

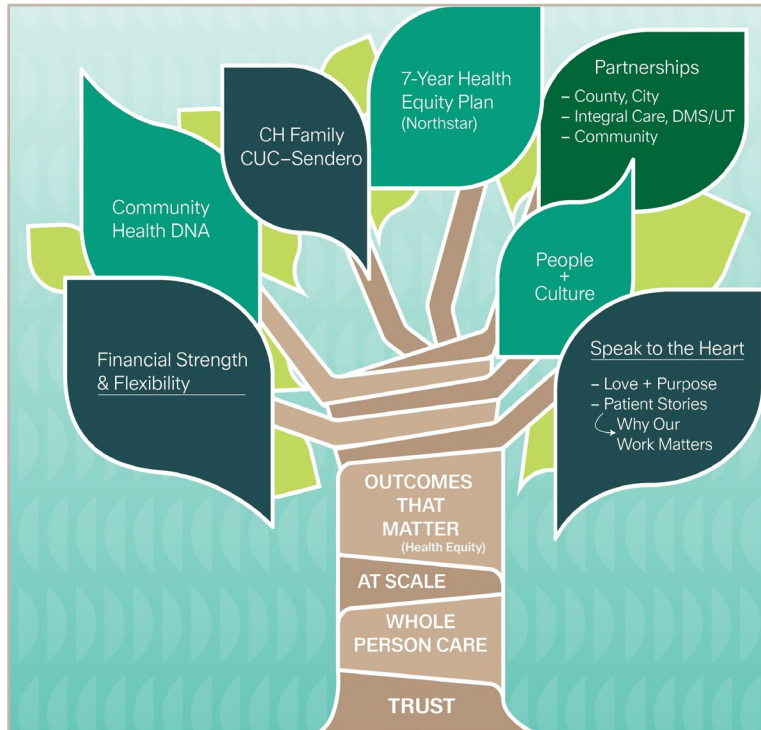


Trust Makes Healthcare Better

Proposed Fiscal Year 2025 Budget
Central Health Board of Managers
Budget & Finance Committee
June 12, 2024

Patrick T. Lee, M.D., President & CEO
Jon Morgan, Chief Operating Officer
Jeff Knodel, Chief Financial Officer

Setting FY 2025's Strategic Priorities

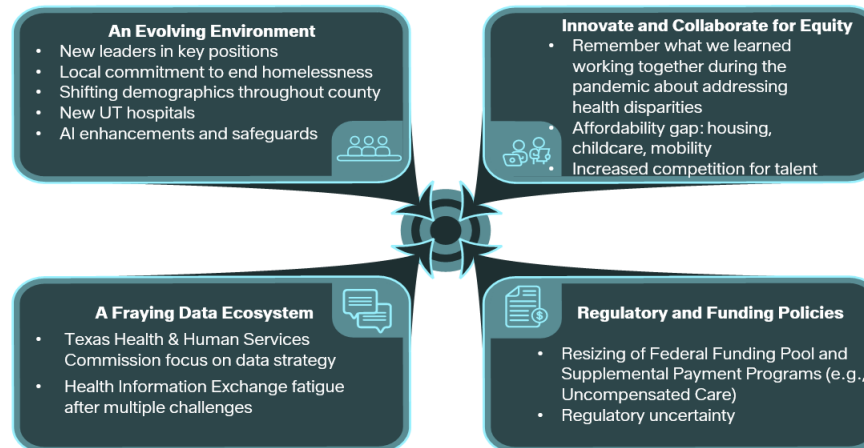


Healthcare Equity Strategic Plan

The Central Health system is committed to developing an equitable system of care that is comprehensive and accountable, while optimizing the collective use of Travis County's capabilities and resources to serve the safety-net population.

STRATEGIC IMPERATIVES	
Access and Capacity	Appropriate Capacity and Access to Services, Providers and Care Teams
Care Coordination	Optimizing Transitions of Care, Including Effective Data Sharing Across Points of Care
Member Enrollment and Engagement	Enhancing Engagement for Enrollees and Expanding Enrollment in High-Need Regions
System of Care Infrastructure	Joint Service-Delivery Planning and Timely Sharing of Healthcare Data

Driving Forces Toward Change in FY 2025



DESCRIPTION	FY 2023 APPROVED BUDGET	FY2024 Approved Budget
TAX RATE		
FIEs	333.7	530.5
Beginning Balance (Contingency Reserve)	327,783,722	407,730,068
REVENUE		
Property Taxes	281,605,053	312,456,814
Lease Revenue	13,145,328	12,022,497
Tobacco Litigation Settlement	4,500,000	4,500,000
Other	1,500,000	7,500,000
Total Revenue	300,750,381	336,479,311
Available Budgeted Resources	628,534,103	744,209,379
EXPENSES		
Healthcare Delivery	212,208,877	295,246,806
Administration	22,149,360	28,647,030
UT Affiliation Agreement	22,000,000	35,000,000
Transfers Out	49,000,000	8,019,240
Contingency Reserves	323,175,866	377,296,303
Total Expenses	628,534,103	744,209,379
Increase/Decrease in Fund Balance	-	-
Ending Fund Balance	-	-
RESERVES		
Emergency Reserves	38,719,836	46,739,076

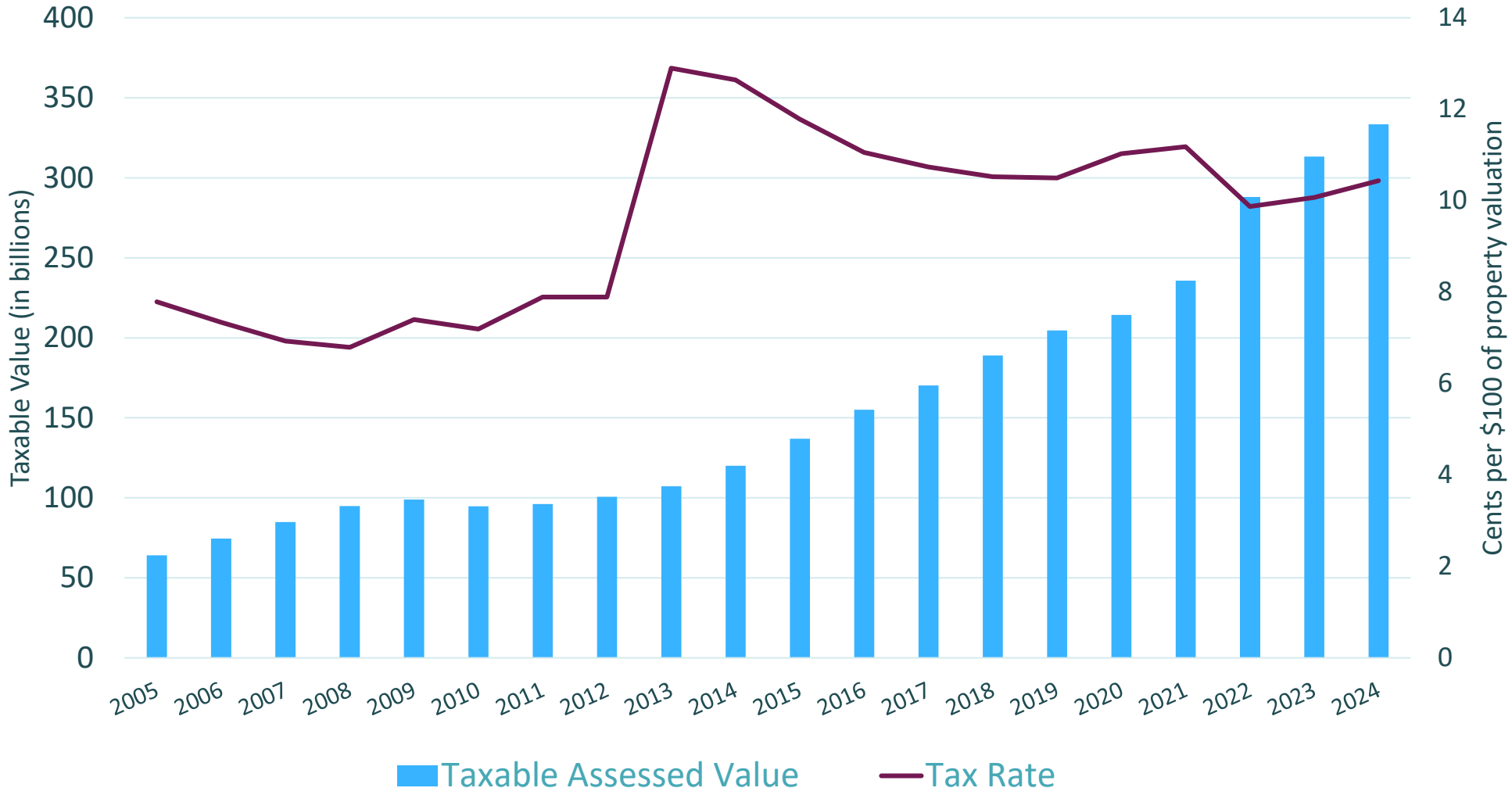
FY 2025 Budget Highlights

Financial Strength and Flexibility

- Beginning Balance of FY 2025 Contingency Reserves estimate is \$494M, which is higher than anticipated as a result of:
 - Significant higher interest income due to higher rates
 - Clinic site construction delays
- Accelerate clinical services, including:
 - Respite, rheumatology, endocrinology, psychiatry, therapy and counseling services, transitions of care, diversion, bridge teams
- Cash finance upcoming capital projects
 - Eliminates future interest costs
- FY25 Property Tax Rate is 6.5% above no new revenue rate
 - Achieves future targeted range (120-150 days) of reserves for forecast period based on Health Equity Plan cost estimates

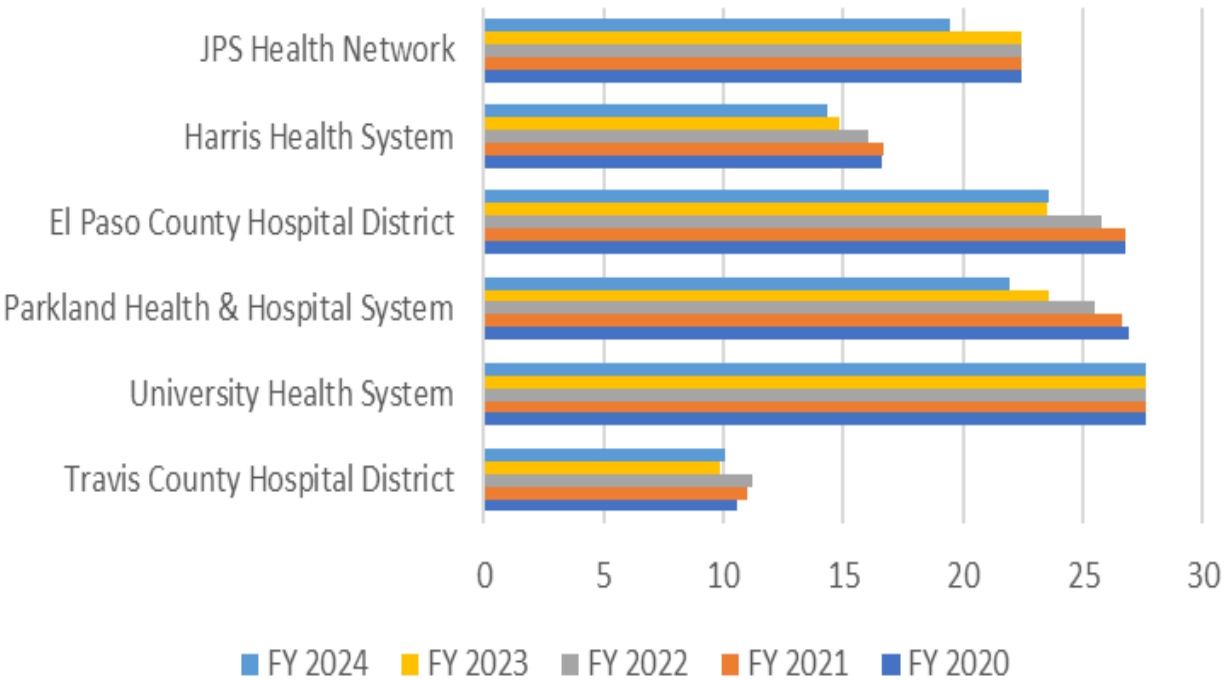
Tax Rate History – Central Health

Travis County taxable values and Central Health tax rate by tax year

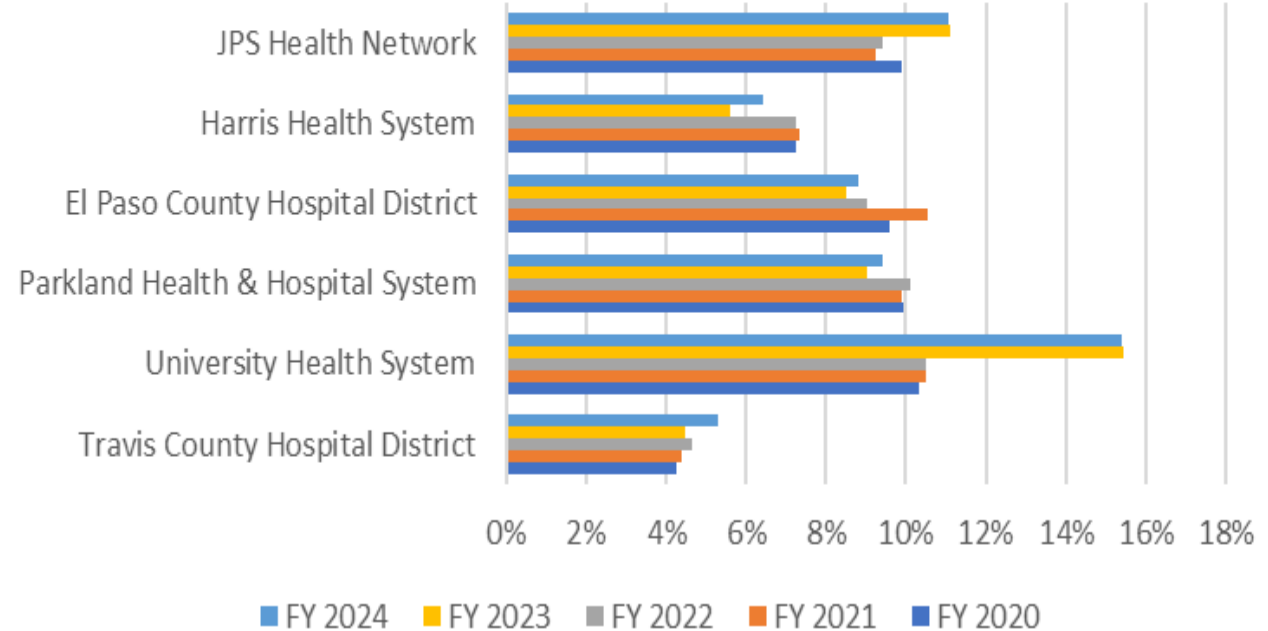


Five Year Historical Ad Valorem Data

Texas Major Hospital Districts
Ad Valorem Rates (cents/\$100) 2020-2024



Texas Major Hospital Districts
Overlapping Taxing Jurisdiction % 2020-2024



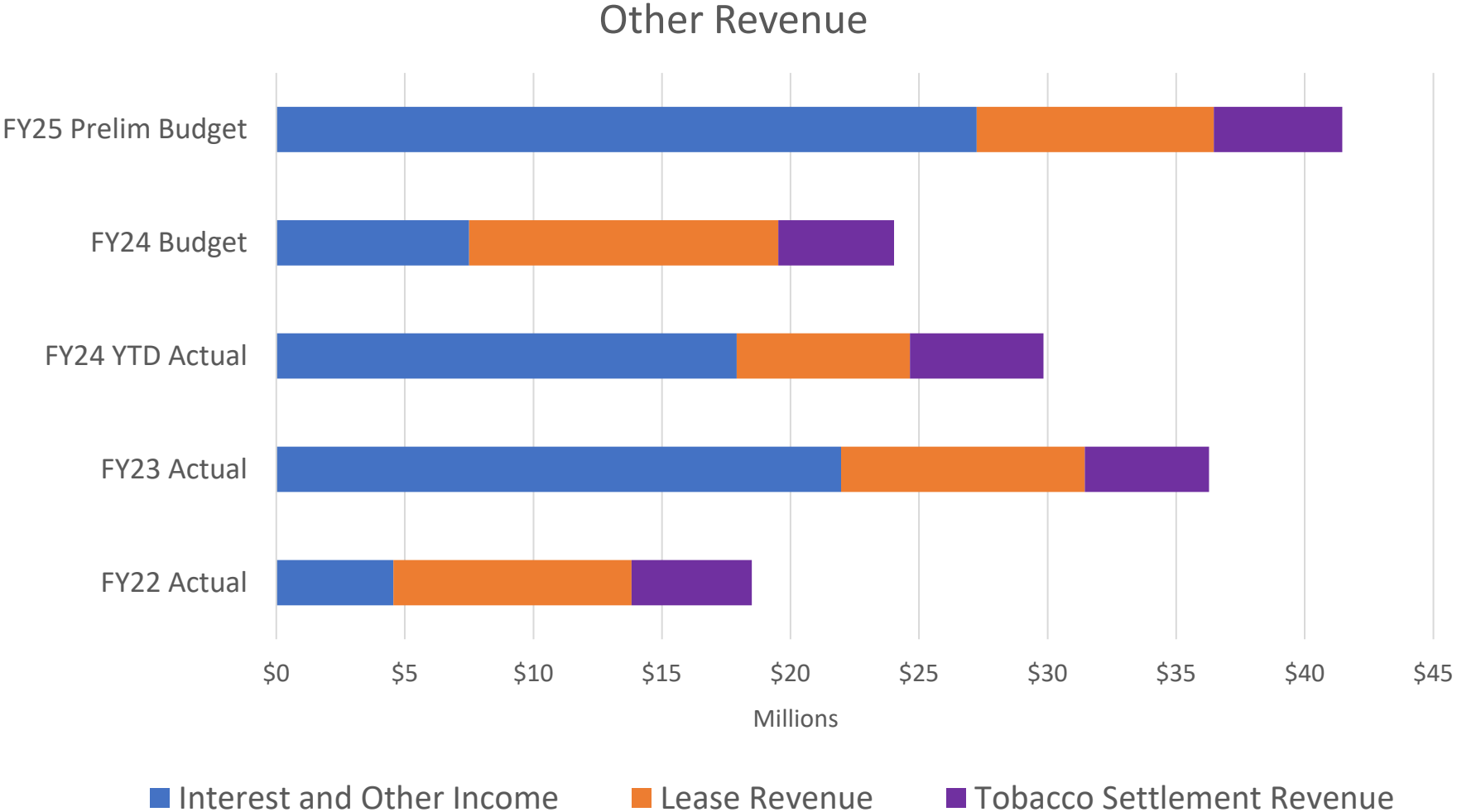
*Travis County Hospital District does not own or operate a hospital.

Average Homestead Values 6.5% above NNR

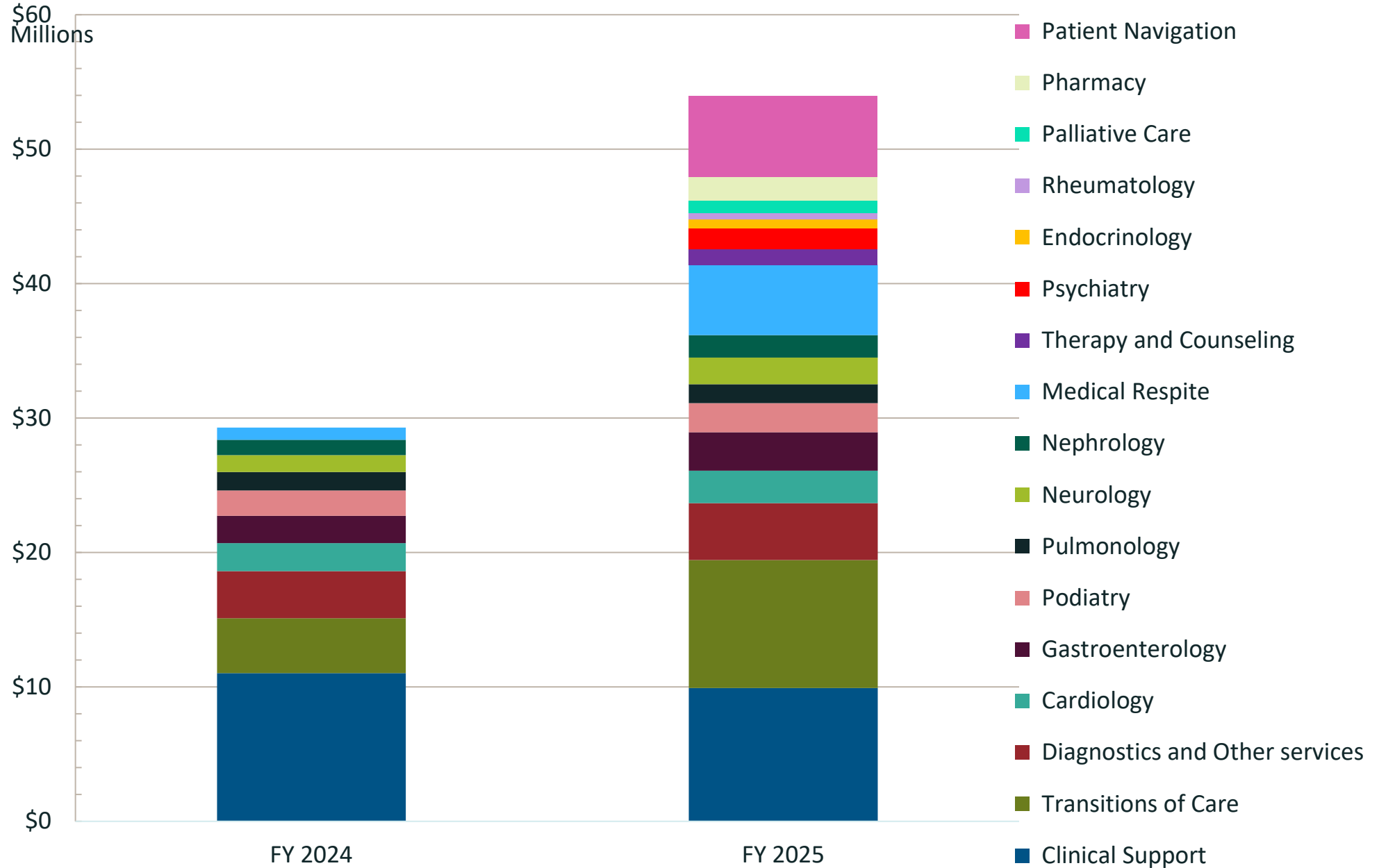
AVERAGE HOMESTEAD	FY24 Approved	FY25 Proposed
Average Taxable Homestead Value	\$475,286	\$489,534
Average Taxable Homestead Value Appreciation	11.1%	3.0%
Tax Rate	10.0692	10.4393
M&O	9.6071	10.0034
Debt Service	0.4621	0.4359
Tax Bill	\$478.57	\$511.04
M&O	\$456.61	\$489.70
Debt Service	\$21.96	\$21.34

Average Taxable Homestead Property Tax is anticipated to increase by \$32.

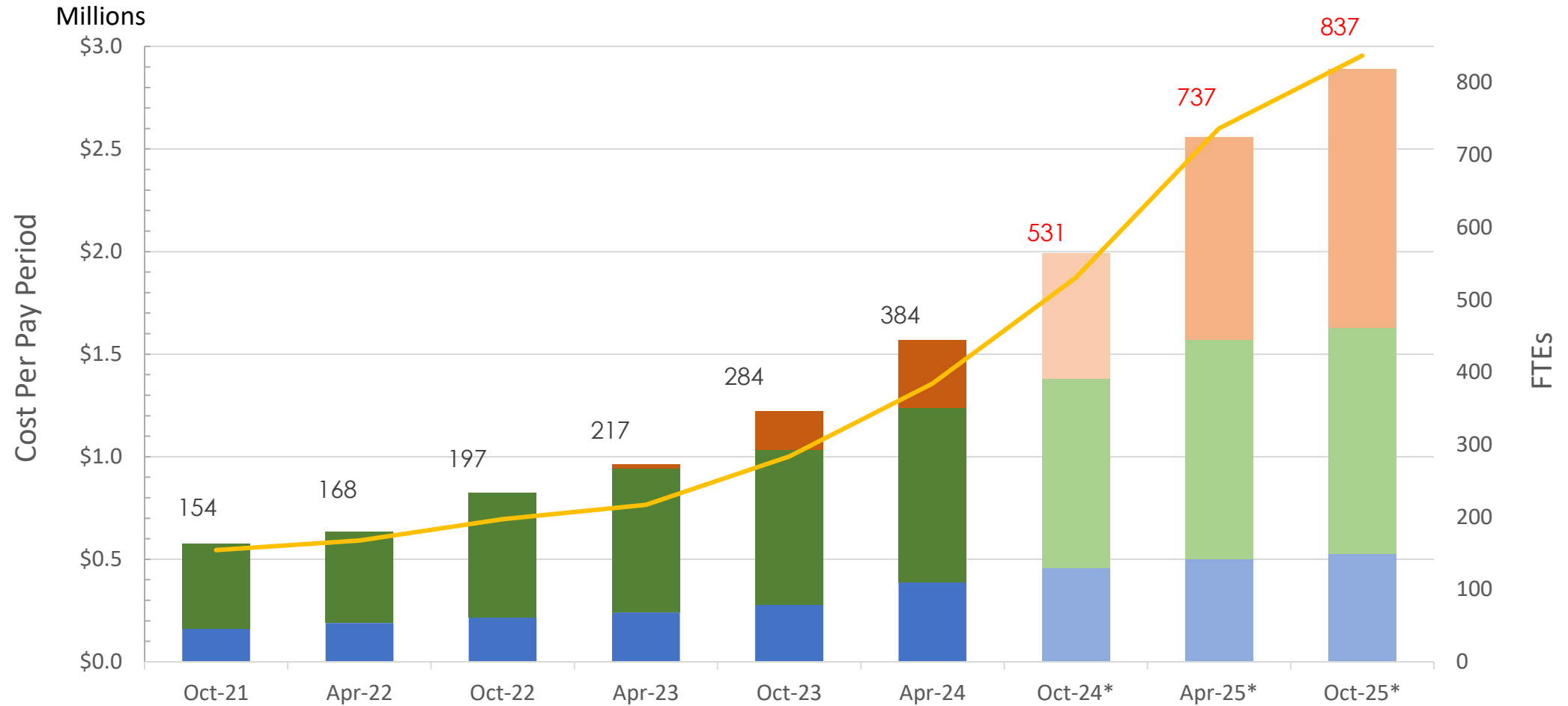
Other Revenue – Central Health



Investment in Direct Healthcare Services



FTE Trend (Actuals and Forecast)



*Projecting 100% of budgeted positions filled by end of FY25

■ Administration

■ Healthcare Operations & Support

■ Direct Healthcare Services

Attachment A

DESCRIPTION	FY 2024 APPROVED BUDGET	FY 2024 YEAR-END ESTIMATE	FY 2025 PROPOSED BUDGET 6/12/2024
TAX RATE	0.100692	0.100692	0.104393
FTEs	530.46		837.29
Beginning Balance (Contingency Reserve)	407,730,068	441,168,057	494,040,391
REVENUE			
Property Taxes	312,456,814	312,000,000	344,827,418
Lease Revenue	12,022,497	18,000,000	9,218,670
Tobacco Litigation Settlement	4,500,000	5,000,000	5,000,000
Other	7,500,000	30,268,000	27,241,200
TOTAL REVENUE	336,479,311	365,268,000	386,287,288
Available Budgeted Resources	744,209,379		880,327,679
EXPENSES			
Healthcare Delivery	295,246,806	241,379,012	339,137,132
Administration	28,647,030	27,997,415	36,428,127
UT Affiliation Agreement	35,000,000	35,000,000	35,000,000
Transfers Out	8,019,240	8,019,240	59,979,490
Total Expenses	366,913,076	312,395,666	470,544,749
Increase/Decrease in Fund Balance		52,872,334	
Ending Contingency Reserve Balance	377,296,303	494,040,391	409,782,930
Total Appropriated Resources	744,209,379		880,327,679
RESERVES			
Emergency Reserves	46,739,076	46,739,076	56,718,565

Attachment B

(1 of 3)

DESCRIPTION	FY 2024 APPROVED BUDGET	FY 2025 PROPOSED BUDGET 6/12/2024	FY24 - FY25 Change	% Change
HEALTHCARE DELIVERY				
Purchased Healthcare Services				
Primary Care: Medical, Dental, & Behavioral Health	71,782,200	73,957,000	2,174,800	3%
Specialty Care: including Specialty Dental	30,188,000	31,153,000	965,000	3%
Inmate Health	2,000,000	1,000,000	(1,000,000)	-50%
Specialty Care: Behavioral Health	20,675,000	24,150,000	3,475,000	17%
Post Acute Care	7,250,000	8,100,000	850,000	12%
Pharmacy	18,000,000	18,000,000	-	0%
Community Health Care Initiatives Fund	875,000	875,000	-	0%
Purchased Healthcare Services	150,770,200	157,235,000	6,464,800	4%
Direct Healthcare Services				
Therapy and Counseling		1,175,079	1,175,079	100%
Psychiatry		1,518,414	1,518,414	100%
Cardiology	2,079,895	2,419,523	339,628	16%
Endocrinology		715,207	715,207	100%
Gastroenterology	2,039,621	2,849,444	809,823	40%
Nephrology	1,129,700	1,670,781	541,081	48%
Neurology	1,264,294	1,979,851	715,557	57%
Podiatry	1,877,022	2,165,098	288,076	15%
Pulmonology	1,370,648	1,416,644	45,996	3%
Rheumatology		445,075	445,075	100%
Palliative Care		929,391	929,391	100%
Pharmacy		1,763,105	1,763,105	100%
Transitions of Care	4,074,868	9,528,345	5,453,477	134%
Medical Respite	906,886	5,220,785	4,313,899	476%
Diagnostics and Other services	3,511,294	4,226,785	715,491	20%
Patient Navigation		5,999,815	5,999,815	100%
Clinical Support	11,022,146	9,904,526	(1,117,620)	-10%
Direct Healthcare Services Total	29,276,374	53,927,868	24,651,494	84%
MAP Eligibility - Increase in eligibility period	1,000,000	-	(1,000,000)	-100%
Total Healthcare Services	181,046,574	211,162,868	30,116,294	17%

Attachment B

(2 of 3)

DESCRIPTION	FY 2024 APPROVED BUDGET	FY 2025 PROPOSED BUDGET 6/12/2024	FY24 - FY25 Change	% Change
HEALTHCARE DELIVERY				
Healthcare Operations & Support				
Salary and Benefits	33,878,558	39,318,453	5,439,895	16%
ACA Healthcare Premium Assistance Programs	18,587,364	19,300,000	712,636	4%
Real Estate and Facilities	7,619,360	19,958,801	12,339,441	162%
UT land lease for teaching hospital	1,037,550	1,037,550	-	0%
Legal	766,000	108,000	(658,000)	-86%
Consulting	2,315,000	2,120,000	(195,000)	-8%
Other professional goods & services	10,922,140	4,721,700	(6,200,440)	-57%
Outreach and Education	1,927,211	4,115,250	2,188,039	114%
Insurance and Risk Management	400,000	100,000	(300,000)	-75%
Information Technology	13,855,455	13,177,000	(678,455)	-5%
Travel, training and professional development	1,186,250	1,267,750	81,500	7%
Other operating expenses	738,883	211,600	(527,283)	-71%
Health Care Capital Line of Credit	500,000	-	(500,000)	-100%
Debt service - principal retirement	7,440,000	8,085,000	645,000	9%
Debt service - interest	7,026,462	6,453,161	(573,301)	-8%
Transfer to Sendero Risk-Based Capital	6,000,000	8,000,000	2,000,000	33%
Total Healthcare Operations & Support	114,200,233	127,974,265	13,774,032	12%
Total Healthcare Delivery	295,246,807	339,137,133	43,890,326	15%

Attachment B

(3 of 3)

DESCRIPTION	FY 2024 APPROVED BUDGET	FY 2025 PROPOSED BUDGET 6/12/2024	FY24 - FY25 Change	% Change
ADMINISTRATION				
Salary and Benefits	15,308,898	21,480,410	6,171,512	40%
Legal	2,745,136	2,775,000	29,864	1%
Consulting	2,419,750	2,593,623	173,873	7%
Investment and Financial Services	126,000	200,000	74,000	59%
Other professional goods & services	2,093,775	1,783,613	(310,162)	-15%
Marketing and Communications	249,061	779,080	530,019	213%
Leases, Utilities, Security and Maintenance	1,253,250	1,491,500	238,250	19%
Insurance and Risk Management	412,500	500,000	87,500	21%
Phones, Computer Equipment and supplies	1,149,186	1,597,046	447,860	39%
Travel, training and professional development	386,695	797,568	410,873	106%
Other operating expenses	205,365	63,950	(141,415)	-69%
Appraisal District Svcs	1,213,118	1,249,512	36,394	3%
Tax Collection Expense	1,084,297	1,116,826	32,529	3%
Total Administration	28,647,031	36,428,128	7,781,096	27%
UT Affiliation Agreement	35,000,000	35,000,000	-	0%
TRANSFERS OUT				
Transfer to capital reserve		50,000,000	50,000,000	100%
Transfer to emergency reserve	8,019,240	9,979,490	1,960,250	24%
RESERVES				
Contingency Reserves	377,296,303	409,782,928	32,486,626	9%
TOTAL EXPENSES	744,209,380	880,327,679	136,118,299	18%

Attachment C

DESCRIPTION	FY 2025 PROPOSED BUDGET 6/12/2024
RESTRICTED Revenue	
Opioid Litigation Settlement	3,800,000
RESTRICTED Expense	
Opioid Abatement Expenses	3,800,000
Ending Balance	-

FY 2024 Budget Resolution Key Takeaways

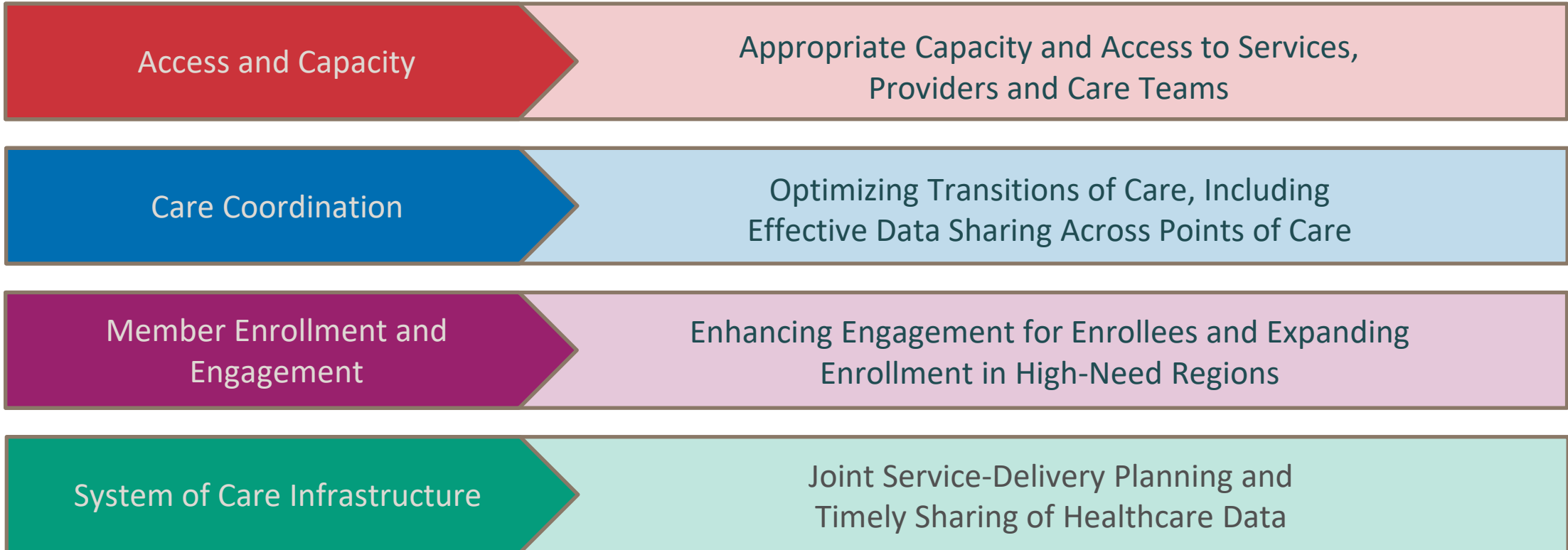
Project	Status	Updates
Clinical Facilities		
Hornsby Bend Health & Wellness	Green	10/13/23 Go-Live
Del Valle Health & Wellness	Yellow	Summer 24 Go-Live
Colony Park Design	Yellow	Launch 4/24
East Austin Specialty	Green	10/23 Go-Live
Rosewood-Zaragosa Specialty	Yellow	8/5/24 Go-Live
Navigation Center		
Navigation Center Implementation	Green	5/5/2023 Go-Live
Eligibility		
12-month MAP eligibility	Red	Q3 Board Discussion RE: Eligibility & Enrollment Process Improvement
Performance Review		
Mazars Performance Review	Yellow	Anticipate Completion by June
Clinical Services		
Jail Specialty Care	Green	Services to Begin in June
Street/Mobile/Bridge Teams for People Experiencing Homelessness	Green	Staffing 3rd CUC Team; CH Bridge
Transitions of Care Embedded in Hospital	Green	2/1/23 Dell Seton Medical Center; 3/13/24 Seton Medical Center Austin
Our Providers in Skilled Nursing Facilities	Green	11/1/23 Go-Live
Transitional Care at Home Services	Green	03/13/24 Go-Live
Respite	Green	8/1/23 Go-Live
Cancer Screening Performance Improvement	Yellow	Developing Key Performance Indicators with CUC/Sendero
Expansion of Integral Care (IC) Base Services	Green	10/1/23 Base Expand
Mental Health Diversion Services Pilot	Green	IC Psychiatric Emergency Services (PES) Amendment 2/1/24

Project	Status	Updates
Clinical Services – Specialty Care		
Medical Respite	Green	8/23/23 Go-Live
Gastroenterology (GI) and Pulmonology	Green	10/2/23 Go-Live @ East
Podiatry	Green	10/23/23 Go-Live @ East
Pulmonary Function Tests	Green	11/28/23 Go-Live @ East
GI and Pulmonology	Green	1/16/24 Transition to Cap Plaza
Nephrology	Green	2/1/24 Go-Live @ Cap Plaza
Palliative Care	Green	2/5/24 Go-Live @ Cap Plaza
Wound Care	Green	2/5/24 Go-Live @ East
Hepatology	Green	2/15/24 Go-Live @ Cap Plaza
X-Ray	Green	2/15/24 Go-Live @ East
Infectious Disease	Green	2/20/24 Go-Live @ Cap Plaza
Behavioral Health	Green	3/20/24 Go-Live
Pre-op Clearance	Green	3/20/24 Go-Live
Ultrasound	Green	3/25/24 Go-Live
Clinical Pharmacy	Green	4/3/24 Go-Live
Psychiatry	Yellow	Launch in Fall
Cardiology	Yellow	Launch in Fall
Neurology	Red	Developing Letter of Intent (LOI)

Healthcare Equity Strategic Plan

The Central Health system is committed to developing an **equitable** system of care that is **comprehensive** and **accountable**, while optimizing the **collective** use of **Travis County’s capabilities and resources** to serve the safety-net population.

STRATEGIC IMPERATIVES



Access and Capacity

Value: Increase access and capacity to comprehensive, high-quality, equitable health care services.

Community Need	FY 2025 Budget Highlights
Expand Access to Specialty Care	<p>\$24.7M increase from FY2024 Direct Healthcare Services including:</p> <ul style="list-style-type: none"> ➤ Adding Endocrinology, Rheumatology, Psychiatry and expanding other Specialties with opening of Rosewood-Zaragosa Multispecialty Clinic
Healthcare for the Homeless	<p>\$2.3M for the addition of two Bridge Teams, one mobile and one clinic based</p>
Access to Mental Health Services	<p>\$2.7M Added in in Direct Healthcare services for Psychiatry, therapy and counseling services</p>
Robust Post Acute Care, including Respite and Extensivists	<p>\$2M increase to expand respite capacity and expand teams within skilled nursing facilities</p> <p>\$4M in contracts with skilled nursing facilities</p>

Access and Capacity continued

Value: Increase access and capacity to comprehensive, high-quality, equitable health care services.

Community Need	FY 2025 Budget Highlights
Substance Use Treatment and Addiction Medicine Services	<ul style="list-style-type: none">➤ \$6.2M in Specialty Behavioral Health including substance use treatment<ul style="list-style-type: none">• Peer Recovery support staff and treatment services in Behavioral Health
Expanded Access to Dental Care	<ul style="list-style-type: none">➤ \$15.8M in Specialty and Primary Care Dental Services<ul style="list-style-type: none">• Adding Dental Care capacity at Del Valle Health & Wellness Center• Investing in facilities to expand capacity with the addition of future services at Hancock Specialty Clinic and Colony Park Health Center

Care Coordination

Value: Enhance the quality, safety, efficiency and effectiveness of care transitions to better meet patient needs, remove barriers and improve outcomes.

Community Need	FY 2025 Budget Highlights
Program Alignment and Augmentation	<ul style="list-style-type: none"> ➤ \$3.5M increase and 21 additional FTEs at Patient Navigation center
Access to Hospital Care	<ul style="list-style-type: none"> ➤ \$1M increase and 12 additional staff within Transitions of Care to add additional care teams in emergency rooms and inpatient floors who will <ul style="list-style-type: none"> • Support care coordination with Central Health network providers • Identify, screen, track and monitor care to achieve better patient outcomes • Work with hospital case management teams to identify patients at high risk of readmission to proactively facilitate discharge planning
Social Determinants of Health (SDoH)	<ul style="list-style-type: none"> ➤ \$875K in Community Health Initiatives Fund expanding programs including food insecurity

Member Enrollment and Engagement

Value: Enhance member enrollment and engagement through multiple outreach, communication touch points and drive effective use of coverage program benefits.

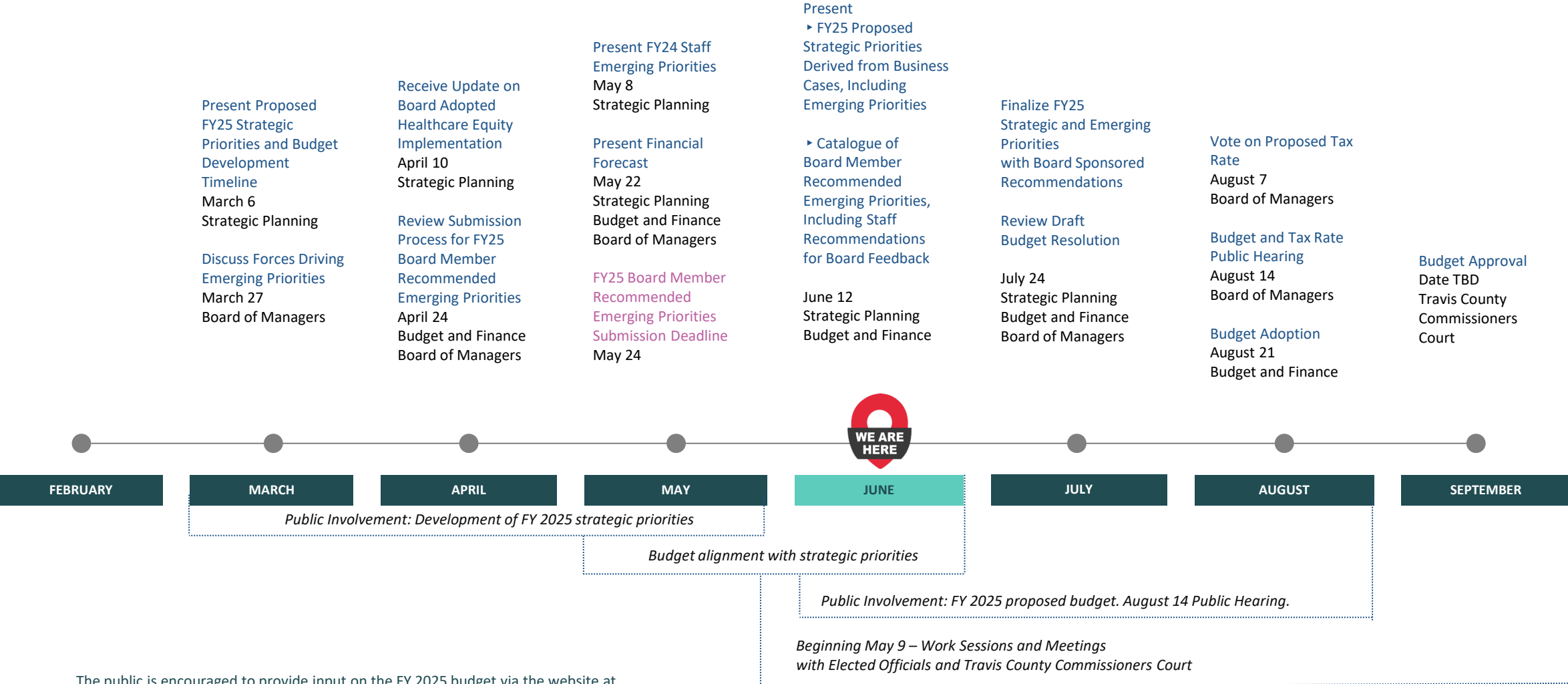
Community Need	FY 2025 Budget Highlights
Enrollment and Eligibility	<ul style="list-style-type: none">➤ \$2.7M increase in the Eligibility and Enrollment budget to expand:<ul style="list-style-type: none">• On-site enrollment services at clinical locations• Virtual enrollment options• Justice involved screening and enrollment• MAP and SOAR disability application assistance for individuals experiencing homelessness
Coverage Programs, Benefits, and Structures	<ul style="list-style-type: none">➤ Continue exploring opportunities to increase standard MAP enrollment period to 12 months➤ Additional patient transitions to Sendero for dialysis, organ transplants and STEM cell therapy

System Of Care Infrastructure

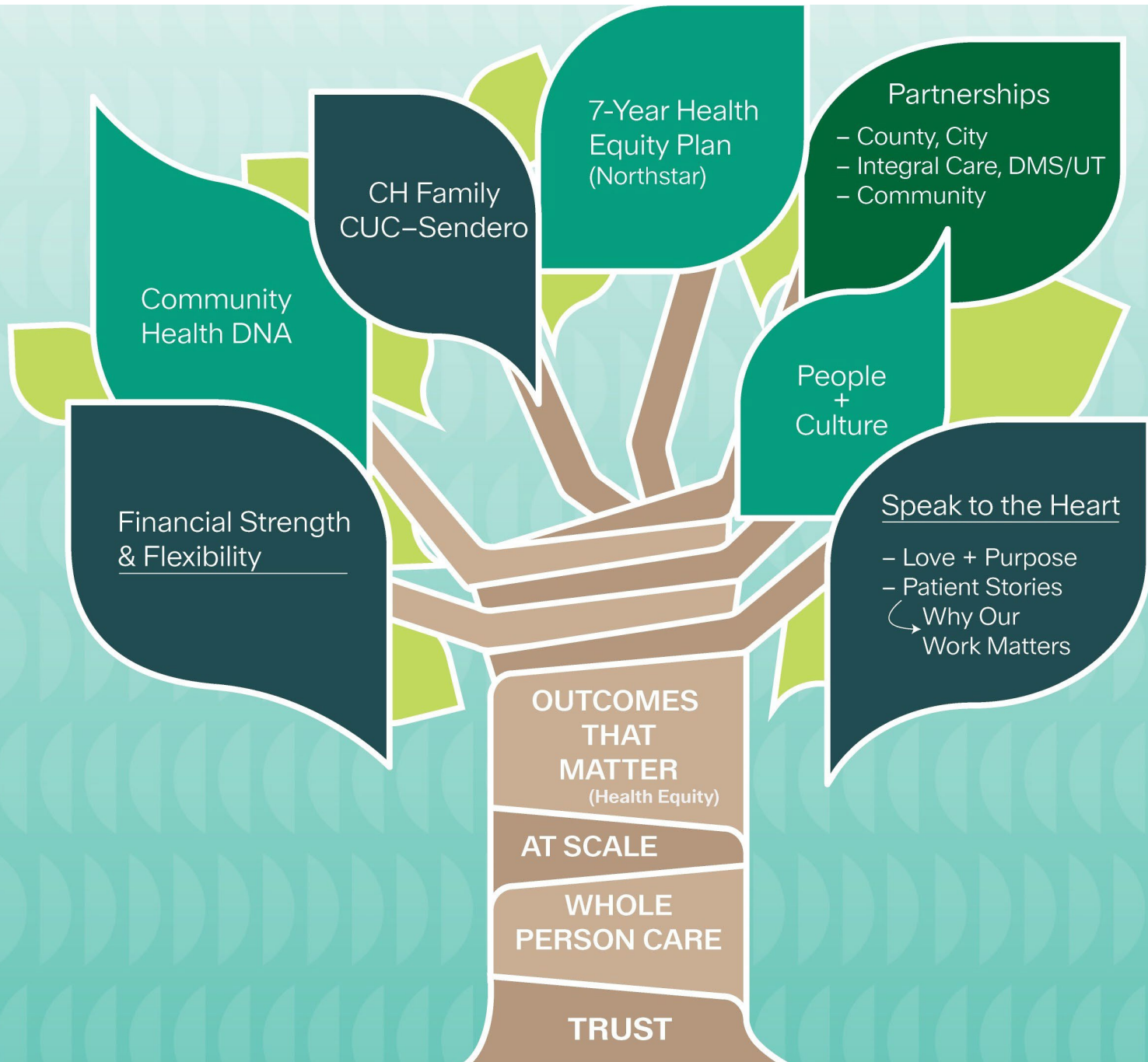
Value: Strengthen organizational infrastructure, coordination and integration to support growth, joint service-delivery planning and timely sharing of healthcare data.

Community Need	FY 2025 Budget Highlights
Health Systems Interoperability and Technology/Data and Analytics	<ul style="list-style-type: none">➤ \$1.5M increase with 13 additional FTEs to support the electronic medical records system and analyze data for performance and quality monitoring and reporting➤ \$5.8M increase with 12 FTEs to support technology and cybersecurity enhancements necessary to operate a high functioning healthcare system
Foundation Enablers	<ul style="list-style-type: none">➤ \$17.4M increase for clinical facilities and support costs➤ \$7.8M to increase human resources needs, administration, compliance, revenue cycle functions, financial support, and community outreach and education to effectively communicate with the public and other stakeholders

FY 2025 Strategic Priorities and Budget Development Timeline



The public is encouraged to provide input on the FY 2025 budget via the website at centralhealth.net, at Board of Managers and committee meetings, during Community Conversations, and at public hearings.



" We are strongest when we are

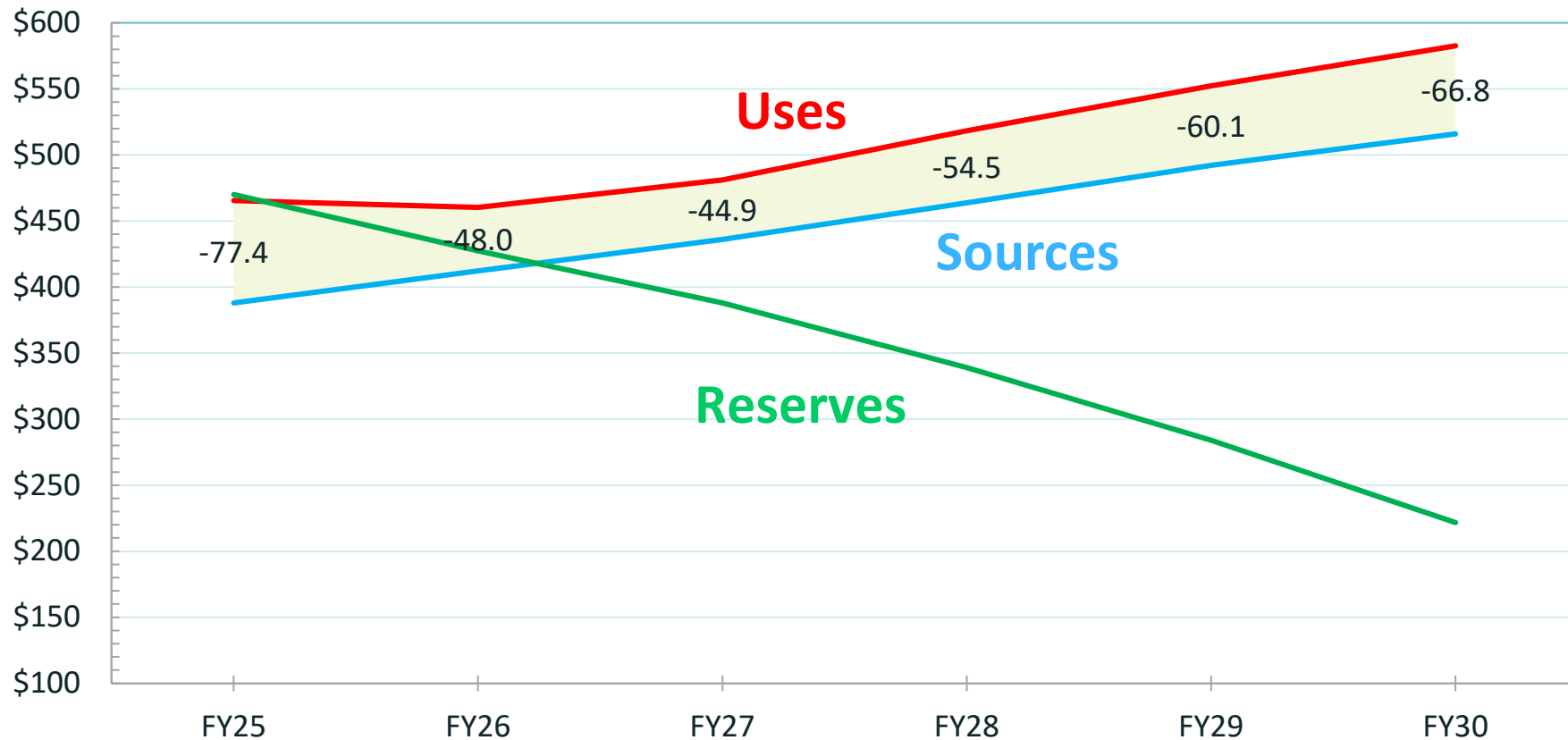
One Trunk, Many Branches"



Thank you

Questions?

Sources, Uses and Reserves Forecast



	FY25	FY26	FY27	FY28	FY29	FY30
Sources	\$388.1	\$412.3	\$436.1	\$463.9	\$492.2	\$515.9
Uses	\$465.5	\$460.2	\$481.0	\$518.4	\$552.3	\$582.7
Difference	-\$77.4	-\$48.0	-\$44.9	-\$54.5	-\$60.1	-\$66.8
Total Reserves	\$470.0	\$427.4	\$387.9	\$339.0	\$284.0	\$221.7