



CENTRAL HEALTH

# FISCAL YEAR 2024 APPROVED BUDGET

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AUSTIN, TX

2024



# LETTER FROM THE CEO



With our fiscal year 2024 (FY 24) budget, Central Health is building a high-functioning, equitable system of care for Travis County residents with low income. Our FY 24 budget is a spending plan that includes sizable investments in patient care, guided by the hospital district's recently adopted Healthcare Equity Plan. This budget increases spending on direct healthcare services by \$23.6 million and increases spending in healthcare operations and support by \$39.5 million.

The Central Health budget, adopted by our all-volunteer board of managers, publicly acknowledges our board's commitment to providing the highest possible quality of care for our patients, regardless of where they're from, what language they speak, where they live or their gender identity.

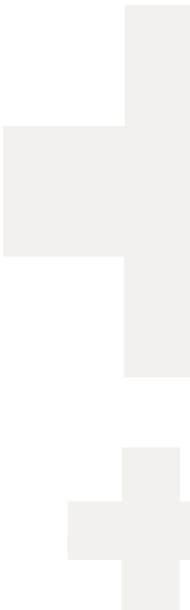
We are grateful to our partners, community leaders, and especially our patients who center our work on the priorities outlined in this budget book. And we are honored to be the stewards of public funds through property taxes to deliver services that strive to make Travis County a model healthy community.

We hope you find the information useful and insightful.

Respectfully yours,

A handwritten signature in black ink that reads "Mike Geeslin". The signature is written in a cursive, slightly slanted style.

**Mike Geeslin**  
Central Health President and CEO





CENTRAL HEALTH

## VISION

Central Texas is a model healthy community.

## MISSION

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

## VALUES

Central Health will achieve excellence through:

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

*Innovation:* We create solutions to improve healthcare access.

*Right By All:* By being open, antiracist, 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.

## GOALS

*Access:* Increase access to healthcare for residents of Travis County.

*Technology:* Maximize the use of technology community wide to influence healthcare decisions and delivery.

*Quality:* Strategically invest in practice designed to improve healthcare outcomes.

*Leadership:* Assume a leadership role in convening and planning for the healthcare needs of our community.

# CENTRAL HEALTH ORGANIZATIONAL CHART

**( BOARD OF MANAGERS )**

**( PRESIDENT & CHIEF EXECUTIVE OFFICER )**

**( HEALTH CARE DELIVERY )**

**( ADMINISTRATION )**

- Direct & Purchased Healthcare Services
- Healthcare Operations & Support
- Health Insurance Program Investments
- Health & Wellness Programs
- Downtown Property Redevelopment
- Community Engagement
- Health Information Technology

- Administration
- Compliance
- Human Resources
- Finance & Procurement
- Tax collection



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Travis County Healthcare District  
Texas**

For the Fiscal Year Beginning

**October 01, 2022**

*Christopher P. Morill*

**Executive Director**

Travis County Healthcare District has earned the Distinguished Budget Presentation Award since FY 2020.

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# ROLE OF THE HEALTHCARE DISTRICT

The Travis County Healthcare District (doing business as “Central Health”) was created pursuant to Chapter 281 of the Texas Health and Safety Code by a vote of the Travis County electorate in May 2004. Central Health’s mission is to improve the health of the community by caring for those who need it most. We are empowering communities by building a better healthcare system to serve low-income residents of Travis County.

Central Health has the statutory obligation to provide healthcare to residents who are at or below 21 percent of the federal poverty level (FPL)—currently \$6,300 annual household income for a family of four. Central Health also provides the Medical Access Program (MAP)—a local indigent coverage program to eligible residents who are at or below 100 percent of the FPL (\$30,000 for a family of four). In addition, Travis County residents earning up to 200 percent of the FPL (\$60,000 for a family of four) may receive subsidized healthcare through Central Health partners on a sliding fee scale known as the MAP Basic coverage program. Coverage of certain services may be more limited than the benefits available to MAP members. The taxpayers of Travis County fund the majority of Central Health’s budget.

Central Health is different than most hospital districts in Texas in that it does not currently own or operate a hospital but delivers care to residents through contractual relationship and affiliations with key healthcare providers in the community and through the direct practice of specialty care medicine and other healthcare services.

In early 2022, Central Health adopted the first two phases of its Equity-Focused Service Delivery Strategic Plan (Healthcare Equity Plan), which identified community needs and gaps in both the current and future healthcare system. The intent of the Healthcare Equity Plan is to guide the immediate and long-term improvements to community healthcare and to reduce inequities for Travis County’s low-income population. In August 2023, Central Health adopted the final phases of the Healthcare Equity Plan, which specified the implementation plan that establishes a financially sustainable spending plan, as the roadmap for building a high-functioning, comprehensive safety-net healthcare system in Travis County.

The adoption of this Plan incorporates an extensive community engagement process that focused exclusively on the healthcare needs of the patients served by Central Health and covers the next seven years of extensive healthcare service enhancements.

## **Central Health Administers the Travis County Local Provider Participation Fund (LPPF)**

In 2019, the Texas legislature authorized the creation of the Travis County LPPF, which was created to provide local funds for federal matching funds of certain Medicaid supplemental funding programs. The LPPF levies an assessment on inpatient hospital facilities to provide the local share of funds for Uncompensated Care (UC) and Medicaid directed payment programs. Medicaid directed payment programs supplement payment rates for Medicaid patients. In FY23, local matching funds for the Uniform Hospital Rate Increase Program (UHRIP) and UC will be provided by local hospitals through the LPPF. Overall, the LPPF generates more local funding than governmental tax amounts, which in turn brings down more federal matching funds that results in more funding for the local health care system.



# PARTNERSHIPS FOR HEALTH



## Building Better Access To Healthcare

Mission: to strengthen the health and well-being of the communities we serve.

CommUnityCare (CUC) is Central Health's affiliated Federally Qualified Health Center (FQHC) system. Today, CUC provides services at 28 locations throughout the Travis County area including one in Bastrop County. In 2022, CUC health centers provided more than 430,000 medical and dental patient visits, which represents more than 129,000 individual patients. CUC provides a full array of patient services, including primary care, dental care, pediatric, specialty care, lab, radiology including mammography, a full-service pharmacy, and behavioral health services. With the addition of Carousel Pediatrics practices in 2019 CUC also offers services for children, including dental, pediatrics, mental health, speech therapy, physical therapy, and occupational therapy.

These services are provided to all who seek care, including people whose income and lack of private health insurance prevents them from accessing care elsewhere. Two of the CUC locations, Hancock and the Central Health Southeast Health & Wellness Center, provide walk-in services to existing CUC patients.



## Building Better Local Health Coverage

Mission: Sendero is dedicated to improving the health of the community by providing affordable, quality healthcare coverage.

Central Health's wholly owned community-based health plan, Sendero Health Plans serves Central Texas. As a Qualified Health Plan under the Affordable Care Act, Sendero provides its IdealCare individual health insurance plan through the Health Insurance Marketplace. Sendero coordinates and manages health care services through a comprehensive provider network throughout Central Texas.



A Central Health and Seton partnership

## Building a Better, More Integrated Healthcare System

Mission: to optimize the health of our population while using our resources efficiently and effectively.

The Community Care Collaborative (CCC) is a nonprofit partnership formed in 2013 between Central Health and Ascension Seton to better manage the care of the shared patient population. The partnership is further enhanced through an affiliation with the Dell Medical School at The University of Texas at Austin, and collaboration with Austin Travis County Integral Care, the region's largest provider of behavioral health services.

# STRATEGIC OBJECTIVES

In preparing the FY2024 Budget, the financial priorities were linked to both the Board's strategic objectives, outlined below, and the strategic imperatives outlined in the Healthcare Equity Plan and the Healthcare Equity Implementation Plan summarized in the "Health Equity Planning" section that follows. <https://www.centralhealth.net/wp-content/uploads/2023/09/Central-Health-Healthcare-Equity-Action-Plan-Presentation.pdf>

In 2018, following our external performance review, Central Health worked closely with community members to identify and refine the hospital district's strategic objectives for the years ahead. The full details of this report can be found here: <https://www.centralhealth.net/knowledge-base/strategic-work-plan-2019-2024/>.

The FY2019-2024 Strategic Workplan resulted in the following board-defined objectives:

## *OBJECTIVE 1*

*DEVELOP AND EXECUTE HEALTHCARE DELIVERY STRATEGY BASED ON PEOPLE AND PLACE.*

## *OBJECTIVE 2*

*IMPLEMENT PATIENT-FOCUSED AND COORDINATED HEALTHCARE SYSTEM*

## *OBJECTIVE 3*

*IMPLEMENT SUSTAINABLE FINANCIAL MODEL FOR HEALTHCARE DELIVERY AND SYSTEM STRATEGIES THROUGH 2024*

As a part of the Central Health Strategic Workplan, the Healthcare Equity Implementation Plan was developed to identify community needs and gaps in the current healthcare safety net healthcare system. Afterwards, a second phase to operationalize a high-functioning, equitable system of high-quality care while optimizing the collective use of capabilities and resources was adopted by the Central Health Board of Managers. Below is more detailed information on the focus areas of the Plan.

The 2022 Central Health Annual report highlights the major accomplishments for each objective and is included in Attachment E.

## HEALTH EQUITY PLANNING

As Travis County's hospital district, Central Health creates access to care and coordinates health care services that enable residents with low income to have the opportunity to get well and stay healthy. Central Health's mission is to improve the health of the community by caring for those who need it most. To better fulfill this mission in 2020, the Central Health board of managers adopted a strategic priority to improve access to care by building an equity-focused, comprehensive, high-functioning and affordable system of care.

The Episcopal Health Foundation awarded Central Health a second grant of \$600,000 in June 2022, which allowed Central Health to engage an experienced healthcare consulting firm to assist staff in developing a comprehensive and financially sustainable plan. The plan included identification of priority-based steps required to implement a high functioning and affordable safety-net systems of care based on the Equity-focused Service Delivery Strategic Plan (the Plan). The Health Equity Implementation Plan adopted August 2, 2023, lays the path to implementing 38 initiatives over the next seven years. These initiatives were developed to fill the gaps identified in the community health needs assessment (CHNA) of Travis County residents with annual household incomes less than 200% FPL; it included extensive Voice of the Community engagements with patients, patient-serving advocacy groups and Central Health partners. The initiatives also included an assessment of the safety-net health care system's capacity and capabilities to fill gaps in the system.

The value of this work in improving the Travis County safety-net health care system cannot be under estimated. The first of its kind health needs assessment focused specifically on Travis County’s low-income populations and a gap analysis enhanced by community input were the basis for the comprehensive list of projects, with phasing and funding estimates included in the seven year timeline. Funding estimates estimate that Central Health will invest nearly \$700 million into projects that strengthen the healthcare safety net. The plan includes:

- 150 interdependent projects (grouped into 38 initiatives) to close the most dangerous gaps in the safety-net system.
- \$682M operating costs added incrementally over 7 years
- Using reserves in FY 2024 to help funding an additional 200 positions to meet community health needs.

The Health Equity Implementation Plan is founded upon a goal and four strategic imperatives:

- Access and capacity – increasing the number of providers and care teams.
- Care coordination – optimizing how patients transition between care settings (e.g., hospital to home).
- Member engagement – enhancing engagement for Central Health Medical Access Program (MAP) enrollees and expanding enrollment in high-need regions; and
- System of care – joint service-delivery planning and timely sharing of health care data.

The planning process included analysis and prioritization of projects that will achieve the greatest impact to the gaps within the safety net, while remaining financially sustainable in the long term. By addressing the strategic imperatives, Central Health will achieve its service delivery strategic goal: To develop an equitable system of care that is comprehensive and accountable, while maximizing the collective use of capabilities and resources to serve Travis County’s safety-net population. Each imperative has enabling and supporting goals and objectives that measure progress and support accountability. Further, these goals and objectives will serve as the means by which the organization measures successes over the next seven years in achieving its mission. The next phase of planning involves the development and implementation of key performance indicators.

## **STRATEGIC PRIORITIES**

Central Health’s budget priorities for FY 2024 operationalize the priorities set in FY 2023 and remain focused on healthcare service delivery. In FY 2024, the budget includes initial healthcare service operations at two new sites in eastern Travis County, as well as opening the Rosewood-Zaragosa (RZ) Multi-Specialty Clinic. The RZ clinic will be Central Health’s initial entry into the direct practice of medicine and the continuation of the long-term equity focused system of care planning that closes gaps in specialty care service lines that have service wait times that are too long. The budget will also include other initiatives focused on implementing the strategic imperatives above that are the culmination of the Healthcare Equity Implementation Plan.

The budgetary trends over the past several years have been consistently focused on expanding services to new locations, primarily in eastern Travis County, as well as service lines to add additional access to care for uninsured or underinsured residents. As discussed above, Central Health continues working to improve health equity by addressing identified health disparities and prioritizing gaps to build a high-functioning system of care across Travis County to address those identified disparities.

## FY 2024 Strategic Priorities



### Increase Access and Capacity

- Continue site expansions with new health centers in Hornsby Bend (9 exam rooms and 4 flex rooms), Del Valle (14 exam rooms, 9 adult/pediatric dental chairs, 2 private dental rooms) and Colony Park (ongoing planning) areas
- Implement launch and ramp up multispecialty services at the East Austin and the Rosewood-Zaragosa clinics (ultimately 30,000 – 35,000 patient encounters annually)
- Enhance behavioral health and substance use treatment including support for diversion services
- Develop and right size clinical and support services to support the direct practice of medicine including expanding Medical Respite staff to support contracted services and to develop the future Cameron Road site
- Increase health care services (including purchased through contract services as appropriate) including healthcare for the homeless street medicine and mobile clinic teams
- Coordinate with local secondary education institutions to provide scholarships, internships and employment to support development of local safety-net health care workforce



### Enhance care coordination with a focus on transitions of care and enabling meaningful information sharing

- Continue buildout of Epic electronic health record for Central Health including utilization of a patient portal
- Expand transitions of care program within Central Health's practice of medicine in expansion of care teams, Care at Home and in skilled nursing facilities
- Improve care coordination and member engagement through the continued development of the Central Health Navigation Center (40 current and new staff to guide patients and members to appropriate care and resources)



### Enhance member enrollment and engagement

- Expand enrollment services in support of new Central Health facilities and clinical practices (12 additional staff)
- Expand enrollment services through Virtual Enrollment
- Continue engagement in high-need planning and assessment regions
- Implement MyChart patient portal



### Continue to develop system of care infrastructure including implementation of FY24 business cases subject to conditions such as readiness checks supporting moving forward only when dependent operations are ready and in place

- Complete development of performance tracking plan and indicators to measure progress of core elements of the healthcare equity implementation plan
- Work to develop and implement oversight programs including hospital care and other service delivery programs
- Implement work related to hospital capacity and hospital care coordination initiatives
- Develop direct clinical practice infrastructure
- Continue development of Central Health departmental infrastructure including support operation department expansions to support organizational growth including, administrative support, recruitment, hiring, retention, workforce development, employee engagement, legal, strategy, compliance, finance and procurement
- Acquire and implement a modern survey tool to support employee retention and satisfaction
- Expand joint technology systems and applications to provide operational support and address cyber security, infrastructure, support services, and data management, analytics and reporting systems

# HEALTHCARE REGULATORY & INDUSTRY CONSIDERATIONS

Federal policies and regulations impact the amount and source of federal funds that have been historically utilized to fund healthcare services in Travis County. Central Health monitors closely for changes in policy and health care finance programs that may impact our budget. Changes are often rapid and significant, which may require Central Health to develop new funding strategies that allow us to enhance available funds to best serve our patients. The state of Texas relies heavily on local funding to provide the state's share of key Medicaid financing programs, such as Uncompensated Care (UC) through the 1115 Medicaid Waiver and Medicaid directed payment programs (DPPs). Central Health gained reauthorization of its Local Provider Participate Program (LPPF) during the 2023 legislative session allowing local hospitals to access federal funds from UC and DPPs without additional local tax burden on Travis County residents. Central Health continues to monitor federal regulations regarding LPPF programs to assess any risk related to this critical funding source.

While Medicaid expansion remains elusive, the state signified a strong commitment to mental health and other services in its 2023 session through both legislative and budgetary action. The state budget included billions for state hospital construction and renovation, \$40 million for the Federally Qualified health Center Incubator Program, and millions in investments in healthcare workforce across a range of specialties. Legislatively, lawmakers extended Medicaid eligibility to twelve months for women after a pregnancy. Several mental health related bills encourage innovations in care, including creation of new grant programs and establishing quality incentive payments that increase access to care.

Collaboration with the City of Austin, Travis County and other local governments continues as we jointly plan for near-term capital projects. In addition, as we plan for FY 2024, collaboration with government partners has focused on continued community response to new and ongoing critical health issues, including public health issues, disaster planning and response, substance use disorders, and mental health services affecting low income and unhoused individuals.



# BUDGET OVERVIEW

The FY 2024 Budget advances the strategic priorities and Healthcare Equity Implementation plan by investing in direct healthcare services, expanding contracted healthcare services and ensuring the infrastructure is in place to support those functions. Those investments are outlined in detail in Attachment A and Attachment B and fully defined in our outline of the Sources and Uses of Funds sections.

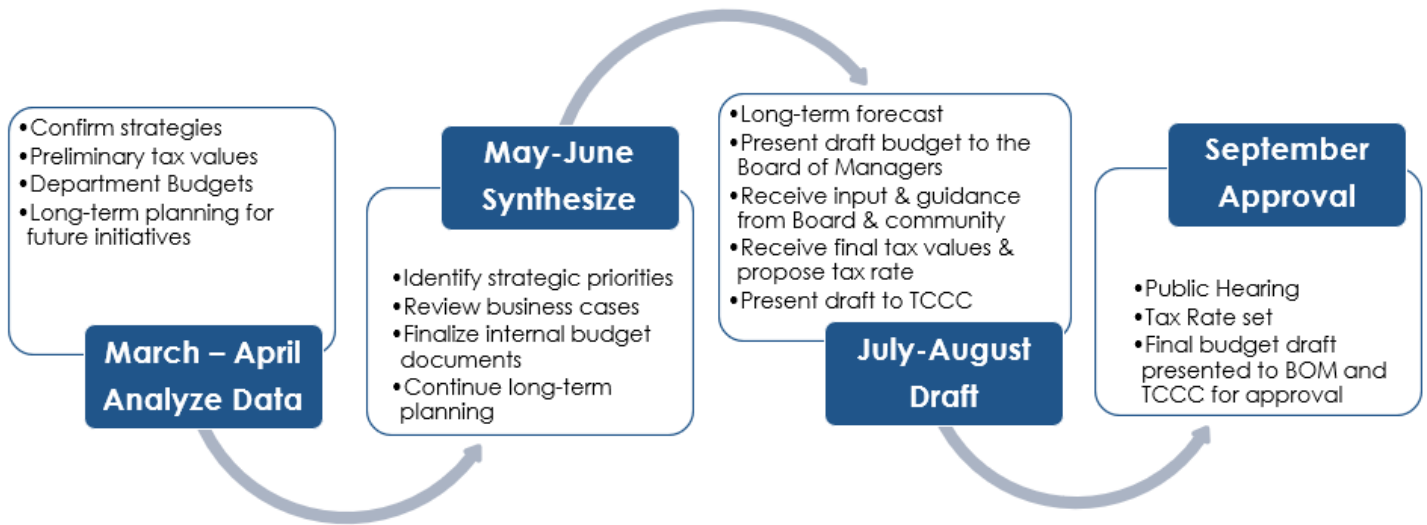
The FY 2024 Proposed Budget includes \$30.8M additional property tax revenue to fund the first full year of implementing the Healthcare Equity plan. The Healthcare Delivery budget will increase by \$83 million in FY 2024 over the prior year. That amount includes an additional

- \$20.9 million for purchased healthcare services,
- \$23.6 million for direct healthcare services,
- \$4 million for the Affordable Care Act premium subsidy program and
- \$39.5 million for healthcare operations and support.

## THE BUDGET PROCESS

In developing Central Health’s annual budget, the Central Health Board considers community input, reports from its healthcare partners, the success of current healthcare initiatives, and the value of proposed initiatives and activities. The budget ensures that Central Health remains focused on its mission and fulfills its legislative purpose.

Figure 1: Budget Timeline



Throughout the year and specifically in the strategic planning operations of the organization, such as the Health Equity Plan and Healthcare Equity Implementation Plan, Central Health integrates community feedback through community engagement events, feedback gathering tools, and quantitative and qualitative data such as our biannual Demographic Report. This information builds upon Central Health’s adopted Healthcare Equity Implementation Plan, is the starting point for developing the budget and developing business cases and strategic priorities which are the foundation of the budget for the upcoming year. See the FY 2023 Community Engagement Report in Attachment F, which describes the efforts to gather community input that informed the FY 2024 budget.

Central Health’s primary source of revenue is property tax. Therefore, a key step in the planning is estimating the tax revenue in future years to ensure healthcare service levels are adequately funded and sufficient funding reserves will be available to maintain the necessary safety net service levels. The Board of Managers uses a multi-year forecasting process each spring to estimate the long-term impact of potential ad valorem tax rates that align the revenue forecast with the priorities of the organization. To support the Board of Managers, the multi-year forecast has proven to be an effective tool to direct staff to prepare an annual proposed budget with a specific ad valorem tax rate.

The staff prepares a proposed budget and presents it to the Board of Managers in public meetings during the early summer. In the FY 2022 budget development process, management initiated a robust internal business case planning process to advance new initiatives that was carried forward in future years. In FY 2024, the business case planning process incorporated a multi-year staffing assessment and was aligned with the Health Equity Implementation Plan to prepare for future service expansion necessary to meet the healthcare needs of the community.

The proposed budget is discussed in detail at both Budget and Finance Committee and Board of Managers meetings, in addition to receiving public input and required public hearings until the budget is finalized. At the same time, Central Health is compliant with Truth-in-Taxation requirements to ensure the ad valorem tax rate is set with the appropriate public hearings, public notices and ultimate approval by the Board of Managers and Travis County Commissioners Court.

Central Health adopts its final budget no later than September 30 each year and begins its new fiscal year October 1.

## **FISCAL YEAR 2024 BUDGET CALENDAR**

|                         |   |
|-------------------------|---|
| July 12, 2023           | Strategic Planning Committee – FY 2024 Strategic Objectives                   |
| July 26, 2023           | Board of Managers Meeting – Long Term Forecast                                |
| August 2, 2023          | Strategic Planning Committee – Health Equity Action Plan                      |
| August 9, 2023          | Board of Managers Meeting – FY 2024 Proposed Budget                           |
| August 17, 22, 28, 2023 | Community Conversations (FY 2024 Proposed Budget                              |
| August 23, 2023         | Board of managers Meeting – Vote on maximum tax rate                          |
| August 24, 2023         | Travis County Commissioners Court – Work Session                              |
| August 30, 2023         | Public Hearing  |
| September 6, 2023       | Board of managers Meeting – Budget & tax rate vote                            |
| September 12, 2023      | Travis County Commissioners Court – Proposed budget and tax rate presentation |
| September 19, 2023      | Travis County Commissioners Court – Budget & tax rate presentation            |
| September 26, 2023      | Travis County Commissioners Court - Budget & tax rate vote                    |

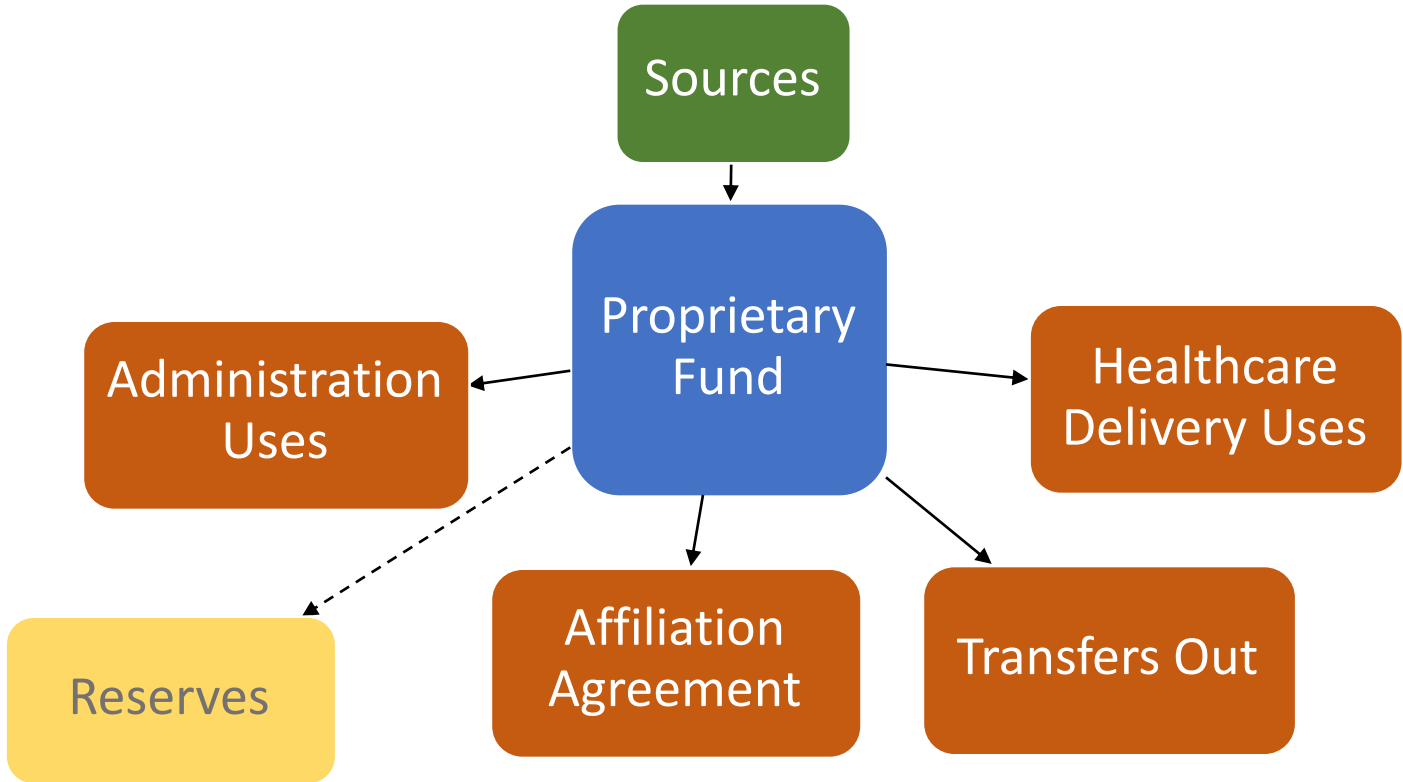
## **PROCESS FOR AMENDING THE BUDGET**

The Central Health budgeted uses are appropriated by category as shown in Attachment A. If additional funds in excess of the approved budget are required, the Central Health board of managers review a budget amendment request. If necessary, the Travis County Commissioners Court will also review for approval. The Central Health President and CEO is authorized to make line-item transfers within the budget categories.

# BASIS OF BUDGETING

For financial reporting and budgeting purposes, Central Health is budgeted as a single Proprietary Fund known as an enterprise fund. The functional units of the organization, Healthcare Delivery and Administration, operate out of the proprietary funds. Additional operational transfers, the UT affiliation and Contingency reserve are funded through the proprietary fund. Central Health's financial statements are prepared on an accrual basis in accordance with GAAP, with the exception of depreciation. Central Health recognizes revenues when earned and expenses when incurred.

Figure 2: Fund relationship to functional units



At the end of each fiscal year, any residual ending balances is carried forward into a contingency reserve. The contingency reserve balance is set aside for planned future structural funding gaps in healthcare delivery operations or one-time use of funds that exceed the annual inflow in any given years. The reserve levels are also evaluated for future service level funding requirements or ad valorem rate impacts. In FY 2024 the beginning contingency reserve balance is combined with budgeted revenue for the year to show all available resources. Budgeted expenses include the remaining contingency reserve balance after all other expenses. The contingency reserve is appropriated in the event of any unplanned events or expenses that may occur throughout the year.

Prior to 2011, Central Health was presented as a component unit of Travis County, however, after the issuance of GASB Statement No. 61, Central Health does not meet the requirements as a component unit of Travis County.

The annual audited financial statements include not only Central Health (as the primary government), but also three legally discrete component units. CommUnityCare , Sendero, and the Community Care Collaborative are included as a discreetly presented component unit as there is financial accountability to Central Health by all three.. See page 5 for an overview of our affiliated partners.



## FINANCIAL POLICIES

Central Health Central Health has a comprehensive set of financial and purchasing policies under which it operates that are established by either the Central Health Board of Managers or Travis County Commissioners Court. The Central Health Board of Managers approves changes to policies and updates as needed. Under state law, the Travis County Commissioners Court approves Central Health's budget and tax rate.

Central Health's reserve and investment policies are referenced in this document as Attachment D. The reserve policies govern the allocation of funds set aside and restricted for capital projects, emergencies, one-time contingency expenses, and the process for changes if necessary. The investment policy outlines the roles and responsibilities of those within the organization who have authority over investments, risk management policies, ethical standards, and review and oversight requirements. It also is in compliance with the Texas Public Funds Investment Act, which specifies investment objectives. The Central Health Board of Managers approves the Investment Policy on an annual basis.

## MULTI-YEAR FORECAST

Assessing our long-term plans and financial outlook as an organization is an essential early step in establishing the tax rate and in the budget development process. Central Health uses a financial forecast model that incorporates our strategic objectives and planned initiatives along with future economic assumptions to estimate the revenue needed to provide and maintain the necessary level of services for our community.

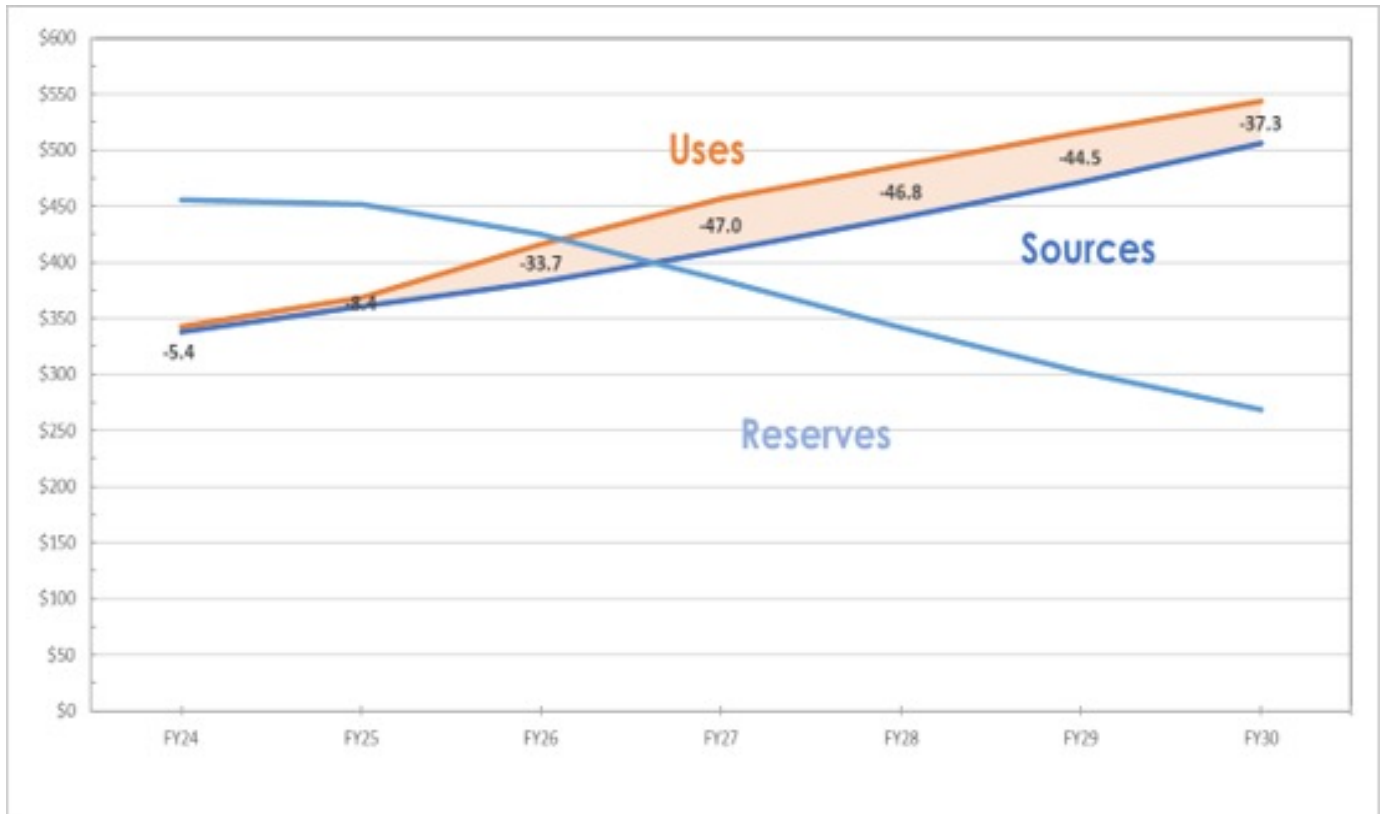
This year the budget priorities arose from the Healthcare Equity Implementation Plan, which was a comprehensive set of initiatives to address unmet community and patient needs phased in over seven years. Finance staff worked closely with our healthcare delivery subject matter experts and strategic planning staff to incorporate the new initiatives, shown in Table 1 below. Those initiatives include expanding specialty care access through direct services at multispecialty clinic sites operated by Central Health as well as expanded contracted services. It also includes expanding mental health services, care coordination, medical respite, and addressing social determinants of health, among other initiatives.

Table 1: Healthcare Equity Implementation Plan Initiatives

| COMMUNITY NEED   | FY 2024           | FY 2025           | FY 2026            | FY 2027            | FY 2028            | FY 2029            | FY 2030            |
|--|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Expanded Specialty Care                                    | 12,191,280        | 18,204,033        | 34,075,825         | 45,872,649         | 51,335,031         | 54,596,707         | 57,170,949         |
| Mental Health Services                                     |                   |                   |                    |                    |                    |                    |                    |
| Post-Acute Care  | 2,007,566         | 3,773,148         | 6,410,173          | 8,890,371          | 9,892,545          | 12,198,492         | 13,484,543         |
| Primary Care   | 2,000,000         | 3,050,000         | 3,775,200          | 4,358,144          | 5,284,791          | 6,039,411          | 6,512,896          |
| SUD & Addiction Medicine Services                          | 833,750           | 2,168,166         | 4,687,813          | 7,282,079          | 7,535,751          | 7,786,153          | 8,041,888          |
| Hospital Care Access                                       | 750,000           | 768,750           | 787,500            | 3,493,750          | 3,575,000          | 3,656,250          | 3,737,500          |
| Health Care for the Homeless                               | -                 | 405,410           | 1,672,159          | 1,891,316          | 1,943,442          | 1,995,345          | 2,048,206          |
| Expanded Access to Dental Care                             | 400,000           | 704,688           | 1,275,750          | 1,644,750          | 1,980,000          | 2,227,500          | 2,484,000          |
| Care Coordination  | 2,876,863         | 5,592,723         | 9,195,487          | 10,825,531         | 12,011,684         | 12,962,561         | 13,750,123         |
| Enrollment and Eligibility                                 |                   |                   |                    |                    |                    |                    |                    |
| Coverage Programs, Benefits, and Structures                |                   |                   |                    |                    |                    |                    |                    |
| Pharmacy   | -                 | -                 | 3,300,000          | 3,300,000          | 5,600,000          | 5,600,000          | 5,900,000          |
| Same-Day Care & Extended Hours                             | -                 | -                 | 105,000            | 161,250            | 220,000            | 281,250            | 287,500            |
| Expanded Access to Surgical and Procedural Care            | -                 | -                 | -                  | -                  | 3,335,833          | 7,356,794          | 10,044,058         |
| Social Determinants of Health                              | 1,024,375         | 1,312,043         | 1,808,618          | 1,899,756          | 1,956,748          | 2,015,451          | 2,075,914          |
| Health Systems Interop. and Technology, Data and Analytics | 6,844,420         | 8,122,919         | 9,623,362          | 10,293,991         | 11,105,906         | 12,036,995         | 12,571,620         |
| General Support Costs                                      | 4,069,065         | 6,040,577         | 7,531,054          | 7,756,986          | 7,989,695          | 8,229,386          | 8,476,268          |
| <b>Total Operating Expenditures</b>                        | <b>32,997,319</b> | <b>50,142,455</b> | <b>84,247,942</b>  | <b>107,670,572</b> | <b>123,766,427</b> | <b>136,982,295</b> | <b>146,585,465</b> |
| Capital Expenditures                                       | 14,653,762        | 18,130,282        | 18,132,747         | 19,491,882         | 19,491,349         | 19,491,217         | 19,495,810         |
| <b>Total Expenditures</b>                                  | <b>47,651,081</b> | <b>68,272,737</b> | <b>102,380,688</b> | <b>127,162,454</b> | <b>143,257,775</b> | <b>156,473,513</b> | <b>166,081,274</b> |

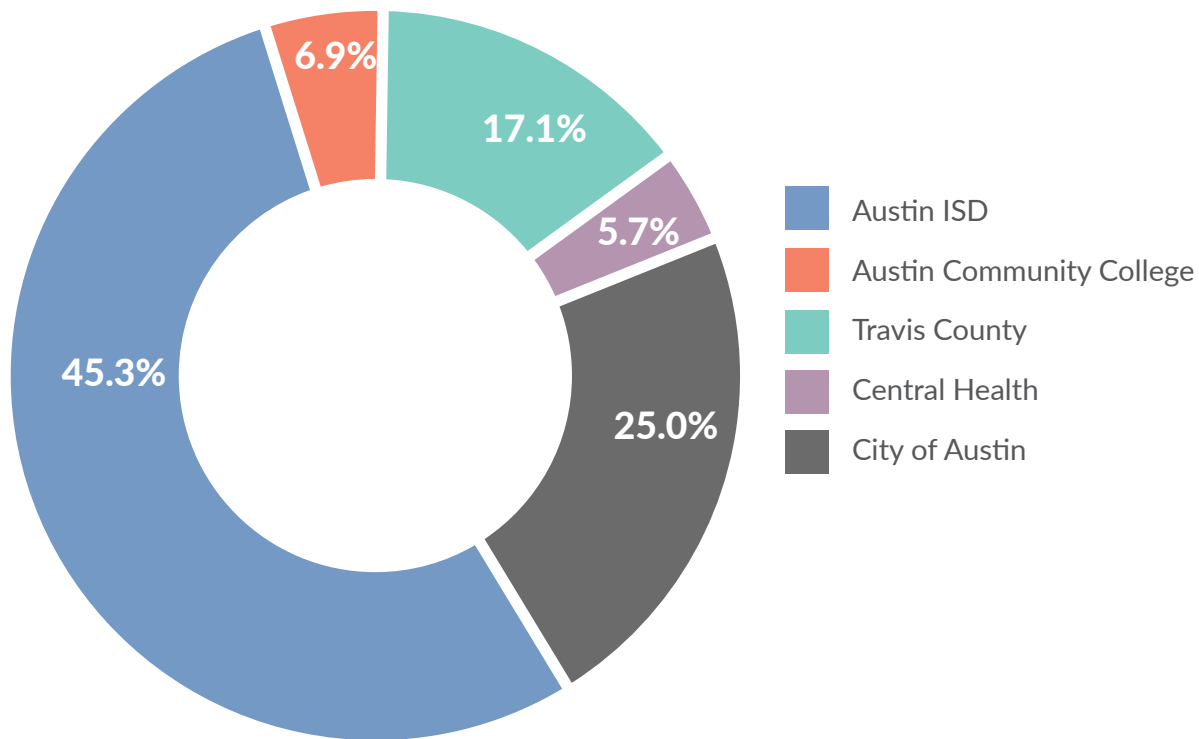
In alignment with the Healthcare Equity Implementation plan, budget staff developed a 7-year forecast to inform setting this year's tax rate and overall budget development. Staff developed the FY 2024 budget with the rate of 6.5% over the maintenance and operations no new revenue tax rate year over year during the 7-year period. That tax rate results in a deficit between sources and uses during the forecast period, as shown in Figure 3. Central Health will draw down the healthcare contingency reserve to cover those deficits to manage the growth sustainably and reduce the need for larger tax increases or service decreases. Additionally, Central Health's policy requires us to maintain an emergency reserve that is 15 percent of eligible expenses. As expenses increase over the implementation period, the forecast includes projected transfers to emergency reserves annually in accordance with the reserve policy.

Figure 3: Tax Revenue 6.5% Increase over No New Revenue, year over year



In preparing the budget for FY 2024, Central Health considers how the tax rate will impact residents. Central Health is a small portion of the total property taxes from all overlapping taxing jurisdictions for the average Travis County resident who lives in the jurisdictions outlined below. As shown below, Central Health is the smallest portion of the total tax bill, accounting for approximately 5.7 percent of the total tax paid.

Figure 4: FY 2024 Travis County Tax Entity Percentages



Travis County Healthcare District offers a 20 percent homestead exemption, the maximum allowed by state law. The average Travis County Healthcare District taxable homestead value increased 11.1 percent from \$427,918 last year to \$475,286 this year. The proposed tax rate of 10.0692 cents per \$100 of taxable value results in a \$56.28 increase in the Travis County Healthcare District property tax amount for the average taxable homestead, for FY 2024 compared to the FY 2023 property tax bill. The estimated FY 2023 tax bill for the average homestead is \$478.57. Travis County Healthcare District property taxes for other valued homesteads shown below as examples are based on assessed values appreciating an average 9.1 percent from the previous year. The actual impact for FY 2024 for each property will vary depending on the taxable value, types of exemptions and change in valuation of each parcel.

Table 2: Tax Impact to Average Travis County Homestead

|  | FY23 APPROVED | FY24 APPROVED |
|--|---------------|---------------|
| Average Taxable Homestead Value        | \$427,918     | \$475,286     |
| Average Taxable Homestead 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                     | OVER 65   | DISABILITY |
|---|-----------|------------|
| 20% (maximum allowable by state law)    | \$124,000 | \$124,000  |
| <b>TAX BILL REDUCTION OF EXEMPTIONS</b> |           |            |
| \$119.64                                | \$124.86  | \$124.86   |

Table 3: Taxpayer Impact Statement

| FY2023 HOMESTEAD VALUE | FY2023 TAXABLE HOMESTEAD VALUE* | FY2023 TAX BILL** | FY2023 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

\*\*\*FY2023 Tax Rate: 10.0692¢ per \$100/valuation (M&O=9.6071¢, Debt Service=0.4621¢)

# SOURCES OF FUNDS

Central Health's operating budget for FY 2024 is projected to be \$336.5 million from several sources. Property tax revenue accounts for the majority of those funds, \$312.5 million. Central Health will propose the FY 2024 tax rate at 6.5% above the no-new-revenue rate resulting in a \$30.8M increase in property tax revenue. The other sources of revenue include \$12 million in lease revenue for buildings located on the Central Health Downtown Property, along with \$12.0 million of revenue from other sources.

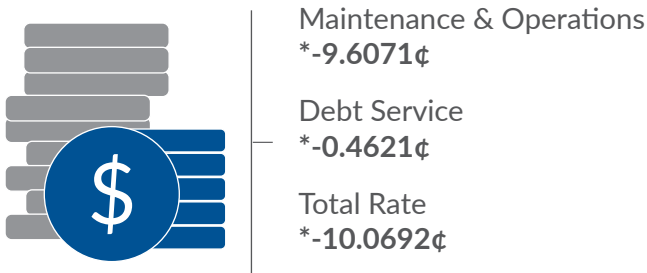
Table 4: Summary of Revenue and Expenses

| DESCRIPTION                              | FY 2023 APPROVED BUDGET | FY 2024 APPROVED BUDGET |
|--|-------------------------|-------------------------|
| <b>TAX RATE</b>                          | <b>0.098684</b>         | <b>0.100692</b>         |
| FTEs                                     | 333.7                   | 530.5                   |
| Beginning Balance                        | 327, 783, 722           | 407, 730, 068           |
| <b>REVENUE</b>                           |                         |                         |
| Property Taxes                           | 281, 605, 053           | 312, 456, 814           |
| Lease Revenue                            | 13, 145, 328            | 12, 022, 497            |
| Tabacco Litigation Settlement            | 4, 500, 000             | 4, 500, 000             |
| Other                                    | 1, 500, 000             | 7, 500, 000             |
| <b>Total Revenue</b>                     | <b>300, 750, 381</b>    | <b>336, 479, 311</b>    |
| <b>Available Budgeted Resources</b>      | <b>628, 534, 103</b>    | <b>744, 209, 379</b>    |
| <b>EXPENSES</b>                          |                         |                         |
| Healthcare Delivery                      | 212, 208, 877           | 295, 246, 806           |
| Administration                           | 22, 149, 360            | 28, 647, 030            |
| UT Affiliation Agreement                 | 22, 000, 000            | 35, 000, 000            |
| Transfer Out                             | 49, 000, 000            | 8, 019, 240             |
| Contingency Reserves                     | 323, 175, 866           | 377, 296, 303           |
| <b>Total Expenses</b>                    | <b>628, 534, 103</b>    | <b>744, 209, 379</b>    |
| <b>Increase/Decrease in Fund Balance</b> | -                       | -                       |
| Ending Fund Balance                      | -                       | -                       |
| <b>RESERVES</b>                          |                         |                         |
| Emergency Reserves                       | 38, 719, 836            | 46, 739, 076            |

# PROPERTY TAX REVENUE

Central Health’s FY 2023 tax rate was 9.8684 cents per \$100 of assessed value. The FY 2024 budget has been prepared at a tax rate of 10.0692 cents per \$100 of assessed value. This rate is 6.5% above the maintenance and operations no-new-revenue tax rate from the previous year. The total rate includes a maintenance and operations tax rate of 9.6071 cents and a debt service rate of 0.4621 cents. The debt service tax rate will provide funds to satisfy certificates of obligation, originally issued in 2011, that funded the purchase and partial renovation of the Central Health Southeast Health & Wellness Center and a portion of the construction cost of CommUnityCare’s North Central Community Health Center, the remainder of which was funded with federal grant dollars. Central Health also issued certificates of obligation in August 2021 for \$76.4M to fund three new clinical projects and a headquarter consolidation. In FY 2023, Central Health issued new certificates of obligation for \$99.4M to fund the purchase of the Cameron Center and renovate the Rosewood-Zaragosa clinic to provide specialty care to MAP patients.

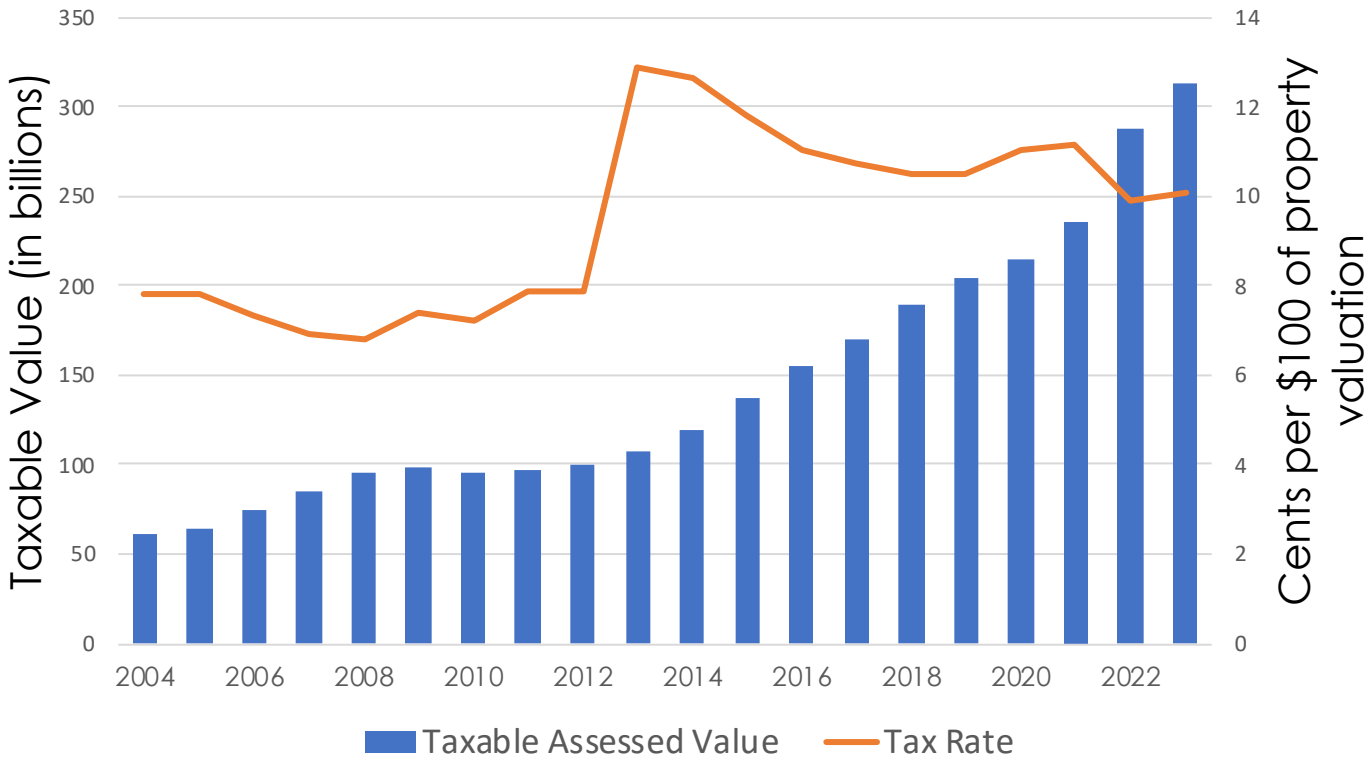
## Central Health Proposed Property Tax Rate



\*Per \$100 taxable valuation

Central Health uses a financial forecast model to draft and develop its budget. Central Health incorporates known events with broad assumptions into the forecast to estimate the tax revenue required to provide and maintain the necessary level of services for the community. At the July 26, 2023, Central Health Board of Managers meeting, staff presented a proposed FY 2024 budget developed with the 6.5 percent over the maintenance and operations no new revenue tax rate.

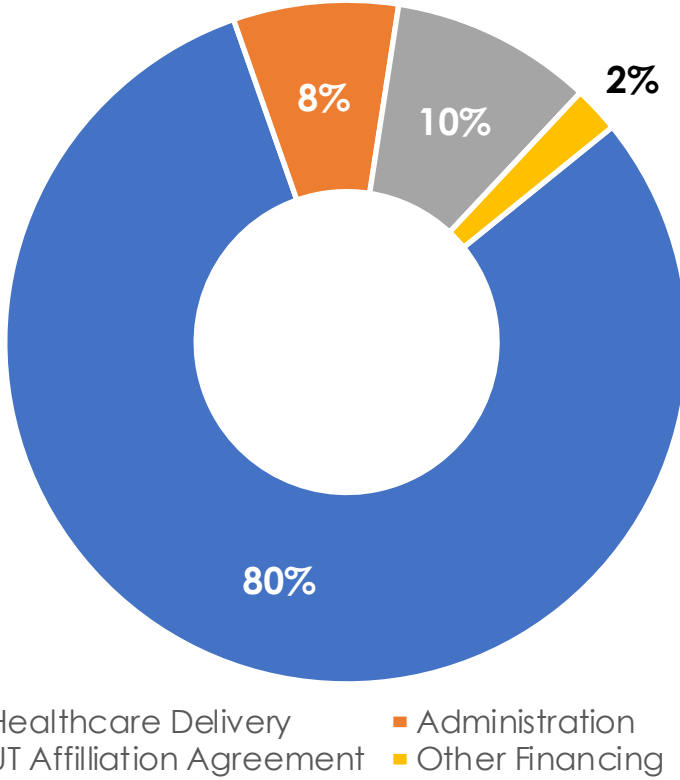
Figure 5: Travis County taxable values and Central Health property tax rate



# USES OF FUNDS

Operationally, Central Health organizes functions between Healthcare Delivery and Administration. The FY 2024 budget includes \$295.2 million for Healthcare Delivery and \$28.6 million for Administration.

Figure 6: FY 2024 Budgeted Expenses



In addition, Central Health has taken over the \$35 million payment of the affiliation agreement with the University of Texas Medical School in FY 2024 following the end of the DSRIP program funding of the CCC. Central Health will transfer \$8M to the emergency reserve in accordance with the financial policy for having emergency reserves of 15 percent of expenses. To prepare for expansion under the Healthcare Equity Implementation Plan, Central Health has \$377.3 million in contingency reserves. Under the plan, the reserves will be spent down over the seven-year period. The uses of funds are described in more detail below and are shown in Attachment B.

Central Health’s FY 2023 budget included a significant increase in employees with the planned opening of our first multispecialty clinic which was projected to open in the fourth quarter of the fiscal year. With delays in construction at Rosewood-Zaragosa, Central Health did begin providing specialty care in the East Austin clinic in FY 2023. The clinic has a smaller footprint, so hiring for all of the clinical teams will be completed in early FY 2024.

Table 5: FTEs by Program

| PROGRAM             | FY2022 FTEs | FY2023 FTEs | FY2023 CYE FTEs | FY2024 FTEs |
|---------------------|-------------|-------------|-----------------|-------------|
| Administration      | 50          | 56          | 57              | 105         |
| Healthcare Delivery | 151         | 278         | 230             | 426         |
| <b>Total</b>        | <b>201</b>  | <b>334</b>  | <b>287</b>      | <b>531</b>  |

# HEALTHCARE DELIVERY PROGRAM

This program is the sole mission of Central Health, to improve the health of the community by providing healthcare services to low-income Travis County residents. Central Health provides those services in several ways. First, we contract with service providers in the community to purchase care for eligible residents enrolled in MAP and MAP Basic. Beginning in FY 2022, Central Health is employing providers and clinical staff to provide health care services directly to patients. Another key component of the Healthcare Delivery program is healthcare operations and support which is comprised of outreach and resources to help eligible individuals learn about and enroll in MAP and MAP Basic, in addition to providing navigation services to assist patients receive the proper care within the healthcare system.

## Purchased Health Care Services

Through various contracts with local partners, Central Health funds primary care, specialty care and other services for enrolled individuals.

Additional funding for new, critical programs and service expansions in FY2024 include:

- **\$5 million** for expanded primary care including new Eastern Travis County clinics in Del Valle & Hornsby Bend
- **\$3 million** for contracted Specialty Care access including the transitional dialysis program
- **\$8.6 million** for Specialty Care Behavioral Health & Substance Use Treatment including expanded access to methadone services
- **\$1.6 million** for Post-Acute Care including expanding partnerships for Medical Respite services.
- **\$2 million** for enrollment and health services for eligible inmates in the county jail.

Table 6: Purchased Services Budget

| PURCHASED HEALTHCARE SERVICES          | FY2023 APPROVED BUDGET | FY2024 APPROVED BUDGET | CHANGE              |
|--|------------------------|------------------------|---------------------|
| Primary Care                           | \$66,236,822           | \$71,782,200           | \$5,545,378         |
| Specialty Care                         | \$27,163,000           | \$30,188,000           | \$3,025,000         |
| Specialty Behavioral Health            | \$12,040,000           | \$20,675,000           | \$8,635,000         |
| Post-Acute Care                        | \$5,650,000            | \$7,250,000            | \$1,600,000         |
| Pharmacy                               | \$17,000,000           | \$18,000,000           | \$1,000,000         |
| Community Health Care Initiatives Fund | \$1,750,000            | \$875,000              | (\$875,000)         |
| Inmate Health                          | \$0                    | \$2,000,000            | \$2,000,000         |
| <b>Total</b>                           | <b>\$129,839,822</b>   | <b>\$150,770,200</b>   | <b>\$20,930,378</b> |



## Primary Care

A significant portion of the Healthcare Services budget is dedicated to primary care. Our main primary care providers are Travis County's Federally Qualified Health Centers: CommUnityCare, People's Community Clinic, and Lone Star Circle of Care. These providers offer comprehensive primary care medical, dental and behavioral health services to MAP and MAP BASIC enrollees each year; Central Health's primary care providers monitor detailed health information about patients, tracking: chronic disease prevalence, annual screening rates, and clinical outcome measures. Providers have, with Central Health's support, added additional clinical services and visit types for patients including individual and group nutritionist visits, medical social worker services, clinical pharmacy appointments, community health worker services, and nurse visits.

In FY 2024 Central Health will be working to prioritize primary care services, including expanding medical and dental services to two new eastern Travis County clinics and other initiatives, such as expanding street medicine services to bring primary care to MAP members without housing. Central Health will continue its support of its FQHC partners in responding to and recovering from the COVID-19 pandemic while working toward new primary care access points.

## Specialty Care

Even as we continue growing specialty care by providing services directly, Central Health will continue purchasing services for specialty care from our clinical partners in FY 2024. This year's budget includes funds to increase access for MAP Basic enrollees to multiple specialty care service lines as well as to increase services overall for all enrollees. In FY 2022, Central Health worked with partners to provide the first dialysis treatments through a transitional dialysis pilot program for patients to receive outpatient and home-based dialysis services. Dialysis services were expanded last year, and the FY 2024 includes even more funding.

Several specialty areas also have additional funds for expanded services in the FY 2024 budget including:

- Oncology,
- Cardiology,
- Dialysis,
- Gynecology, and
- Sexual and Reproductive Health.

## Specialty Care Behavioral Health

Central Health contracts with several partners that provide more specialized mental and behavioral health treatment, including treatment for substance use disorders. Substance use disorder treatments will continue to be prioritized, building off work from FY 2023. The methadone expansion program (a pilot in FY 2023) will continue along with additional investments in the medication assistance therapy (MAT) program for treatment of opioid use disorders.

In partnership with Integral Care, Central Health will work to enhance behavioral health and substance use treatment integration into comprehensive care models, including health-related support for diversion or deflection services in conjunction with other local efforts with an additional \$7 million in FY 2024. Under the guidance of the Central Health Board of Managers, staff will coordinate with Integral Care leadership to develop approaches to avoid service disruptions in mental and behavioral health services for the low-income population.

## Pharmacy

A robust pharmacy program supports the clinical needs of our patients. We support patients' pharmaceutical needs by:

- Subsidizing patient prescription costs.
- Supporting the administration of a Prescription Assistance Program, which connects patients to pharmaceutical companies that offer drugs at low or no cost to patients with low income; and
- Expanding in-house pharmacy services available through new primary care service locations.

**Post-Acute Care**

In FY 2024, Central Health will continue to increase access to post-acute care through expanded purchased services and the investment in additional medical respite services. The transitions of care initiatives continue to be a priority and include congestive heart failure transitions, medical respite and outpatient dialysis transitions will be areas of focus within Case Management.

**Direct Health Care Services**

The FY 2023 budget included Central Health’s initial investment in Direct Healthcare Services, development of operational plans and hiring of initial staff needed to provide direct healthcare services in six specialty areas and in the ancillary support services to operate its new specialty care clinic in the Rosewood Zaragosa neighborhood. In FY 2024, the budget includes a full year of staffing for the Rosewood-Zaragosa Multi-Specialty clinic and a satellite site in East Austin. It also includes an expansion of the Transitions of Care Team in addition to a dedicated team for Medical Respite. The East Austin Specialty Clinic began providing services in early FY 2024, the budget also includes patient registration and electronic medical record support staff. The total budget for Direct Healthcare services is \$29.3 million.

Table 7: Direct Services Budget

| Direct Healthcare Services     | FY 2023 Approved Budget | FY 2024 Approved Budget | FY 2023 FTE's | FY 2024 FTE's |
|--------------------------------|-------------------------|-------------------------|---------------|---------------|
| Podiatry                       | 751,726                 | 1,877,022               | 10            | 12            |
| Cardiology                     | 837,410                 | 2,079,895               | 8             | 11            |
| Neurology                      | 362,511                 | 1,264,294               | 7             | 10            |
| Gastroenterology               | 465,026                 | 2,039,621               | 7             | 10            |
| Nephrology                     | 196,081                 | 1,129,700               | 4             | 8             |
| Pulmonology                    | 228,359                 | 1,370,648               | 5             | 8             |
| <b>Specialty Care Total</b>    | <b>2,841,113</b>        | <b>9,761,180</b>        | <b>41</b>     | <b>59</b>     |
| Transitions of Care            | -                       | 4,074,868               | -             | 25            |
| Medical Respite                | -                       | 906,886                 | -             | 7             |
| Diagnostics & Clinical Support | 2,832,148               | 14,533,440              | 22            | 50            |
| <b>Total Budget</b>            | <b>5,673,261</b>        | <b>29,276,374</b>       | <b>63</b>     | <b>141</b>    |

In FY 2023, Central Health purchased a facility with plans to open a 50-bed medical respite facility. The FY 2024 budget includes funding to begin renovations on that location. Central Health issued certificates of obligation for the purchase and renovation of the new facility and to complete work on the Rosewood-Zaragosa Clinic.

Prior to 2019, Central Health was unable to provide direct healthcare through employed physicians due to legislative constraints when Central Health was created in 2004. In 2019, the Texas legislature passed S.B. 1142, which provided Central Health the power to appoint, contract for or employ physicians. Once this legislation was passed, Central Health began the work necessary for the provision of direct care to our patient population and in FY2024 we anticipate significant increase in the provision of care provided by Central Health employed practitioners.

### Healthcare Delivery Operations and Support

This section of the healthcare delivery program funds the daily operations that support overall health care delivery. It includes funding for ACA premium programs, education and enrollment, eligibility services, a new patient navigation center, community engagement, the operation of Central Health clinics and facilities, including the Health & Wellness Centers, and the overall operations management for healthcare planning and technology support. In addition, funding is included for Central Health’s real estate functions and costs associated with developing and operating the downtown campus. In FY 2024, this area includes costs for case management, claims payments and provider network relations, quality assessment and performance, and health strategy.

Table 8: Healthcare Operations and Support Budget

| <b>Healthcare Delivery Operations &amp; Support</b> | <b>FY 2023<br/>Approved<br/>Budget</b> | <b>FY2024<br/>Approved<br/>Budget</b> | <b>FY 2023<br/>FTEs</b> | <b>FY 2024<br/>FTEs</b> |
|---|--|---------------------------------------|-------------------------|-------------------------|
| Eligibility, Enrollment & Patient Navigation        | 6,629,764                              | 8,570,001                             | 45.5                    | 97.5                    |
| Clinical Operations & Case Management               | 8,533,747                              | 7,053,374                             | 35.0                    | 54.1                    |
| Facilities Management & Real Estate                 | 10,659,156                             | 24,994,320                            | 28.1                    | 35.2                    |
| <b>Quality Assessment &amp; Performance</b>         | <b>2,624,790</b>                       | <b>3,028,372</b>                      | <b>13.0</b>             | <b>19.0</b>             |
| Community Engagement & Outreach                     | 2,158,330                              | 2,252,279                             | 7.0                     | 8.5                     |
| Network Services & Project Management               | 8,016,865                              | 6,683,542                             | 53.0                    | 22.0                    |
| Healthcare Strategy                                 | 1,876,848                              | 2,062,882                             | 6.1                     | 4.6                     |
| ACA Premium Subsidies                               | 14,528,261                             | 18,587,364                            | -                       | -                       |
| Joint Technology                                    | 12,024,012                             | 18,964,087                            | 26.8                    | 43.9                    |
| <b>Total Budget</b>                                 | <b>67,051,773</b>                      | <b>92,196,221</b>                     | <b>215</b>              | <b>285</b>              |

The Hornsby Bend Health & Wellness center opened in October 2023 and will bring needed primary care services to Eastern Travis County through our partnership with CommUnity Care. Another Health & Wellness Center will open in Del Valle later in the year. As Central Health opens new facilities and expands care, we are also building our technology infrastructure to support those functions, grow data analytics and improve reporting systems.

## ADMINISTRATION PROGRAM

Administration is composed of all the activities that allow Central Health to function as a governmental entity and a public healthcare financing entity. Those activities include finance, legal, compliance, human resources, governance, planning and communications activities, which will also help us build the organizational capacity to grow the direct practice of medicine. The Administrative Program is 8% of the Central Health budgeted expenses excluding the contingency reserve.

In FY 2024, administrative costs increased from \$22.1 million to \$28.6 million, and added 48.9 new FTEs. As the direct specialty care service lines grow, staffing needs continue to grow throughout Healthcare Delivery. As a result, this year’s budget adds 31 FTEs in Human Resources that includes provider talent acquisition staff, onboarding and workforce development staff. Additional support staff were added in compliance, finance, and procurement, so the teams have the capacity to meet the needs of a growing organization. In FY 2023 Travis County contracted with a vendor to conduct an independent performance audit of Central Health. The administration budget includes additional funds to pay for the performance audit once completed.

Property Tax revenue is the primary source of funds for Central Health’s budget. As a result, Central Health incurs expenses annually payable to the Travis Central Appraisal District and the Travis County Tax office related to the costs of assessing and collecting those property taxes. In FY 2024, the budget includes approximately \$2.3 million for those expenses.

Table 9: Administration Budget

| Administration      | 2023<br>Approved<br>Budget | FY2024<br>Approved<br>Budget | Change           |
|---------------------|----------------------------|------------------------------|------------------|
| Salary and Benefits | 9,131,752                  | 14,673,415                   | 5,541,662        |
| Goods and Services  | 13,017,507                 | 13,973,616                   | 956,108          |
| <b>Total Budget</b> | <b>22,149,260</b>          | <b>28,647,030</b>            | <b>6,497,770</b> |
| FTEs                | 56.1                       | 105.0                        | 48.9             |

## PROGRAM PERFORMANCE

### Healthcare Delivery

Central Health’s healthcare delivery program centers around the healthcare delivery we provide to our patient population and performance reports are shared yearly in our Annual Report. All reports are posted to the Central Health website. With the new Healthcare Equity Plan, Central Health will continue the work to expand access to specialty care by providing direct specialty services to patients during the FY 2024 budget year. The key performance metrics to evaluate the performance of the healthcare system and subsequent implementation of the Healthcare Equity Plan are in development.

Currently, our metrics focus is on the care provided to the safety-net population through health care services contracted for by Central Health through contracts with local providers. Our contracted providers and partners have given us the opportunity to increase the number of patients we serve each year. Along with the increased patients served, Central Health continues to add more providers to the network at a variety of locations throughout Travis County.

Central Health supports three programs called MAP (Medical Access Program), MAP BASIC and CHAP (Central Health Assistance Program) that help Travis County residents receive health care services. The two newest programs being CHAP that started in 2014 and MAP BASIC which started in 2019. These programs continue to grow in number of patients served and health care services provided. Patients participating in these programs have the benefit to connect with a Primary Care provider through one of our contracted providers or through their health plan network. The number of primary care visits are on an upward trajectory with the estimates to exceed visits in previous years.

### Office of the CEO and Government Affairs

The Executive Department is responsible for organizational alignment, providing strong business outcomes and effectively communicating with public stakeholders to increase access to health care.

The Government Affairs department is responsible for engaging with local, state, and federal officials to further the mission of Central Health, including working with Travis County Commissioners on the adoption of the annual tax rate and budget.

### Accomplishments

- Assisted with the adoption of FY24 Central Health budget and associated tax rate by Travis County Commissioners Court
- Communicated regularly with elected officials by having one-on-one meetings with them and their staff, delivering information, answering questions; and updating them on Central Health’s Healthcare Equity Plan
- Participated in Healthcare Day at the Capital and met with our Travis County state delegation
- Monitored and accomplished several key legislation priorities affecting Central Health and its affiliates during the

88th Regular Legislative Session (for example, postpartum coverage extended to 12 months)

- Extended the Local Provider Participation Fund (LPPF)-legislation passed and signed by the Governor (Sen. Eckhardt-SB 699)

### **Initiatives**

- At the request of Travis County Commissioners, Central Health will facilitate quarterly work sessions that cover topics like:
  - 2022 Demographic Report
  - Key Budget Drivers
  - Healthcare Equity Plan
  - Sendero Health Plan, including enrollment and operational updates

## **Governance**

Responsible for certain required governance functions of a hospital district, including compliance with the Public Information Act and Open Meetings Act, and serves as a liaison to the Board of Managers.

### **Accomplishments**

- Posted 61 Board and Committee meetings
- Completed 54 public information requests
- Responded to over 60 board requests for additional information
- Onboarded two new Board Managers by providing an orientation meeting and other key meetings with staff

### **Initiatives**

- Continue to create a more seamless process for tracking board requests and set deadlines for staff responding to requests
- Continue working on standard operating procedures for governance functions
- Update the Bylaws and refine appointment processes and procedures

## **The Finance and Procurement Operations**

This program is responsible for providing financial analysis, general ledger accounting, processing payments, contract support, and budget development. The department's stakeholders include Travis County Residents, Board of Managers, and other departments.

### **Accomplishments**

- Implementation of new financial software
- Completed a successful independent audit
- Budget and Tax rate approved
- Formalize our Historically Underutilized Business program
- Completed 17 Formal and 51 Informal Solicitation
- Negotiated 46 Contracts
- Executed 989 Purchase Orders

### **Initiatives**

- Implementation of new HUB tracking and reporting software
- Implementation of a new HRIS/Payroll software

Table 10: Finance and Procurement Performance

| DEPARTMENT  | PERFORMANCE METRICS                                     | FY2024 ESTIMATES | FY 2023  | FY 2022 | FY 2021 | FY 2020 | FY 2019 |
|-------------|---|------------------|--|---------|---------|---------|---------|
| Procurement | # HUB Vendors   | 50               | Information unavailable at the time of this report | 33      | 39      | 30      | 25      |
| Procurement | Total Percentage of HUB Expenditure                     | 28%              | Information unavailable at the time of this report | 26.88%  | 16.81%  | 18.75%  | 5.9%    |
| Finance     | GFOA Certificate Awarded                                |                  | Submitted, Pending Review                          | Awarded | Awarded | Awarded |         |
| Finance     | Percentage of dollars budgeted for health care services |                  | 92%*   | 93%     | 95%     | 95%     | 95%     |

\*Restated to align with prior year reporting, excluding contingency reserve.

## Strategy

The Strategy department is responsible for coordinating, developing, and implementing strategies that satisfy the vision and goals for the Enterprise.

### Accomplishments

- On January 24th, 2023, Central Health filed a lawsuit in Travis County District Court against Ascension Texas for breaching its contractual obligations to provide healthcare services for Travis County residents with low income.
- Developed the Healthcare Equity Implementation Plan approved by the board on August 2nd, 2023. The Plan will serve as Central Health’s strategic roadmap and drive the operational and financial sustainability planning efforts for implementing a high-functioning, comprehensive safety-net healthcare system in Travis County over the next 7 years.
- The Central Health Equity Policy (CHEP) Council led a cohort of safety net providers through the Human Right’s Campaign Healthcare Equality Index (HEI) designation process. The HEI is the national LGBTQ+ benchmarking tool that nationally evaluates more than 2,200 healthcare facilities’ policies and practices related to the equity and inclusion of their LGBTQ+ patients, visitors, and employees.
- The CHEP Council Pandemic Equity committee worked with the City of Austin Office of Homeland Security and Emergency Management to improve disaster and emergency response language access information for non-English speakers.
- The CHEP Council Race Equity Committee created a toolkit including a menu of policies centered on race equity and accompanying discussion guide.
- Finalized and released the 2022 Central Health Demographic Report. The report provides detailed analysis of the demographics, geography and health status of low-income residents, enrollees and patients.
- Improved the annual Central Health Business Case process and user experience by implementing updates to the system and simplifying communication materials.
- The CEO approved a business case to support the Strategy Department’s grant writing and tracking responsibilities and deliver on Central Health’s strategic objectives.
- Coordinated with officials from the city of Austin and Travis County to develop planning initiatives for substance use disorder treatment within the community.
- Launched the Community Healthcare Initiative Fund (CHIF) pilot that served 11,453 Central Health eligible individuals and achieved 19,906 encounters regarding food, housing, education, and health and wellness needs.
- Developed a defined annual reporting matrix, in collaboration with UT-Austin and the Dell Medical School and consistent with all terms of the Affiliation Agreement.

- Streamlined the Budget Resolution Tracker process and developed a CEO reporting tool to better facilitate and track progress of Board adopted strategic priorities.

### **Initiatives**

- Initiate development of next generation Central Health Demographic Report.
- Align the Central Health Business Case Proposals and Annual Budget Resolution development with the strategic initiatives identified in the Healthcare Equity Implementation Plan.
- Recruit Grants Manager to Strategy Team to support priority organizational initiatives through external funding sources.
- Launch Year 2 of the CHIF pilot and evaluate Year 1 of the pilot.
- The CHEP Council Pandemic Equity committee will work with the City of Austin Office of Homeland Security and Emergency Management and Austin Public Health to engage vulnerable residents in disaster planning and response.

## **Human Resources**

The Human Resources department is responsible for recruiting a talented and diverse workforce, compensation/classification, employee leave benefits, administering self-insured medical, dental and vision benefits.

### **Accomplishments**

- Formed the Diversity & Inclusion Council
- Successfully held a 3-Part Diversity & Inclusion Training
- Hired a New Enterprise Chief Human Resources Officer
- Redesign the HR structure & service delivery model to better support the Enterprise organizations

### **Initiatives**

- Expand the human resources department to support the growing organization and new practice of medicine
- Evaluate and implement updated technologies and procedures to enhance management of Human Resources functions such as talent acquisition, talent management workforce development and data analytics activities and records
- Implement the FY24-26 HR Strategic Plan to better support the growing organization and new practice of medicine

## **Communications and Community Engagement**

The Communication and Community Engagement and Outreach Team increases awareness of Central Health, its programs and services and the value the organization brings to the community.

### **Accomplishments: Outreach**

- Conducted 285 grassroots outreach activities, reaching 13,274 people
- Generated 530 leads for MAP and MAP Basic enrollment
- Completed 90 Point of Service applications for people experiencing homelessness

### **Accomplishments: Social Media**

- Social media audience grew by 38.8%
- 30% more posts, Engagement Rate up by 101.7% (Engagement rate is the number of times users engage with our content as a percentage of impressions. This indicates how engaged people are with Central Health brand)
- Through Facebook, Instagram and Twitter, reached 12,164,055 people resulting in 178,506 engagements

### **Accomplishments: Earned Media**

- 1,471 total mentions
- 1.6B impressions
- \$40.1M Advertising Equivalency Value

## Initiatives

- Developed MAP member education campaign to help MAP/MAP Basic members maximize their benefits
- Continued building Central Health's community outreach partnerships program, training organizations to submit MAP/MAP Basic referrals (or leads) or assisting clients complete the online application for MAP/MAP Basic
- Planning media and grassroots outreach campaigns to promote the opening of new clinics (i.e. Del Valle and Hornsby Bend Health & Wellness Centers)
- Continued work on developing a unified naming/branding system for the Central Health Enterprise
- In early 2023, Central Health conducted an extensive assessment of its language access systems, policies and practices. Staff recruited and facilitated the logistics for five in-person enrollee focus groups in Spanish, Vietnamese, Arabic, ASL, and Burmese.

## Compliance

The Compliance Department is responsible for providing recommendations related to the Compliance Program and Central Health overall operations.

## Accomplishments

- Implemented a New Policy Management Platform to stand as the new source of truth.
- Implemented a New Incident Management Platform (Healthcare Delivery).
- Hired a Records Manager to support the records management process, and to create a records program.
- Enhanced the Annual Compliance Training to include a 2023 quarterly calendar.
- Conducted Compliance Ethics & Week 2023:
  - Monday - Compliance overview - 7 Elements of compliance
  - Tuesday - HIPAA Privacy
  - Wednesday - HIPAA IT Security
  - Thursday - Ethics
  - Friday - Reporting to the Compliance and Ethics Hotline

## Initiatives

- Initiating a Risk Management Program

# CAPITAL PROJECTS & CURRENT DEBT

Central Health's capital program includes large and small projects that are significant in value and benefit the organization over several years. Most of these projects are planned in order that resources (funding, contractors, staff, etc.) are made available in future years and completion of projects can occur over multiple years. Therefore, in the annual budgeting process, Central Health looks at the needs of the organization in the upcoming year as well as a long-term forecast. There are four current categories of projects in the capital program to primarily support the healthcare delivery program:

1. Clinical Services Expansion
2. Downtown Campus Redevelopment
3. Technology and Equipment
4. Facilities and Operations (clinical and non-clinical)

Major capital projects are those that are approved by the Board of Managers and included in the quarterly capital program reporting. Projects of this nature involve clinical service expansion and development opportunities that can impact the future revenue generation for Central Health or create future operational efficiencies.

Operational capital projects are generally smaller in nature and used to maintain operations at existing facilities or replace aging equipment (e.g., Roof replacement). These are generally planned in a shorter time frame and can be unexpected due to equipment breakdown or external factors such as weather.



## Sources of funds for Capital Projects

- **Debt Proceeds:** At times Central Health has issued certificates of obligation to fund healthcare facilities and major operational priorities. The decision to issue debt is approved by the Board of Managers and ultimately the Travis County Commissioners.
- **Capital Reserves:** Based on the capital reserves policy (below) approved by the Board of Managers, Central Health manages an ongoing balance in reserves to support current and future projects to be paid from operating funds in the year incurred. Each year in the annual budget process funds are allocated to the capital reserves as needed by category for known or anticipated needs.
- **Current Year Operations:** At times there may be current year operating funds that are used to fund capital projects.

Capital projects are identified in conjunction with Central Health’s strategic planning process and incorporate feedback from extensive community outreach and advisory groups. The Central Health Board of Managers approves capital projects and supports planning efforts.

During FY 2023, Central Health approved a new capital project for the purchase and renovation of the Cameron Center, a property with three buildings to house a medical respite facility and additional clinical space. This project was added in alignment with the Healthcare Equity Strategic Plan and focused on expanding safety-net access to primary and specialty care.

Certificates of Obligation were issued to pay for this project and also included funding for the Rosewood-Zaragosa renovation that was already underway. Though we budgeted \$49 million for the capital reserve in FY 2023, we ultimately transferred only \$23 million. We did not add any funds to the capital reserve in FY 2024 or approve any new projects.

Table 11: Central Health FY 2024 Capital Funds Planning

| Project Name   | Approved Budget* | Total Expenses Through FY 2023* | FY 2024 Transfers In | Available Funding* |
|--|------------------|---------------------------------|----------------------|--------------------|
| Hornbsy Bend Health and Wellness Center                  | \$9.054          | \$8.088                         | -                    | \$0.965            |
| Del Valle Health and Wellness Center                     | \$15.133         | \$7.500                         | -                    | \$7.633            |
| Rosewood Zaragosa Specialty Clinic                       | \$9.012          | \$1.193                         | -                    | \$7.819            |
| Colony Park Health and Wellness Center                   | \$16.144         | \$0.662                         | -                    | \$15.482           |
| Hancock Clinical Services and Headquarters Consolidation | \$62.590         | \$21.318                        | -                    | \$41.272           |
| Cameron Center   | \$90.575         | \$14.530                        | -                    | \$76.045           |
| <b>Total Estimated Project Cost (in Millions)</b>        | <b>\$202.507</b> | <b>\$53.291</b>                 | -                    | <b>\$149.216</b>   |
| Technology and Equipment                                 | \$2.000          | \$1.841                         | -                    | \$0.159            |
| Facilities Repair and Replacement                        | \$3.000          | \$3.000                         | -                    | \$0.000            |
| Other  | \$11.495         | \$3.770                         | -                    | \$7.725            |
| <b>Total Other Equipment, Facilities and Maintenance</b> | <b>\$16.495</b>  | <b>\$8.611</b>                  | -                    | <b>\$7.884</b>     |
| <b>Available Funding</b>                                 | <b>\$219.002</b> | <b>\$61.902</b>                 | -                    | <b>\$157.100</b>   |

\*in millions; budgets approved in FY 2023

Other ongoing capital projects include construction on health and wellness centers in eastern Travis County built to support expanded health care services from key primary care partners. The board has assembled a subcommittee to support the execution of these projects. Hornsby Bend Health and Wellness Center in Eastern Travis County opened on October 21, 2023. The Del Valley Health and Wellness Center is expected to open the second quarter of FY 2024. The centers will support expanded healthcare services from key primary care partners. The early phases of planning and work are set to begin on the Health and Wellness Center at Colony Park. The planning for eastern Travis County is supported by extensive community outreach and advisory groups.

In addition, Central Health will continue renovation of an existing property with capital funds to open a new multispecialty clinic and begin the direct practice of medicine. This project resulted from a community health needs assessment that identified gaps in access to specialty care in the population we serve. The Rosewood-Zaragosa multispecialty clinic capital project is expected to cost \$9 million and includes the renovation and purchase of medical equipment. The operating costs for Rosewood-Zaragosa include the staffing costs for medical providers and support staff, included in the Direct Health Care Services budget and other staff and expenses for clinical infrastructure included in the Healthcare Operations & Support budget.

Other capital projects include technology improvements such as the upgrade of network equipment and other enterprise investments.

The Rosewood Zaragosa Multi-Specialty Clinic, where Central Health providers will begin providing specialty care for MAP and MAP Basic patients, is also set to open in FY 2024. The operating costs for the facilities are included in the "Uses of Funds" above. Technology improvements are also anticipated, including enterprise investments and the implementation of a new electronic records system for Central Health.

In order to fund these or new capital projects, Central Health may use capital reserves or issue debt at a future date.

## **Capital Expenditures Impact on the Operating Budget**

During the planning phase, consideration is taking into the long-term impact of projects on the overall operating budget. Those projections are also included as part of Central Health's long-term financial forecast. Central Health considered both current and future capital project in addition to the ongoing operational costs throughout the development of the seven-year healthcare equity implementation plan and shown in Table 1. Projects that involve expanding clinical space for our partners to expand access, also involve planning around future needs for contracted healthcare services.

Our Health and Wellness Operations team included operating budgets and staffing associated with the planned opening of two of these facilities in this fiscal year. Those costs are budgeted under Healthcare Operations and Support (Attachment B). Our partner FQHC will provide expanded primary care and dental services and is included in the Purchased Healthcare Services Budget. The Colony Park project is still in the development phase and does not have operating costs at this time but future operational expenses were projected in our long-term forecast. The operating costs for Rosewood-Zaragosa, the Cameron Center projects, and Hancock clinical expansion are included within the Healthcare Equity Implementation plan and current year operating costs were budgeted in Direct Healthcare Services as well as Healthcare Operations and Support.

## Projects at a Glance

### Hornsby Bend Health & Wellness Center



The Hornsby Bend Health and Wellness Center is a modern, 8,000-square-foot facility with up to nine exam rooms, where Central Health-affiliated CommUnityCare will provide holistic primary medical and behavioral health care without regard to ability to pay – all are welcome Central Health will also offer education and wellness programs at Hornsby Bend, along with indoor and outdoor spaces including an accessible children’s playscape where the community can gather. Walls throughout the building feature art by Del Valle Independent School District students. The center opened October 21, 2023. Services are expected to begin following approval from the Health Resources and Services Administration.

Available Services include:

- Primary care
- Integrated behavioral health and oral health assessment
- Select specialty care services via Telehealth
- Accessible community gathering space (indoor community room and green space)

Table 12: Hornsby Bend Project Budget, in millions

| USES OF FUNDS                                | APPROVED BUDGET | TOTAL EXPENSES THROUGH FY 2023 | ESTIMATED EXPENSES FY24 |
|--|-----------------|--------------------------------|-------------------------|
| Due Diligence, Land Acquisition & Regulatory | \$0.843         | \$0.789                        | -                       |
| Professional Services                        | \$0.409         | \$1.166                        | -                       |
| Construction                                 | \$5.463         | \$6.133                        | -                       |
| Furniture, Fixtures & Equipment              | \$0.544         | -                              | \$0.544                 |
| Other  | \$1.794         | -                              | \$0.421                 |
| <b>Total Estimated Project Cost</b>          | <b>\$9.054</b>  | <b>\$8.088</b>                 | <b>\$0.965</b>          |
| SOURCES OF FUNDS                             |                 |                                |                         |
| Cetificates of Obligation Series 2021 Funds  | \$5.072         | \$5.072                        |                         |
| Capital Reserves                             | \$3.982         | \$3.016                        | \$0.965                 |
| <b>Total Estimated Project Funding</b>       | <b>\$9.054</b>  | <b>\$8.088</b>                 | <b>\$0.965</b>          |

## Del Valle Health & Wellness Center



The Del Valle Health & Wellness Center will bring expanded clinical services to Del Valle and its surrounding communities. The center will foster mental and physical well-being among Southeast Travis County residents. Construction for this location is underway and anticipated to be complete by the end of 2023.

Proposed services include:

- Primary care
- Dental Care
- Integrated mental health
- Retail pharmacy

Table 13: Del Valle Project Budget, in Millions

| USES OF FUNDS                                | APPROVED BUDGET | TOTAL EXPENSES THROUGH FY 2023 | ESTIMATED EXPENSES FY24 |
|--|-----------------|--------------------------------|-------------------------|
| Due Diligence, Land Acquisition & Regulatory | \$0.823         | \$0.827                        | -                       |
| Professional Services                        | \$0.560         | \$1.477                        | -                       |
| Construction                                 | \$8.750         | \$5.216                        | \$3.534                 |
| Furniture, Fixtures & Equipment              | \$1.335         | -                              | \$1.335                 |
| Other  | \$3.666         | -                              | \$2.765                 |
| <b>Total Estimated Project Cost</b>          | <b>\$15.133</b> | <b>\$7.500</b>                 | <b>\$7.633</b>          |
| SOURCES OF FUNDS                             |                 |                                |                         |
| Cetificates of Obligation Series 2021 Funds  | \$10.083        | \$7.500                        | \$2.583                 |
| Capital Reserves                             | \$5.050         |                                | \$5.050                 |
| <b>Total Estimated Project Funding</b>       | <b>\$15.133</b> | <b>\$7.500</b>                 | <b>\$7.633</b>          |

## Rosewood-Zaragosa Specialty Care Clinic



The Rosewood-Zaragosa clinic will bring expanded specialty care services for MAP members. The new clinic and additional specialty physicians are expected to provide 25,000 to 40,000 visits annually once operational. Renovation is underway to build out the space to provide six different specialties and in-house diagnostic services. The new multi-specialty clinic and additional physicians are expected to provide 25,000 to 40,000 visits annually once operational. Renovation is expected to be completed in early 2024.

Proposed services include:

- Cardiology
- Gastroenterology
- Nephrology
- Neurology
- Podiatry
- Pulmonology
- Diagnostics/Imaging

Table 14: Rosewood-Zaragosa Project Budget, in Millions

| BUDGET CATEGORY                             | APPROVED BUDGET (FY23) | TOTAL EXPENSES THROUGH FY 2023 | ESTIMATED EXPENSES FY24 |
|---|------------------------|--------------------------------|-------------------------|
| Professional Services                       | \$0.818                | \$0.441                        | \$0.377                 |
| Construction                                | \$6.371                | 0.751                          | \$5.620                 |
| Furniture, Fixtures & Equipment             | \$1.537                | -                              | \$1.537                 |
| Other                                       | \$0.285                | -                              | \$0.285                 |
| <b>Total Estimated Project Cost</b>         | <b>\$9.012</b>         | <b>\$1.193</b>                 | <b>\$7.819</b>          |
| <b>SOURCES OF FUNDS</b>                     |                        |                                |                         |
| Cetificates of Obligation Series 2021 Funds | \$9.012                | \$1.193                        | \$7.819                 |
| Capital Reserves                            | -                      | -                              | -                       |
| <b>Total Estimated Project Funding</b>      | <b>\$9.012</b>         | <b>\$1.193</b>                 | <b>\$7.819</b>          |

### Clinical Services & Headquarters Consolidation- Hancock Renovation

Central Health purchased a property in the Hancock Center that will be renovated to house a second multi-specialty clinic and consolidate administrative headquarters for Central Health enterprise employees. The expected opening is in winter 2025.

Proposed services include:

- Primary care
- Specialty care
- Dental services
- Imaging services
- Administrative offices

Table 15: Hancock Renovation Budget

| USES OF FUNDS                                | APPROVED BUDGET | EXPENSES THROUGH FY 2023 | ESTIMATED EXPENSES FY24 | ESTIMATED EXPENSES FY25 | ESTIMATED EXPENSES FY26 |
|--|-----------------|--------------------------|-------------------------|-------------------------|-------------------------|
| Due Diligence, Land Acquisition & Regulatory | \$10.000        | \$18.700                 | -                       | -                       | -                       |
| Professional Services                        | -               | \$2.618                  | \$0.500                 | \$0.500                 | \$0.500                 |
| Construction                                 | \$50.000        | -                        | \$9.503                 | \$19.007                | \$8.672                 |
| Furniture, Fixtures & Equipment              | \$2.590         | -                        | -                       | \$1.295                 | \$1.295                 |
| Other  | \$10.000        | \$18.700                 | -                       | -                       | -                       |
| <b>Total Estimated Project Cost</b>          | <b>\$62.590</b> | <b>\$21.318</b>          | <b>\$10.003</b>         | <b>\$20.802</b>         | <b>\$10.467</b>         |
| <b>SOURCES OF FUNDS</b>                      |                 |                          |                         |                         |                         |
| Cetificates of Obligation Series 2021 Funds  | \$62.590        | \$21.318                 | \$10.003                | \$20.802                | \$10.467                |

### Colony Park Health & Wellness Center

The preliminary budget for Colony Park is outlined below and Central Health is currently in the process of procuring design services. The budget may need to be revised during the design process.

Table 16: Colony Park Preliminary Budget

| USES OF FUNDS                                | APPROVED BUDGET | EXPENSES THROUGH FY 2023 | ESTIMATED EXPENSES FY24 | ESTIMATED EXPENSES FY25 | ESTIMATED EXPENSES FY26 |
|--|-----------------|--------------------------|-------------------------|-------------------------|-------------------------|
| Due Diligence, Land Acquisition & Regulatory | \$1.61          | \$0.61                   | -                       | -                       | -                       |
| Professional Services                        | \$0.65          | \$0.05                   | \$0.15                  | \$0.30                  | \$0.150                 |
| Construction                                 | \$10.01         | -                        | \$2.50                  | \$5.01                  | \$3.501                 |
| Furniture, Fixtures & Equipment              | \$2.18          | -                        | \$0.55                  | \$1.09                  | \$0.546                 |
| Other  | \$1.69          | -                        | \$0.42                  | \$0.84                  | \$0.422                 |
| <b>Total Estimated Project Cost</b>          | <b>\$16.14</b>  | <b>\$0.66</b>            | <b>\$3.62</b>           | <b>\$7.24</b>           | <b>\$4.62</b>           |
| <b>SOURCES OF FUNDS</b>                      |                 |                          |                         |                         |                         |
| Capital Reserves                             | \$16.14         | \$0.66                   | \$3.62                  | \$7.24                  | \$4.62                  |

**Cameron Center Clinic and Medical Respite facilities**



Central Health purchased three buildings at the Cameron Center during FY 2023. The Cameron Center will be renovated to house a medical respite facility, additional clinical space, and medical office space. This project is currently in the planning phase.

Proposed services include:

- Medical Respite
- Primary Care
- Specialty care
- Medical offices.

*Table 17: Cameron Center Project Budget, in Millions*

| <b>BUDGET CATEGORY</b>                               | <b>PRELIMINARY APPROVED BUDGET</b> | <b>TOTAL EXPENSES THROUGH FY 2023</b> | <b>ESTIMATED EXPENSES FY24</b> | <b>ESTIMATED EXPENSES FY25</b> | <b>ESTIMATED EXPENSES FY26</b> |
|--|------------------------------------|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Due Diligence, Land Acquisition & Regulatory         | \$90.575                           | \$14.530                              | \$25.348                       | \$25.348                       | \$25.348                       |
| Professional Services                                |                                    |                                       |                                |                                |                                |
| Construction   |                                    |                                       |                                |                                |                                |
| Furniture, Fixtures & Equipment                      |                                    |                                       |                                |                                |                                |
| Other  | \$1.69                             | -                                     | \$0.42                         | \$0.84                         | \$0.422                        |
| <b>ESTIMATED SOURCES OF FUNDS</b>                    |                                    |                                       |                                |                                |                                |
| Certificates of Obligation Taxable Series 2023 Funds | \$90.575                           | \$14.530                              | \$25.348                       | \$25.348                       | \$25.348                       |

### Current Debt Levels

Central Health issued \$16 million in Certificates of Obligation on Sept. 20, 2011, and refunded the bonds in 2020, resulting in significant savings in future interest expense. Central Health issued \$77.7 million of Certificates of Obligation in 2021 to fund two clinic facilities, along with a consolidated headquarters facility (see table below). In 2023, Central Health issued another \$99.35 million Central Health received an Aa2 stable credit rating from Moody's Investors Service and an AA+ stable rating from KBRA in June 2023. In the FY 2024 proposed budget, Central Health will have outstanding debt of \$173.1 million. An estimated principal payment of \$7.4 million will be made during the fiscal year and the remaining balance of principal will be due in future periods. An estimated payment of \$7 million will go toward interest on the debt.

Table 18: Central Health Debt Overview

| SERIES  | ESTIMATED PRINCIPAL* | ESTIMATED INTEREST* | PURPOSE  | SECURITY                      |
|---|----------------------|---------------------|--|-------------------------------|
| Certificates of Obligation Series 2023 (Limited Tax)          | \$8,385,000          | \$2,301,660         | The acquisition, construction, improvement, renovation and equipping of buildings and land to provide medical and clinical services at Rosewood Zaragoza.  | Limited ad valorem tax pledge |
| Certificates of Obligation, Taxable Series 2023 (Limited Tax) | \$90,965,000         | \$57,567,194        | The acquisition, construction, improvement, renovation and equipping of buildings and land to provide medical and clinical services at the Cameron Center  | Limited ad valorem tax pledge |
| Certificates of Obligation Series 2021 (Limited Tax)          | \$12,715,000         | \$3,584,128         | The acquisition, construction, improvement, renovation and equipping of buildings and land to be used as medical clinics located in Del Valle and Hornsby Bend   | Limited ad valorem tax pledge |
| Certificates of Obligation, Taxable Series 2021 (Limited Tax) | \$ 57,370,000        | \$ 11,625,635       | The acquisition, construction, improvement, renovation and equipping of buildings and land to be used as a site for management and administration of District services and the delivery and provision of clinical and medical services | Limited ad valorem tax pledge |
| Certificates of Obligation, Taxable Series 2020               | \$3,710,000          | \$70,434            | The acquisition, construction, improvement, renovation and equipping of buildings (North Central and Southeast Health and Wellness Center)   | Limited ad valorem tax pledge |

\*for FY 2024 and future periods



Central Health also holds a line of credit for short term debt financing of technology and equipment projects, however, no draws have been made on this debt. The FY 2024 budget includes estimates for debt payments that may be made on the line of credit when draws are made in the future.

#### Legal Limits

Central Health does not have any legal limits on the amount of debt which can be issued. Debt can be issued that is secured by existing assets or the Debt Service Tax rate, which is .24621 cents per \$100 of property valuation in FY 2023. Certificates of Obligation must be approved by the board of managers and the Travis County Commissioners in order to pledge the Debt Service tax rate. The only legal limit required by Central Health is in its founding legislation, which states the district cannot increase its total tax rate greater than 25 cents per \$100 of property valuation.

#### Current Funding Required

In the FY 2024 proposed budget, funding has been included for a principal payment of \$7.4 million and interest payments of \$7 million.

# GETTING INVOLVED IN CENTRAL HEALTH

We encourage Travis County residents to keep up with our budget development process, ongoing financial updates and Board of Managers and Budget and Finance Committee meetings (held monthly and webcast and televised live).

Ways to get involved:

## 1. Visit our website.

Central Health budget and finance information including monthly financial statements, annual financial audit reports, and current and previous fiscal year budgets are available at: <https://www.centralhealth.net/about/finance/>.

## 2. Attend or watch our meetings.

Central Health's Board of Managers meetings and the Board's Budget and Finance Committee meetings are both available by livestream and archived. Links to the meetings with agenda items, supporting materials, and presentations are available at: <https://centralhealth.net/about-central-health/board-of-managers/#meetings>.

## 3. Sign up for our newsletter.

Central Health does a variety of community engagement activities including soliciting feedback from patients, community members, and concerned citizens. To connect with us please visit [centralhealth.net/](https://centralhealth.net/) and sign up for our email list.

# ATTACHMENT A-REVENUE & EXPENSES SUMMARY/BUDGET RESOLUTION

FY 2022 Actual, FY 2023 Budget & Year End Estimate with FY 2024 Approved Budget

| DESCRIPTION                              | FY 2022<br>ACTUAL  | FY 2023<br>APPROVED<br>BUDGET | FY 2023 YEAR<br>END ESTIMATE | FY 2024<br>APPROVED<br>BUDGET |
|--|--------------------|-------------------------------|------------------------------|-------------------------------|
| <b>TAX RATE</b>                          | <b>0.111814</b>    | <b>0.098684</b>               | <b>0.098684</b>              | <b>0.100692</b>               |
| Beginning Balance (Contingency Reserve)  | 235,884,286        | 327,783,722                   | 338,373,929                  | 407,730,068                   |
| <b>REVENUE</b>                           |                    |                               |                              |                               |
| Property Taxes                           | 261,531,264        | 281,605,053                   | 281,605,053                  | 312,456,814                   |
| Lease Revenue                            | 18,883,477         | 13,145,328                    | 13,113,357                   | 12,022,497                    |
| Tobacco Litigation Settlement            | 4,676,730          | 4,500,000                     | 4,500,000                    | 4,500,000                     |
| Other                                    | (18,253,191)       | 1,500,000                     | 10,500,000                   | 7,500,000                     |
| <b>Total Revenues</b>                    | <b>266,838,280</b> | <b>300,750,381</b>            | <b>309,718,410</b>           | <b>336,479,311</b>            |
| <b>Available Budgeted Resources</b>      |                    | <b>628,534,103</b>            | <b>648,092,339</b>           | <b>744,209,379</b>            |
| <b>EXPENSES</b>                          |                    |                               |                              |                               |
| Healthcare Delivery                      | 125,726,629        | 212,208,877                   | 176,820,208                  | 295,246,806                   |
| Administration                           | 12,052,914         | 22,149,360                    | 17,542,063                   | 28,647,030                    |
| UT Affiliation Agreement                 | -                  | 22,000,000                    | 23,000,000                   | 35,000,000                    |
| Transfers Out                            | -                  | 49,000,000                    | 23,000,000                   | 8,019,240                     |
| Contingency Reserves                     | -                  | 323,175,866                   |                              | 377,296,303                   |
| <b>Total Expenses</b>                    | <b>137,779,543</b> | <b>628,534,103</b>            | <b>240,362,271</b>           | <b>744,209,379</b>            |
| <b>Increase/Decrease in Fund Balance</b> | 129,058,737        |                               | 69,356,139                   |                               |
| Ending Fund Balance                      | 364,943,023        | -                             | 407,730,068                  | -                             |
| <b>RESERVES</b>                          |                    |                               |                              |                               |
| Emergency Reserves                       | 38,719,836         | 38,719,836                    | 38,719,836                   | 46,739,076                    |

**TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A  
CENTRAL HEALTH BOARD OF MANAGERS  
RESOLUTION ADOPTING THE FISCAL YEAR 2024  
BUDGET APPROVED**

The Travis County Healthcare District (the “District”), d/b/a Central Health, Board of Managers (the “Board”) hereby adopts the Central Health Fiscal Year 2024 Budget, which:

- A. consists of the Central Health Fiscal Year 2024 Budget Sources and Uses Summary (attached as Attachment A) and the Central Health Fiscal Year 2024 Budget Uses Detail (attached as Attachment B), both of which are incorporated herein by reference as if set out in full;
- B. directs the President and CEO to advance the following Strategic Priorities of the District, which include initiatives and projects carried-forward from prior fiscal years and as established in the Healthcare Equity Implementation Plan, as adopted by the Board on August 2, 2023 (noted in Excerpts, below) with periodic reports due to the Board of Managers:
  - a. Increase Access and Capacity
    - i. Continue site expansions with opening new health centers in Hornsby Bend and Del Valle and commencing with engineering and design for Colony Park Launch, and initial phases of multispecialty services at the East Austin and the Rosewood-Zaragosa clinics
    - ii. Enhance behavioral health and substance use treatment integration into comprehensive care models, including health-related support for diversion or deflection services in conjunction with other local efforts. In addition, increase the funding amount in Integral Care’s FY2023 service agreement by \$7 million for program services that intersect and align with both Central Health’s and Integral Care’s missions to enhance services for low income residents and improve health equity. The Central Health CEO will determine appropriate program services in collaboration with the Integral Care CEO and report to the Board of Managers by October 4<sup>th</sup> the programs identified and funded as advancing the missions of both organizations. Central Health will work with Integral Care to include programs and services such as the following:
      - 1. Crisis Hotline Services

2. Health Equity Through CCBHC Project (prioritizes expanded access to integrated system of care to address population health disparities)
  3. Continued Mobile Crisis Outreach Teams (MCOT) and System of Care Services
  4. Mood Treatment Center Services (intensive OP services to individuals with bipolar disorder)
  5. Expanded Community Mental Health Center Services (to address continued growth of population and community needs)
  6. Wellness Services (nutrition and tobacco cessation for individuals with SMI)
- iii. Develop and right size clinical and support services to support the direct practice of medicine, including expanding Medical Respite staff to support contracted services and to develop the future Cameron Road site
  - iv. Increase health care services offered through street medicine and mobile clinic teams
  - v. Coordinate with local secondary and higher education institutions to provide scholarships, internships, and employment to support development of culturally affirming workforce in fulfillment of Central Health's mission
- b. Enhance care coordination with a focus on transitions of care and enabling meaningful information sharing
    - i. Continue buildout of Epic electronic health record for Central Health, including utilization of a patient portal
    - ii. Expand transitions of care program within Central Health's practice of medicine in expansion of care teams, Care at Home and in skilled nursing facilities
    - iii. Improve care coordination and member engagement through the continued development of the Central Health Navigation Center, focused on connecting and guiding patients and members to appropriate care and resources
  - c. Enhance member enrollment and engagement
    - i. Expand enrollment services in support of new Central Health

- facilities and clinical practices
  - ii. Expand enrollment services through Virtual Enrollment
  - iii. Continue engagement in high-need planning and assessment regions
  - iv. Implement MyChart patient portal
- d. Continue to develop system of care infrastructure including implementation of FY2024 business cases subject to conditions such as readiness checks conducted by management to ensure dependent operations are ready and in place prior to commencement.
  - i. Complete development of performance tracking plan and indicators to measure progress of core elements of the Healthcare Equity Implementation Plan
  - ii. Work to develop and implement oversight programs including hospital care and other service delivery programs
  - iii. Implement work related to hospital capacity and hospital care coordination initiatives
  - iv. Develop direct clinical practice infrastructure and continue building out clinical services teams
  - v. Continue development of Central Health departmental infrastructure including department expansions to support organizational growth including, administrative support, recruitment, hiring, retention, workforce development, employee engagement, legal, strategy, compliance and risk management, marketing and communication, finance and procurement, joint technology, human resources and facilities management
  - vi. Acquire and implement a modern survey tool to support employee retention and satisfaction
  - vii. Expand joint technology systems and applications to provide operational support and address cyber security, infrastructure, support services, and data management, analytics and reporting systems

C. The Board further acknowledges and supports the following:

- a. Central Health prioritization of staffing to support organizational growth and enhancement of operational capabilities.

- b. The Performance Review and Audit, conducted pursuant to an Interlocal Agreement with Travis County, as a means of obtaining a five-year performance review.
- c. Staff coordination with Travis County, including the Sheriff's Department, to allocate resources to the eligibility and enrollment of low-income county jail inmates in applicable care programs and pursue a shared-cost assessment regarding county jail inmate health needs and care models, including historical and ideal states and associated costs.
- d. Resolved, that the Central Health Board of Managers provide financial support for the delivery of care and related support for low-income persons within the Black Mens' Health Clinic. These funds will be provided in the services agreement with CommunityUnity Care, not to exceed \$500,000, to support expansion of clinical capacity, related outreach, and resources to include dedicated clinicians and support staff to offer services Monday thru Friday and extended evening, walk-up, or weekend hours to the greatest extent possible, with identified performance measures approved by Central Health and CommUnity Care.
- e. Considering recent fiscal challenges facing Integral Care, Central Health staff will regularly coordinate with Integral Care to develop approaches to avoid disruptions or delays in the mental and behavioral health services for the low-income population in Travis County. Central Health staff will take steps to avoid, as expeditiously as possible, such service disruptions to eligible, low-income persons and may utilize additional contingency reserves to do so, provided that Central Health staff seek Board approval prior to the expenditure of funds under this section. Central Health staff will report to the Board of Managers Budget Committee on a regular basis any allocation of reserves for this purpose, with the first report occurring at the next Budget Committee meeting. This section is intended to take effect if the additional funding specified in Paragraph B. subsection a.ii. is insufficient to avoid disruptions or delays in services.
- f. Ensure cancer screening, diagnosis, and treatment services are

developed for staging of priorities within the Healthcare Equity Plan, building on cancer services efforts supported by the Central Health FY 2023 Budget Resolution.

Pursuant to Chapter 281 of the Texas Health & Safety Code, the Central Health Fiscal Year 2024 Budget Sources and Uses Summary and ad valorem rate must be approved by the Travis County Commissioners Court before the budget becomes effective. Moreover, any expenditures incurred or paid pursuant to this Central Health Fiscal Year 2024 Budget shall adhere to Travis County Healthcare District Financial Policies, and any other policies adopted by the Board related to reserve levels or the expenditure of funds that explicitly require the Central Health Board of Managers' approval. The acquisitions and services funded by Central Health will be predicated on fulfilling the mission of Central Health to provide access to healthcare services for residents in Travis County that are low income and uninsured.

ADOPTED at an open meeting of the Central Health Board of Managers held on the 6th day of September 2023.



# ATTACHMENT B-USES OF FUNDS DETAILS

| DESCRIPTION  | FY 2023 APPROVED BUDGET | FY24 APPROVED BUDGET |
|--|-------------------------|----------------------|
| <b>HEALTHCARE DELIVERY</b>                         |                         |                      |
| <b>Purchased Healthcare Services</b>               |                         |                      |
| Primary Care: Medical, Dental, & Behavioral Health | 66,236,822              | 71,782,200           |
| Specialty Care: including Specialty Dental         | 27,163,000              | 30,188,000           |
| Specialty Care: Behavioral Health                  | 12,040,000              | 20,675,000           |
| 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              |
| Inmate Health                                      |                         | 2,000,000            |
| <b>Purchased Healthcare Services</b>               | <b>129,839,822</b>      | <b>150,770,200</b>   |
| <b>Direct Healthcare Services</b>                  |                         |                      |
| 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           |
| <b>Direct Healthcare Services Total</b>            | <b>5,673,261</b>        | <b>29,276,374</b>    |
| MAP Eligibility - Increase in eligibility period   | 2,000,000               | 1,000,000            |
|  |                         |                      |
| <b>Total Healthcare Services</b>                   | <b>137,513,083</b>      | <b>181,046,574</b>   |

| DESCRIPTION                                   | FY 2023<br>APPROVED<br>BUDGET | FY24<br>APPROVED<br>BUDGET |
|---|-------------------------------|----------------------------|
| <b>HEALTHCARE DELIVERY</b>                    |                               |                            |
| <b>Healthcare Operations &amp; Support</b>    |                               |                            |
| 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                  |
| <b>Total Healthcare Operations</b>            | <b>74,695,794</b>             | <b>114,200,233</b>         |
|   |                               |                            |
| <b>Total Healthcare Delivery</b>              | <b>212,208,877</b>            | <b>295,246,806</b>         |

| DESCRIPTION   | FY 2023 APPROVED BUDGET | FY24 APPROVED BUDGET |
|---|-------------------------|----------------------|
| <b>ADMINISTRATION</b>                               |                         | -                    |
| 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               | -                    |
| <b>Total Administration</b>                         | <b>22,149,360</b>       | <b>28,647,030</b>    |
| UT Affiliation Agreement                            | 22,000,000              | 35,000,000           |
| <b>TRANSFERS OUT</b>                                |                         |                      |
| Transfer to capital reserve                         | 49,000,000              | -                    |
| Transfer to emergency reserve                       | -                       | 8,019,240            |
| <b>RESERVES</b>                                     |                         |                      |
| Contingency Reserves                                | 323,175,866             | 377,296,303          |
| <b>TOTAL EXPENSES</b>                               | <b>628,534,103</b>      | <b>744,209,379</b>   |

# ATTACHMENT C-AUDITED FINANCIALS

The most recent audited financial statement is located at:

[http://www.centralhealth.net/wp-content/uploads/2023/02/Travis-County-Healthcare-District-dba-Central-Health-Financial-Statements\\_9-30-2022.pdf](http://www.centralhealth.net/wp-content/uploads/2023/02/Travis-County-Healthcare-District-dba-Central-Health-Financial-Statements_9-30-2022.pdf)

The FY 2024 Budget and past annual budgets can be found at:

<https://www.centralhealth.net/library/budget/annual-budgets/>

# ATTACHMENT D-FINANCIAL POLICIES

Central Health maintains four separate reserves, with a policy for each: an emergency reserve, a contingency reserve, a capital reserve and a reserve for HMO risk-based capital.

## **Emergency Reserve Policy**

Central Health's emergency reserve will serve as a funding source for dire necessities that arise from unusual circumstances, e.g. natural disasters, pandemics, or severe business disruptions. The emergency reserve will normally be set at 55 days of working capital, equal to approximately 15% of budgeted ongoing expenses. The amount of the emergency reserve will be set annually through adoption of the budget.

## **Contingency Reserve Policy**

The contingency reserve will serve as a funding source for one-time expenditures or for ongoing expenditures when needed for cyclical or temporary structural deficits. Cyclical deficits are caused by temporary decreases in revenue or by one-time, nonrecurring expenses that cannot be funded through current revenue. Structural deficits are caused by an excess of projected annual expense over projected annual revenue over periods of several fiscal years. Contingency reserves may be used as part of a plan for correcting structural deficits; however, the plan should also include structural fixes such as permanent increases to revenue and/or permanent reductions to expense. The contingency reserve may also serve as a source of supplemental appropriation that can be used for Intergovernmental Transfers, depending on circumstances and amounts available. The Intergovernmental Transfers are unpredictable and are often misaligned with Central Health's fiscal year.

## **Capital Reserve Policy**

A capital reserve will be established to fund capital assets or projects that will not be funded through the issuance of debt or through a grant. The capital reserve will be established in October, the first month of the fiscal year, by moving investment balances from current assets to noncurrent assets in the amount needed to fund the capital reserve. Changes may be made to the capital reserve during the year if, for example, other funding is obtained for a portion of the capital budget: in this case, the capital reserve would be decreased by moving the amount of the grant from noncurrent assets (investments) back to current assets.

## **HMO Risk-Based Capital Reserve Policy**

Central Health will set up a risk-based capital reserve to be used for paid-in capital payments to Sendero Health Plans, Inc., (Sendero) the Medicaid managed care nonprofit corporation established in 2011. This reserve will be shown in the noncurrent assets section of Central Health's balance sheet and will not be part of working capital or fund balance. This fund will be used to provide risk-based capital to Sendero. Payments will be made based on the level of enrollment and on claims experience, as recommended by the Sendero actuary.

Central Health's Investment Policy is updated annually by the Board of Managers.

Central Health also maintains a robust set of finance and procurement policies that are updated by the Board of Manager on an as needed basis. For the detailed investment and collateral policies follow the link below:

<http://www.centralhealth.net/wp-content/uploads/2022/12/Central-Health-Financial-Policies-FY2023.pdf>

# ATTACHMENT E-ACCOMPLISHMENTS

Central Health's 2022 Annual Report can be found at:

<http://www.centralhealth.net/wp-content/uploads/2023/08/FY2022-Annual-Report.pdf>

Below are our milestones and highlights:

## 2022 MILESTONES & HIGHLIGHTS

The hospital district's work is guided by three strategic objectives, which provide a roadmap toward achieving its vision and supporting its values—**Stewardship, Innovation, Respect and Collaboration.**

### OBJECTIVE 1

### DEVELOP AND EXECUTE HEALTH CARE DELIVERY BASED ON PEOPLE AND SPACE

#### SERVICE PLANNING & EXPANSION

- Central Health conducted a voice of the community study; a safety-net focused community health needs assessment; and a capabilities and gap assessment to support the development of a new Equity-Focused Service Delivery Strategic Plan (Health Care Equity Plan) which identifies the moderate and significant health care needs for low-income residents in Travis County.
- Central Health joined CommUnityCare in transitioning to a new electronic health record (Epic), with the goal of improving care and coordination for patients.

#### POPULATION HEALTH

- Central Health, CommUnityCare and Integral Care publicly committed to pursuing designation from the Human Rights Campaign to recognize the cultural and gender affirming care provided to LGBTQIA+ patients. At the end of the process over 70 clinics will have implemented policy, system, and environmental changes to better serve the LGBTQIA+ safety net patient population.
- Central Health created a pilot program to purchase needed services to address social factors of health in alignment with Central Health's Health Care Equity Plan and focusing on wellness and prevention from local nonprofits.

#### COMMUNICATION & COMMUNITY ENGAGEMENT

- Central Health led or participated in 260 grassroots outreach activities reaching almost 16,000 individuals.
- Central Health hosted 55 community engagement opportunities, more than double the number in 2021.
- Two major paid media campaigns – Affordable Care Act and MAP/MAP Basic enrollment – connected more than 21,000 people to care via the Central Health website.
- An education campaign on Central Health's FY 2023 Strategic Objectives and Budget helped more than 4,200 people learn more about the value Central Health brings to the community.
- Central Health was mentioned in media coverage 667 times, the equivalent of more than \$22 million in paid advertising.

#### CAPITAL IMPROVEMENTS

- To begin addressing needs identified in the Health Care Equity Plan The Board of Managers approved the Rosewood Zaragoza Multi-specialty clinic preliminary project budget for design and pre-construction.



## OBJECTIVE 2

### IMPLEMENT A PATIENT-FOCUSED AND COORDINATED HEALTH CARE SYSTEM

#### HEALTH COVERAGE

- Central Health staff completed 6,562 in-person eligibility appointments - a 135% increase over 2021 - and processed 50,460 applications.
- CMS awarded Sendero the 4-Star Marketplace Quality rating for the second consecutive year.
- Sendero Health Plans enrolled more than 7,800 individuals in health insurance plans in 2022.
- Sendero worked with over 40 community resource partners to conduct extensive weekly community outreach and engagement activities, with several major outreach events in FY2022.

#### DENTAL CARE

- Primary care dental services increased by 4%.
- Additional specialty dental care services were made available to patients including a periodontal pilot program.

#### SPECIALTY CARE

- For the first time, Central Health doctors provided direct specialty care to MAP patients and began extensive operational planning to open the new Rosewood Zaragoza Multi-specialty clinic.
- Central Health expanded its agreements with specialty care providers in gastroenterology, podiatry, physical therapy, palliative care, hospice, gynecology, and ophthalmology to improve patient care and outcomes.
- Central Health launched its medical weight loss pilot, which included coverage of weight loss medications, group nutrition classes, co-visits with an endocrinologist, and individual nutritionist visits.

#### BEHAVIORAL HEALTH SERVICES

- Central Health expanded the Medication Assisted Therapy (MAT) program and partnered with a new methadone clinic to provide substance use disorder treatment for 44 patients in 2022.

#### POST-ACUTE CARE

- Central Health launched a new medical respite program in March 2022, providing unhoused MAP patients a safe and comfortable place to recover from injuries or illnesses after discharging from hospitals. In its first year of operation, the program was able to help serve 59 patients.

#### PHARMACY

- Central Health facilitated medication delivery by developing partnership with CommUnityCare's Central Pharmacy.
- For patients enrolled in Central Health's weight loss pilot program, access to weight loss medications were expanded.

#### TRANSPORTATION SERVICES

- Central Health continued working with transportation providers to assist wheelchair bound patients, and patients with limited mobility.
- More than 3,600 rides were provided to over 500 patients through an expanded agreement with a rideshare mobility partner.

## OBJECTIVE 3

### IMPLEMENT A SUSTAINABLE FINANCIAL MODEL FOR HEALTH CARE DELIVERY AND SYSTEM STRATEGIES THROUGH 2024

#### STEWARDSHIP

- Central Health continued to maintain the lowest tax rate among the six major urban Texas hospital districts.

#### INVESTING IN EASTERN TRAVIS COUNTY

- Central Health hosted groundbreaking events for Hornsby Bend and Del Valle Health and Wellness Centers, and construction activities continued apace.

# ATTACHMENT F-FY2023 COMMUNITY ENGAGEMENT REPORT

Throughout the year, Central Health staff collected public and consumer feedback through advisory committee meetings, Community Conversations, an online survey and one-one-one interviews (by phone). The goal is to involve residents in the planning, implementation and evaluation of Central Health projects and provide input for the development of this budget.

Learn more about the results at:

[http://www.centralhealth.net/wp-content/uploads/2023/09/2023\\_Community-Engament-Report.pdf](http://www.centralhealth.net/wp-content/uploads/2023/09/2023_Community-Engament-Report.pdf)



# ATTACHMENT G-HEALTHCARE EQUITY ACTION (IMPLEMENTATION) PLAN

On August 2, 2023, the Central Health Board of Managers adopted a plan to implement Central Health's Healthcare Equity Plan. The plan lays out 38 initiatives, involving more than 150 overlapping and interdependent projects aimed at closing the gaps in the healthcare safety net based on our Community Needs Assessment. Under the plan, Central Health will invest nearly \$700 million into projects that strengthen the healthcare safety net over the next 7 years.

A summary of the plan can be found at:

<https://www.centralhealth.net/wp-content/uploads/2023/09/Central-Health-Healthcare-Equity-Action-Plan-Presentation.pdf>

# GLOSSARY

- **1115 Waiver** A federal funding program for uncompensated care and Delivery System Reform Incentive Payments (DSRIP)
- **ACA** Affordable Care Act: a healthcare reform law that addresses health insurance coverage.
- **Accrual** An expenditure that is recognized for a fiscal year or period but not received or disbursed until a subsequent fiscal year or period.
- **Ad Valorem Tax** A tax of real estate or personal property based on the taxable value of the property and is assessed at a rate per \$100 of taxable value.
- **Approved Budget** The financial plan for Central Health approved by the Travis County Commissioners Court for use in the fiscal year of October 1 to September 30.
- **Assessed Valuation** The valuation set for Travis County properties by the Travis Central Appraisal District as a basis for levying property taxes.
- **Average Homestead Taxable Value** The mean property value of Travis County homesteads after a 20% homestead exemption and other required adjustments are applied, as appraised and certified by the Travis Central Appraisal District.
- **Average Homestead Value** The mean property value of Travis County homesteads, as appraised and certified by the Travis Central Appraisal District.
- **Basis of Budgeting** Central Health's basis of budgeting is the accrual basis in accordance with generally accepted accounting principles (GAAP), with the exception of depreciation.
- **Balanced Budget** A financial plan in which projected total sources funds are equal to total planned uses of funds plus established reserves.
- **Budget** An organization's comprehensive financial plan for the coming fiscal year.
- **Budget Amendment** A change in the level of funding that increases or decreases the total budget of an individual program (Healthcare Delivery or Administration/Tax Collection) which requires approval by the Central Health Board of Manager and the Travis County Commissioners Court.
- **Budget Calendar** The schedule of dates that Central Health follows in the preparation and adoption of the budget.
- **Capital Expenditure** Defined as use of funds on an asset with an initial, individual cost of at least \$5,000, and an estimated useful life of one year or more.
- **CCC** Community Care Collaborative: Central Health's partnership with Ascension Seton to provide healthcare.
- **CEO** Chief Executive Officer
- **Certificates of Obligation** Debt that is authorized by the Travis County Commissioners Court and does not require prior voter approval. Intent to issue certificates of obligation must be published in the local newspaper in advance of issuing the debt.
- **CHAP** Central Health Assistance Program: a program through Central Health that provides premium assistance to eligible members.
- **CHIP** Children's Health Insurance Program: a program to provide health care coverage to children in families that do not qualify for Medicaid.
- **CMS** Centers for Medicare & Medicaid Services: a federal agency in the department of Health and Human Services that administers the healthcare programs Medicare and Medicaid.
- **Credit Rating** An opinion given by a credit rating agency that indicates the ability and willingness of a bond issuer to meet its financial obligations in full and on time. A credit rating also indicates the credit quality of an individual debt issue.
- **Debt Service Rate** The component of the total tax rate the taxing unit needs to pay its debt service in the coming year.
- **Depreciation** A decrease in the value of a capital asset due to wear and tear, deterioration, end of useful service life, or the passage of time.
- **DSH** Disproportionate Share Hospital (DSH) program funds uncompensated care for hospitals treating indigent patients.
- **DSRIP** Delivery System Reform Incentive Payments: a program that is designed to improve how health care is delivered by incentivizing providers and hospitals.

- **DY** DSRIP funding year
- **ED** Emergency Department: the department of the hospital that is responsible for patients requiring immediate care.
- **Expenditures** Uses of funds which are recognized when the liability is incurred and expected to be liquidated with current financial resources.
- **Fiscal Year** A twelve-month period, extending from October 1st through the following September 30th, which is designated as the operating year for accounting and budget purposes.
- **FPL** Federal Poverty Level: an economic measure created from census data that is used to determine qualifications for federal programs.
- **Fund Balance** In governmental funds, when there are funds leftover at the end of a fiscal year from either underspending the budget or taking in revenue in excess of the amount budgeted.
- **FTE** Full-time Equivalent: FTE is equivalent to an employee that is scheduled to work 40 hours/week.
- **FQHC** Federally Qualified Health Center: a designation from CMS to provide primary care services in underserved communities.
- **Governmental Accounting Standards Board (GASB)** An organization whose main purpose is to improve and create accounting and reporting standards and generally accepted accounting principles (GAAP).
- **Governmental Fund** A type of fund that accounts for government entities activities including General Funds. Central Health does not have a governmental fund, rather is a single proprietary fund, known as an enterprise fund (see definition of Proprietary Fund below).
- **HHSC** Texas Health and Human Services Commission: a state agency that manages programs that assist families with food, health care, safety and disaster needs.
- **IGT** Intergovernmental Transfers: the transfer of funds between governmental entities.
- **Interlocal Agreement** An agreement between governmental agencies often resulting in one governmental agency receiving funds from another agency.
- **LPPF** Local Provider Participation Fund: an account that local governments deposit mandatory hospital payments into for an IGT to HHSC.
- **MAP** Medical Access Program, a full benefits package for eligible residents who are at or below 100 percent of the Federal Poverty Level (FPL)
- **Net Position** Difference between assets, or Central Health's investment in resources, and liabilities, or Central Health's obligation to its creditors.
- **No-new-revenue Maintenance & Operations (M&O) Tax Rate** A tax rate that is a component of the total tax rate that provides the taxing unit with approximately the same amount of revenue it received in the previous year for day-to-day operations (Maintenance and Operations).
- **No-new-revenue Tax Rate** A calculated rate that provides a taxing unit with approximately the same amount of revenue it received in the previous year on properties taxed in both years. If property values rise, the effective tax rate will go down, and vice versa. The effective tax rate calculation is established by state law.
- **Proposed Budget** The financial plan presented to the Central Health board of managers for consideration and then recommended to the Travis County Commissioners Court to adopt for use October 1 to September 30.
- **Proprietary Fund** The type of fund used to account for Central Health's ongoing operations and activities that are like businesses found in the private sector. Central Health operates as a single proprietary fund known as an enterprise fund.
- **Reserve** A line item used to set aside sources of funds that may not be required for expenditure in the current budget year.
- **Residential Homestead Exemption** A reduction in taxable value on a primary residence. Central Health offers a 20% exemption on a principal residence primarily owned and occupied by an individual.
- **Revenue** Sources of funds that finance the operations of government.
- **Structural Balance** In governmental budgeting, a budget achieves structural balance if it supports financial sustainability for multiple years into the future through the matching of ongoing uses of funds to ongoing sources of funds and the maintenance of an appropriate reserve balance.
- **Tax Rate** The amount of tax stated in terms of a unit of the tax base; in Texas, the tax rate is stated in terms of every \$100 of value.
- **TPA** Third Party Administrator: an organization that processes claims for another entity.
- **Travis Central Appraisal District** A special unit of government with the primary responsibility to develop an annual appraisal roll for use by taxing units in imposing ad valorem taxes on property in the district.

- **UC** Uncompensated Care: hospital care that receives no reimbursement.
- **UMCB** University Medical Center Brackenridge
- **Voter-approval Tax Rate** The tax rate that provides the taxing unit with approximately the same amount of revenue it spent in the previous year for day-to-day operations (Maintenance and Operations), plus an extra 8.0%.

# FOR MORE INFORMATION, VISIT ANY OF THESE WEBSITES:

## **CentralHealth.net**

Central Health's primary web site. Find information about our history, our board of managers and Executive Leadership team, upcoming meeting schedules, budget and financial documents, links to health care resources, health care planning updates and data, news and press releases, job openings, and more.

## **CommUnityCareTX.org**

The site is a resource for locations, services and contact information to any of CommUnity- Care's 20-plus health centers. Visitors may also access links to a patient portal, eligibility and career resources.

## **SenderoHealth.com**

Sendero Health Plans is an Austin-based nonprofit organization providing a locally based health maintenance organization (HMO) tailored to the needs of Central Texas communities.

Visit the site to learn more about Sendero's health coverage options.

## **Apply4MAP.net / inscribaseamap.net**

This site provides information about the Medical Access Program (MAP), Central Health's own health coverage program for Travis County residents at or below 100 percent of federal poverty level. Learn about the benefits, where to seek care, and more.



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