



BUILDING
UPON A
HEALTHY **FOUNDATION**

2016 ANNUAL REPORT



CENTRAL
HEALTH



CENTRAL
HEALTH

VISION

Central Texas is a model healthy community.

MISSION

Central Health creates access to health care for those who need it most.

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 health care access.

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

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

GOALS

Access: Increase access to health care for residents of Travis County.

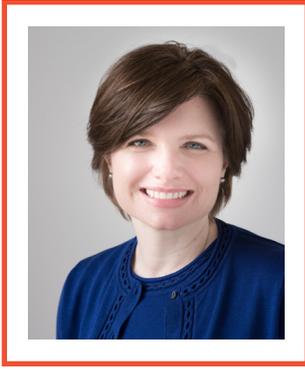
Technology: Maximize the use of technology community wide to inform health care decisions and delivery.

Quality: Strategically invest in practice designed to improve health care outcomes.

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

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We chose the theme “Building Upon a Healthy Foundation” for our 2016 Annual Report because we wanted to recognize significant milestones that will have resounding effects on Travis County communities for decades to come.

For years, Central Health and community advocates have worked to:

- Develop a one-stop-shop for health care and wellness programs in Southeast Travis County;
- Open the nation’s first federally qualified health center (FQHC) on the campus of a historically black university;
- Provide new alternatives for mental health crisis care;
- Create a medical school in Austin; and
- Plan for adequate revenue to support Central Health’s mission following the move of services from University Medical Center Brackenridge.

Remarkably, we saw all of these goals come to fruition in 2016: the completion of the Central Health Southeast Health & Wellness Center; the opening of the Sandra Joy Anderson Health and Wellness Center on the Huston-Tillotson University campus in East Austin; the groundbreaking of the Judge Guy Herman Center for Mental Health Crisis; the welcoming of the inaugural class of students to the Dell Medical School at The University of Texas at Austin; and the adoption of the Central Health Brackenridge Campus Master Plan.

In 2016 we also concluded our most recent three-year strategic plan, which served as a guiding document to our work and initiatives from 2014-16. We are proud to report dozens of successful outcomes from the plan, including earning hundreds-of-millions of dollars in federal funds for implementing health care innovation projects; curing hundreds of patients of Hepatitis-C; and enrolling thousands of residents in Health Insurance Marketplace plans.

These are all foundational achievements for Central Health in its ongoing efforts to improve the health and lives of Travis County’s low-income and uninsured residents. Undoubtedly, there remains much work to be done. Our demographic analysis projects there will be 37,868 Travis County families living below the poverty level by 2019, a five-year increase of 13 percent. We also continue to face challenges in helping patients navigate the health care system, overcome barriers to access such as transportation, and ensure care is provided in a manner that is culturally competent and acknowledges the diverse needs of the people we serve.

Finally, I would like to acknowledge the visionary leadership that brought us much of the success we achieved in 2016. Since Central Health’s creation in 2004, the healthcare district was able to rely on the skills and knowledge of Patricia Young Brown to lead the organization. At the end of 2016, Patricia stepped down from her role as Central Health President and CEO to pursue new opportunities in the community. The board of managers and I will forever be indebted to Patricia for helping foster Central Health into a vital community asset for the residents of Travis County.

A handwritten signature in black ink that reads "Katrina Daniel".

Katrina Daniel, R.N.

Central Health Board of Managers, Chairperson



CENTRAL HEALTH BY THE NUMBERS

A summary of services supported and provided by Central Health and its Enterprise partners; the Community Care Collaborative, CommUnityCare and Sendero Health Plans

In 2016 Central Health funded care for more than **143,000** Travis County residents:

THROUGH THE COMMUNITY CARE COLLABORATIVE

41,654

people enrolled in the Medical Access Program (MAP)

180,044

primary care encounters

40,078

dental encounters

53,272

emergency department encounters

23,447

specialty care encounters

THROUGH COMMUNITYCARE

265,866

medical encounters

46,044

dental encounters

16,472

behavioral health encounters

THROUGH SENDERO HEALTH PLANS

20,000

people enrolled in IdealCare

13,068

people enrolled in STAR (Medicaid)

1,978

people enrolled in CHIP

2016 HIGHLIGHTS



IMPROVING HEALTH

- Central Health funded health care services for more than 143,000 people
- Central Health provided Health Insurance Marketplace premium assistance funding for 842 people, allowing them to enroll in IdealCare insurance coverage through Sendero Health Plans
- Specialty care encounters for Medical Access Program (MAP) patients increased by 4,295 visits—22 percent—over the previous year



STRENGTHENING PARTNERSHIPS

- The Dell Medical School at The University of Texas at Austin opened its doors to its first class June 27
- Central Health partnered with Integral Care to break ground on the new Judge Guy Herman Center for Mental Health Crisis
- Central Health launched the Community Health Champions, a diverse group of volunteer community members interested in learning about Central Health and creating community engagement on local health care issues



BUILDING ACCESS

- Central Health completed Phase 2 of the Central Health Southeast Health & Wellness Center
- CommUnityCare opened the Sandra Joy Anderson Health and Wellness Center on the campus of Huston-Tillotson University
- People's Community Clinic, a primary care provider for Medical Access Program patients, added a new clinic location in Northeast Austin



CONTINUING STEWARDSHIP

- Central Health funded 33 Delivery System Reform Incentive Payment (DSRIP) projects, which achieved 92 percent of their goals and earned more than \$118 million in local and federal matching funds to support innovations in health care
- Central Health maintained the lowest tax rate of any major hospital district in Texas
- The Board of Managers approved the Central Health Brackenridge Campus Master Plan, creating an outline to deliver continued financial support for safety-net health care

Visit www.CentralHealth.net/news-events/ to learn more and watch video highlights



COMMUNITY PARTNERS: THE COMMUNITY CARE COLLABORATIVE

The Community Care Collaborative (the CCC) is a non-profit partnership formed in 2013 between Central Health and Seton Healthcare Family to better manage the care of their shared low-income and uninsured patient populations.

THE CCC MISSION

Create an integrated healthcare delivery system for identified vulnerable populations in Travis County that considers the whole person, engages patients as part of the care team, focuses on prevention and wellness and utilizes outcome data to improve care delivery.

In fiscal year 2016, the Community Care Collaborative continued to build on the success of its first three years. We again achieved nearly all of our Delivery System Reform Incentive Payment (DSRIP) project milestones, drawing down \$66.6 million through our 15 projects, most of which are performed by our community-based providers. These projects have:

- Increased access to primary, dental, behavioral health and specialty care;
- Tested new models of care delivery;
- Supported an important partnership with Austin/Travis County EMS to help high emergency department users access appropriate care; and
- Supported technical and operational improvements for our contracted primary care providers.

In 2016 we launched our next phase of innovation and transformation. We developed new

specialty care pilots to utilize electronic messaging, which promotes communication between primary care physicians and specialists. We began utilizing skilled mid-level providers to provide colonoscopy consultations with patients—eliminating the need for an additional specialist appointment. We also began a full review of our waitlist for orthopedic care, to ensure patients are receiving the appropriate level of care. This work reduced the wait time for a new appointment from over one year to less than three weeks.

The CCC also worked with Dell Medical School, Seton Healthcare Family, CommUnityCare and Central Health to craft an integrated approach to caring for expectant mothers in our Obstetrics Redesign Pilot. Pregnant women now receive OB-GYN evaluations earlier in pregnancies to identify risk factors, and receive appropriate levels of care in neighborhood clinics or regional hubs. Finally, we supported improvements in health information technology and quality, by linking the patient data of our eight largest safety net providers; supporting the launch of providers' patient portals; and establishing our Medical Management department to offer comprehensive case management to MAP enrollees who need additional support.

Jon Morgan, *Interim Executive Director*

www.ccc-ids.org



a partnership of Central Health and Seton Healthcare Family



COMMUNITY PARTNERS: **SENDERO HEALTH PLANS**

Sendero Health Plans is the local nonprofit, community-based health maintenance organization (HMO) of Central Health serving people in Travis County and Central Texas.

THE SENDERO MISSION

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

Through Sendero Health Plans, Central Health coordinates and manages health care services and enhances the doctor network in our community. Sendero was created in 2011 and offers the Travis Service Delivery Area Medicaid STAR and CHIP programs. Beginning in 2013 Sendero Health Plans also began offering its IdealCare health insurance plan through the Health Insurance Marketplace.

In 2015, Sendero earned Accreditation from the National Committee for Quality Assurance (NCQA) for both its HMO and Marketplace plans. NCQA Accreditation is the most comprehensive evaluation in the industry, and the only assessment that bases results on clinical performance and consumer experience.

Recognized for its wellness efforts, Sendero has created Value Added Services (VAS) for its members that provide free activities and health related items including sports registration, swimming lessons, baby monitors, strollers, car seats, backpacks and school supplies and more.

In addition, members can receive other free services including diapers, pregnancy tests, educational baby showers, summer lunch program and transportation for doctor visits.

As part of it's A Tu Lado/ By Your Side program, Sendero enlists a staff of community health workers to help pregnant women, diabetes patients and asthma patients maintain their health. These promotores make home visits and follow members throughout their care.

In its efforts to study and evaluate Population Health programs, Sendero has now partnered with the University of Texas Department of Health to develop research and analysis on flu vaccines and diabetes care management. The results of these studies will be published in national health journals in 2017.

As a community based organization, Sendero is positioned to evolve with the changing health care landscape to be the health plan of choice for a growing number of Central Texans, and allow revenue to stay in Central Texas to further improve our local health care system.

Wesley Durkalski, *President and CEO*

www.senderohealth.com





COMMUNITY PARTNERS: COMMUNITYCARE HEALTH CENTERS

CommUnityCare is an affiliated but separate 501(c)(3) organization of Central Health that provides medical, dental, behavioral health and prescription services through a network of Federally Qualified Health Centers (FQHCs) located throughout Travis County.

THE COMMUNITYCARE MISSION

We will work with the community as peers with open eyes and a responsive attitude to provide the right care, at the right time, at the right place.

We have come a long way with our health center system since opening our first community clinic in East Austin in the 1970s. Today, we are a county-wide system with over 20 health center sites and multiple dental centers; including one health center site dedicated to the care of individuals living with HIV/ AIDS and another health center site exclusively serving individuals experiencing homelessness.

In recent years, CommUnityCare has played a key role in the advancement of health care innovation by performing Delivery System Reform Incentive Payment (DSRIP) projects through our partnership with Central Health and the Community Care Collaborative. These projects

supported the expansion of primary medical and dental care, provided specialty gastroenterology and pulmonology services, established telepsychiatry services, supported centering pregnancy classes for mothers to be, and developed mobile health teams to provide care to patients in areas that might not have a health center nearby.

During 2016, CommUnityCare was reaccredited by the Joint Commission, ensuring that our team maintains the highest of standards in service for our patients. In addition, all of our eligible sites received Level 3 Patient Centered Medical Home recognition from the National Council for Quality Assurance (NCQA), the highest level of recognition possible.

The future is bright for our organization and we look forward to working together with our team members, partners, and community to continue to drive our organization to new heights.

Carolyn Konecny,
*Interim Chief Executive Officer
and Chief Financial Officer*

communitycaretx.org





COMMUNITY PARTNERS: THE DELL MEDICAL SCHOOL AT THE UNIVERSITY OF TEXAS AT AUSTIN

The Dell Medical School at The University of Texas at Austin, is the first medical school in nearly 50 years to be built from the ground up at a top tier Association of American Universities (AAU) research university. The medical school was created in unprecedented partnership with local taxpayers, who in 2012 voted to support a vision for better health in Austin and Travis County.

THE DELL MEDICAL SCHOOL MISSION

Revolutionize how people get and stay healthy by:

- *Improving health in our community as a model for the nation;*
- *Evolving new models of person-centered, multidisciplinary care that reward value;*
- *Advancing innovation from discovery to outcomes;*
- *Educating leaders who transform health care; and*
- *Redesigning the academic health environment to better serve society.*

On June 27, 2016 50 students—comprising the Dell Medical School’s inaugural class—arrived on The University of Texas at Austin campus for orientation. The day marked a profound milestone not just for the school and students themselves, but also for Travis County and its generational effort to support and improve the health and wellbeing of every resident, regardless of economic status.

In 2012, our community passed a unique ballot referendum to invest additional funds in a

health system transformation that would better meet the needs of our rapidly growing and aging, low-income and uninsured neighbors. Less than four years later, the central catalyst for that transformation—a community-founded medical school at UT Austin—has validated the public’s vision by opening its doors, welcoming its first students, and beginning the work of real transformation:

- Redefining how health care is delivered in orthopedics and obstetrical and women’s health services;
- Creating the next generation of Travis County doctors and putting them in the community as quickly as possible;
- Increasing the number of medical residents providing care in our community; and
- Demonstrating a commitment to increased equity and reduced social disparities through close community work addressing the social determinants of health and health equity.

We are just beginning the work of transforming our local health care system. In coming years, the Dell Medical School—in conjunction with partners Central Health, Seton Healthcare Family and their Community Care Collaborative partnership—is committed to ensuring our work touches every Travis County resident and improves the health of low-income and uninsured populations.

Dr. Clay Johnston, *Dean*
dellmed.utexas.edu



TRAVIS COUNTY HEALTHCARE DISTRICT dba CENTRAL HEALTH
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2016

	Primary		Component Units	
	Government		Sendero	Community Care
	Business-type	CommUnityCare	(December 31, 2015)	Collaborative
	Activities			
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,569,549	\$ 20,322,616	\$ 29,464,366	\$ 47,509,294
Short-term investments	54,796,757	-	1,776,665	-
Ad valorem taxes receivable, net of allowance for uncollectible taxes of \$2,357,481	451,863	-	-	-
Accounts receivable, net of allowance for doubtful amounts of \$9,340,507	-	6,234,923	-	-
Accounts receivable, net of allowance for doubtful amounts of \$1,679,443	-	-	814,307	-
Premium receivable	-	-	101,217	-
Reinsurance recoverables	-	-	1,362,592	-
Grants receivable	-	1,048,637	-	-
Other receivables	983,363	-	-	280,199
Inventory	-	237,425	-	-
Prepaid expenses and other assets	247,553	344,795	5,578	269,877
Total current assets	59,049,085	28,188,396	33,524,725	48,059,370
Noncurrent assets:				
Investments restricted for capital acquisition	5,903,256	-	-	-
Long-term receivables	4,000,000	-	-	-
Investment in Sendero	29,000,000	-	-	-
Sendero surplus debenture	17,083,000	-	-	-
Capital assets:				
Land	11,770,184	-	-	-
Construction in progress	10,191,003	-	-	-
Buildings and improvements	125,080,604	-	-	-
Equipment and furniture	9,078,151	2,656,571	38,214	-
Less accumulated depreciation	(32,739,214)	(1,934,089)	(30,197)	-
Total capital assets, net	123,380,728	722,482	8,017	-
Total noncurrent assets	179,366,984	722,482	8,017	-
Total assets	238,416,069	28,910,878	33,532,742	48,059,370
LIABILITIES				
Current liabilities:				
Accounts payable	1,188,212	2,840,021	35,473	1,253,936
Unpaid losses and loss adjustment expenses	-	-	16,345,859	-
Claims payable	-	-	205,173	-
Premium tax payable	-	-	493,030	-
Salaries and benefits payable	957,075	4,434,349	-	-
Accrued interest	34,101	-	-	-
Deferred rent	-	342,583	-	-
Other accrued liabilities	750,916	1,259,809	3,940,620	12,252,122
Certificates of obligation	975,000	-	-	-
Capital lease obligation	81,021	5,725	-	-
Deferred revenue	3,174,900	714,630	1,140,185	2,801,052
Surplus debenture	-	-	17,083,000	-
Due to Central Health	-	68,711	614,380	435,262
Total current liabilities	7,161,225	9,665,828	39,857,720	16,742,372
Noncurrent liabilities:				
Certificates of obligation	10,380,000	-	-	-
Capital lease obligation, net of current portion	274,900	-	-	-
Due to Central Health	-	4,000,000	-	-
Total noncurrent liabilities	10,654,900	4,000,000	-	-
Total liabilities	17,816,125	13,665,828	39,857,720	16,742,372
NET POSITION				
Net investment in capital assets	112,025,728	-	-	-
Restricted for capital acquisition	5,903,256	-	-	-
Restricted for HMO	-	-	29,000,000	-
Unrestricted	102,670,960	15,245,050	(35,324,978)	31,316,998
Total net position	\$ 220,599,944	\$ 15,245,050	\$ (6,324,978)	\$ 31,316,998

The notes to the financial statements are an integral part of these statements.

TRAVIS COUNTY HEALTHCARE DISTRICT dba CENTRAL HEALTH

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED SEPTEMBER 30, 2016

	Primary Government		Component Units	
	Business-type		Sendero	Community Care
	Activities	CommUnityCare	(December 31, 2015)	Collaborative
Operating revenues:				
UMCB lease revenue	\$ 34,371,984	\$ -	\$ -	\$ -
Ground sublease revenue	885,666	-	-	-
Net patient service revenue	-	36,958,538	-	-
Premium revenue, net	-	-	56,189,370	-
ASO revenue	-	-	2,625,000	-
Grant revenue	-	8,757,480	-	-
Revenue received from Central Health	-	-	-	24,632,814
Revenue received from CCC	-	37,208,455	-	-
Revenue received from				
Delivery System Reform Incentive Payment	-	14,495,556	-	61,752,704
Revenue received from Seton Affiliation	-	608,216	-	33,100,000
Personnel services received from an affiliate	-	-	-	695,435
Total operating revenues	35,257,650	98,028,245	58,814,370	120,180,953
Operating expenses:				
Health care delivery	223,529,250	32,302,126	56,445,653	69,853,078
Payment per University of Texas affiliation agreement	-	-	-	35,000,000
Delivery System Reform Incentive Payment program expense	-	-	-	18,821,647
Salaries and benefits	3,617,393	57,327,481	3,264,085	-
Other purchased goods and services	2,962,269	3,949,190	5,823,190	-
Depreciation and amortization	4,413,369	482,062	10,940	-
Total operating expenses	234,522,281	94,060,859	65,543,868	123,674,725
Operating income (loss)	(199,264,631)	3,967,386	(6,729,498)	(3,493,772)
Nonoperating revenues (expenses):				
Ad valorem tax revenue	161,046,231	-	-	-
Tax assessment and collection expense	(1,413,613)	-	-	-
Tobacco settlement revenue, net	2,341,521	-	-	-
Investment income (loss)	590,329	-	(320,034)	-
Interest expense	(423,102)	-	-	-
Other revenue (loss)	(163,174)	-	-	27,594
Total nonoperating revenues, net	161,978,192	-	(320,034)	27,594
Change in net position	(37,286,439)	3,967,386	(7,049,532)	(3,466,178)
Total net position - beginning of year	257,886,383	11,277,664	724,554	34,783,176
Total net position - end of year	\$ 220,599,944	\$ 15,245,050	\$ (6,324,978)	\$ 31,316,998

The notes to the financial statements are an integral part of these statements.

CENTRAL HEALTH ENTERPRISE COMBINED HEALTH CARE PROGRAM EXPENSES

—FISCAL YEAR 2016 ACTUALS

IN MILLIONS

Health Care Delivery Through
Central Health, Community Care
Collaborative, CommUnityCare,
Sendero Health Plans*

\$130.4

32%

TOTAL
\$402.9

46%

Intergovernmental Transfers

\$185.9

Administration

\$32.8

8%

Dell Medical School Affiliation

\$35

9%

5%

DSRIP Projects

\$18.8

*most recent data available

2016 CENTRAL HEALTH **BOARD OF MANAGERS**



Katrina Daniel, R.N.
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Lynne Hudson, R.N.
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Manager



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