Subcommittee Meeting

Who will present the
agenda item? (Name, Title) Stephanie Lee McDonald, VP Enterprise Alignment & Coordination
Jeff Knodel, CFO

General Item Description Update on Real Estate Acquisition strategy including project financing

Is this an informational or
action item? Informational

Fiscal Impact NA at this time

Recommended Motion (if
needed – action item) NA

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

- 1) Update on potential acquisition of real property including proposed project financing
- 2) _____
- 3) _____

What backup will be
provided, or will this be a
verbal update? (Backup is
due one week before the
meeting.) Presentation will be shared at the meeting

Estimated time needed for
presentation & questions? 15 minutes

Is closed session
recommended? (Consult
with attorneys.) Yes – Real Property Acquisition

Form Prepared By/Date
Submitted: Stephanie Lee McDonald 2/15/2023



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

February 22, 2023

AGENDA ITEM 4

Confirm the next Budget and Finance Committee meeting date, time, and location. (*Informational Item*)