



CENTRAL HEALTH

STAYS IN FILE

Our Vision

Central Texas is a model healthy community.

Our Mission

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

Our Values

Central Health will achieve excellence through:

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

Innovation - We create solutions to improve healthcare access.

Respect - We honor our relationship with those we serve and those with whom we work.

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

BUDGET AND FINANCE COMMITTEE

Wednesday, January 22, 2020, 5:30 p.m.

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

AGENDA*

***Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of their consideration by the Committee.**

1. Consider and approve the minutes of the November 13, 2019 meeting of the Central Health Budget and Finance Committee. *(Action Item)*
2. Receive, discuss, and take appropriate action on a presentation of Central Health Fiscal Year 2019 financial audit. *(Action Item)*
3. Receive a report of the December 2019 financial statements for Central Health. *(Informational Item)*
4. Receive a report of the December 2019 financial statements for the Community Care Collaborative. *(Informational Item)*
5. Discuss and take appropriate action on a presentation on the fiscal impact of a \$15 minimum wage for Central Health Enterprise employees. *(Action Item)*
6. Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other community partnerships.¹ *(Action Item)*
7. Confirm the next regular Committee meeting date, time, and location. *(Informational Item)*

Note ¹, Possible closed session item.

A quorum of Central Health's Managers may convene to discuss matters on the agenda, and such quorum may take Board action on items consistent with the Board's bylaws and the limits of any posting on this agenda.

The Budget and Finance Committee may consider any matter posted on the agenda in a closed session if there are issues that require consideration in a closed session and the Committee announces that the item will be considered during a closed session.

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify Central Health at least 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.

Came to hand and posted on a Bulletin Board in the Courthouse,
Austin, Travis County, Texas on this the 17th day of

January 2020

Dana DeBeauvoir
County Clerk, Travis County, Texas

By A. Macedo Deputy

A. MACEDO



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Dana DeBeauvoir

Dana DeBeauvoir, County Clerk
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**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING
January 22, 2020

AGENDA ITEM 1

Consider and approve the minutes of the November 13, 2019 meeting of the Central Health Board of Managers Budget and Finance Committee.

MINUTES OF MEETING – NOVEMBER 13, 2019

CENTRAL HEALTH BUDGET AND FINANCE COMMITTEE

On Wednesday, November 13, 2019, the Central Health Budget and Finance Committee convened at 6:41 p.m. in the Board Room, 1111 East Cesar Chavez, Austin, Texas 78702. Clerk for the meeting was Briana Yanes.

Committee Members present: Chairperson Bell, and Manager Greenberg

Board Members present: Manager Valadez, Manager Zamora

REGULAR AGENDA

- 1. Consider and approve the minutes of the October 23, 2019 meeting of the Central Health Board of Managers Budget and Finance Committee.**

Clerk's Notes: Discussion on this item began at 6:42 p.m.

Manager Greenberg moved that the Committee approve the minutes of the October 23, 2019 meeting of the Central Health Board of Managers Budget and Finance Committee.

Manager Zamora seconded the motion.

Chairperson Charles Bell	For
Manager Sherri Greenberg	For
Manager Julie Oliver	Absent
Manager Guadalupe Zamora	For
Manager Cynthia Valadez	For
Manager Julie Zuniga	Absent

- 2. Discuss and take appropriate action on amendments to the Central Health Reserve Policy.**

Clerk's Notes: Discussion on this item began at 6:42 p.m. Ms. Lisa Owens, Deputy Chief Financial Officer gave a brief summary on the amendments to the Central Health Reserve Policy. Ms. Owens stated that the policy allows Central Health to maintain control of funds while reserving them on our balance sheet for future use and that this policy would be effective after the execution of a contract.

Manager Valadez moved that the Committee recommend that the full Board approve the amendments to the Central Health Reserve Policy as presented by Central Health staff.

Manager Greenberg seconded the motion.

Chairperson Charles Bell	For
Manager Sherri Greenberg	For
Manager Julie Oliver	Absent
Manager Guadalupe Zamora	For
Manager Cynthia Valadez	For
Manager Julie Zuniga	Absent

- 3. Discuss and take appropriate action on the local provider participation fund (LPPF) administrative program rules.**

Clerk's Notes: Discussion on this item began at 6:46 p.m. Ms. Katie Coburn, Director of Regional Healthcare Partnership gave a brief overview of the LPPF administrative program rules.

Manager Valadez moved that the Committee recommend the Board approve the administrative rules for the LPPF and further moved that the Committee recommend the Board delegate authority to the Central Health President and CEO to amend these rules as necessary with notice to the Board of Managers.

Manager Greenberg seconded the motion.

Chairperson Charles Bell	For
Manager Sherri Greenberg	For
Manager Julie Oliver	Absent
Manager Guadalupe Zamora	For
Manager Cynthia Valadez	For
Manager Julie Zuniga	Absent

4. Receive and discuss a presentation from Sendero Health Plans, Inc. on enrollment in IdealCare and the proposed Fiscal Year (FY) 2020 budget.

Clerk's Notes: Discussion on this item began at 6:52 p.m. Mr. Wes Durkalski, President & CEO of Sendero and Ms. Elizabeth Barreneche, Chief Financial Officer of Sendero gave a presentation on the Sendero Board approved 2020 budget.

At 7:07 p.m. Chairperson Bell announced that the Committee was convening in closed session to discuss agenda item 4 under Texas Government Code Section 551.085, Governing Board of Certain Providers of Health Care Services.

At 7:36 p.m. the Board returned to open session.

No action was taken on Item 4.

5. Receive and discuss an update on a capital line of credit agreement with J.P. Morgan Chase.

Clerk's Notes: Discussion on this item began at 7:37 p.m. There was no presentation. Chairperson Bell informed the board that a memo was provided in the packet and Central Health staff would be available to answer any questions.

No action was taken on Item 5.

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

Clerk's Notes: Discussion on this item began at 7:37 p.m. Chairperson Bell announced that the next Central Health Board of Managers Budget and Finance Committee meeting is scheduled for Wednesday, December 11, 2019 at 5:30 p.m., Central Health Administrative Offices, 1111 E. Cesar Chavez St., Austin, Texas 78702.

Manager Greenberg moved that the Committee adjourn.

Manager Zamora seconded the motion.

Chairperson Charles Bell	For
Manager Sherri Greenberg	For
Manager Julie Oliver	Absent
Manager Guadalupe Zamora	For
Manager Cynthia Valadez	For
Manager Julie Zuniga	Absent

The meeting adjourned at 7:38 p.m.

Charles Bell, Committee Chairperson
Central Health Budget and Finance Committee



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

January 22, 2020

AGENDA ITEM 2

Receive, discuss, and take appropriate action on a presentation of Central Health Fiscal Year 2019 financial audit.



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

January 22, 2020

AGENDA ITEM 3

Receive a report of the December 2019 financial statements for Central Health.



Central Health

Financial Statement Presentation

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

Central Health Board of Managers

January 22, 2020

Lisa Owens, Deputy CFO

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- Slide 2 Index
- Slide 3 Highlights
- Slide 4 Balance Sheet - Assets
- Slide 5 Balance Sheet - Liabilities & Net Assets
- Slide 6 Sources & Uses
- Slide 7 HCD - Summary
- Slide 8 HCD - Blank Page
- Slide 9 HCD - IGT & HCD Services
- Slide 10 HCD - Operating Cost
- Slide 11 HCD - Primary Care
- Slide 12 HCD - Specialty Care

Note: HCD = Health Care Delivery



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

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



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



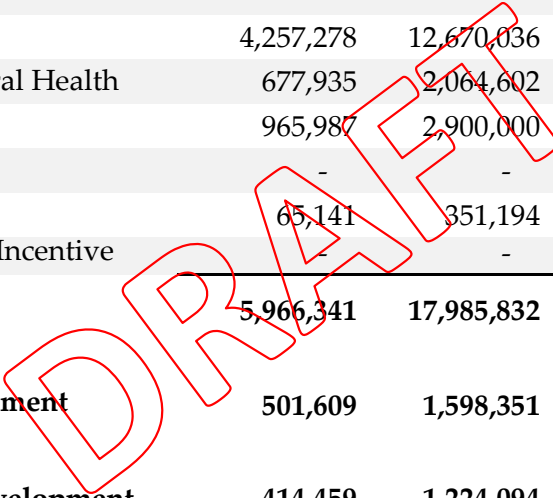
Liabilities	Preliminary	
	as of 12/31/2019	as of 12/31/2018
Current Liabilities		
Accounts payable	9,851,859	2,027,321
Salaries and benefits payable	1,283,864	867,587
Other Payables	99,287	90,270
Debt service payable, short-term	1,173,814	1,149,732
Deferred tax revenue	125,902,887	116,856,193
Other deferred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



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



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



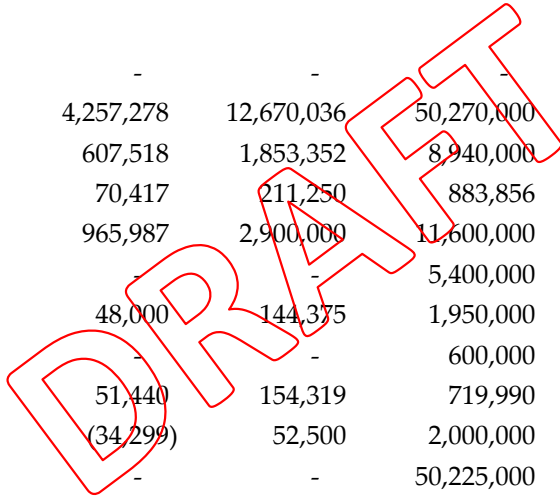


Details for Health Care Delivery on the following slides.

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



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



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

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



Questions ? Comments ?

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Balance Sheet (Assets) – Slide 4

Current Assets

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

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

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

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

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

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

Prepaid Expenses – \$884K balance composed of:

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

Total Current Assets – \$294M



Balance Sheet (Assets) – Slide 4 (continued)

Restricted Cash & Investments or Noncurrent

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

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

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

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

Restricted TCHD LPPF Cash & Investments - \$2.1M

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

Total Assets – **\$524M**



Current Liabilities – Slide 5

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

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

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

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

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

Deferred Tax Revenue - \$126M

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

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



Restricted or Noncurrent Liabilities – Slide 5 (continued)

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

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

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

Total Noncurrent Liabilities – \$10M

Total Liabilities – \$149M

Net Assets

Unrestricted Net Assets – \$265M

Investment in Capital Assets – \$110M

Total Net Assets – \$375M

Total Liabilities and Net Assets – \$524M



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

January 22, 2020

AGENDA ITEM 4

Receive a report of the December 2019 financial statements for the Community Care Collaborative.

Community Care Collaborative

Financial Statement Presentation

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

Central Health Board of Managers
Board of Managers Meeting
January 22, 2020

Jeff Knodel, Chief Financial Officer
Lisa Owens, Deputy Chief Financial Officer



a partnership of Central Health and Seton Healthcare Family

General

December 2019



- * Cash is at \$18.6 million compared to \$32.6 million last year.
- * Total Liabilities are at \$8 million as of the end of December.
- * Net Assets at the end of December are \$11 million. This includes the FY20 emergency reserve carry forward of \$5 million.

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Balance Sheet

As of December 31, 2019



	as of 12/31/2019	as of 12/31/2018
Assets		
Cash and Cash Equivalents	18,646,725	32,617,927
Other Receivables	435,681	164,793
Prepaid and Other	46,923	295,461
Total Assets	19,129,329	33,078,182
Liabilities		
AP and Accrued Liabilities	5,685,445	21,029,276
Deferred Revenue	1,961,042	773,780
Other Liabilities	245,836	268,212
Accrued Payroll	103,361	405,830
Total Liabilities	7,995,684	22,477,098
Net Assets	11,133,645	10,601,084
Liabilities and Net Assets	19,129,329	33,078,182

Sources and Uses Report, Budget vs Actual

Fiscal Year-to-Date through December, 2019



Sources of Funds

	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
DSRIP Revenue	61,168,472	0	0%	0
Member Payment - Seton ⁽¹⁾	0	0	0%	15,133,245
Member Payment - Central Health ⁽¹⁾	0	0	0%	10,000,000
Operations Contingency Carryforward	5,362,495	10,731,787	200%	5,088,307
Other Sources	100,000	75,398	75%	103,143
Total Sources of Funds	66,630,967	10,807,185	16%	30,324,695

Uses - Programs

Healthcare Delivery	19,630,967	3,950,630	20%	21,949,316
UT Services Agreement	35,000,000	0	0%	0
DSRIP Project Costs	12,000,000	722,909	6%	2,774,295
Total Uses	66,630,967	4,673,540	7%	24,723,611
Net Sources (Uses)	-	6,133,645		5,601,084

Net Assets

Net Assets	11,133,645	10,601,084
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⁽¹⁾ Final contributions will be subject to provisions of the MSA, which requires the parties to collaborate to adequately fund the CCC, but leaves the amount of funding up to each parties' discretion. Each member contribution could be more or less than the budget, depending upon a variety of factors.

Healthcare Delivery Costs - Summary

Fiscal Year-to-Date through December, 2019



	Approved Budget	YTD Actual	YTD % of Budget	Prior YTD Actual
Healthcare Delivery				
Primary Care & Emergency Transport	921,822	701	0%	13,050,755
Specialty Care	3,908,000	519,398	13%	2,060,748
Specialty Behavioral Health	8,000,000	2,020,075	25%	2,129,451
Specialty Dental Care	0	0	0%	140,507
Post-Acute Care	2,675,000	566,815	21%	814,898
Pharmacy	0	0	0%	1,458,603
Medical Management	0	0	0%	385,182
Urgent and Convenient Care	475,000	75,912	16%	62,500
Healthcare Delivery - Operations	2,849,742	767,729	27%	1,846,672
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	3,950,630	20%	21,949,316

Thank You

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a partnership of Central Health and Seton Healthcare Family

*Preliminary*³²



December 2019 FYTD Financial Statements (unaudited)
Page 1 of 3

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Balance Sheet

Current Assets

Cash and Cash Equivalents – \$18.6M

Other Receivables – \$436K

Prepaid and Other – \$47K

- \$10K – Prepaid insurance
- \$37K – Atrium Security deposit

Total Assets – \$19.1M

Liabilities

Accounts Payable and Accrued Liabilities – \$5.7M, which includes:

- \$4.2M estimated IBNR (Incurred But Not Received) for providers
- \$731K non-provider accruals
- \$789K due to Central Health

Deferred Revenue – \$2M deferred revenue related to DSRIP projects

Other Liabilities – \$246K; includes leasehold improvement allowance liability of \$109K and Deferred Rent of \$136K

Payroll Liabilities – \$103K; includes PTO liability

Total Liabilities – \$8.0M

BOARD PACKET



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Net Assets

Emergency Reserve – \$5.0M

Unrestricted Net Assets – \$6.1M

Total Net Assets – \$11.1M

Total Liabilities and Net Assets – \$19.1M

Sources and Uses Report

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

Sources of Funds, Year-to-Date

DSRIP Revenue - \$0

Operations Contingency Carryforward - \$10.7M from FY2019 (does not include \$5M in emergency reserves)

Other Sources – \$75K for interest income

BOARD PACKET

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Uses of Funds, Year-to-Date

Operating Expenses

	<u>Approved Budget</u>	<u>YTD Actual</u>	<u>YTD % of Budget</u>	<u>Prior YTD Actual</u>
Healthcare Delivery				
Primary Care & Transportation	921,822	701	0%	13,050,755
Specialty Care	3,908,000	519,398	13%	2,060,748
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Healthcare Delivery - Operations	2,849,742	767,729	27%	1,846,672
Operations Contingency Reserve	801,403	0	0%	0
Total Healthcare Delivery	19,630,967	3,950,630	20%	21,949,316

DSRIP Project Costs – Year-to-date \$723K.

BOARD PACKET



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

January 22, 2020

AGENDA ITEM 5

Discuss and take appropriate action on a presentation on the fiscal impact of a \$15 minimum wage for Central Health Enterprise employees.



MEMORANDUM

To: Central Health Board of Managers
CC: Mike Geeslin, President and CEO, Central Health
From: Susan Willars, Enterprise VP of Human Resources
Date: January 17, 2020
Re: Item Number 5: Fiscal Impact of a \$15 minimum wage for employees – ACTION ITEM

Overview

During the December Board of Manager's meeting, it was requested that the Central Health Enterprise raise the minimum pay to \$15 an hour for employees, based on the cost of living in Austin, Texas. This memo provides information gathered since the December board meeting.

Synopsis

Request: Set the minimum hourly rate of pay to \$15.

In the past month staff analyzed the salaries of the Central Health Enterprise workforce and determined that CommUnityCare is the only organization within the Enterprise to be impacted by the recommendation. CommUnityCare has forty three (43) employees that would be impacted by the change, and the annualized cost is \$46,424.

If the minimum wage is adopted in the current fiscal year without an extensive review of the salary grades and employee salaries, the Enterprise risks potential compression and internal equity discrepancies. Without an extensive review, one option to minimize compression and internal equity risks is to freeze the salaries of those individuals that receive an adjustment to \$15 until compression ratios are reestablished through future merit increases and market adjustments.

Action Requested

At this time Central Health management requests the committee take action to direct staff to further analyze the minimum wage increase in collaboration with CommUnityCare and Sendero.



**CENTRAL
HEALTH**

BUDGET & FINANCE COMMITTEE MEETING

January 22, 2020

AGENDA ITEM 6

Discuss and take appropriate action on the 1115 Medicaid Waiver, Delivery System Reform Incentive Payment (DSRIP) projects, the Community Care Collaborative, including health care delivery arrangements, and other community partnerships.¹



**CENTRAL
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BUDGET & FINANCE COMMITTEE MEETING

January 22, 2020

AGENDA ITEM 7

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