



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, August 23, 2023, 3:00 p.m.** **Or immediately following the Medical Committee Meeting**

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 connecting to the Zoom meeting link listed below (copy and paste into your web browser):

<https://us06web.zoom.us/j/83883178302?pwd=OW5LaDViaHgZVVdUMnZ4Sjh6TS9aUT09>

Meeting ID: 838 8317 8302

Passcode: 343457

Links to livestream video are available at the URL below (copy and paste into your web browser):

<https://www.youtube.com/watch?v=917UAKH3LBc>

Or to participate by telephone only:

Dial: (346) 248 7799

Meeting ID: 838 8317 8302

Passcode: 343457

The Committee may meet via videoconference with a quorum present in person and will 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 1:30 p.m. on August 23, 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. Approve the minutes of the August 9, 2023 Budget and Finance Committee meeting. (*Action Item*)
2. Receive and discuss a presentation on the proposed Central Health Fiscal Year (FY) 2024 budget and tax rate. (*Informational Item*)
3. Discuss impact of potential changes on the proposed 2024 budget, tax rate, and future delivery of health care.³ (*Informational Item*)
4. Receive updates on the preliminary July 2023 financial statements, including capital projects, for Central Health and the Community Care Collaborative. (*Informational Item*)
5. Receive and discuss the quarterly financial and operational reports for CommUnityCare Health Centers and Sendero Health Plans. (*Informational Item*)
6. Receive and discuss an update on Sendero Health Plans financials and proposed business strategies.^{3,4} (*Informational Item*)

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

¹ This meeting may include one or more members 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 §551.071 (Consultation with Attorney).

⁴ Possible closed session discussion under Texas Government Code §551.085 (Governing Board of Certain Providers of Health Care Services)

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
August 23, 2023

AGENDA ITEM 1

Approve the minutes of the August 9, 2023 Budget and Finance Committee meeting. (*Action Item*)

MINUTES OF MEETING – AUGUST 9, 2023
CENTRAL HEALTH
BUDGET AND FINANCE COMMITTEE

On Wednesday, August 9, 2023, a meeting of the Central Health Budget and Finance Committee convened in open session at 2:55 p.m. in person at the Central Health Administrative Offices and remotely by toll-free videoconference. Clerk for the meeting was Briana Yanes.

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

Board members present in person: Manager Bell, Manager Jones, Manager Brinson, and Manager Zamora (arrived at 3:37 p.m.)

Absent: Manager Martin

PUBLIC COMMUNICATION

Clerk’s Notes: Public Communication began at 2:57 p.m. Chair Museitif announced that no speakers signed up for Public Communication.

COMMITTEE AGENDA

1. Approve the minutes of the July 26, 2023 Budget and Finance Committee meeting.

Clerk’s Notes: Discussion on this item began at 2:58 p.m.

Manager Brinson moved that the Committee approve the minutes of the July 26, 2023 Budget and Finance Committee meeting.

Manager Bell seconded the motion.

Chairperson Museitif	For
Manager Kitchen	For
Manager Martin	Absent
Manager Motwani	For
Manager Bell	For
Manager Jones	For
Manager Brinson	For

2. Receive and discuss a presentation on the proposed Central Health Fiscal Year (FY) 2024 budget and tax rate.

Clerk’s Notes: Discussion on this item began at 2:58 p.m. Mr. Mike Geeslin, President & CEO; Ms. Monica Crowley, Chief Strategy & Planning Officer and Sr. Counsel; Mr. Jonathan Morgan, Chief Operating Officer; and Mr. Jeff Knodel, Chief Financial Officer, presented the proposed Central Health FY24 budget and tax rate. The FY 2024 proposed budget incorporates the initial implementation of the recently approved Healthcare Equity Action Plan. Staff anticipates more than \$40 million in new spending to meet these identified gaps and needs for patients. The budget was prepared at a 6.5% year-over-year increase to the no-new-revenue tax rate in order to support the long-term financial sustainability to implement the Action Plan.

3. Discuss updates and take appropriate action on a Performance Review contracted by Travis County, including delegations to the President & CEO to execute necessary agreements between Central Health, Travis County, and Mazars USA.

Clerk's Notes: Discussion on this item began at 4:44 p.m.

At 4:45 p.m. Chairperson Museitif announced that the Committee was convening in closed session to discuss agenda item 3 under Texas Government Code §551.071 Consultation with Attorney.

At 5:45 p.m. the Board returned to open session.

Manager Motwani moved that the Committee delegate authority to the President and CEO to execute an Interlocal Agreement with Travis County related to funding and participation in the Performance Review contracted between Travis County and Mazars, USA on terms the same or more favorable than those discussed in closed session.

Manager Bell seconded the motion.

Chairperson Museitif	For
Manager Kitchen	For
Manager Martin	Absent
Manager Motwani	For
Manager Bell	For
Manager Jones	For
Manager Brinson	For
Manager Zamora	For

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

Manager Bell moved that the Committee adjourn.

Manager Brinson seconded the motion.

Chairperson Museitif	For
Manager Kitchen	For
Manager Martin	Absent
Manager Motwani	For
Manager Bell	For
Manager Jones	For
Manager Brinson	For
Manager Zamora	For

The meeting was adjourned at 5:46 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

August 23, 2023

AGENDA ITEM 2

Receive and discuss a presentation on the proposed Central Health Fiscal Year (FY) 2024 budget and tax rate. (*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 August 23, 2023

Who will present the agenda item? (Name, Title) Jeff Knodel, Chief Financial Officer
Kim Johnson, Budget and Financial Analyst

General Item Description Receive and discuss a presentation on the proposed Central Health Fiscal Year (FY) 2024 budget and tax rate.

Is this an informational or action item? Informational

Fiscal Impact _____

Recommended Motion (if needed – action item) N/A

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

- 1) The FY 2024 proposed budget incorporates the initial implementation of the recently approved Healthcare Equity Action Plan.
- 2) We anticipate more than \$40 million in new spending to meet these identified gaps and needs for our patients.
- 3) The budget was prepared at a 6.5% year over year increase in the no new revenue tax rate in order to support the long-term financial sustainability to implement the Action Plan.

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.) Presentation- Due to timing or need to discuss real-time for context, the backup for this item will be provided next week. Because this is an information item, the Board will not be asked to make a decision or conclude deliberations except in the case of emergencies.

Estimated time needed for presentation & questions? 30 minutes

Is closed session recommended? (Consult with attorneys.) No

Form Prepared By/Date Submitted: Briana Yanes/ August 18, 2023

HEALTHCARE IS GETTING BETTER.

Fiscal Year 2024 Budget

Central Health Budget &
Finance Committee Meeting

August 23, 2023



CENTRAL HEALTH



EASTERN TRAVIS COUNTY
Hornsby Bend Health and Wellness Center
Opening October 2023

Serving more
than **1 in 9**
Travis County
residents

- **In FY 2022:**
 - **152,453 patients** served
 - **122,159 covered** by MAP, MAP Basic, Sendero
 - **228 provider locations**

**Our patients
are:**

- **predominantly people of color** and/or **Hispanic/Latino (77%)**
- **Linguistically diverse** (52% Spanish-speaking; also Vietnamese, Arabic, Burmese)
- **54% female** (and include diverse gender identities)



FY24 PROPOSED BUDGET

Attachment A – Sources and Uses



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

DESCRIPTION	FY 2023 APPROVED BUDGET	FY 2024 PROPOSED BUDGET 8/9/2023	FY 2024 PROPOSED BUDGET 8/23/2023	8/9 to 8/23 Variance
TAX RATE	0.098684	0.100688	0.100692	0.000004
FTEs	333.7	522.5	530.5	7.9
SOURCES				
Property Taxes	281,605,053	312,456,814	312,456,814	-
Lease Revenue	13,145,328	12,022,497	12,022,497	-
Tobacco Litigation Settlement	4,500,000	4,500,000	4,500,000	-
Other	1,500,000	7,500,000	7,500,000	-
Total Sources	300,750,381	336,479,311	336,479,311	-
USES				
Salary and Benefits	40,599,464	68,791,660	68,892,164	100,504
Goods and Services	193,758,773	242,157,412	242,701,673	544,261
UT Affiliation Agreement	22,000,000	35,000,000	35,000,000	
Operating Transfers Out	49,000,000	8,278,283	8,019,240	(259,043)
Total Uses	305,358,237	354,227,354	354,613,076	
RESERVES				
Healthcare Delivery Contingency Reserve ⁽¹⁾	327,783,722	389,167,668	389,595,303	427,635
Emergency Reserve	38,719,836	49,369,836	46,739,076	(2,630,760)

(1) Healthcare Delivery Contingency Reserves to be appropriated for FY2024

Changes from 8/9 to 8/23:

- Tax Rate adjusted based on T-n-T calculation
- FY23 Lease Revenue revised from \$12.3M to \$13.1M, increasing the year end reserve estimate.
- Made changes in HR employee and cost Enterprise allocations
- Added funds for approved outreach and branding Initiative
- Adjusted transfer to emergency reserve
- Minor adjustments to Direct Services and clinical support costs

FY24 PROPOSED BUDGET

Attachment B – Uses



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

DESCRIPTION	FY 2023 APPROVED BUDGET	FY24 PROPOSED BUDGET 8/23/2023
HEALTHCARE DELIVERY		
Purchased Healthcare Services		
Primary Care: Medical, Dental, & Behavioral Health	66,236,822	68,282,200
Specialty Care: including Specialty Dental	27,163,000	30,388,000
Specialty Care: Behavioral Health	12,040,000	13,675,000
Post Acute Care	5,650,000	7,250,000
Pharmacy	17,000,000	18,000,000
Community Health Care Initiatives Fund	1,750,000	875,000
Purchased Healthcare Services	129,839,822	138,470,200
Direct Healthcare Services		
Podiatry	751,726	1,877,022
Cardiology	837,410	2,079,895
Neurology	362,511	1,264,294
Gastroenterology	465,026	2,039,621
Nephrology	196,081	1,129,700
Pulmonology	228,359	1,370,648
Transitions of Care		4,074,868 *
Medical Respite		906,886
Diagnostics and Ancillary	2,832,148	3,511,294 *
Clinical Support		11,022,146 *
Direct Healthcare Services Total	5,673,261	29,276,374 *
MAP Eligibility - Increase in eligibility period	2,000,000	1,000,000
Total Healthcare Services	137,513,083	168,746,574 *

Changes from 8/9 to 8/23:

- Increase in salaries and benefits after grading adjustments

FY24 PROPOSED BUDGET

Attachment B – Uses



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

DESCRIPTION	FY 2023 APPROVED BUDGET	FY24 PROPOSED BUDGET 8/23/2023
HEALTHCARE DELIVERY		
Healthcare Operations & Support		
Salary and Benefits	25,545,451	33,878,558 *
ACA Healthcare Premium Assistance Programs	14,648,261	18,587,364
Enrollment Assistance	588,000	575,000
Real Estate and Campus Redevelopment	3,693,750	1,920,360 *
UT land lease for teaching hospital	1,027,277	1,037,550
Legal	433,000	766,000
Consulting	1,740,000	2,315,000
Other professional goods & services	8,138,035	10,198,035
Outreach and Education	1,428,000	1,352,211 *
Leased Facilities, Security and Maintenance	2,348,500	5,699,000
Insurance and Risk Management	250,000	400,000
Information Technology	6,762,525	13,855,455
Printing, Copying, Postage and Signage	620,305	724,105 *
Travel, training and professional development	801,502	1,186,250
Other operating expenses	174,445	738,883
Health Care Capital Line of Credit	500,000	500,000
Debt service - principal retirement	4,345,000	7,440,000
Debt service - interest	1,651,744	7,026,462
Transfer to Sendero Risk-Based Capital	-	6,000,000
Total Healthcare Operations	74,695,794	114,200,233 *
Total Healthcare Delivery	212,208,877	282,946,806

Changes from 8/9 to 8/23:

- Moved Salaries and benefits out of Real Estate line
- Added approved outreach initiative
- Accounted for contract changes

FY24 PROPOSED BUDGET

Attachment B – Uses



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

DESCRIPTION	FY 2023 APPROVED BUDGET	FY24 PROPOSED BUDGET 8/23/2023
ADMINISTRATION		
Salary and Benefits	9,131,752	14,673,415 *
Legal	2,756,636	2,745,136
Consulting	1,626,520	2,419,750
Investment Services (Travis County)	115,000	126,000
Benefits and Payroll Administration Services	356,266	635,483
Other professional goods & services	1,156,850	2,040,350 *
Marketing and Communications	184,098	249,061
Leases, Security and Maintenance	929,200	1,253,250
Insurance and Risk Management	455,000	412,500
Phones, Computer Equipment and Utilities	629,573	1,149,186
Printing, Copying, Postage and Signage	54,725	53,425 *
Travel, training and professional development	449,605	386,695 *
Other operating expenses	156,485	205,365
Appraisal District Svcs	1,155,350	1,213,118
Tax Collection Expense	992,300	1,084,297
Cash held for self insured employee health benefits	2,000,000	-
Total Administration & Tax Collection	22,149,360	28,647,030 *
UT Affiliation Agreement	22,000,000	35,000,000
OPERATING TRANSFERS		
Transfer to capital reserve	49,000,000	-
Transfer to emergency reserve	-	8,019,240 *
TOTAL USES	305,358,237	354,613,076 *

Changes from 8/9 to 8/23:

- Revised HR Enterprise employee and expense allocations

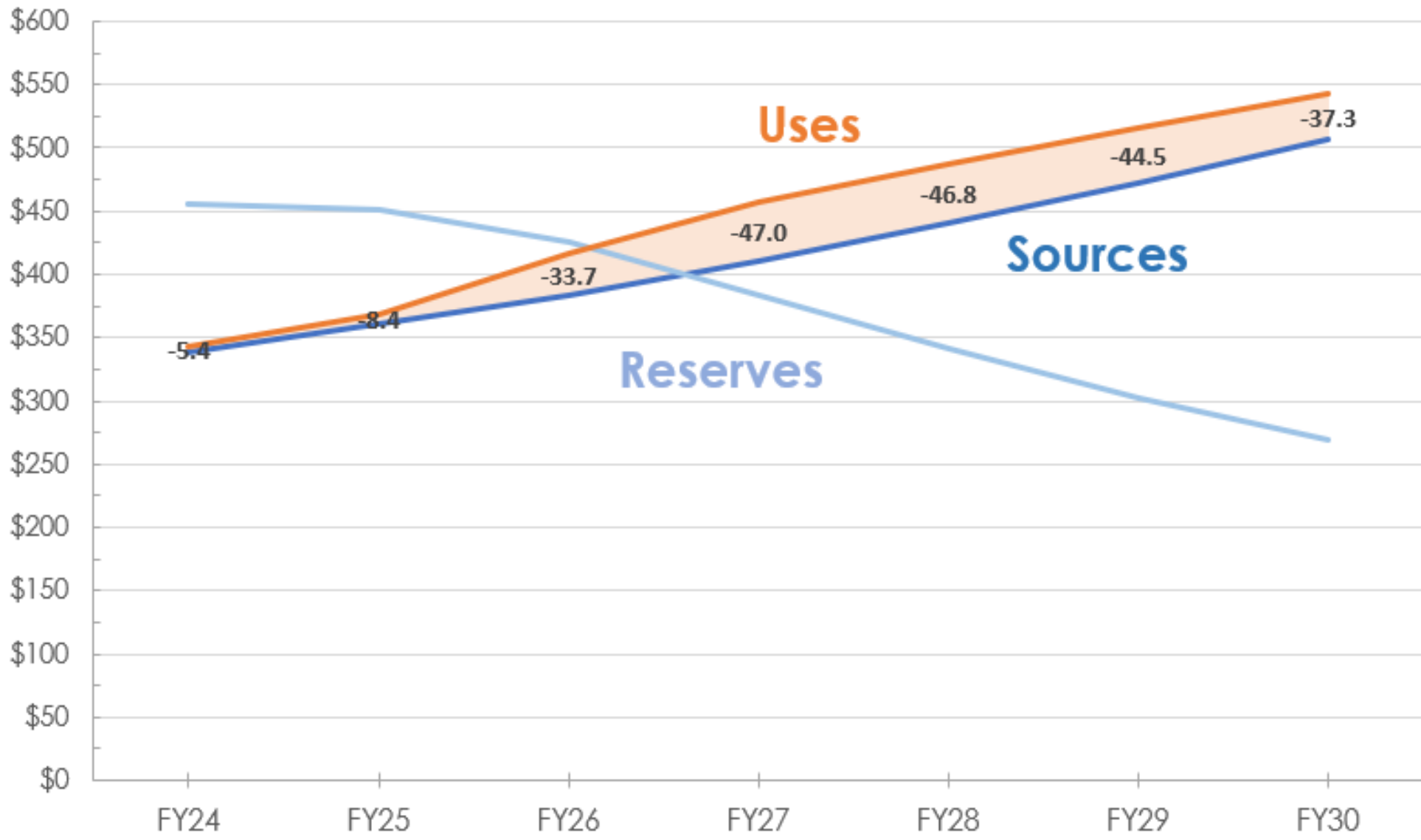
FY24 CAPITAL BUDGET



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

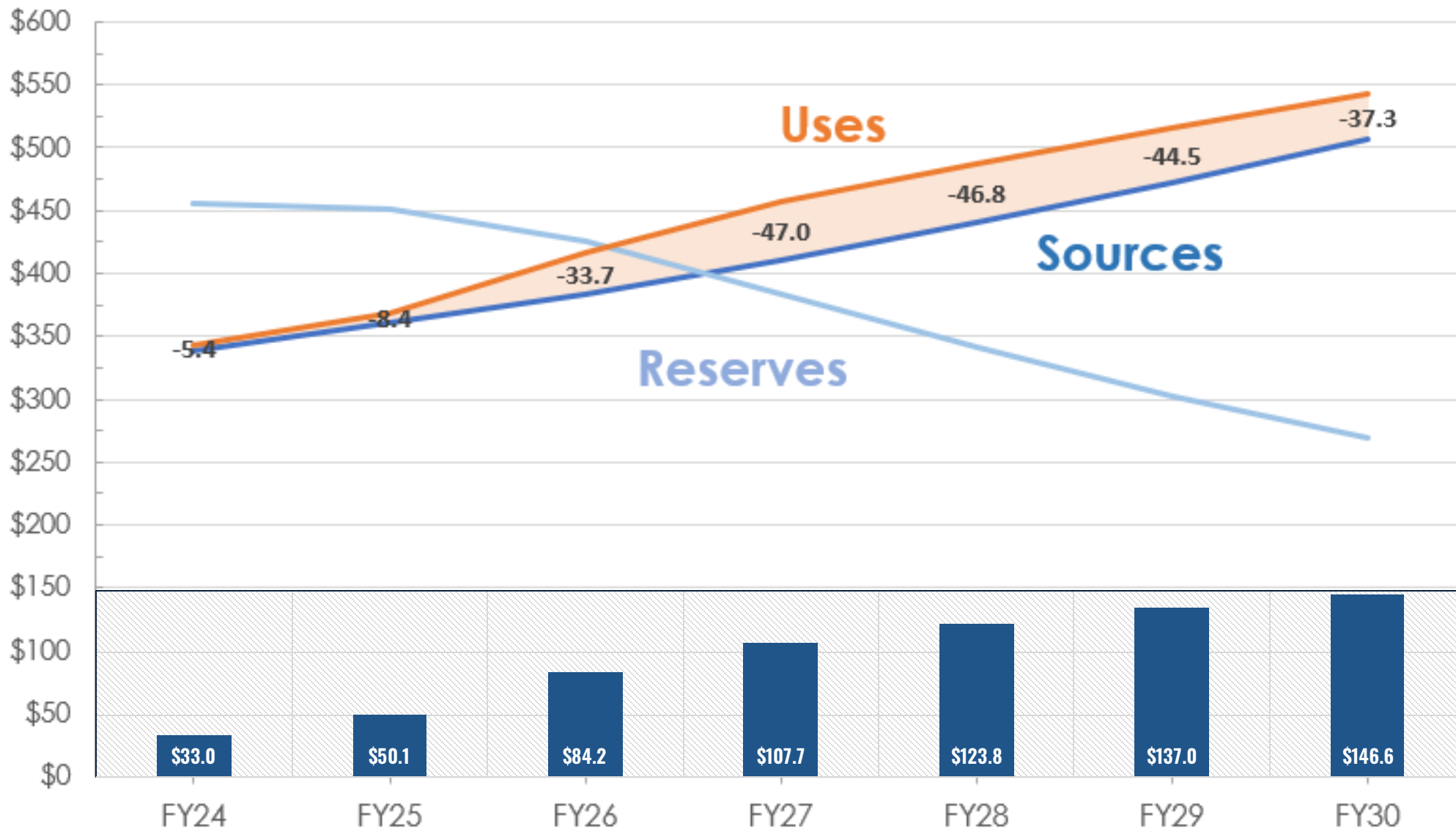
Major Capital Projects Budget			
Project Name	Fiscal Year-to-date Approved Budget*	FY24 Operating Transfer in	FY24 Year-to-date Approved Budget
Hornbsy Bend Health and Wellness Center	\$9.054	-	\$9.054
Del Valle Health and Wellness Center	\$15.133	-	\$15.133
Rosewood Zaragosa Specialty Clinic	\$9.012	-	\$9.012
Colony Park Health and Wellness Center	\$16.144	-	\$16.144
Hancock Clinical Services and Headquarters Consolidation	\$62.590	-	\$62.590
Cameron Center	\$90.575	-	\$90.575
Technology and Equipment	\$2.000	-	\$2.000
Facilities Repair and Replacement	\$3.000	-	\$3.000
Other	\$11.495	-	\$11.495
Total (in millions)	\$219.002	-	\$219.002



Seven-Year Financial Forecast (FY 2024–2030)



HEALTHCARE IS GETTING BETTER



RESERVES to manage RISKS:

- Financial
- Operational
- Regulatory/ Legal
- Workforce

Healthcare Equity Plan Implementation
 Incremental costs over prior year baseline

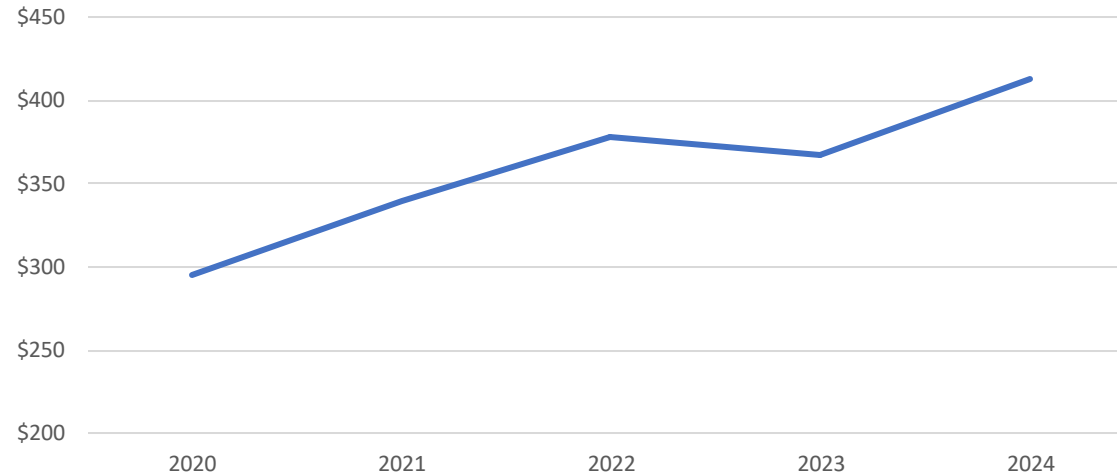
TAXPAYER IMPACT: FIVE YEAR HOMESTEAD EXAMPLE - 10% HS CAP



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

Homestead Tax Payment Amount



FY	Taxable	HS Amt	Tax Rate	HS Tax Payment
2020	350,000	280,000	0.105573	\$296
2021	385,000	308,000	0.110306	\$340
2022	423,500	338,800	0.111814	\$379
2023	465,850	372,680	0.098684	\$368
2024	512,435	409,948	0.100688	\$413

FY 2022-2024 Payment +4.5% annually

\$23.6M increase in Direct Healthcare Services

FY 2023
\$5.7M

FY 2024
\$29.3M

- Adding clinical staff in **six** specialty care lines at **Rosewood-Zaragosa** Multi-Specialty Clinic, which will ultimately see 30,000–35,000 patient encounters annually.
- Building clinical programs to help prevent and manage diseases such as **heart failure and renal disease**
- Establish new **Transitions of Care** teams including
 - 2 Social Workers
 - 2 Community Health Workers
 - 4 Registered Nurses
- Expanding **Medical Respite** staff to support contracted services and develop future Cameron Center site.
- Implement and support robust **electronic medical records system**
- Expand transportation, translation and other **patient support services**.



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

\$39.5M increase in Healthcare Operations & Support

FY 2023
\$74.7M

FY 2024
\$114.2M

- Opening **Hornsby Bend Health & Wellness Center** (9 exam rooms; 4 flex rooms)
- Opening **Del Valle Health & Wellness Center** (14 exam rooms; 9 adult/pediatric dental chairs + 2 private dental rooms)
- Expanding **Eligibility and Enrollment** team by 12 staff
- Adding **community outreach** staff person
- Establishing a **Central Health Navigation Center** with 40 current and new staff to guide patients and members to appropriate care and resources
- Building **technology infrastructure** and growing data analytics and reporting systems.
- Continuing **Sendero Affordable Care Act (ACA) subsidy programs** serving more than 4,100 members.



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

\$8.6M increase in Purchased Healthcare Services

FY 2023
\$129.8M

FY 2024
\$138.5M

- CUC Healthcare for the Homeless **street medicine** and **mobile clinic** teams
- **Diversion services**
- **Medical Respite** contracts
- **Substance use disorder** and addiction medicine services
Primary Care and Specialty Care **expanded access**

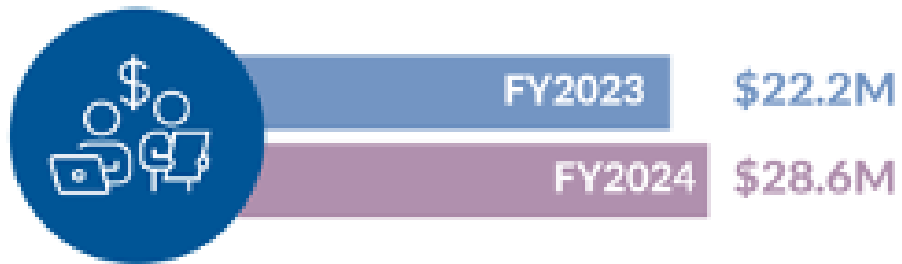


CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

Administration & Tax Collection

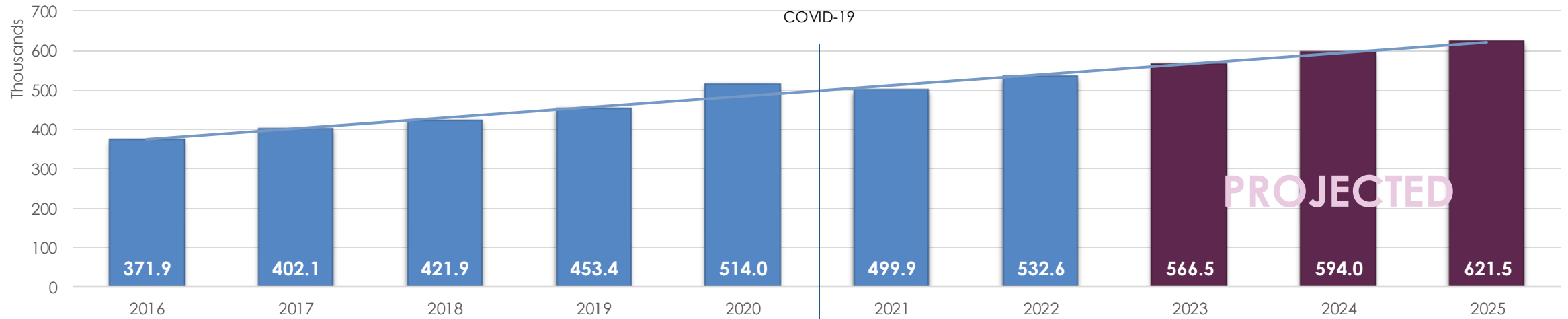
\$6.5M Increase



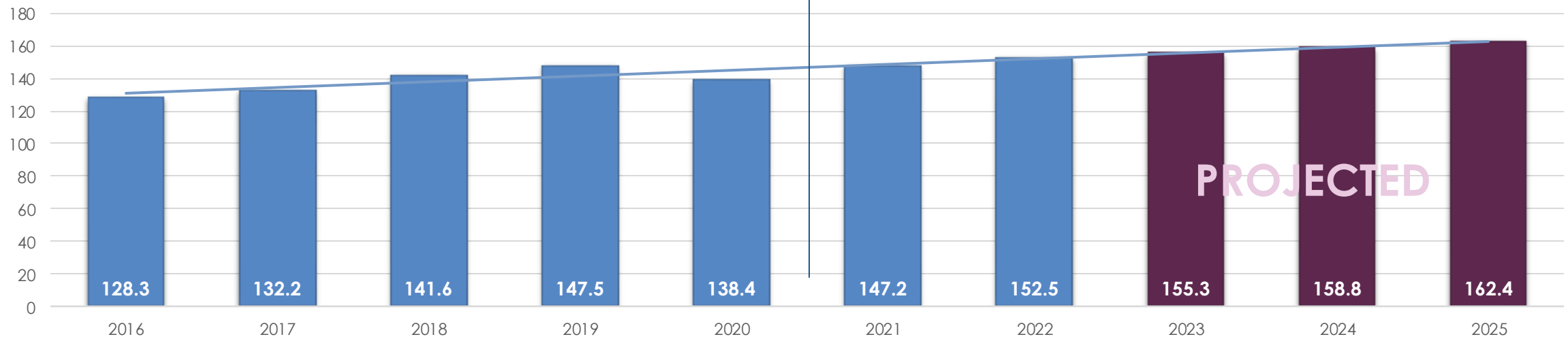
- Building a robust **compliance program**
- Growing provider and clinical **talent acquisition** and **workforce development** programs to support growing clinical services staff
- Expanding **finance, procurement, and human resources** capacity to meet the needs of a growing organization



Total Primary Care Visits: 67% increase 2016-2025



Total Unduplicated Patients: 27% increase 2016-2025



Increasing primary care utilization = increasing need for all types of care



CENTRAL HEALTH

HEALTHCARE IS GETTING BETTER

BUDGET CALENDAR

- ✓ July 12 Central Health Strategic Planning Committee Meeting
(FY 2024 Strategic Priorities)
- ✓ July 26 Central Health Board of Managers
(FY 2024 Central Health Long-Term Forecast)
- ✓ August 2 Central Health Strategic Planning Committee Meeting
(Central Health – Healthcare Equity Action Plan)
- ✓ August 9 Central Health Board of Managers Meeting
(FY 2024 Central Health Proposed Budget)
- **August 17** **Community Conversation** Northeast Austin
August 22 **Community Conversation** Pflugerville
August 28 **Community Conversation** Southeast Austin
(FY 2024 Proposed Budget)

BUDGET CALENDAR

- August 23 Central Health Board of Managers Meeting
(FY 2024 Proposed Budget and vote on maximum tax rate)
- August 24 Travis County Commissioners Court Work Session
(FY 2024 Key Central Health budget drivers and
Healthcare Equity Action Plan)
- August 30 Central Health Public Hearing
(FY 2024 Proposed Budget and tax rate)
- September 6 Central Health Board of Managers Meeting
(FY 2024 Budget and tax rate adoption)
- September 7 Travis County Commissioners Court Work Session
(FY 2024 Central Health Proposed Budget and tax rate)
- September 19 Travis County Commissioners Court
(FY 2024 Central Health Budget and tax rate adoption)

HEALTHCARE IS GETTING BETTER.

Fiscal Year 2024 Budget

Thank you.



CENTRAL HEALTH



APPENDIX



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

TAXPAYER IMPACT

On Average Homestead

	FY23 Approved	FY24 Proposed
Average Taxable Homestead Value	\$427,918	\$475,286
Average Taxable Homestead Value Appreciation	12.2%	11.1%
Tax Rate	9.8684	10.0692
M&O	9.6604	9.6071
Debt Service	0.2080	0.4621
Tax Bill	\$422.29	\$478.57
M&O	\$413.39	\$456.61
Debt Service	\$8.90	\$21.96

Average Taxable Homestead Property Tax is anticipated to increase by \$56.28

Homestead Exemption	65 & Older	Disability
20% (maximum allowable by state law)	\$124,000	\$124,000
Tax bill reduction of exemptions		
	\$95.71	\$124.86

TAXPAYER IMPACT

By Homestead Value
with year-over-year
appreciation

FY2023 Homestead Value	FY2023 Taxable Homestead Value*	FY2023 Tax Bill**	FY23 Average Homestead Value Appreciation	FY2024 Homestead Value	FY2024 Taxable Homestead Value*	FY2024 Tax Bill (6.5% over effective)***	Annual Change	Percent Change
150,000	\$120,000	\$118	7.6%	\$161,406	\$129,125	\$130	\$12	9.8%
250,000	\$200,000	\$197	8.7%	\$271,778	\$217,423	\$219	\$22	10.9%
350,000	\$280,000	\$276	9.1%	\$381,874	\$305,499	\$308	\$31	11.3%
450,000	\$360,000	\$355	9.2%	\$491,366	\$393,093	\$396	\$41	11.4%
550,000	\$440,000	\$434	9.3%	\$601,038	\$480,831	\$484	\$50	11.5%
650,000	\$520,000	\$513	9.4%	\$711,245	\$568,996	\$573	\$60	11.6%
750,000	\$600,000	\$592	9.7%	\$822,430	\$657,944	\$662	\$70	11.9%
850,000	\$680,000	\$671	9.5%	\$930,628	\$744,502	\$750	\$79	11.7%

*Includes 20% homestead exemption

**FY2023 Tax Rate: 9.8684¢ per \$100/valuation

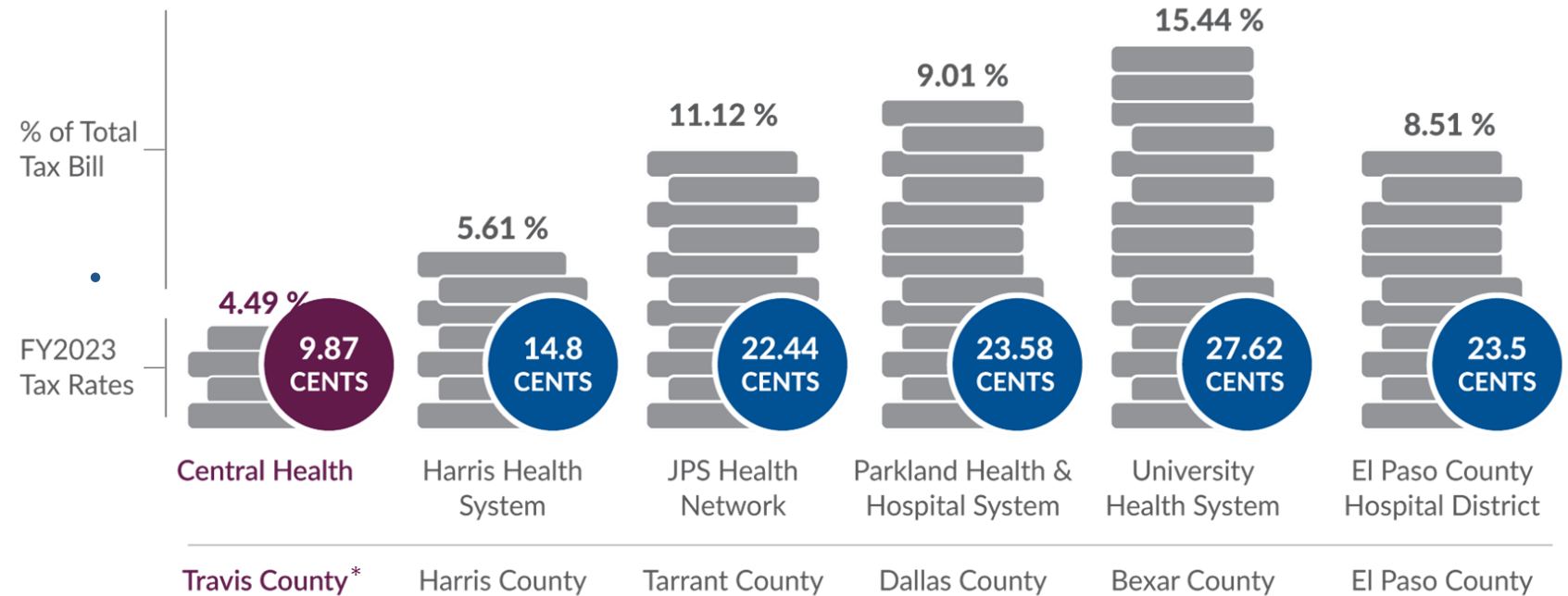
***FY2024 Tax Rate: 10.0692¢ per \$100/valuation (M&O=9.6071¢, Debt Service=0.4621¢)



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

TEXAS HOSPITAL DISTRICTS: FY23 TAX BURDEN COMPARISON



*Travis County does not own or operate a hospital unlike other districts



**We're building on
the two decades of
work since voters
created Central
Health in 2004.**



CLOSING THE GAPS

The Healthcare Equity Plan found moderate to significant gaps in care in every area of our safety-net system.

Central Health is working to close these gaps with more than 150 projects to improve care over seven years, including these near-term projects.

M **Moderate gaps**
(30%-50% of community's need is unmet)

S **Significant gaps**
(More than 50% of community's need is unmet)



Primary Care

- Timely service access
- Access to social services
- Quality care


M



Dental Care

Primary and specialty dental access

S



Behavioral Health

Substance use disorders, serious mental illness, anxiety, depression, also includes psych hospitals

M



Post-Acute Care

Respite care, home health care, custodial care

S



Specialty Care

Podiatry, Cardiology, Neurology, Gastro, Nephrology, Pulmonology, Cancer care, and more

S



Wellness and Prevention

Patient communication and education; screening; diet, nutrition & exercise

S

FY 24: **Hornsby Bend** and **Del Valle** Health and Wellness Centers

FY 24/25: **Medical Respite** and **Substance Use Treatment** at Cameron Center
 FY 24: **Diversion Services** Pilot
 FY 25: High Risk Care Clinic

FY 24: **Rosewood-Zaragosa** Multispecialty Clinic
 FY 24: **Patient Navigation Center**
 FY 25 on: **Hancock Center Clinics**

MEETING THE HEALTH NEEDS OF THE UNHOUSED



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER

Covering the Basics

- 9,000-10,000 MAP members lack housing
- Medical visits, pharmacy, dental, mental/behavioral health, substance use treatment
- Case management, housing and Social Security eligibility, support services collaborations

Specialized services

- Medical Respite
- Street Medicine
- Mobile Clinic
- Care Connections (CareCo) Clinic
- Austin Resource Center for the Homeless (ARCH)

Future initiatives (FYs 24-28)

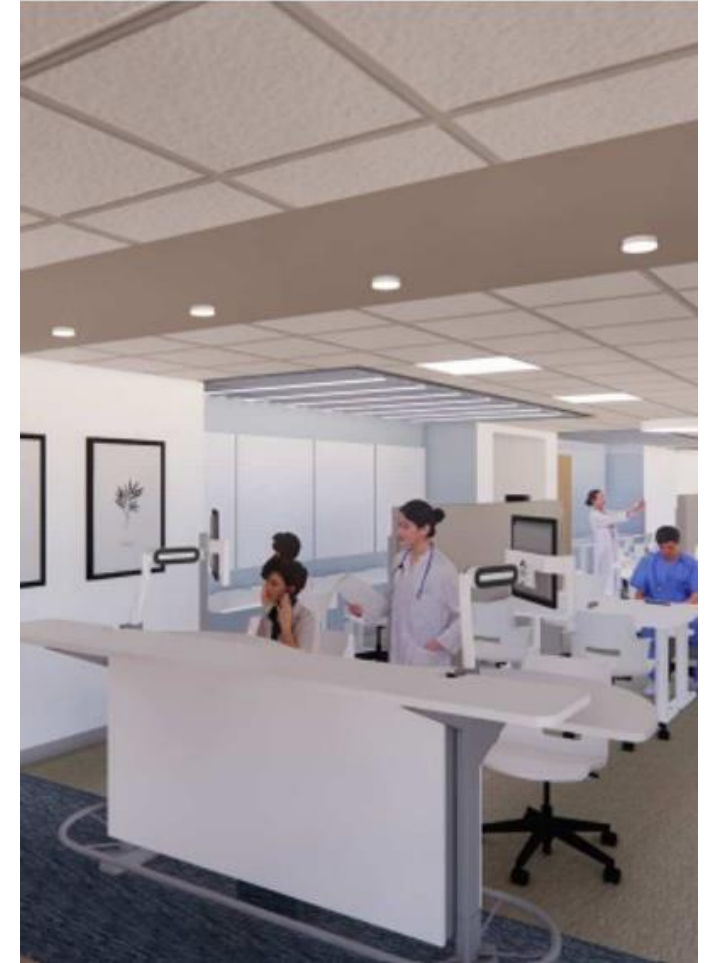
- Cameron Center
7900 Cameron Road
 - 50 medical respite beds
 - Substance use disorder treatment
 - Low-acuity detox
 - Physical/occupational therapy
 - Social services
 - Comprehensive medical clinic
- New street and mobile medical teams
 - Jail diversion services
 - Permanent supportive housing locations
- High-risk care clinic

ROSEWOOD- ZARAGOSA MULTI- SPECIALTY CLINIC



CENTRAL HEALTH

HEALTHCARE IS
GETTING BETTER



KEY TAKEAWAYS: FY24 BUDGET



- **Central Health is growing quickly.**
More providers and clinic locations • Expanded and new services for our patients
- **We're making major investments in healthcare equity.**
The Healthcare Equity Action Plan is a seven-year blueprint for a high-functioning, comprehensive safety-net healthcare system in Travis County.
- **We're already providing better healthcare.**
Medical respite care for the unhoused, expanded substance use treatment, specialty care expansion, and new clinics in East Austin and Eastern Travis County.



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

August 23, 2023

AGENDA ITEM 3

Discuss impact of potential changes on the proposed 2024 budget, tax rate, and future delivery of health care.³ (*Informational Item*)



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

August 23, 2023

AGENDA ITEM 4

Receive updates on the preliminary July 2023 financial statements, including capital projects, for Central Health and the Community Care Collaborative. (*Informational Item*)



CENTRAL HEALTH

Central Health

Financial Statement Presentation

FY 2023 – as of July 31, 2023 (Preliminary)

Central Health Board of Managers

August 23, 2023

Jeff Knodel CFO

Patti Bethke, Controller



Slide 2 Index

Slide 3 Highlights

Slide 4 Balance Sheet

Slide 5 Sources & Uses

Slide 6 HCD - Summary

Slide 7 HCD - Specialty



- Year-to-date through July collected net property tax revenue is \$278 million compared to \$260 million as of July 2022 representing 97.5% of the adjusted tax levy compared to 98.2% as of July 2022.
- Healthcare Delivery is \$172 million for the year as of 7/31/2023.
- GAAP reporting Net Assets increased \$115 million year-over-year.
- TCHD LPPF total restricted balance of LPPF as of 6/30/2023 is \$18.6 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.

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.



CENTRAL HEALTH

	Preliminary as of	
	07/31/2023	as of 7/31/2022
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	5,842,796	1,909,524
SHORT TERM INVESTMENTS	514,841,720	425,017,538
RESTRICTED INVESTMENTS	123,750,699	110,149,454
ACCOUNTS RECEIVABLE TAX	3,362,444	2,770,107
OTHER RECEIVABLES	6,908,901	2,730,474
TOTAL CURRENT ASSETS	654,706,560	542,577,098
LONG TERM ASSETS		
LEASE RECEIVABLE		
LEASE RECEIVABLE SHORT TERM	11,997,523	-
LEASE RECEIVABLE LONG TERM	238,804,438	-
TOTAL LEASE RECEIVABLES	250,801,961	-
CAPITAL ASSETS	187,598,170	114,928,490
ACCUMULATED DEPRECIATION	(35,881,277)	(29,278,778)
TOTAL CAPITAL ASSETS	151,716,894	85,649,712
TOTAL ASSETS	1,169,308,414	740,309,809
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	34,290,477	6,853,288
SALARIES & BENEFITS PAYABLE	6,971,880	3,744,535
DEBT SERVICE SHORT TERM	4,578,827	1,660,000
DEFERRED TAX REVENUE	3,015,611	2,233,594
TOTAL CURRENT LIABILITIES	48,856,796	14,491,417
RESTRICTED OR NONCURRENT LIABILITIES		
FUNDS HELD FOR TCHD LPPF	18,591,732	18,577,773
DEBT SERVICE PAYABLE LONG TERM	71,845,823	79,257,259
TOTAL RESTRICTED OR NONCURRENT LIABILITIES	90,437,555	97,835,032
NONCURRENT LIABILITIES		
LEASE LIABILITIES	47,685,113	-
DEFERRED REVENUE	238,828,472	-
TOTAL NONCURRENT LIABILITIES AND LEASES	286,513,585	-
TOTAL LIABILITIES	425,807,936	112,326,449
NET ASSETS		
INVESTMENT IN CAPITAL ASSETS		
RESTRICTED	117,487,023	60,253,263
UNRESTRICTED	50,319,259	56,055,994
TOTAL NET ASSETS	575,694,196	511,674,103
LIABILITIES AND NET ASSETS	1,169,308,414	740,309,809

* New GASB87 reporting requirement for leases.



SOURCES / USES	JUL 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
SOURCES					
PROPERTY TAX REVENUE	(79,390)	278,116,396	281,605,053	98.76%	260,036,070
LEASE REVENUE	1,573,101	15,980,308	13,145,328	121.57%	10,478,757
OTHER REVENUE	1,954,135	17,498,704	1,500,000	1166.58%	2,851,164
TOBACCO SETTLEMENT REVENUE	-	4,828,924	4,500,000	107.31%	4,676,730
TOTAL SOURCES	3,447,846	316,424,332	300,750,381	1494.22%	278,042,721
USES OF FUNDS					
HEALTHCARE DELIVERY PROGRAM (SEE NEXT PAGE)	37,111,641	171,781,918	283,508,877	60.66%	122,467,616
ADMINISTRATIVE PROGRAM					
SALARIES AND BENEFITS	666,676	6,287,483	9,641,743	65.21%	4,765,465
OTHER GOODS AND SERVICES	486,340	9,558,683	12,507,617	76.42%	4,111,952
TOTAL ADMINISTRATIVE PROGRAM	1,153,016	15,846,166	22,149,360	71.54%	8,877,418
TOTAL USES	38,264,657	187,628,084	305,358,238	61.45%	131,340,794
EXCESS SOURCES / (USES)	(34,816,811)	128,796,248	(4,607,857)	1432.77%	146,701,928



HEALTHCARE DELIVERY SUMMARY	JUL 2023	FY23 YTD	FY23 Budget	Percent of Budget Used	FY22 YTD
PURCHASED HEALTHCARE SERVICES					
PRIMARY CARE	6,756,360	48,975,268	66,236,822	74%	40,356,568
SPECIALTY CARE, INCLD DENTAL	1,122,859	11,615,030	27,163,000	43%	6,332,913
SPECIALTY BEHAVIORAL HEALTH AND SUBSTANCE USE	1,091,272	6,653,390	12,040,000	55%	497,742
PHARMACY	672,749	8,724,623	17,000,000	51%	8,834,315
POST ACUTE CARE	362,571	3,248,691	5,650,000	57%	142,705
COMMUNITY HEALTHCARE INITIATIVES FUND	-	135,107	1,750,000	8%	-
ALL OTHER HEALTHCARE SERVICES	-	-	687,035		572,529
SUBTOTAL PURCHASED HEALTHCARE SERVICES	10,005,811	79,352,110	130,526,857	61%	56,736,772
DIRECT HEALTHCARE SERVICES	82,145	433,557	5,673,261	8%	70,694
MAP ELIGIBILITY - INCREASE IN PERIOD	-	-	2,000,000		-
SUBTOTAL HEALTHCARE SERVICES	10,087,957	79,785,667	138,200,118	58%	56,807,466
ACA PREMIUM ASSIST	1,111,712	11,038,901	14,648,261	75%	10,405,258
HEALTHCARE FACILITIES AND CAMPUS REDEVELOPMENT	240,999	2,698,527	4,754,027	57%	3,190,259
HEALTHCARE DELIVERY OPERATION COSTS	3,115,557	27,197,852	48,409,728	56%	32,630,681
DEBT, RESERVES AND TRANSFERS	124,708	28,630,263	55,496,744	52%	19,433,951
UT AFFILIATION AGREEMENT	22,430,708	22,430,708	22,000,000	102%	-
TOTAL HEALTHCARE DELIVERY	37,111,641	171,781,918	283,508,877	61%	122,467,616



CENTRAL HEALTH

HEALTHCARE DELIVERY - SPECIALTY CARE	JUL 2023	FY23 YTD	FY2023 BUDGET	Percent of Budget Used	FY2022 YTD	YOY Percent Change	Comments
HCD-Ancillary Services	40	483,656	2,408,000	20%	164,788	194%	Includes additional services: Anesthesia, Mammography, DME
HCD-Cardiology	61,253	347,353	1,215,000	29%	292,731	19%	
HCD-Dental	342,185	1,335,640	1,500,000	89%	781,777	71%	
HCD-Dermatology	94,089	764,768	1,125,000	68%	662,104	16%	
HCD-Dialysis	97,387	637,097	2,600,000	25%	0	0%	New Service late FY22
HCD-Endocrinology	64,797	541,132	925,000	59%	595,117	-9%	Service Expansion
HCD-Ear, Nose & Throat ENT	10,139	130,363	500,000	26%	99,300	31%	Provider Vacancy
HCD-Gastroenterology	112,821	1,049,830	2,100,000	50%	1,002,610	5%	Service Expansion
HCD-General Surgery	(53,973)	300,828	200,000	150%	58,122	418%	
HCD-Gynecology	69,529	1,075,284	1,050,000	102%	0	0%	Transition from CCC
HCD-Musculoskeletal	24,131	1,430,181	1,700,000	84%	26,005	5400%	Transition from CCC
HCD-Nephrology	9,895	92,584	350,000	26%	43,532	113%	
HCD-Neurology	1,352	40,259	300,000	13%	11,375	254%	New CUC Service
HCD-Oncology	64,168	516,269	1,800,000	29%	264,603	95%	
HCD-Ophthalmology	19,564	1,088,400	3,300,000	33%	1,003,165	8%	
HCD-Pain Management	0	0	350,000	0%	0	0%	New Services FY23
HCD-Podiatry	648	694,680	1,350,000	51%	400,890	73%	
HCD-Project Access	0	0	330,000	0%	0	0%	Future transition from CCC
HCD-Pulmonology	52,508	325,609	475,000	69%	293,422	11%	
HCD-Referral Management	20,050	142,090	875,000	16%	250,000	-43%	
HCD-Rheumatology	30,167	233,106	350,000	67%	131,996	77%	
HCD-Sexual & Reproductive Svc	102,108	385,902	2,110,000	18%	251,376	54%	
HCD-Urology	0	0	250,000	0%	0	0%	Agreement Inactive
Total Healthcare Delivery - Specialty Care	1,122,859	11,615,030	27,163,000	43%	6,332,913	83%	



Questions ? Comments ?



Balance Sheet

Current Assets

Cash and Cash Equivalents – \$5.8M compared to \$1.9M July 2022

Short-term Investments – Short-term investments were \$515M at month-end, net of restricted investments totaling \$124M.

Ad Valorem Taxes Receivable – \$3.4M balance is composed of:

Gross Tax Receivables	\$	11.7M
Taxable Assessed Valuation Adjustment		(5.4)M
Est. Allowance for Doubtful collections		(2.9)M
Total Taxes Receivable	\$	3.4M

Other Receivables – Other receivables total \$6.9M and includes intercompany balances:

- Accrued Interest - \$2.6M
- CUC – \$1.9M
- Prepaid Expenses – \$988K
- Miscellaneous Receivables – \$799K
- Sendero - \$682k
- Community Care Collaborative - \$86K
- AR Enterprise Health Claims (self-funding) - \$(87)K

Total Current Assets – \$655M

Long Term Assets

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 - \$18.6M

Lease Receivables GASB87* - \$251M

- Lease Receivable Short-Term \$12M
- Lease Receivable Long-Term \$239M

Capital Assets – \$151M, net of accumulated depreciation, include purchase of Cameron Road Buildings

Total Assets – \$1.2B

DRAFT



Current Liabilities

Accounts Payable – Major components of the \$34M balance are:

- \$10M estimated IBNR for healthcare services.
- \$24M invoices payable

Salaries and Benefits Payable – \$7M balance is comprised of the accrued liability for salary costs unpaid at month-end, the value of accrued personal time off.

Debt Service Payable, Short-Term – \$4.6M in Certificates of Obligation and Interest Payable for Series 2020 and 2021 Taxable and non-Taxable debt.

Deferred Tax Revenue - \$3M

Total Current Liabilities – \$49M

Restricted or Noncurrent Liabilities

Funds held for TCHD LPPF - \$18.6M receipts from participants in the LPPF.



Debt Service Payable, Long-Term – \$71.8M balance (changed):

	Series 2020	Series 2021	
	General Obligation Bonds	Certificates of Obligation Bonds	
Non-tax LT	2.5 M	12.4 M	
Taxable LT		54.7 M	
Premium		2.0 M	
Totals	2.5 M	69.1 M	71.8M

\$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 or Noncurrent Liabilities – \$90M

Lease Payable GASB87* - \$47.7M

- Lease Payable Short-Term \$1.2M
- Lease Payable Long-Term \$46.5M

Deferred Revenue Long-Term GASB87* - \$239M

Total Noncurrent Liabilities Leases* – \$287M

Total Liabilities – \$426M

Net Assets

Unrestricted Net Assets – \$576M



Restricted Net Assets – \$50M

Investment in Capital Assets – \$117M

Total Net Assets – \$743M

Total Liabilities and Net Assets – \$1.2B

*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

July financials → ten months, 83% of the fiscal year.

Sources – Total \$3.4M for the month

Property Tax Revenue – Net property tax revenue for the month was \$(79)k. Net revenue includes \$83.6k current month's collections; \$78K Penalties and Interest; and \$(241)K in adjustments for prior year delinquent taxes.

Lease Revenue – \$1.5M for Downtown Campus, Hancock Clinic, and land leases

Other Revenue/Expense – \$2M primarily for investment income

Uses of Funds – Total \$38M for the month

Total Healthcare Delivery Program – Total healthcare delivery expenses were \$37M for the month and \$172M YTD compared to \$122M FY22 YTD.

Administration Program – \$1.15M in expense for the month, which includes:

- Salaries and Benefits – \$667K
- Other Goods and Services - \$486K

Excess Sources/(Uses) – \$(35)M current month. Current YTD is \$129M compared to \$147M FY22 YTD.

Community Care Collaborative

Financial Statement Presentation

FY 2023 – as of July 31, 2023 (Preliminary)

**Central Health Board of Managers
Board of Managers Meeting
August 23, 2023**

Jeff Knodel, Deputy Chief Financial Officer



**Community Care
COLLABORATIVE**

a partnership of Central Health and Seton Healthcare Family

Preliminary

DRAFT

Highlights

Community Care Collaborative

July 31, 2023



- * Cash is \$12.8M compared to \$10.6M last year.
- * Total Liabilities are \$12.8M at the end of July.
- * Net Assets are \$93K at the end of July.

Preliminary

DRAFT

Balance Sheet

Community Care Collaborative

July 31, 2023



	<u>7/31/2023</u>	<u>7/31/2022</u>
Assets		
Cash and Cash Equivalents	12,832,074	10,635,083
Other Receivables	0	46,646,907
Prepaid and Other	0	36,503
Total Assets	<u>12,832,074</u>	<u>57,318,493</u>
Liabilities		
AP and Accrued Liabilities	12,739,005	40,514,473
Deferred Revenue	0	9,352,382
Other Liabilities	0	69,390
Accrued Payroll	0	620
Total Liabilities	<u>12,739,005</u>	<u>49,936,865</u>
Net Assets	<u>93,069</u>	<u>7,381,628</u>
Liabilities and Net Assets	<u>12,832,074</u>	<u>57,318,493</u>

Preliminary

DRAFT

Sources and Uses Report

Community Care Collaborative
Fiscal Year-to-Date through July 31, 2023



Sources of Funds	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
DSRIP Revenue	61,168,472	9,045,686	15%	44,726,483
Operations Contingency Carryforward	5,362,495	3,938,408	73%	9,123,145
Other Sources	100,000	317,007	317%	19,258
Total Sources of Funds	66,630,967	13,301,101	20%	53,868,886
Uses - Programs				
Healthcare Delivery	19,630,967	638,033	3%	11,094,302
UT Affiliation Agreement	35,000,000	12,570,000	36%	35,000,000
DSRIP Project Costs	12,000,000	0	0%	5,392,336
Total Uses	66,630,967	13,208,033	20%	51,486,638
Net Sources (Uses)	-	93,069		2,382,248
Net Assets		93,069		2,382,248

* Operating under FY20 approved budget.

Preliminary

DRAFT

Healthcare Delivery Costs

Community Care Collaborative

Fiscal Year-to-Date through July 31, 2023



	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	0	0%	721,568
Specialty Care	3,908,000	247,500	6%	1,719,305
Specialty Behavioral Health	8,000,000	(225,541)	-3%	5,563,356
Post-Acute Care	2,675,000	0	0%	1,651,787
Urgent and Convenient Care	475,000	0	0%	63,474
Healthcare Delivery - Operations	2,849,742	616,074	22%	1,374,812
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	638,033	3%	11,094,302

* Operating under FY20 approved budget.

Preliminary

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Thank You

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Community Care
COLLABORATIVE

a partnership of Central Health and Seton Healthcare Family

Preliminary

DRAFT



July 2023 FYTD Financial Statements (unaudited)
Page 1 of 2

Balance Sheet

Current Assets

Cash and Cash Equivalents – \$12.8M

Total Assets – \$12.8M

Liabilities

Accounts Payable and Accrued Liabilities – \$12.7M, which includes:

- \$12.6M accrual for UT Affiliation Agreement
- \$83K Project Access accrual
- \$87K due to Central Health

Total Liabilities – \$12.7M

Net Assets

Unrestricted Net Assets – \$93K

Total Net Assets – \$93K

Total Liabilities and Net Assets – \$12.8M

Sources and Uses Report

July financials - 10 months - 83% of fiscal year

Sources of Funds, FYTD - \$13.3M

DSRIP Revenue - \$9.0M

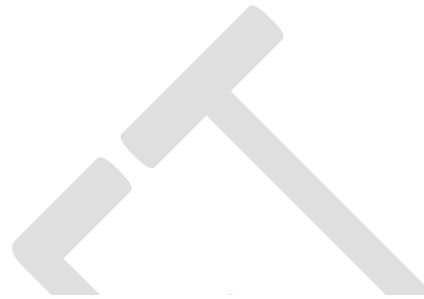
Operations Contingency - \$3.9M from FY2022

Other Sources – \$317K interest income

Uses of Funds, FYTD

Healthcare Delivery (Excludes DSRIP) – \$13.2M

Net Sources(Uses) – \$93K



	Budget*	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	0	0%	721,568
Specialty Care	3,908,000	247,500	6%	1,719,305
Specialty Behavioral Health	8,000,000	(225,541)	-3%	5,563,356
Post-Acute Care	2,675,000	0	0%	1,651,787
Urgent and Convenient Care	475,000	0	0%	63,474
Healthcare Delivery - Operations	2,849,742	616,074	22%	1,374,812
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	638,033	3%	11,094,302



UT Affiliation Agreement – \$12,570,000
DSRIP Project Costs – \$0



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

August 23, 2023

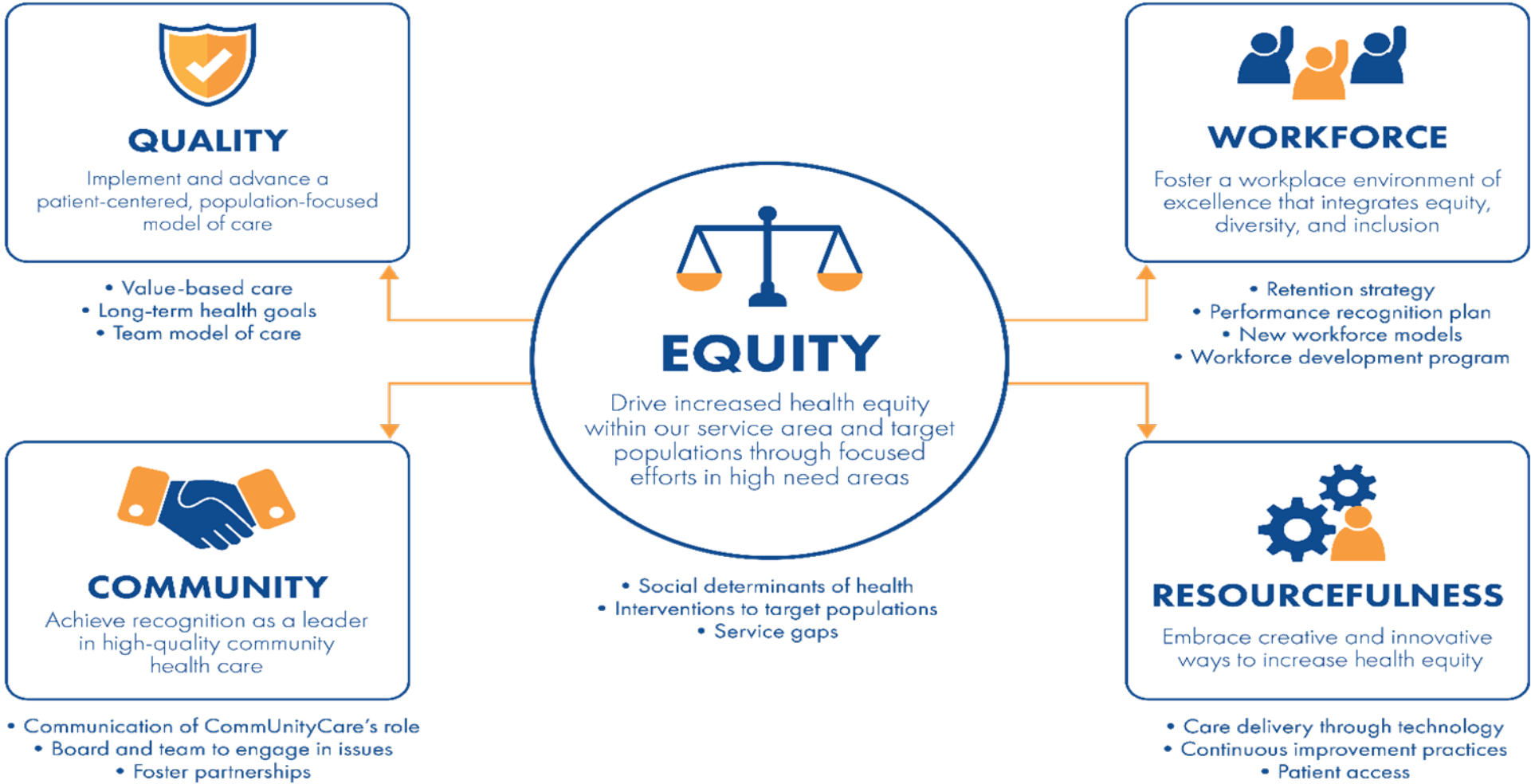
AGENDA ITEM 5

Receive and discuss the quarterly financial and operational reports for CommUnityCare Health Centers and Sendero Health Plans. (*Informational Item*)

COMMUNITYCARE QUARTERLY UPDATE APRIL 1, 2023, TO JUNE 30, 2023 (Q3)

Jaeson Fournier, DC, MPH, President and CEO

Tara A. Trower, Chief Strategy Officer





ACQUISITIONS & ACCESS

- Addition of Austin OB/GYN Women's Health Clinics
- Blackstock Operations Consolidated into SEHWC
- SEHWC Walk-in
- Austin Colony Home Visit Pilot
- Creedmore & Colony Park Mobile Clinic/RV
- William Cannon Primary Care
- Care Connections Center Opens (Former Kozmetsky Clinic)
- Carousel Pediatrics becomes part of Community Care
- Hornsby Bend Modular
- Larger Community First Village Clinic Opens
- PFISD School-Based Health Center



RECOVERY & RESTART

- EHR/Epic Go-Live
- Mobile site expansions: Sunrise Community Church, COA COVID Respite Shelters
- Pflugerville Planning
- Chalmer Planning
- CH restarts Del Valle and Hornsby Bend Planning
- **Dove Springs Health Center (postponed)**
- New Rundberg Center



ACCESS & CARE DELIVERY

- Pflugerville Health Center expansion opens
- East Austin Pediatric Residency Moves to Pflugerville
- Community First! Village Support Expansion
- Saturday Women's Health Clinics @ North Central & SEHWC
- Added Charlie Center for HTH North location
- Riverside Carousel/OB-GYN Consolidation (Temporary?)

In Progress:

- July: Chalmers Court Opens
- August: Hornsby Bend Replacement opens
- Ben White Dental Consolidation
- Late Fall: Del Valle Replacement opens

2018-2019

2020

2021

2022

2023

2024-2025

UPDATED PROJECTS & PROJECTED TIMELINES

Historical look at CommUnityCare care delivery realignment initiatives 2018-2023, with projections into 2025.

INTEGRATION & PANDEMIC

- Manor Site Consolidation (Primary Care and Women's Health).
- **Northeast Health Center Planning**
- **Akins School Based Clinic (postponed)**
- **Chalmers Health Center (postponed)**
- **Del Valle Construction Begins (postponed)**
- Rosewood Zaragosa Convenient Care

MOMENTUM & CONSTRUCTION

- Akins ECHS School Based Health Center Opens
- Black Mens Health Center/ 1 day a week
- Expanded hours @ Hornsby Bend Health Center
- Medical Assisted Therapy moves to SEHWC
- 4 expansion sites break ground
- Hancock Planning Begins for Admin & Clinical relocations

FUTURE

2024

- LBJ ECHS School Based Center
- Akins SBHC Expansion
- Realignment of Specialty Services
- Kramer Admin Consolidation

2025

- Hancock Health Center Opens
- David Powell Relocation
- SJA Relocation
- Hancock Walk-in Relocation



HEALTH CENTER RE-ALIGNMENT

- Expanding Access to Care
 - Multi-year effort with momentum returning over the last year on projects including the opening of expanded Pflugerville Health Center.
 - 15,000 sq. foot facility offering primary care, dental, women's health, behavioral health and pediatric services.
 - Also, includes the UT Dell Medical School Pediatric Residency, which has moved from its East Austin location. The move is in recognition of the changing demographics of the area and the opening of Chalmers Courts in Q4.
 - Expanded hours, including Saturdays.



CONTINUED PATIENT GROWTH AND INCREASE ACCESS TO CARE

- CommUnityCare served 129,005 individual patients, the most ever in 2022, and we are currently on pace to surpass this record-breaking service level with 113,033 patients served during the first 9 months of our fiscal year.
- Served 65,941 individuals during Quarter 3 compared to 63,464 in Quarter 2 and 62,991 in Quarter 1.
- Increased recruiting of staff inclusive of clinicians yielded 114,067 visits in Quarter 3 compared to 109,050 in Quarter 2 and 109,109 in Quarter 1.
- We have hired significantly more clinicians and clinical support staff members than we have lost (since October) which is critically important to maintaining and expanding access to services.
- Expect favorable hiring trend to continue, but competition for healthcare workforce talent remains very high both locally and nationally.

113,033 Unduplicated Patients Year To Date:

- ❖ **82% were Travis County residents**
- ❖ **41% were uninsured Travis County residents**
- ❖ **35 were MAP / MAP covered**
- ❖ **86.7% self report as a minority*.**
- ❖ **70.2% reporting were Latino / Hispanic***
- ❖ **8.8% reporting were African American***
- ❖ **2.7% reporting were Asian American/PI***
- ❖ **60.7% reporting were best served in language other than English.***
- ❖ **98% reporting had incomes below 200% of the federal poverty level.***

* Not all patients report race / ethnicity / language / income.

COMMUNITY VACCINATION EFFORTS

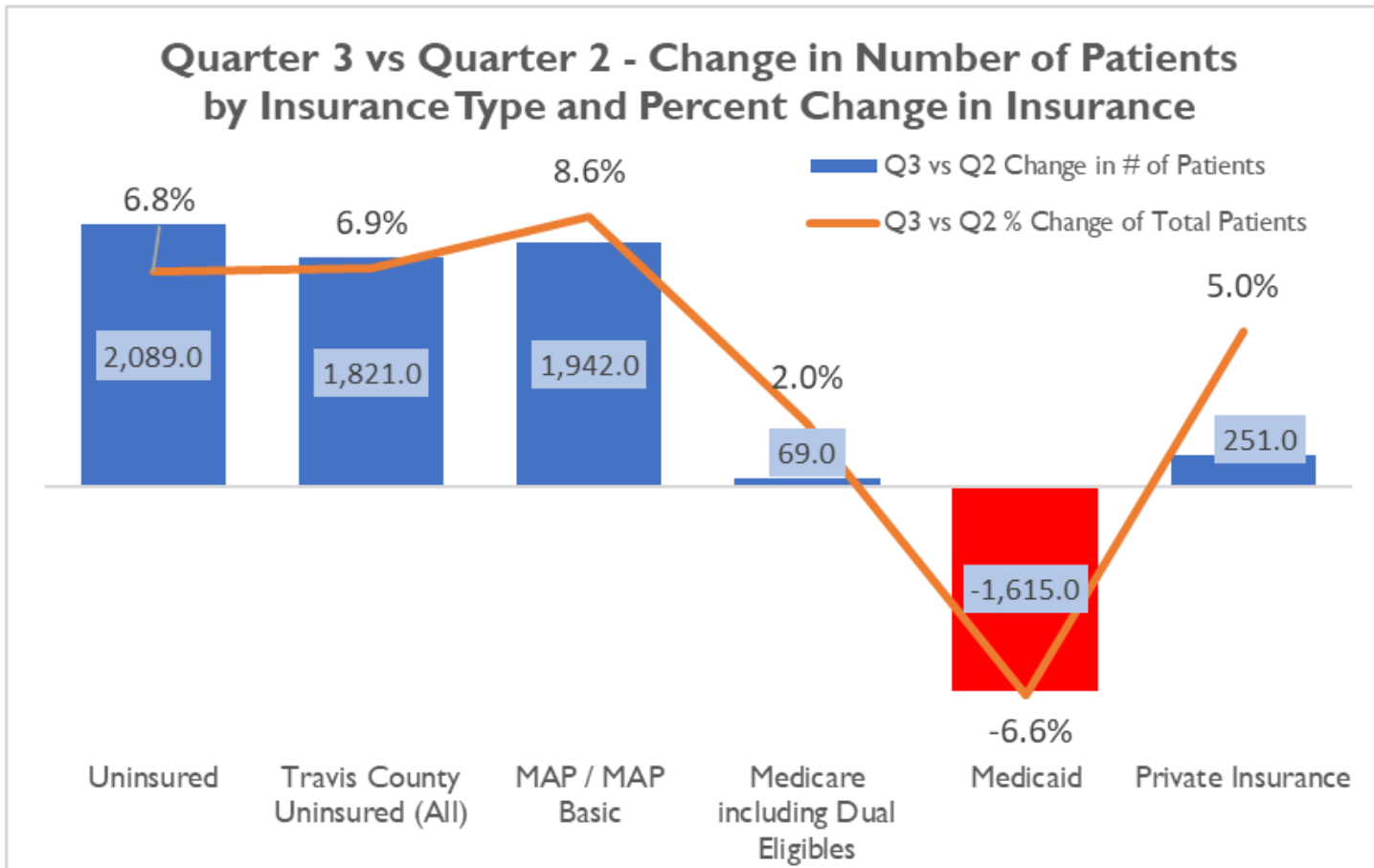
Mpox Vaccination Weekend Clinic

- In collaboration with Austin Public Health, Travis County and with the leadership of CUC CMO Dr. Nicholas Yagoda and Dr. Michael Stefanowicz, CUC stood up a 2-day Mpox vaccine community clinic. The coordinated effort included a media push, as well as clinical support in June. Another series is set for August.

COVID-19 Vaccination/Education

- CommUnityCare completed 19 COVID-19 vaccination and education events for a total of 81 vaccinated individuals.
- COVID-19 vaccination clinics were paused during Q3 but will restart in September in collaboration with Ascension's Medical Response Unit.

SEEING LESS MEDICAID COVERED PATIENTS AS A RESULT OF COVID ENDING REDETERMINATION






Don't **LOSE** your Medicaid Coverage

In response to the COVID-19 pandemic, the federal government has allowed you to continuously keep your Medicaid coverage since March of 2020, without having to reapply. This continuous coverage is ending in March 31, 2023.

WHAT YOU NEED TO DO NOW

- ✔ Make sure your address and contact information are updated/correct on your Medicaid account. If you moved in the last three years, verify your address is updated.
- ✔ If you receive a Medicaid renewal packet, do not delay. Complete and return the packet today to avoid losing your Medicaid coverage.

Create or log-in to your Medicaid account at www.yourtexasbenefits.com or call 2-1-1, choose your preferred language and select Option 2.

CommUnityCare's financial assistance team can help you for free. Call 512-978-9015.



yourtexasbenefits.com






No **PIERDA** su cobertura de Medicaid

En respuesta a la pandemia de COVID-19, el gobierno federal le ha permitido mantener continuamente su cobertura de Medicaid desde marzo de 2020, sin tener que volver a aplicar. Esta cobertura continua terminará en 31 de marzo de 2023.

LO QUE DEBE HACER AHORA

- ✔ Asegúrese de que su dirección y su información de contacto estén actualizadas/ sean correctas en su cuenta de Medicaid. Si se ha mudado en los últimos tres años, compruebe que su dirección esté actualizada.
- ✔ Si recibe un paquete de renovación de Medicaid, no se demore. Complete y devuelva el paquete hoy para evitar perder su cobertura de Medicaid.

Crea o inicia una sesión en tu cuenta de Medicaid en www.yourtexasbenefits.com o llama al 2-1-1, elige el idioma que prefieras y selecciona la opción 2.

El equipo de asistencia financiera de CommUnityCare puede ayudarte gratis. Llame al 512-978-9015.



yourtexasbenefits.com



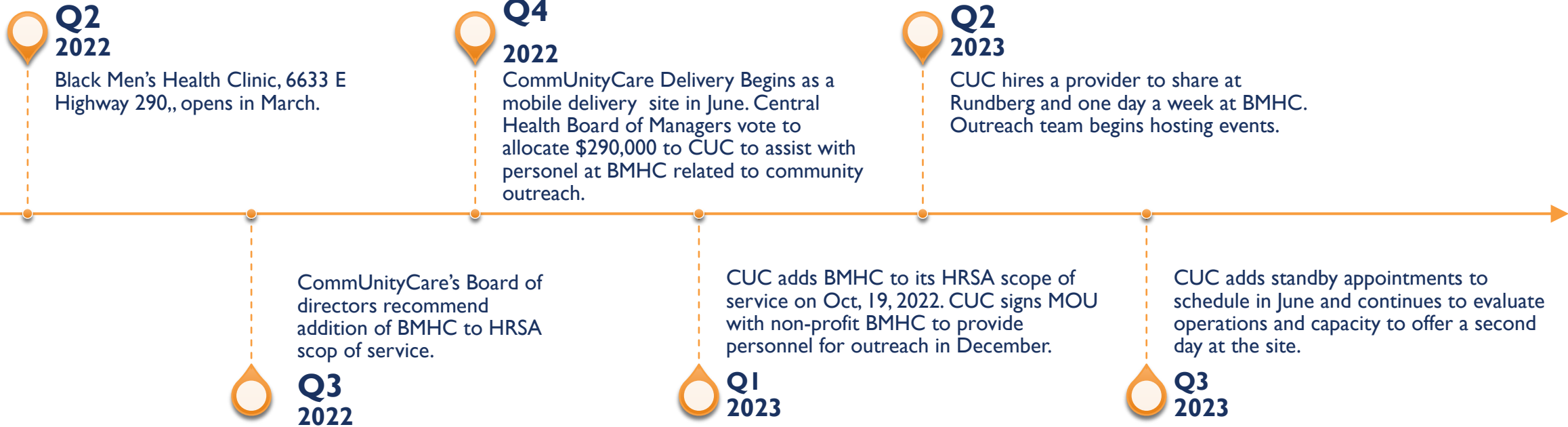
FINANCIAL PERFORMANCE FYTD



- \$1.3 million in excess revenue through the end of Quarter 3 driven by:
 - ❖ Higher than projected vacancies and associated lower expenses.
 - ❖ Still experienced substantial loss for adult patient services with this loss offset through leveraged revenue derived from:
 - Pharmacy services resulting from an increase in our network pharmacies and despite pharmaceutical manufacturers increasing unwillingness to ship to contract pharmacies.
 - Operating margin derived from our pediatric operating units.
- ❖ Project full obligation of Central Health contract revenue tied to direct fee-for-service related payments noting that we are significantly surpassing projections for same day / on demand services despite persistent clinician vacancies.

BLACK MEN'S HEALTH CLINIC

PROJECT MILESTONES

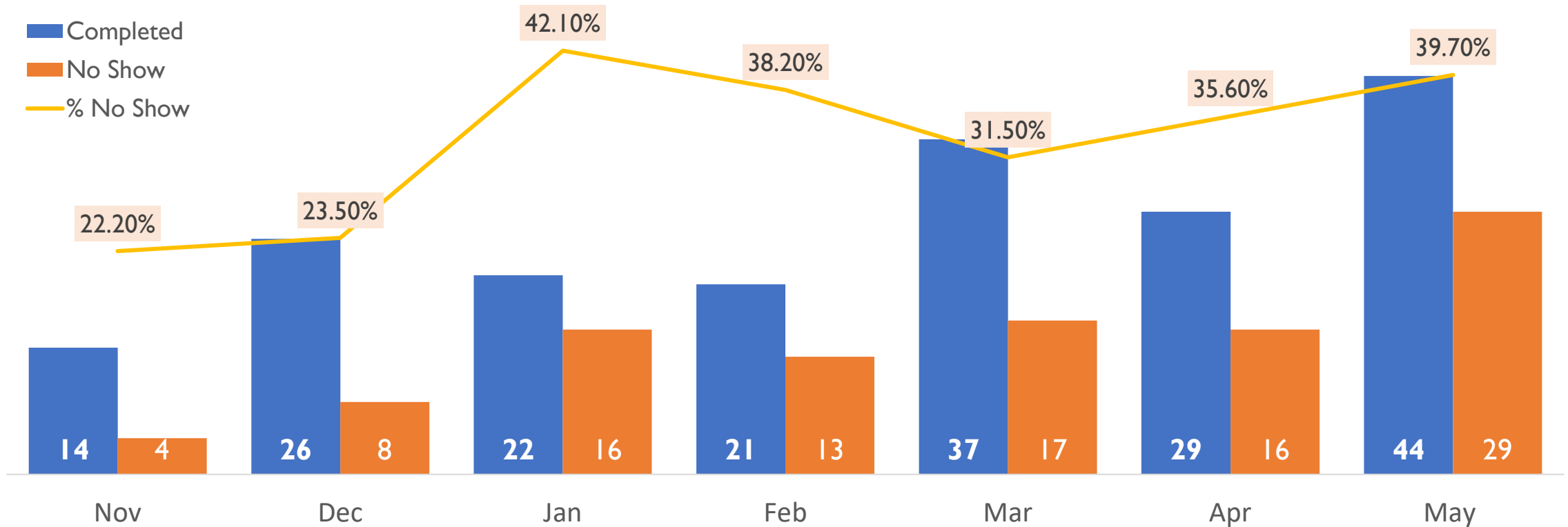


CLINICAL PROGRESS

- Activity in the CUC clinic has continued to increase, with nearly 375 completed visits with 75 of those with nearly 150 of those visits occurring in May and June.
- A handful of legally female patients are accessing the clinic. Anecdotally, team members say these are spouses and partners of male patients. The team has developed scripting to clarify the focus of the clinic, but do not turn female patients away.
- Primary diagnoses at visit tracks closely with the health profile of men of color. Hypertension, diabetes and chronic pain.

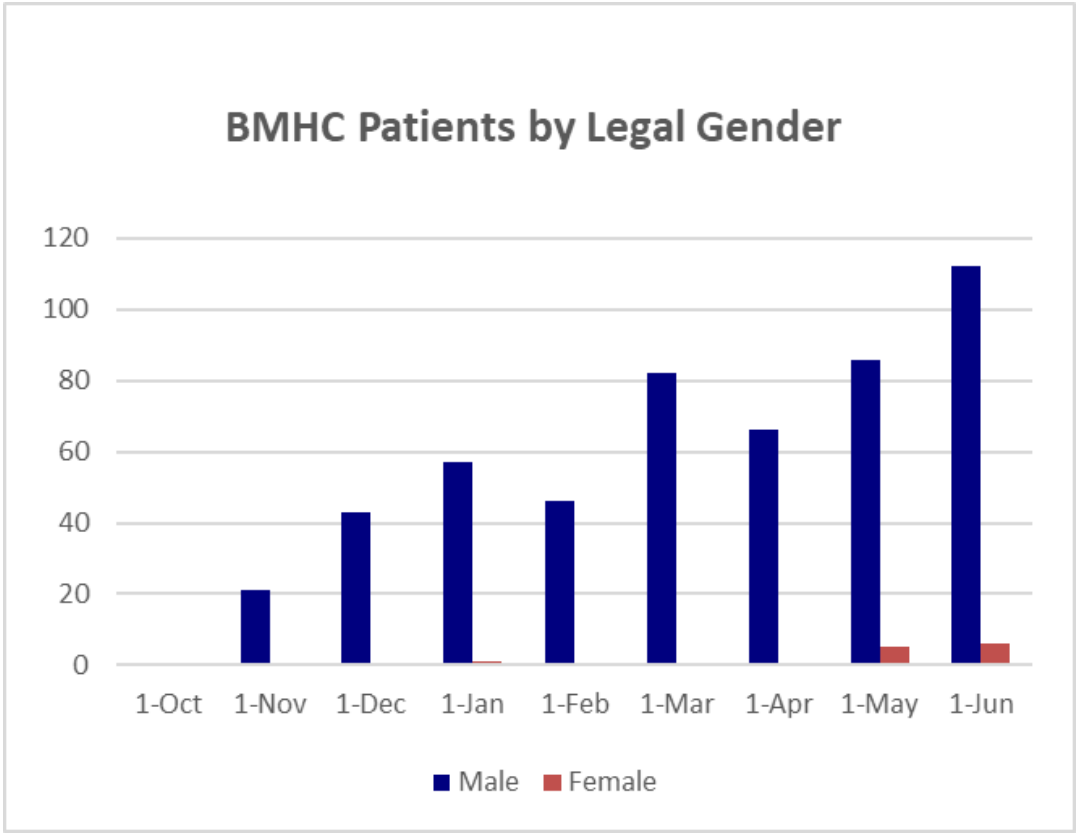
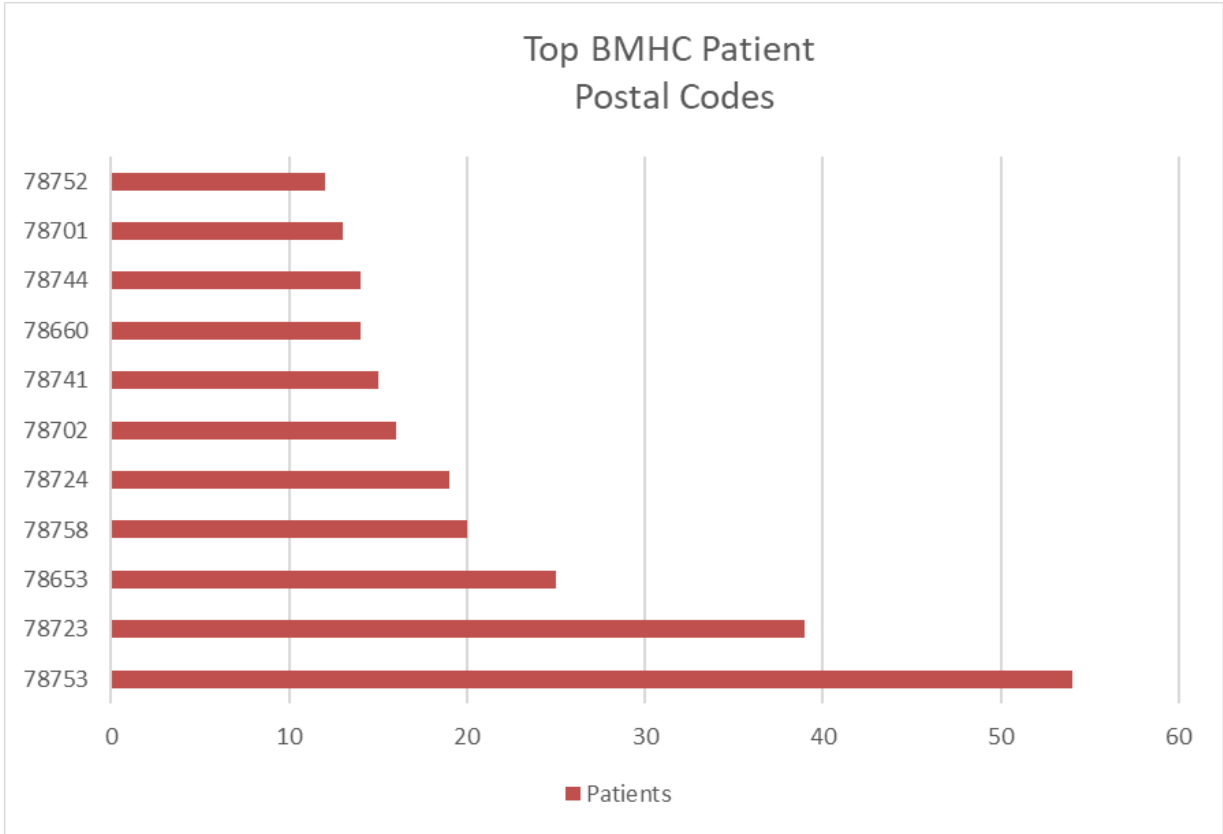
Primary Diagnosis	
Primary Diagnosis	Number of visits
Essential (primary hypertension)	53
General Exam w/o abnormal findings	43
Other chronic pain	14
Long term use of insulin	7
Type 2 diabetes w/ complications	7
Hyperlipidmia, unspecified	5
Type 2 diabetes w/hyperglycemia	5
Chest pain, unspecified	4

HIGHER NO CALL / NO SHOW RATE COMPARED TO OTHER CLINICS

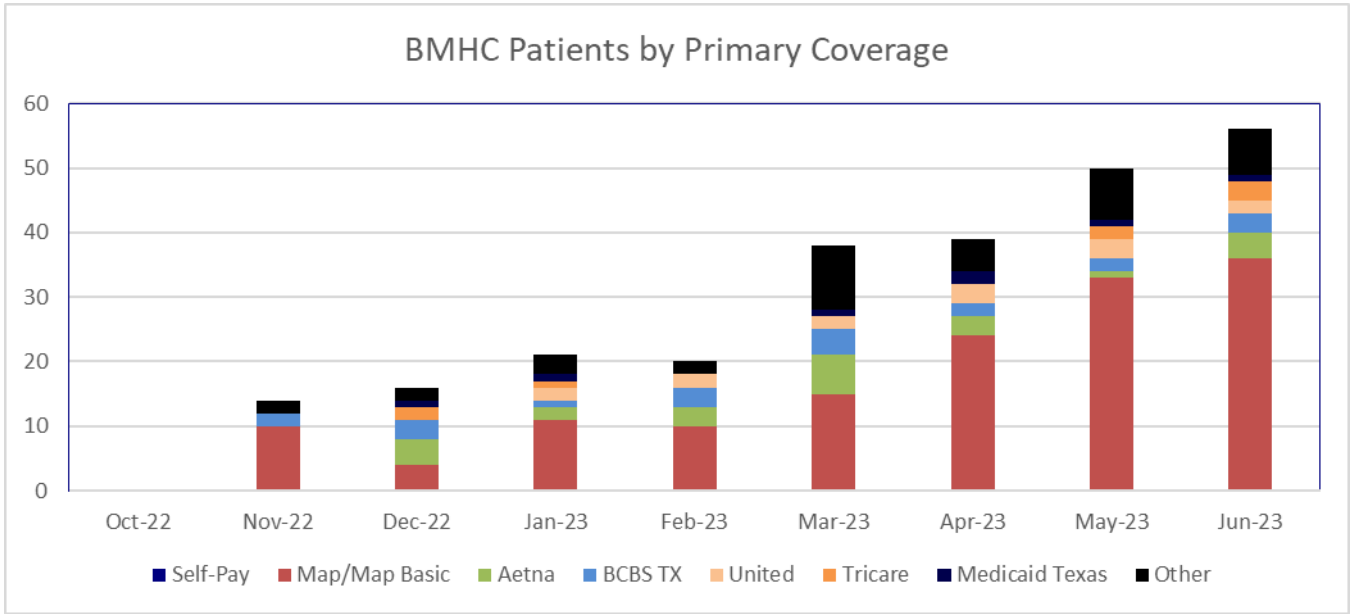


This population does have a relatively high-no show rate. Unclear if the driver is transportation or the limited availability of appointment days. The team began scheduling standby patients to test demand and more fully utilize the schedule with promising results.

MAJORITY OF BMHC PATIENTS ARE MALE & FROM EAST OF I-35



MAJORITY OF BMHC PATIENTS ARE UNINSURED INCLUDING CENTRAL HEALTH MAP COVERED INDIVIDUALS



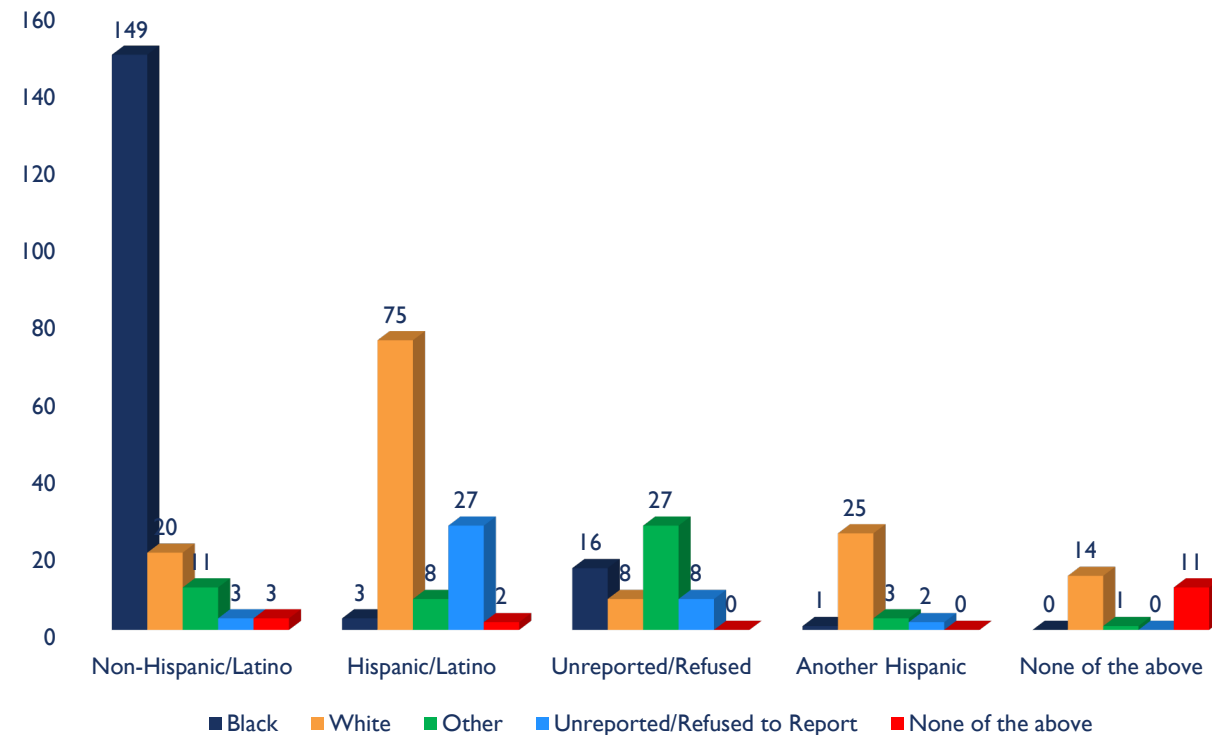
Primary Payer

- MAP/MAP Basic patients make up the largest and fastest growing proportion of patients.
- Self-pay is second depending on the month.

MEN OF COLOR

- Despite reservations about the name of the clinic not explicitly referencing all men of color, the clinic is primarily accessed by black/African American men, but a sizeable Hispanic and Latino population is also utilizing the clinic with nearly 150 visits. Twenty visits were by white non-Latinos.

Visits by Patient Ethnic Group and Patient Race



CENTRAL HEALTH-FUNDED OUTREACH ACTIVITIES

Year to date, BMHC has invoiced CommUnityCare about \$160,000, for outreach and program management personnel, beginning in January. The group is on pace to expend approximately \$286,000 by year end at current levels.

Given the need to ramp up quickly, BMHC leadership opted to contract employees, rather than hiring individuals directly, spreading the FTE costs over more individuals.

- One of the outreach needs initially expressed by BMHC was the need for personnel to compete for grant funding. The organization has successfully competed for outside grants this year, including:
 - St. David's Foundation
 - Austin Public Health
 - Austin ECHO
- BMHC staffed more than 250 outreach events, including popup street outreach, Huston-Tillotson, Man in Me, Manor ISD, Juneteenth, community sporting events, church events and Goodwill Central Texas.

QUESTIONS?

SUMMARY OF OPERATIONAL PRIORITIES AND INITIATIVES

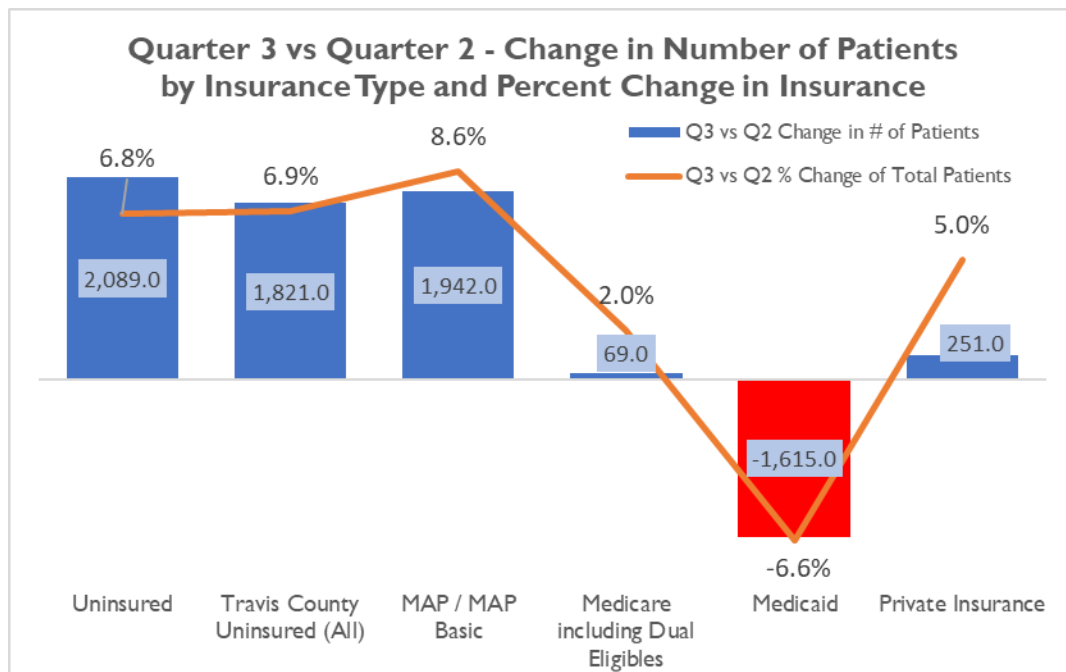
Aligned with CommUnityCare’s Board-approved strategic priorities as shown to the right, our efforts during the third quarter of fiscal year 2022 – 2023 (April 1, 2023, to June 30, 2023) have included:



1. Continued efforts to increase access to care which has resulted in 114,067 unique patients served during the first 9 months of our fiscal year. CommUnityCare served 129,005 individual patients, the most ever in 2022, and we expect to surpass this record-breaking service level by the end of the fiscal year.
2. An increase in access to care as a result of the opening of CommUnityCare’s new and expanded Pflugerville Health Center. This new health center is approximately 15,000 square feet and replaces the long standing and much smaller (i.e., 3,000 square feet) Pflugerville clinic that had been co-located in Travis County’s Pflugerville facility. The new facility has added dedicated pediatrics and women’s health services and also includes oral health services directed toward a rapidly growing area which has consistently ranked in the top 2 - 3 of Travis County zip codes with persistent unmet medical need. Hours at the new site include extended hours Monday through Thursday, as well as Saturday morning clinic hours. The new Pflugerville Health Center is part of an on-going comprehensive Health Center Realignment initiative endorsed by CommUnityCare’s Board of Directors beginning in 2018 and has proceeded in collaboration and in partnership with Central Health.
3. Leveraged CommUnityCare’s financial eligibility teams and community outreach teams beginning in March to increase awareness regarding the end of the COVID-19 Public Health Emergency including termination of COVID required continuous Medicaid coverage. This awareness campaign included staff proactively reaching out to families on Medicaid to ensure they understood that the State would be redetermining their or a family member’s Medicaid eligibility post pandemic emergency and education regarding the steps they could take to avoid disenrollment such as ensuring their contact information was up to date. This initiative included expanded evening hours and additional Saturday access to our financial screeners.
Regrettably, and as you may be aware, not everyone that received continuous Medicaid coverage throughout the pandemic remains eligible. For example, postpartum women who retained coverage have or will lose coverage consistent with the pre-COVID policy which disenrolled women 6 weeks following the delivery of her baby. While the Texas Legislature has approved expanding postpartum Medicaid benefits to 1 year post delivery, this is not yet implemented with federal approval pending. Another cohort of

patients losing coverage are pediatric patients who have aged out (i.e., are now adults). Unfortunately, we are already seeing the impact of these cohorts and potentially others being dropped as Medicaid beneficiaries with this clearly demonstrated under the Insurance Status section on page 7. In summary, CommUnityCare observed a 6.6% percentage decrease in Medicaid coverage during Quarter 3 (April 1 – June 30, 2023) compared to Quarter 2 (January 1 – March 31, 2023) with 1,615 fewer patients Medicaid covered despite CommUnityCare serving more total patients in Q3 compared to Q2 (65,941 vs. 63,464). Not surprising, we saw an associated increase in the number of patients who were Travis County residents and uninsured - up 1,821 in Q3 compared to Q2. We experienced an even greater rise in the number of patients covered by Central Health’s indigent care programs (i.e., Medical Access Program (MAP / MAP Basic) up 1,942 patients in Q3 compared to Q2.

Below is a graphic that demonstrates the aforementioned coverage changes and others observed from Quarter 2 to Quarter 3 by unique patient.



4. Decreased average lead times for appointments for women’s health, pediatrics, and internal medicine. Medical and dental encounters have increased, as well as pediatric therapies.
5. Community vaccination efforts included nineteen COVID-19 vaccine and community education events, resulting in 81 vaccinated individuals. In addition, CommUnityCare coordinated and executed a two-day Mpox community vaccination event in collaboration with Austin Public Health that delivered 82 Mpox vaccines to community members.

6. Hiring continues to accelerate, especially for clinical staff, including medical assistants and clinicians. This has resulted in increased service delivery as demonstrated by the number of unique patients served during Quarter 3 with 65,941 individuals served compared to 63,464 individuals served during Quarter 2 and 62,991 during Quarter 1. Similarly, the number of Health Resources and Services Administration Health Center Program defined countable visits were up in Quarter 3 with 114,067 visits provided compared to 109,050 during Quarter 2 and 109,109 during Quarter 1. This favorable hiring trend is expected to continue noting that CommUnityCare has hired significantly more providers than it has lost since October 2022 as well as filled newly established positions. That stated, CommUnityCare remains vigilant in its recruitment and retention efforts and is mindful that Austin's affordability and local and national competition for healthcare talent remains ours, and candidly, every health system's biggest challenge for the near future.

Other Noteworthy Initiatives that Occurred During the Third Quarter

In addition to the above efforts during the third quarter, CommUnityCare deliberately worked to:

- 1) Relocate the existing Pediatric Residency Program from its East Austin Health Center to its new Pflugerville Health Center in recognition of the changing demographics of East Austin and the planned opening of its Chalmers Court Health Center.
- 2) Combined the Riverside Carousel and OB/GYN centers while we assess women's health and pediatric offerings considering current and anticipated demographic changes.
- 3) Added a grant-funded sonographer to help speed initial OB scanning for pregnant patients to further assess risk and date pregnancies.
- 4) Realigned our reimbursement policy for certifications to include required clinical recertifications for non-provider patient facing staff.
- 5) Kicked off our first class of medical assistant apprenticeship training academy as a workforce expansion effort.
- 6) Our Board of Directors authorized participation in the Texas Association of Community Health Centers' Clinically Integrated Network (CIN) as a Tier 1 participant. This CIN is bringing health centers from across the State together in a formal partnership to drive value-based initiatives inclusive of payment.

Update on Black Men’s Health Clinic Initiative

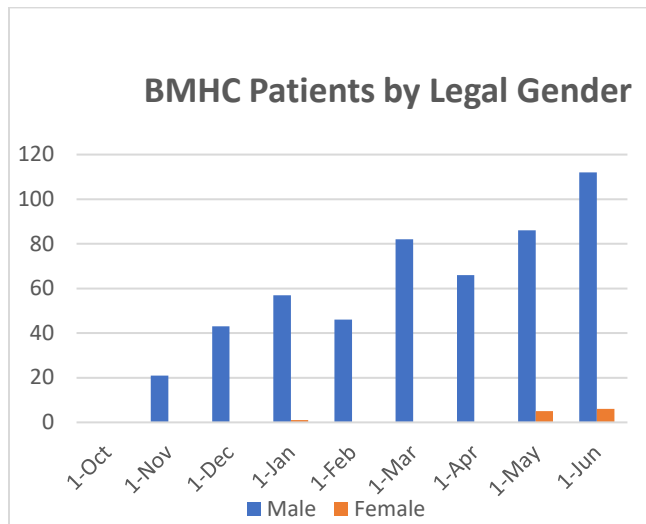
As part of the FY22 budget cycle, Central Health’s Board of Managers allocated \$290,000 for personnel costs to conduct outreach and patient engagement among men of color, and any concurrent opportunities for at-risk persons of affinity or proximity, who are low-income or residing in assessment regions with the highest social vulnerability scores as outlined in its Healthcare Equity Plan. Further, the funding of personnel costs by Central Health for this initiative was provided to CommUnityCare who subsequently entered into an agreement with the Black Men's Health Clinic (BMHC) to provide outreach and patient engagement services to men of color while CommUnityCare, and BMHC entered into an understanding related to provision of clinical services by CommUnityCare within BMHC space.

Following execution of the patient engagement / community outreach agreement with the BMHC in January, BMHC subsequently secured needed staff resources including establishing a partnership with Hungry Hill to help provide community ambassadors to help inform the targeted community about the social and clinical health services offered by BMHC and CommUnityCare, leveraging lived experience to develop trust. Since January, BMHC has reported that they connected 325 Travis County residents to services. Of those served by BMHC, 52% were Black and 40% identified as Hispanic.

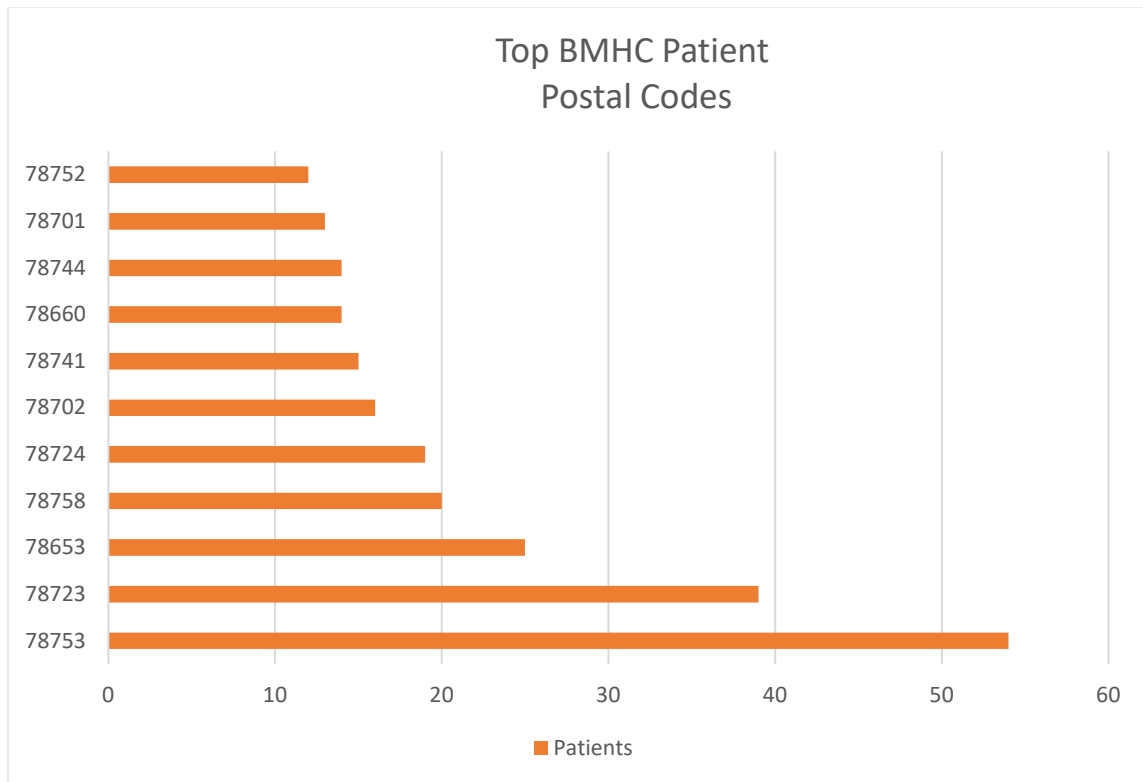
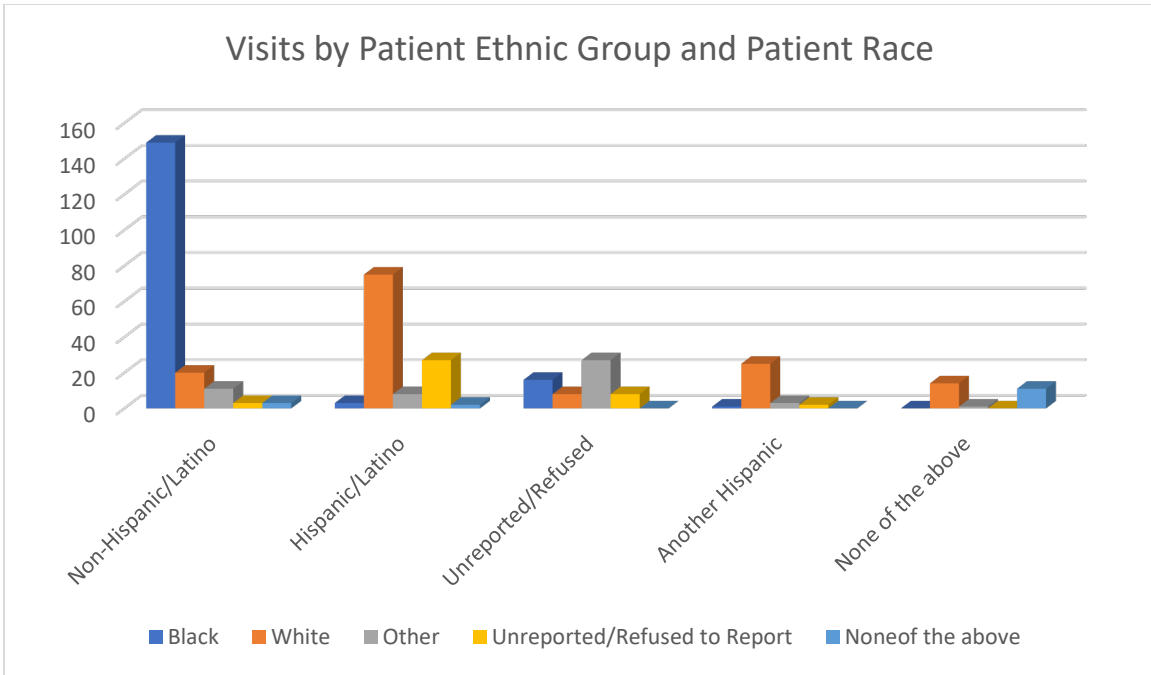
CommUnityCare Clinical Efforts at BMHC

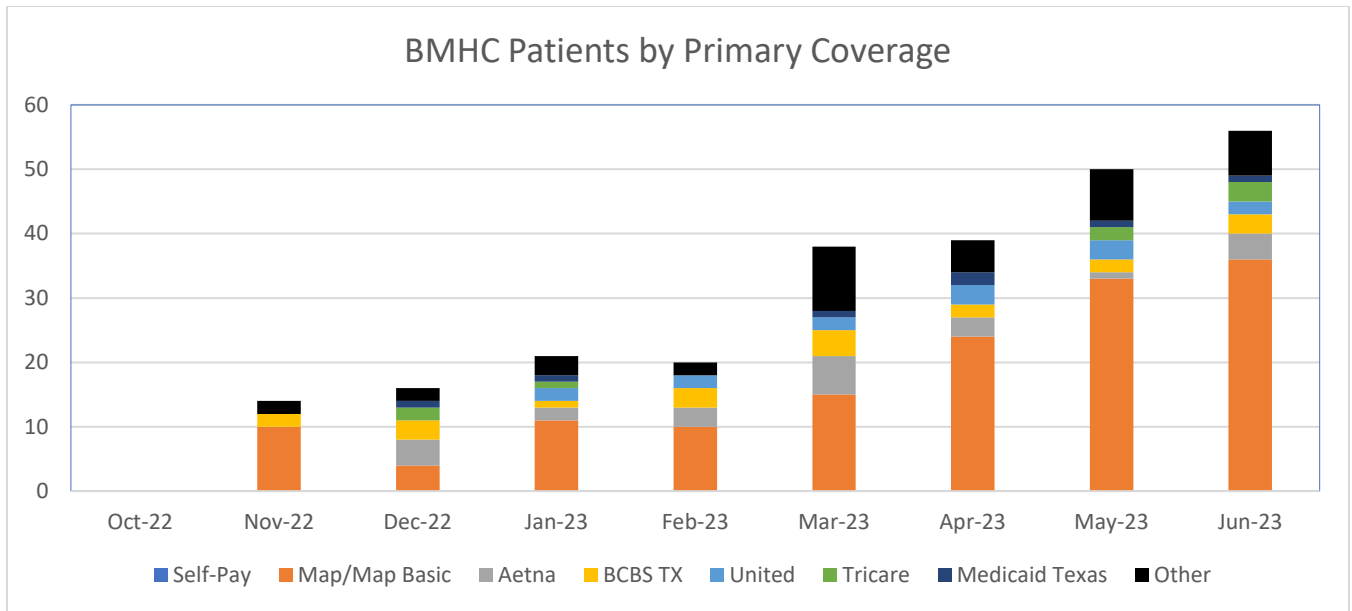
Expanded clinical operations at the BHMC continued during the third quarter with CommUnityCare now staffing a provider for a full day a week compared to the 2 hours previously provided. Of note, BMHC’s client count differs from CommUnityCare’s patient count because they offer an array of other services and community offerings to the targeted population.

Below is demographic and service information for CommUnityCare’s activities at the BMHC site.



Primary Diagnosis	
Primary Diagnosis	Number of visits
Essential (primary hypertension)	53
General Exam w/o abnormal findings	43
Other chronic pain	14
Long term use of insulin	7
Type 2 diabetes w/ complications	7
Hyperlipidmia, unspecified	5
Type 2 diabetes w/hyperglycemia	5
Chest pain, unspecified	4





Significantly, we have observed that available appointments are fully scheduled each week although there is a consistent pattern of a high no-show/cancellation rate compared to our other service sites as demonstrated within the table below. Consequently, CommUnityCare began offering standby appointments for new patients on June 6th to mitigate this issue.

Number of Visits by Type and Appointment Status

	Appointment Status	Nov	Dec	Jan	Feb	Mar	Apr	May
New Patient	Completed	10	24	12	11	22	13	27
	No Show	3	6	10	6	9	12	22
	Total	13	30	22	17	31	25	49
	% No Show	23.08%	20.00%	45.45%	35.29%	29.03%	48.00%	44.90%
Established Patient	Completed	4	2	10	10	15	16	17
	No Show	1	2	6	7	8	4	7
	Total	5	4	16	17	23	20	24
	% No Show	20.0%	50.0%	37.5%	41.2%	34.8%	20.0%	29.2%
All Patient Status	Completed	14	26	22	21	37	29	44
	No Show	4	8	16	13	17	16	29
	Total	18	34	38	34	54	45	73
	% No Show	22.2%	23.5%	42.1%	38.2%	31.5%	35.6%	39.7%

Notably, most patients who completed appointments at BMHC are Self-Pay and MAP/MAP Basic. Top primary diagnoses rendered included: hypertension, pain, and diabetes.

Finally, the number of office visits for established patients nearly doubled in June and new patient visits remained steady. In May and June, the site provided care to 11 patients who legally

identified as women. Anecdotally from staff, some of these female patients are spouses and/or partners of male patients. If this service demand trend continues and we can lower the level of cancellations, another clinical day will be added.

Community Outreach by BMHC

Year to date, the BMHC has invoiced CommUnityCare for \$160,000, for outreach and program management personnel and is on pace to expend approximately \$286,000 by year end. Given the need to ramp up quickly, the BMHC leadership opted to contract rather than hiring individuals directly. This rapid deployment has resulted in the BMHC staffing more than 250 community events, often in collaboration with CommUnityCare's financial screening teams.

CommUnityCare also granted BMHC access to directly schedule its outreach clients for medical appointments consistent with that provided to other non-profit partners in a way that protects patient privacy.

Outreach events provided by BMHC included street teams, Huston-Tillotson University, Man in Me, Manor ISD, Juneteenth, community sporting events, church events and Goodwill Central Texas.

One of the goals of Central Health's funding was to support the development of infrastructure that would allow BMHC to secure additional external financial support. To that end, BMHC utilized the services of two grant writers, Jacob Lester and Dr. Dana Hunter and has successfully received funding from Austin Public Health, the St. David's Foundation and Austin Echo, in addition to that provided by Central Health.

Outreached client demographic information (age, race, ethnicity), payer status, and zip code will be separately shared by BMHC, as part of its own report to Central Health's Board of Managers.

Financial Performance From October 1st, 2022 to June 30th, 2023					
REVENUES	Actual	Budget	Variance	Variance %	Last Year Actual
Sliding Fee Scale/ Self Pay Patients	1,936,652	2,627,464	(690,812)	-26.29%	2,314,968
Commercial	3,655,530	2,989,960	665,570	22.26%	2,730,848
Medicare	2,506,813	2,288,339	218,474	9.55%	2,135,288
Medicaid	33,225,347	39,587,324	(6,361,977)	-16.07%	31,690,669
CHIP	3,461,922	4,016,338	(554,416)	-13.80%	3,171,642
Family Planning	933,907	740,330	193,577	26.15%	650,152
Central Health Primary Care/Specialty Care Fee-For-Service	29,793,901	29,981,407	(187,506)	-0.63%	26,442,174
Total Patient Services Revenue	75,514,072	82,231,162	(6,717,090)	-8.17%	69,135,741
Other Pat Service Revenue	1,364,090	587,821	776,269	132.06%	1,861,882
Bad Debt	(3,923,376)	(2,317,480)	(1,605,896)	69.29%	(1,592,037)
Third Party Revenue	72,954,786	80,501,503	(7,546,717)	-9.37%	69,405,586
Pharmacy Revenue	39,231,165	33,858,671	5,372,494	15.87%	33,653,727
Net Patient Revenue	112,185,951	114,360,174	(2,174,223)	-1.90%	103,059,313
Total Grant Revenue	19,860,014	23,742,466	(3,882,452)	-16.35%	15,032,252
Delivery System Reform Payments Earned	-	-	-	0.00%	2,325,768
Central Health Non-Contract Revenue	12,233,013	13,971,733	(1,738,720)	-12.44%	12,313,478
TOTAL OPERATING REVENUE	144,278,978	152,074,373	(7,795,395)	-5.13%	132,730,811
EXPENSES	Actual	Budget	Variance	Variance %	Last Year Actual
Wages	71,038,920	78,838,970	(7,800,050)	-9.89%	62,527,798
Benefits	18,535,934	20,055,814	(1,519,880)	-7.58%	16,375,124
Total Wages And Benefits	89,574,854	98,894,784	(9,319,930)	-9.42%	78,902,922
Contract Labor	6,654,863	5,032,274	1,622,589	32.24%	4,779,762
Direct Care Expenses	31,278,077	29,595,087	1,682,990	5.69%	25,484,574
Total Indirect Expense	9,137,320	9,620,661	(483,341)	-5.02%	10,365,818
Total Occupancy Expense	6,696,218	6,800,121	(103,903)	-1.53%	6,193,539
Depreciation Expense	246,101	236,521	9,580	4.05%	232,868
Total Expenses	143,587,433	150,179,448	(6,592,015)	-4.39%	125,959,483
Total Non-Operating Revenue/Expense	590,811	(59,073)	649,884	-1100.14%	179,381
Net Surplus/(Deficit)	1,282,356	1,835,852	(553,496)	-30.15%	6,950,709

Note: CommUnityCare is showing a surplus of \$1,282,356 through three quarters of FY 2022-23. This surplus is mainly due to lower than budgeted expenses, offsetting lower than budgeted revenues. For revenue, pharmacy revenue is greater than budget by \$5,372,494, which has offset most of the budget shortfall in Third Party revenue (\$7,546,717). Third Party revenues are lower than budget mostly due to higher than budgeted provider vacancies. The higher provider vacancies have resulted in lower than budgeted encounters. Also contributing to lower patient revenue was the 2 ½ day closure in January and February due to Winter Storm Mara. Total expenses are under budget by \$6,592,015 through three quarters, Wages, benefits, and contract labor are \$7,697,341 under budget, while the rest of the expense categories are \$1,102,326 over budget through three quarters of the fiscal year.

**Quarterly Report to Central Health Strategic Planning Committee
For the Period of October 1st, 2022, to June 30th, 2023**

KEY OPERATIONAL INDICATORS AND SERVICE DELIVERY METRICS

Overall Service Delivery	10/01/2022 - 12/31/2022	01/01/2023 - 03/31/2023	04/01/2023 - 06/30/2023	10/01/2022 - 06/30/2023
Unduplicated Patients Served	62,991	63,464	65,941	113,033
Face-to-Face Provider HRSA Countable Visits	109,109	109,050	114,067	332,226
Call Center Hold Time and Call Volume	10/01/2022 - 12/31/2022	01/01/2023 - 03/31/2023	04/01/2023 - 06/30/2023	10/01/2022 - 06/30/2023
Call Center: Avg Hold Time in Seconds	293	144	97	166
Call Center: Avg Monthly Call Volume	43,957	46,106	52,802	48,450
Patient Appointment Access Measures	10/01/2022 - 12/31/2022	01/01/2023 - 03/31/2023	04/01/2023 - 06/30/2023	10/01/2022 - 06/30/2023
Average 3rd Next Available - Behavioral Health in Days	0.49	0.46	1.94	1.66
Average 3rd Next Available - Dental in Days	8.79	5.40	5.45	4.13
Average 3rd Next Available - Family Medicine in Days	0.48	0.45	1.44	1.23
Average 3rd Next Available - Internal Medicine in Days	0.44	0.43	5.79	5.29
Average 3rd Next Available - OB/GYN in Days	4.84	3.58	2.40	1.46
Average 3rd Next Available - Pediatrics in Days	0.22	0.19	1.25	1.36
Average 3rd Next Available - Specialty in Days	13.75	13.00	17.78	16.20
Average Lead - Pediatrics - New Patients in Days	17.38	17.73	14.13	16.46
Average Lead - Pediatrics - Established Patients in Days	23.72	23.48	16.09	16.03
Average Lead - Family Medicine - New Patients in Days	62.56	68.58	82.29	72.73
Average Lead - Family Medicine - Established Patients in Days	48.04	49.08	29.78	30.40
Average Lead - Internal Medicine - New Patients in Days	15.70	15.56	16.81	15.87
Average Lead - Internal Medicine - Established Patients in Days	31.02	31.28	24.85	23.76
Average Lead - OB/GYN - New Patients in Days	42.54	39.58	34.01	37.35
Average Lead - OB/GYN - Established Patients in Days	48.21	44.24	38.69	39.77
Average Lead - Dental - New Patients in Days	32.13	33.43	40.38	37.56
Average Lead - Dental - Established Patients in Days	57.54	59.33	43.64	43.86
Average Lead - Specialty - New Patients in Days	56.80	66.44	63.78	60.58

**Quarterly Report to Central Health Strategic Planning Committee
For the Period of October 1st, 2022, to June 30th, 2023**

Average Lead - Specialty - Established Patients in Days	65.58		67.16		36.70		38.12	
Average Lead -Mental Health- New Patients in Days	6.34		7.39		4.90		6.66	
Average Lead - Mental Health - Established Patients in Days	15.32		14.75		10.99		9.95	
Unduplicated Patients Served by Race + Ethnicity Number of Patients Served and % of Total Patients	10/01/2022 - 12/31/2022		01/01/2023 - 03/31/2023		04/01/2023 – 06/30/2023		10/01/2022 – 06/30/2023	
Black / African American including Latinos/Hispanics	5,378	8.5%	5,432	8.6%	5,597	8.5%	9,896	8.8%
Asian / Pacific Islander including Latinos/Hispanics	1,720	2.7%	1,711	2.7%	1,725	2.6%	3,009	2.7%
More than One Race including Latinos/Hispanics	400	0.6%	421	0.7%	465	0.7%	756	0.7%
Native American including Latinos/Hispanics	151	0.2%	148	0.2%	163	0.2%	283	0.3%
White, Hispanic / Latino	40,831	64.8%	40,282	63.5%	41,589	63.1%	70,359	62.2%
White, Non-Hispanic / Non-Latino	6,439	10.2%	7,258	11.4%	7,619	11.6%	12,951	11.5%
Unreported Race	8,072	12.8%	8,212	12.9%	8,783	13.3%	15,779	14.0%
Unduplicated Patients Served by Ethnicity + Race Number of Patients Served and % of Total Patients	10/01/2022 - 12/31/2022		01/01/2023 - 03/31/2023		04/01/2023 – 06/30/2023		10/01/2022 – 06/30/2023	
Hispanic / Latino, All Races	45,537	72.3%	45,090	71.0%	46,860	71.1%	79,335	70.2%
Hispanic / Latino, Non-White	588	0.9%	596	0.9%	652	1.0%	1,111	1.0%
Hispanic / Latino, White Only	40,831	64.8%	40,282	63.5%	41,589	63.1%	70,359	62.2%
Hispanic / Latino, Unreported Race	4,118	6.5%	4,212	6.6%	4,619	7.0%	7,865	7.0%
Non-Hispanic / Non-Latino, Non-White	7,061	11.2%	7,116	11.2%	7,298	11.1%	12,833	11.4%
Non-Hispanic / Non-Latino, White Only	6,439	10.2%	7,258	11.4%	7,619	11.6%	12,951	11.5%
Non-Hispanic / Non-Latino, Unreported Race	904	1.4%	937	1.5%	1,016	1.5%	1,787	1.6%
Unreported Ethnicity	3,050	4.8%	3,063	4.8%	3,148	4.8%	6,127	5.4%
Unduplicated Patients Served by Sex Assigned at Birth and % of Total Patients	10/01/2022 - 12/31/2022		01/01/2023 - 03/31/2023		04/01/2023 – 06/30/2023		10/01/2022 – 06/30/2023	
Female	35,950	57.1%	36,241	57.1%	37,702	57.2%	63,108	55.8%
Male	27,041	42.9%	27,223	42.9%	28,239	42.8%	49,925	44.2%
Female: Travis County Resident	29,651	47.1%	29,925	47.2%	31,099	47.2%	51,624	45.7%
Male: Travis County Resident	22,328	35.4%	22,475	35.4%	23,404	35.5%	41,100	36.4%

**Quarterly Report to Central Health Strategic Planning Committee
For the Period of October 1st, 2022, to June 30th, 2023**

Unduplicated Patients Served by Age Group and % of Total Patients	10/01/2022 - 12/31/2022		01/01/2023 - 03/31/2023		04/01/2023 – 06/30/2023		10/01/2022 – 06/30/2023	
Under 18 Years Old	22,744	39.3%	23,576	37.1%	24,030	36.4%	43,994	38.9%
18 to 64 Years of Age	34,159	54.2%	35,221	55.5%	37,107	56.3%	61,842	54.7%
65 and Older	4,088	6.5%	4,667	7.4%	4,804	7.3%	7,197	6.4%
Under 18 Years Old: Travis County Resident	19,584	31.1%	18,669	29.4%	19,070	28.9%	34,653	30.7%
18 to 64 Years of Age: Travis County Resident	28,844	45.8%	29,679	46.8%	31,262	47.4%	51,861	45.9%
65 and Older: Travis County Resident	3,551	5.6%	4,052	6.4%	4,171	6.3%	6,210	5.5%
Unduplicated Patients Served by Insurance Status and % of Total Patients	10/01/2022 - 12/31/2022		01/01/2023 - 03/31/2023		04/01/2023 – 06/30/2023		10/01/2022 – 06/30/2023	
Uninsured	30,353	48.2%	30,630	48.3%	32,719	49.6%	54,311	48.0%
Uninsured: Travis County Resident (Includes MAP/MAP Basic)	25,977	41.2%	26,251	41.4%	28,072	42.6%	46,408	41.1%
MAP / MAP Basic	22,226	35.3%	22,587	35.6%	24,529	37.2%	39,701	35.1%
Medicare including Dual Eligibles	3,141	5.0%	3,390	5.3%	3,459	5.2%	5,313	4.7%
Medicaid	24,960	39.6%	24,391	38.4%	22,776	34.5%	43,780	38.7%
Private Insurance	4,537	7.2%	5,053	8.0%	5,304	8.0%	9,629	8.5%
Unduplicated Patients Served by Income Level and % of Total Patients	10/01/2022 - 12/31/2022		01/01/2023 - 03/31/2023		04/01/2023 – 06/30/2023		10/01/2022 – 06/30/2023	
Below 200% of Federal Poverty	46,071	73.1%	50,193	79.1%	53,369	80.9%	86,126	76.2%
Above 200% of Federal Poverty	1,182	1.9%	1,142	1.8%	1,236	1.9%	2,144	1.9%
Income Level Not Reported / Unknown	15,738	25.0%	12,129	19.1%	11,336	17.2%	24,763	21.9%
Unduplicated Patients Served by Language Best Served In and % of Total Patients	10/01/2022 - 12/31/2022		01/01/2023 - 03/31/2023		04/01/2023 – 06/30/2023		10/01/2022 – 06/30/2023	
Best Served in Language Other than English	38,753	61.5%	39,244	61.8%	41,276	62.6%	68,570	60.7%
Spanish Language Preferred	36,785	58.4%	37,266	58.7%	39,268	59.6%	65,046	57.5%
English Language Preferred	24,265	38.5%	24,220	38.2%	24,665	37.4%	44,467	39.3%
Arabic Language Preferred	344	0.5%	334	0.5%	328	0.5%	580	0.5%
Burmese Language Preferred	229	0.4%	172	0.3%	171	0.3%	299	0.3%
Pushto Language Preferred	184	0.3%	241	0.4%	253	0.4%	443	0.4%

**Quarterly Report to Central Health Strategic Planning Committee
For the Period of October 1st, 2022, to June 30th, 2023**

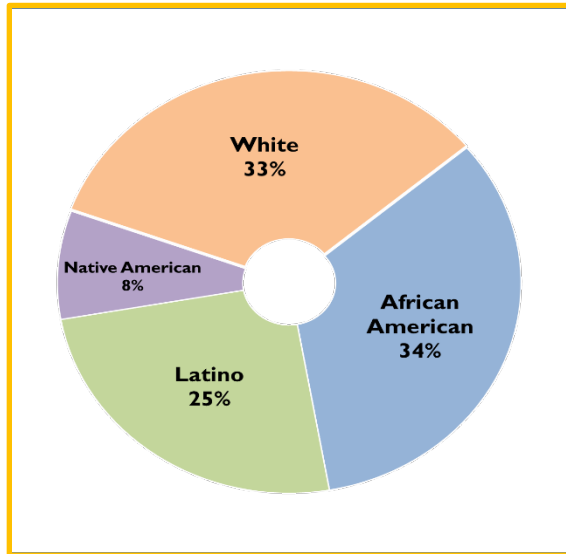
Unduplicated Homeless Patients by Housing Status and % of Total Patients	10/01/2022 - 12/31/2022		10/01/2022 - 03/31/2023		04/01/2023 – 06/30/2023		10/01/2022 – 06/30/2023	
Patients Reporting as Homeless	1,279	2.0%	1,534	2.4%	1,623	2.5%	2,766	2.4%
Patients Reporting as: Living in a Shelter	205	0.3%	144	0.2%	142	0.2%	304	0.3%
Patients Reporting as Homeless: Living on Street or Other	1,074	1.7%	448	0.7%	600	0.9%	1,075	1.0%
Face-to-Face HRSA Countable Visits - Homeless	2,874	2.6%	3,473	2.9%	3,621	3.2%	9,968	3.0%

COMMUNITYCARE BOARD OF DIRECTORS COMPOSITION AS OF JUNE 30, 2023

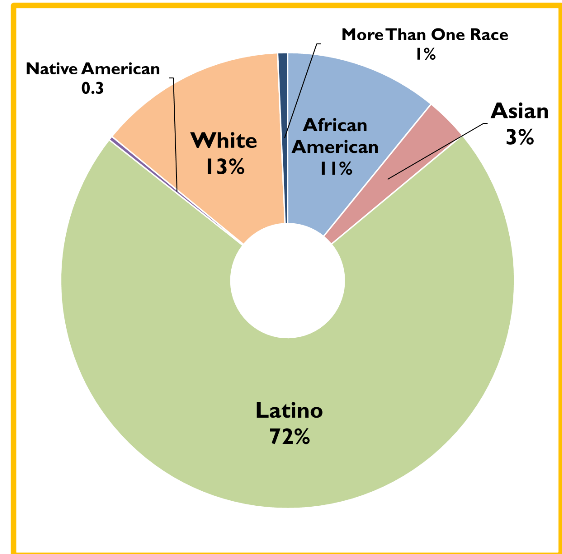
Race / Ethnicity	# of Members	# of Patient Members	# of Non- Patient Members	Female	Male
African American	4	3	1	4	0
Asian	0	0	0	0	0
Latino	3	2	1	1	2
Native American	1	1	0	1	0
Native Hawaiian	0	0	0	0	0
White	4	2	2	0	4
Total	12	8	4	6	6

Notes: (1) Proportion of the Members who are consumers (i.e., patients) of the Health Center = 66.67%; (2) Proportion of the Members who are not consumers (i.e., not patients) of the Health Center = 33.33%. Of these members, none currently derive more than 10% of their income from health care related activities. (3) Central Health can appoint 2 Members to CommUnityCare's Board.

Racial / Ethnic Composition of Board
as of June 30th, 2023



Racial / Ethnic Composition of Patient Population as of December 31st, 2022



**Quarterly Report to Central Health Strategic Planning Committee
For the Period of October 1st, 2022, to June 30th, 2023**

Central Texas Community Health Center dba CommUnityCare Board of Directors as of June 30, 2023

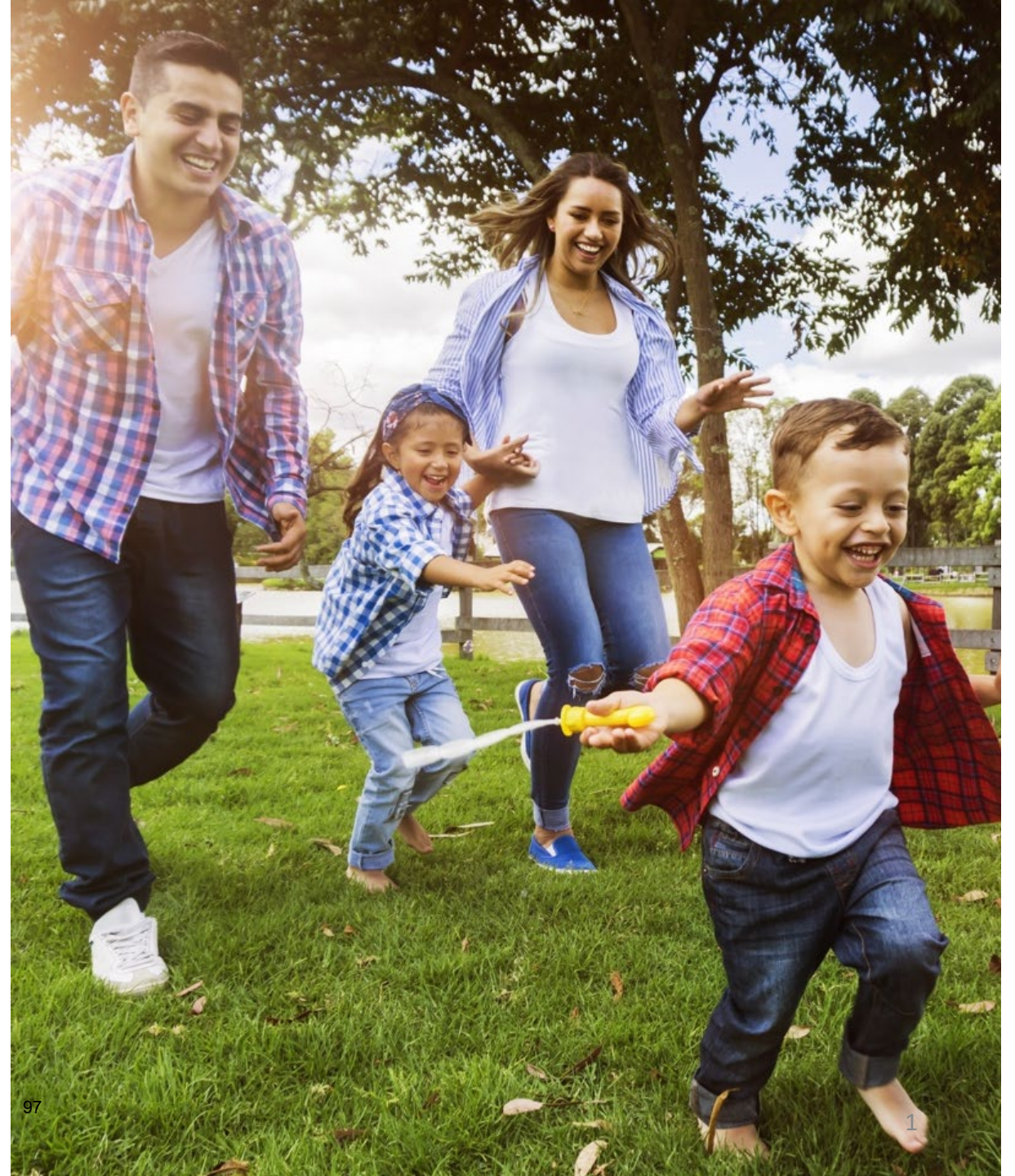
Name	Consumer	Race and/or Ethnicity	Gender	Occupation & or Experience	TCHD Appointee	Special Population Represented	Position Held	Live in Service Area	Work in Service Area	Home Zip Code
Barbara Brooks-Shirley	Yes	African American	Female	Minister/Mentor	No	Homeless	Member	Yes	Yes	78758
Dr. Thomas Coopwood	Yes	White	Male	General Surgey Administration	Yes	N/A	Chair	Yes	Yes	78731
Steven Garrett	No	White	Male	Attorney	No	N/A	Member	Yes	Yes	78704
Carlos Gomez	Yes	Latino	Male	Executive Director	No	N/A	Member	Yes	Yes	78728
Sedora Jefferson	No	African American	Female	Attorney	Yes	N/A	Member	No	Yes	78613
Kimberly Johnson	Yes	African American	Female	Retired	No	N/A	Secretary	Yes	Yes	78723
Debra Locklear	Yes	Native American	Female	Massage Therapy.	No	N/A	Member	Yes	Yes	78723
Dr. Bradley Price	No	White	Male	Women's Health	No	N/A	Treasure	Yes	Yes	78705
Isaac Sanchez	Yes	Latino	Male	Retired - Hotel Mgmt.	No	N/A	Member	Yes	Yes	78741
Karen Siles	No	Latino	Female	IT	No	N/A	Member	Yes	Yes	78729
Guy Swenson	Yes	White	Male	Retired	No	HIV/AIDS	Vice-Chair	Yes	Yes	78758
Claudia Williams	Yes	African American	Female	Sub. Teacher	No	N/A	Member	Yes	Yes	78767



SENDERO HEALTH PLANS

Quarter 2 Report
April 1 – June 30, 2023

Central Health Board of Managers





Sendero Board of Directors with Terms

NAME	INITIAL START DATE	CURRENT TERM START DATE	CURRENT TERM END DATE
Betty DeLargy	6/30/2021	10/26/2022	09/30/2024
Juan Garza	11/15/2014	10/26/2022	09/30/2024
Amit Motwani	04/28/2021	10/27/2021	9/30/2023
McKenzie Frazier	03/06/2023	3/06/2023	9/30/2025
Jeff Knodel	10/01/2013	10/27/2021	9/30/2023
Jerold McDonald	12/14/2022	12/14/2022	9/30/2024
Molly Hahn	12/14/2022	12/14/2022	9/30/2024
Michael Geeslin (Ex-Officio: Central Health CEO) *	4/18/2012 (Previously served for 2.5-year term)	03/06/2023	No term date
Dr. Charles Bell (Ex-Officio: Central Health Board Chair) *	4/18/2012 (With 1.5-year break)	03/06/2023	No term date

**Sendero Bylaws were amended in February 2023 to add Central Health CEO and Board Chair as Ex-Officio members of the Sendero Board of Directors.*



Comparison of Unique Member Enrollments YoY

2023 Membership (as of June 2023)

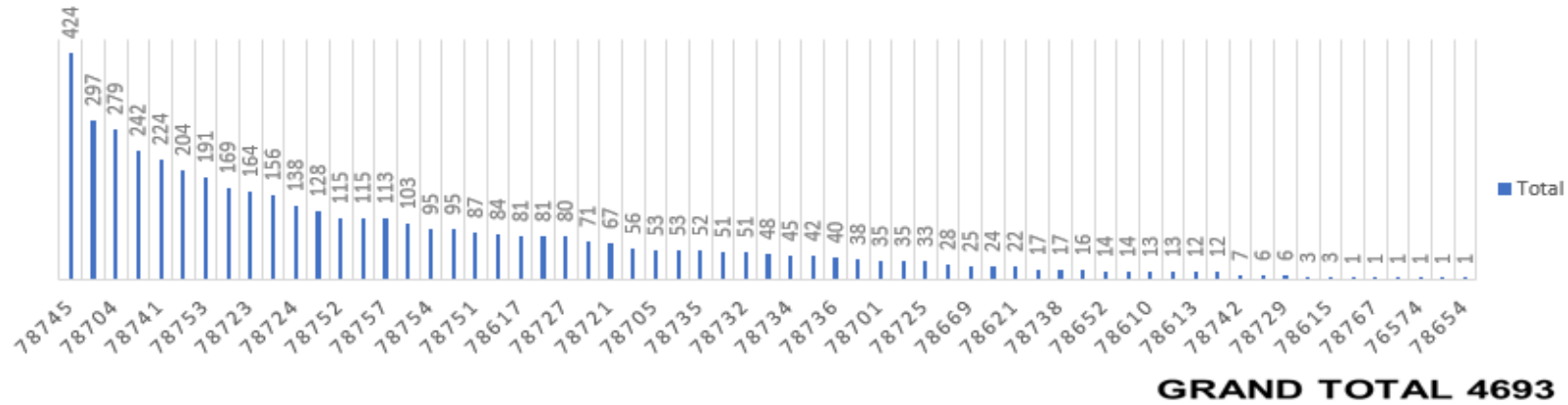
1. **Overall:** 6,802
2. **Breakdown by Metal Level**
 - Bronze: 3,464
 - Silver: 2,027
 - Gold: 528
 - Platinum: 783 (primarily CHAP Expansion)
3. **Breakdown by County**
 - Bastrop: 388
 - Burnet: 73
 - Caldwell: 129
 - Fayette: 31
 - Hays: 561
 - Lee: 24
 - Travis: 4693
 - Williamson: 903
4. **Breakdown by Travis County Zip Codes**
 - *See chart on slide 4*
5. **CHAP Expansion & Musician Programs**
 - CHAP Expansion: 756
 - Musician Program (HAAM): 1177
 - Other PAP: 242

2022 Membership (as of June 2022)

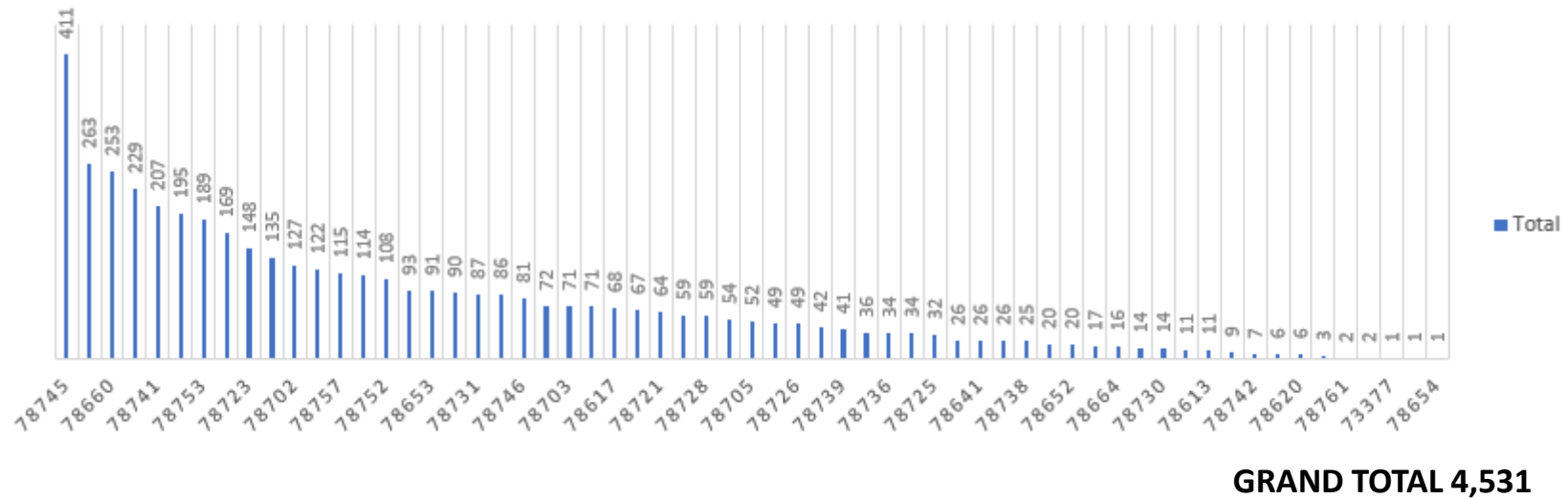
1. **Overall:** 6,655
2. **Breakdown by Metal Level**
 - Bronze: 3,640
 - Silver: 2,006
 - Gold: 249
 - Platinum: 760 (primarily CHAP Expansion)
3. **Breakdown by County**
 - Bastrop: 410
 - Burnet: 54
 - Caldwell: 147
 - Fayette: 31
 - Hays: 592
 - Lee: 25
 - Travis: 4531
 - Williamson: 865
4. **Breakdown by Travis County Zip Codes**
 - *See chart on slide 4*
5. **CHAP Expansion and Musician Program**
 - CHAP Expansion: 744
 - Musician Program (HAAM): 1041
 - Other PAP: 221

Travis County Membership by Zip Codes

Q2 2023



Q2 2022





Q2 2023 Key Activities Summary

- **Rate Setting**
 - Rates were submitted on July 14, 2023, to both Centers for Medicare & Medicaid Services and the Texas Department of Insurance.
- **Submission of Qualified Health Plan (QHP) Documents**
 - Member 2024 plan year documents were approved.
- **Medicaid Unwinding + New Enrollments**
 - 145 new & paid members enrolled since June 1, 2023.
 - 72 New Bronze
 - 48 New Silver
 - 25 New Gold
 - 24 new Medicaid unwinding members
- **Joint Analysis progress**
- **Hired Compliance Director**
- **CEO Search progress**



Basic Financials YTD & Budgeted/Projected

SENDERO HEALTH PLANS 2022-23 APPROVED BUDGET UPDATE

	<u>2023</u>	<u>2023</u>	<u>2023</u>	Variance
	Approved CY BUDGET thru Dec 31, 2023 Approved Sept 2022	BUDGET thru June 30, 2023	ACTUALS thru June 30, 2023	
Total Revenue	\$74,712,568	\$37,356,284	\$25,646,416	69% Decrease in projected membership
Risk Adjustment	\$42,475,099	\$21,237,550	\$24,598,300	116% Higher accuity CHAP Exp members
Total Revenue After Risk Adjustment	\$117,187,667	\$58,593,834	\$50,244,716	86%
Total Medical Expenses	\$91,791,609	\$45,895,805	\$38,401,158	84% Decrease in projected membership
Contribution to Overhead	\$25,396,058	\$12,698,029	\$11,843,558	93%
Total Administrative Expenses	\$23,555,630	\$11,777,815	\$10,401,066	88% Includes AXA charges
Net Income (loss)	\$1,840,428	\$920,214	\$1,442,492	157%
<i>Check Total</i>				
Average Membership	10,800	10,800	6,670	62%
Member Months	129,600	64,800	40,021	62%
Admin as % of Revenues After Risk Adj	20%	20%	21%	
Premium PMPM	\$904.23	\$904.23	\$1,255.46	139%
Claims PMPM	\$708.27	\$708.27	\$959.53	135%
Admin PMPM	\$181.76	\$181.76	\$259.89	143%
Net Income/Loss PMPM	\$14.20	\$14.20	\$36.04	254%



Q2 2023 Key Activities Continued

Outreach and Marketing Activities

- Sendero's field-based Business Development team participated in 51 community events with key partners such as Austin ISD, Austin Public Health, Central Health, and the Health Alliance for Austin Musicians (HAAM). Key events:
 - Summer Lunch Kick-off with Central Health on June 6, 2023
 - *HAAM Loves You!* health education event on June 16, 2023
 - 25th Annual Juneteenth Education and Wellness Fair with Austin Public Health's Blackland Neighborhood Center on June 9, 2023
- Interdepartmental Plan Design Workgroup series, gathered market research and intelligence to enable plan design that drives membership growth strategy.
- Collaborated with Sendero's Research Team on a member experience survey for CHAP Expansion members which ran from May 10, 2023 – May 31, 2023.
 - 767 CHAP members were asked to evaluate their experience with Sendero with 331 (43.16%) providing responses.



Q2 2023 Key Activities Continued

Cost Transparency Tool Update – The cost transparency is live. The tool allows members to shop and compare the costs for services and benefits received by in-network providers. The estimated cost results are based on the member's enrolled plan and accumulated totals at the time the inquiry is conducted.

Interoperability Update – Sendero collaborated with Central Health Joint Tech to meet Centers for Medicare & Medicaid Services deadlines and requirements and went live in Q2 of 2023 with another phase of the Centers for Medicare & Medicaid Services' Interoperability and Patient Access Final Rule (CMS-9115-F).

- This portion of interoperability enables both past and current members to have their data shared with third-party applications which allows them to have all their health data accessible via their phone.

Note: both updates are part of a phased CMS Transparency in Coverage Rule.



Key Activities Continued: Member Services - Call Center Operations

Q2 Call Volume	Inbound	Outbound	Total Calls	Avg Wait time
April	1,188	1,446	2,634	0:00:22
May	1,274	1,133	2,407	0:00:19
June	1,276	2,609	3,885	0:01:10
Total	3,738	5,188	8,926	0:00:37

- **Q2 Outbound Campaigns:**
 - **Grace Period Calls (Monthly):** Calls to members in 30, 60 and 90 day Grace Period to communicate potential termination of coverage and offer to process payment.
 - **Risk Optimization:** To schedule a virtual assessment for CHAP Expansion members with Inovalon. Round 1 calls were wrapped up in April and Round 2 calls began again in June.
 - **CHAP Expansion Survey Reminders (June):** Reminder calls to CHAP Exp members who had not completed the Satisfaction Survey
- **Q2 Call Center Staff:** 7.5 FTEs
- KPI for Average Wait Time <= 00:02:00 mins



Key Activities Continued: Health Services Operational Initiatives

Improving our Capacity to Communicate with our Members

- Health Services continues its collaboration with Business Development to identify and operationalize a HIPAA-compliant, secure solution to allow our health services care management team to securely text with members. The platform will support bi-directional communications, allowing members and the Sendero team to securely text documents and PHI back and forth. The secure texting platform will go live in Q3 of 2023.

Enhancing our Programs to Mitigate Transportation-Related Adverse Determinants of Health

- Health Services continues to build out its programs to mitigate transportation-related “non-medical drivers” of health (aka “social determinants”). This includes a newly planned expansion of offerings through our primary vendor for this program (SafeRide™), for afterhours access, through the "Where's my Ride" line. This new offering will allow member to check the status of a scheduled ride, triggering a ride if it was scheduled in advance, schedule a non-emergent (N-EMT) ride, and referring urgent matters to the vendor’s escalation team. The "Where's my Ride" line will go live in Q3 of 2023.



Key Activities Continued

Health Services Operational Initiatives

Implementing new regulatory prior authorization requirements for providers

- Sendero implementation of “Provider Gold Carding” (HB3459) remains on track
 - Q2 2023: 10 providers had Gold Card rescinded for 19 CPT codes
 - 46 Providers currently have Gold Card exemptions for 140 CPT codes

Managing cancer care utilization with a model that drives toward quality

- In 2022, Sendero selected a unique partner to enhance the cancer care we provide to our members. The selected vendor, OncoHealth, supports our utilization management team in providing expert review of proposed treatment plans, making suggestions to our providers on the very latest, evolving standards of care, clinical trials, and treatment alternatives.

Period	Financial Impact	Total Unique Patients	Total Protocols	# Approved Protocols	# OOS	# RADs / Denials	# RADs / Denials Lack of Information	# RADs / Denials Lack of Medical Necessity
2023-04	\$15,693	15	24	21	0	3	2	0
2023-05	\$6,803	21	38	31	2	4	3	1
2023-06	\$49,875	18	27	24	0	2	0	2
Total	\$72,371	54	89	76	2	9	5	3



Key Activities Continued

Central Health & Sendero Joint Analysis Exercises: Four Objectives

Responsive to both Central Health Board of Managers and Sendero Board of Directors: a new collaborative effort to assess current programs, to formulate recommendations and strategies, and to optimize our offerings to better serve our community.

1. Plan/Benefit Design Matrixing

Review provider network and access, benefit and service packages, and patient financial responsibility, to fine-tune member services across offerings.

2. CHAP Optimization

Assess risk score, utilization and outcome trends, to optimize enrollment opportunities, eligibility criteria, and clinical programs.

- a) *Retrospectively*
- b) *Longitudinally*

3. Financial Analysis

Assess risk score patterns and financial indicators across Sendero and Central Health collaborations, to inform shared growth strategies for the future.

Joint Analysis Exercises

Q1-2 2023: Two prioritized workstreams, “Plan/Benefit Design Matrixing” and “CHAP Optimization”, have workgroup activities substantially underway.

Board of Directors Terms

NAME	INITIAL START DATE	CURRENT TERM START DATE	CURRENT TERM END DATE
Betty DeLargy	6/30/2021	10/26/2022	09/30/2024
Juan Garza	11/15/2014	10/26/2022	09/30/2024
Amit Motwani	04/28/2021	10/27/2021	9/30/2023
McKenzie Frazier	03/06/2023	3/06/2023	9/30/2025
Jeff Knodel	10/01/2013	10/27/2021	9/30/2023
Jerold McDonald	12/14/2022	12/14/2022	9/30/2024
Molly Hahn	12/14/2022	12/14/2022	9/30/2024
Michael Geeslin (Ex-Officio: Central Health CEO) *	4/18/2012 (Previously served for 2.5-year term)	03/06/2023	No term date
Dr. Charles Bell (Ex-Officio: Central Health Board Chair) *	4/18/2012 (With 1.5-year break)	03/06/2023	No term date

**Sendero Bylaws were amended in February 2023 to add Central Health CEO and Board Chair as Ex-Officio members of the Sendero Board of Directors.*



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

August 23, 2023

AGENDA ITEM 6

Receive and discuss an update on Sendero Health Plans financials and proposed business strategies.^{3,4} (*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 August 23, 2023

Jeff Knodel, Central Health CFO

Perla Cavazos, Sendero Acting CEO

Who will present the agenda item? (Name, Title) Eli Barreneche, Sendero CFO

Betty DeLargy, Sendero Board Chair

General Item Description Receive and discuss an update on Sendero Health Plans financials and proposed business strategies.

Is this an informational or action item? Informational Item

Fiscal Impact N/A

Recommended Motion (if needed – action item) N/A

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

1) Managers will receive financial and business strategy updates.

2)

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

Estimated time needed for presentation & questions? 30 minutes

Is closed session recommended? (Consult with attorneys.) Yes

Form Prepared By/Date Submitted: Perla Cavazos / August 23, 2023



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

August 23, 2023

AGENDA ITEM 7

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