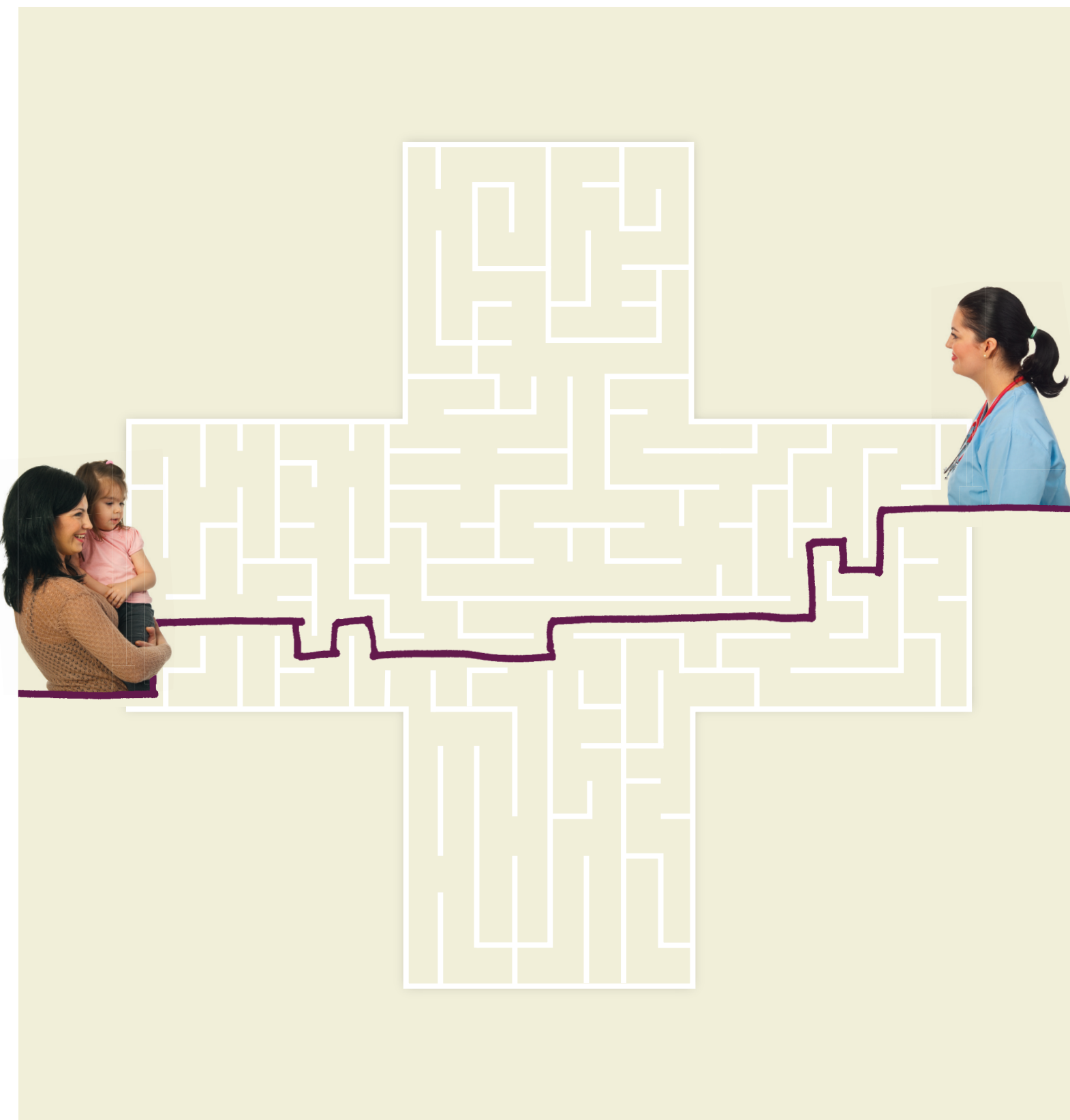




CENTRAL HEALTH

Creating Access to Healthcare

2011 Annual Report



OUR SHARED VISION

Central Texas is a model health community.

OUR MISSION

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

OUR GOALS

Access: Increase access to healthcare for residents of Travis County

Technology: Maximize the use of technology community-wide to inform healthcare decisions and delivery

Quality: Strategically invest in practices designed to improve healthcare outcomes

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

Read about the access we are providing:

To Care. 2
To Our Community 4
To Information. 6
To Infrastructure 7
Financials 8



Two years ago, Central Health updated its Mission Statement to emphasize the creation of access to healthcare for those who need it most. We have always worked to ensure those who require medical care are able to receive it, but the overarching concept of “access” has become the driving force behind everything we do.

Our annual report for the 2011 fiscal year, which ran from October 1, 2010 until September 30, 2011, highlights many of the ways we have utilized our existing resources, created new ones, leveraged relationships and stepped up efforts to extend our outreach into the community. As you will see in our data, 2011 was another sterling year for creating ever more access to care.

The reason Central Health exists is to help those without access to medical care obtain that access. As you will see in this report, we continue to succeed in that effort. Total primary care visits, which include medical and behavioral health, saw an increase over the previous year. In short, more Travis County residents are getting the care they need.

We are able to achieve these gains by expanding our network of healthcare providers and increasing services provided through contracts with existing providers, and by forging relationships with new partners. We are also looking beyond the boundaries of traditional healthcare and exploring how we can affect positive change through community planning, medical education and other, more strategic initiatives.

All of these efforts are underpinned by our strategic plan. This is a living, evolving document that summarizes our working goals for the year, and beyond, according to four distinct categories: Access, Technology, Quality, and Leadership. Our entire organization uses the Strategic Plan as the starting point for any new project undertaken, and to help guide us through the ever-changing healthcare environment in Central Texas.

Our intent is to help the Central Texas region reach its potential by ensuring the community is healthy and able to contribute to our progress. We realize this is a wide-reaching goal and will require much planning, collaboration and hard work. Year after year, we are pleased to demonstrate the fruits of our labors with our annual report. We hope you're as pleased as we are with our work in 2011.

Sincerely,



Patricia A Young Brown
President & CEO
Central Health

Access to Care



Our new HMO, Sendero Health Plans, was created to provide access to care for more Central Texans by leveraging State and Federal funding.

www.senderohealth.com

Available Coverage Programs



Quickly find out if you might be eligible for MAP or other health coverage programs and learn more about the healthcare services and programs in Central Texas at www.CHeligibility.net

Whenever we discuss Access, particularly with regard to our Mission Statement, our primary meaning is Access to Care.

Our most significant achievement in 2011 to advance our ability to provide care was the creation of **Sendero Health Plans**, our new Health Maintenance Organization (HMO). Prompted by the expected expansion of Medicaid due to the Federal Affordable Care Act, we took action to create Sendero in order to expand our capacity to provide access to care to even more individuals. Ultimately, our goal is to better integrate the care of those we serve, to better leverage State money to generate matching funds from the Federal Government, and expand and enhance our provider network for our entire system. Still in startup mode, the creation of Sendero Health Plans represents a major set of accomplishments for Central Health in 2011.

The gateway to the healthcare services provided by Sendero, as well as other partner agencies and programs, is our **Eligibility Services Department**. This department is responsible for conducting interviews with applicants to determine for which health coverage programs they are eligible. The bulk of these interviews are for our **Medical Access Program (MAP)**, for which we conducted almost 73,000 face-to-face interviews, and processed nearly 9,000 mailed applications and almost 1,700 virtual applications submitted by partner agencies. A new service in 2011 was application assistance for CHIP, CHIP Perinatal, and Medicaid. We helped 1,287 individuals gain access to these programs in FY2011.

For many, the first step of the eligibility process is contacting our **Customer Service Call Center**, where they can receive instruction and advice from a live operator about where to go and who to speak with in order to gain access to care. We can also handle a number of pre-qualification procedures in order to expedite the application process for a number of programs. Over its two full years of operation, our call center has reduced what was once a multi-step, multi-location application process into a simple, single phone call, with almost 100,000 calls handled this year.

Call Center Path to Coverage

Calls to our call center result in a number of possible outcomes, including coverage in our MAP program, and issuance of a MAP card. Our call center can even refer patients to healthcare providers with available appointments



MAP

Medical Access Program

MAP is a local health plan, much like insurance, that provides enrollees access to a limited network of providers and services.

+8%

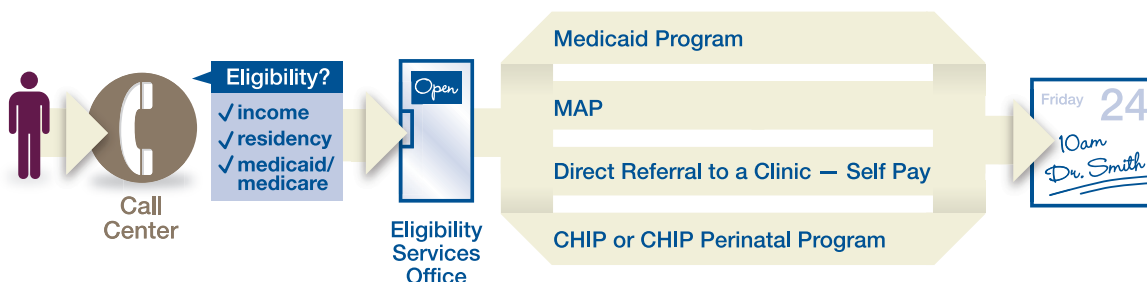
increase in calls over FY2010



(512) 978-8130

95,676

Number of calls handled by our call center in its second year of operation.



Network Providers

Central Health purchases primary, specialty, inpatient and other health care services from the following organizations for eligible residents.

Primary and Specialty Care

CommUnityCare
El Buen Samaritano Episcopal Mission
People's Community Clinic
Lone Star Circle of Care
Brackenridge Specialty Clinic
Project Access
Volunteer Healthcare Clinic
Blackstock Family Health Center
Paul Bass Internal Medicine

Urgent Care

NextCare Urgent Care

Dental Care

Capital Area Dental Foundation

Mental Health Care

Seton Shoal Creek Hospital
Austin Travis County Integral Care
Austin Lakes Hospital
SIMS Foundation

Hospital Care

University Medical Center
Brackenridge
Dell Children's Medical Center of Central Texas
St. David's Medical Center

Navigation Services

United Way Capital Area

Other Healthcare Partners

Children's Optimal Health
Integrated Care Collaboration
MedImpact Healthcare Systems
insure.a.kid

Central Health relies on a network of Central Texas healthcare providers, from large clinic systems to individual specialists. These relationships are beneficial to the entire Central Texas community; we provide patients and funding to those providers, and they in turn provide care to people who need it, ensuring they are able to be productive members of the community. **CommUnityCare**, our affiliated network of Federally Qualified Health Centers, remains the largest provider of healthcare services for those we provide coverage or assistance, with approximately 80% of all primary care visits funded by Central Health.

This past year, we expanded contracts with existing providers, including Lone Star Community Clinic (\$1.7M), People's Community Clinic (\$.3M), El Buen Samaritano (\$.5M), Blackstock Family Health Center (\$.1M), NextCare Urgent Care (\$100,000) and SIMS Foundation (\$65,000). We also provided \$1.7M to Austin Travis County Integral Care (ATCIC) to provide respite care and inpatient hospital services to individuals with severe mental illness. Expansion to Dental Services included a multi-partner collaboration through the Ben White Dental Clinic, creating capacity for 2,900 patients, or 5,900 annual visits. We also implemented a new pilot program with Capital Area Dental Foundation, which provides for 440 dental visits annually, or approximately 160 new patients.



CommUnityCare

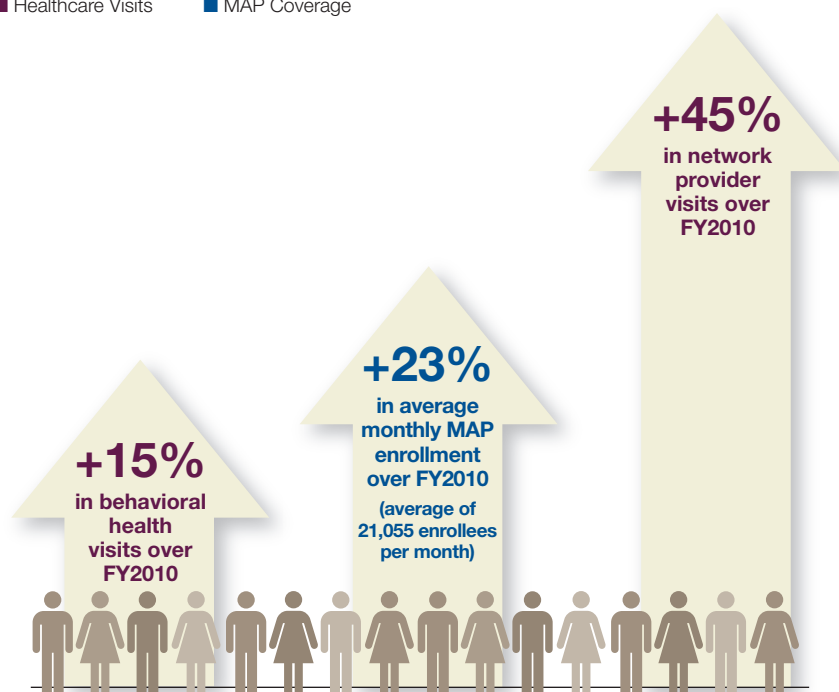
CommUnityCare is a nonprofit 501(c) (3) corporation affiliated with Central Health that provides comprehensive primary care health services to the medically underserved at 21 health center locations in Travis County.

www.communitycaretx.org

FY2011 Central Health-Funded Service and Enrollment Increases

■ Healthcare Visits

■ MAP Coverage



Access to Our Community

Working with our partners in healthcare, business and the community, Central Health has taken the initiative in generating dialogue among vested groups to bring needed focus not just to healthcare, but prevention and wellness, for the benefit of the entire Central Texas community.

One focus of our community outreach in 2011 was the southeast corner of Austin, which is traditionally one of the most underserved in the region. To begin the process of better understanding this community and its needs, we launched a multi-month community engagement program, consisting of numerous public meetings and forums, as well as surveys.



Community Outreach

Members of the Southeast Austin community met in August to discuss their vision for a healthier Austin and make plans to implement those ideas.

We also worked to create long-term, regional health solutions. Two years ago we initiated a community planning initiative called **Central Health Connection**. The intent of Central Health Connection is to engage Central Texans to work with us, and one another, to envision and create a model healthy community. In 2011 we began work on the second phase, which we called our **Leader Dialogue**. We went straight to our community stakeholders, from elected officials and business executives, to educators and social service organization leaders, and convened various discussions on the health of Central Texas.

In conjunction with one-on-one interviews with these individuals, we used the community feedback generated in earlier

phases of the project to develop a foundational white paper entitled **Health and Health Care Trends & Innovations in Central Texas**. This white paper, released at the end of the fiscal year, describes the state of healthcare in Central Texas and what we are doing at this time to sustain and improve it over the long term. This document will serve as the basis for all work conducted by this initiative through its eventual completion. You can read a summary of the high points at right.

Interest in these efforts, and especially direct input and ideas, is essential to its success. Please join the discussion online by visiting our Web site at www.centralhealthconnection.net, or following us on LinkedIn, Twitter or Facebook.



www.facebook.com/CentralHealthConnection



twitter.com/CentralHealthTX



www.linkedin.com/company/central-health-connection



**CENTRAL HEALTH
CONNECTION**
Join a Healthy Conversation

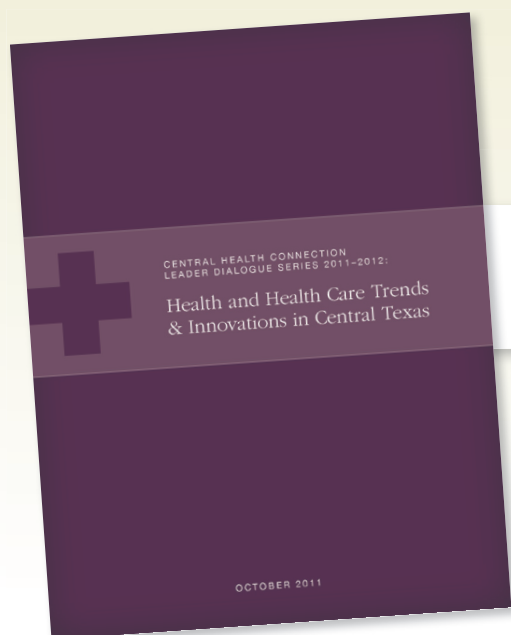
Central Health Connection

is a multi-phase community planning initiative to learn more about the community's healthcare needs, and plan to meet those needs. Join the conversation at:

www.centralhealthconnection.net



CENTRAL HEALTH
CONNECTION



White Paper: **Health and Health Care Trends & Innovations in Central Texas**

Five key trends influencing the health of Central Texas residents:

- 1. The workforce and population demographics are changing and growing more diverse.**
- 2. The rise in chronic disease and health disparities is reducing worker productivity.**
- 3. Community infrastructure and resources are critical to health and lagging behind regional growth.**
- 4. Access to health insurance and quality, affordable health care is insufficient.**
- 5. Provider shortages and misaligned incentives are hindering access to care resulting in inefficient health care spending.**

Read the complete white paper online at
www.centralhealthconnection.net

Central Health's participation in collaborative regional planning initiatives continued to expand in 2011. We served and continue to serve as a key partner in the **Community Health Assessment/Community Health Improvement Plan** (CHA/CHIP), in collaboration with numerous other organizations and individuals in the community. This effort aims to engage the community to better understand healthcare disparities and better understand needs, and to allow leaders to respond to those needs and establish priorities. Other partners include:

- Austin/Travis County Health and Human Services Department (City of Austin)
- Seton Healthcare Family
- St. David's Foundation
- Travis County Health and Human Services & Veterans Services (Travis County)
- UT School of Public Health

We also initiated development of the **Regional Healthcare Coverage Coalition** in partnership with insure.a.kid, and participated in the **Capital Texas Dental Collaborative**, a dental strategic planning initiative created to improve access to dental services in Central Texas.

Community Health Assessment/Community Health Improvement Plan

Central Health has partnered with organizations to better understand healthcare disparities and needs, and to help leaders establish priorities to serve those needs.

Access to Information



ICare's Reach

ICare 2.0, launched in September 2011, will ultimately connect 80% of physicians and hospitals within a 47 county region. Its members include Seton, People's Community Clinic, CommUnityCare, Lone Star Circle of Care, St. David's, and Austin Travis County Integral Care

ICare contains the following data:

- All medical record numbers
- Patient information & demographics
- Treatment location and type of service
- Attending physician or other medical practitioner
- Medications, diagnoses, orders (ICD9 and CPT4 codes and descriptions)
- Funding programs
- Authorization dates & locations

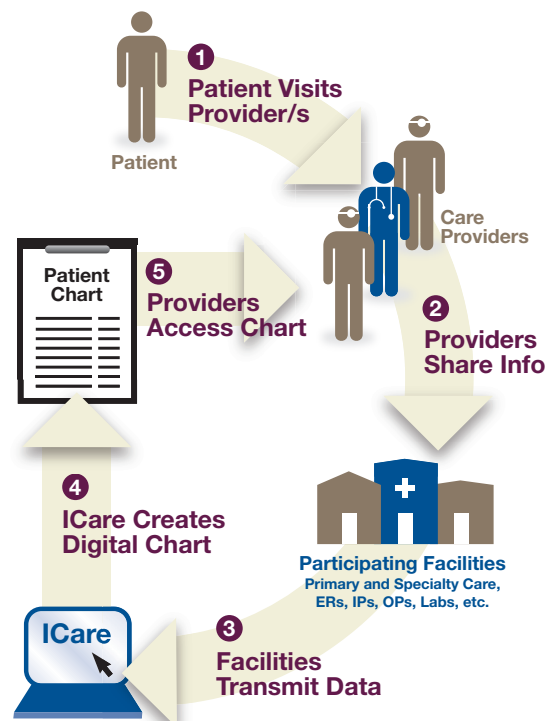
Although Central Health is at the leading edge of a number of healthcare initiatives in Central Texas, we are also supporting a number of ventures to improve the overall health of the community. These collaborations help us to remain on the leading edge of new ideas and innovations.

One of the most important projects we have supported is the **Integrated Care Collaboration's ICare health information exchange (HIE)** system. ICare allows for the exchange of detailed patient information and history, lab orders, prescription history, and facilitates a strong continuum of care among all providers who participate in the system and who may see an individual patient.

The ICare system is a cutting edge tool that will expand the ability of all providers, not just those associated directly with Central Health, to provide better care with greater efficiency and less cost for all patients. We view our participation in the ICC and ICare as an investment in the community that benefits every resident of its service area by making data accessible to the entire regional healthcare network.

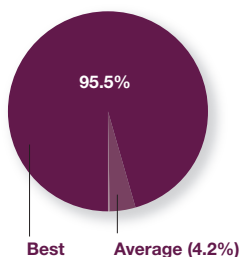
With a \$1 million investment in ICare 2.0, Central Health has further established its commitment to leading the way with the advancement of innovative tools and practices to better the care for all.

As a focus of our **community surveys**, we are also working harder to listen to the opinions and feedback from those we serve. We believe the status quo is not the standard to which we should be aspiring and are committed to listening to the community and addressing any problems or inefficiencies that might exist anywhere in the system. This past year we initiated a satisfaction survey with our clients regarding our ability to respond to their questions about healthcare services. In its second full year of operation, our call center received a 99 percent satisfaction rate from the 400 MAP enrollees polled. We are already working with this information to better respond to the needs of the community and to more effectively keep our stakeholders and those who maintain interest in the community abreast of the work we are doing.



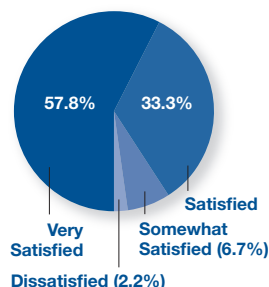
Call Center Satisfaction Survey

"What was your overall impression of our service?"



MAP Enrollee Satisfaction Survey

"How was the care you received through MAP?"



Access to Infrastructure

Ultimately, our goal is to have a health-care infrastructure that serves our community well. We design and maintain the infrastructure for a network of 21 health centers around Travis County operated by our partner CommUnityCare. This past year we completed construction of the first brand new health center: **CommUnityCare North Central**, located at Braker Lane and Parkfield Drive. This health center is a hub facility designed to provide comprehensive health care to a large population of patients with a variety of service offerings.

Additionally, we undertook renovations and expansions to existing health center facilities, doubling capacity to a total of 4,000 visits per year at **CommUnityCare William Cannon**, and adding capacity for an additional 2,700 patients and 7,000 visits per year at **CommUnityCare South Austin**. The **Red River Health Center** was relocated to the Hancock Center at Red River and 41st Streets, providing walk-in care seven days a week. Finally, we purchased the **Veterans Affairs Austin Outpatient Clinic** in South Austin,

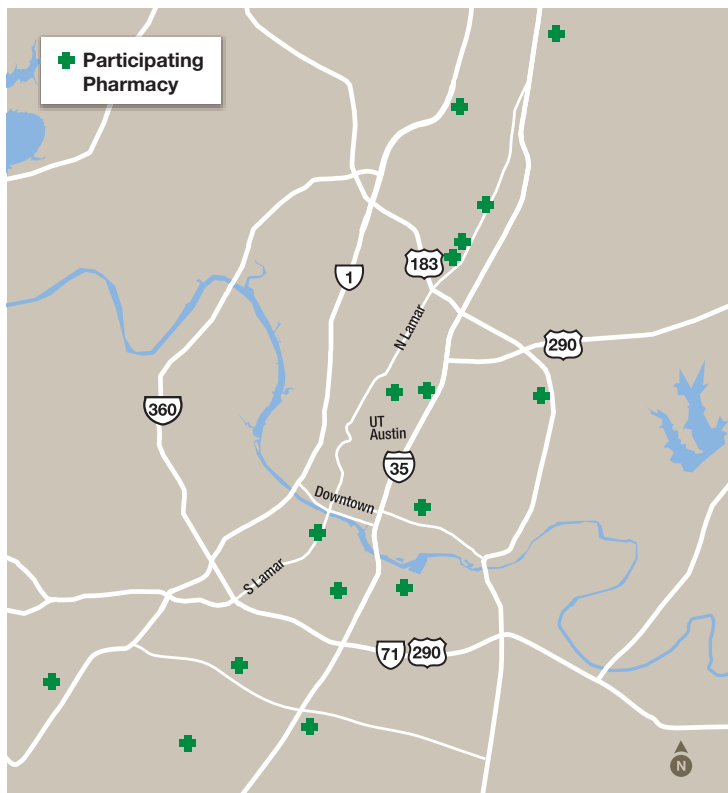


New North Central Health Center Facility Open

CommUnityCare North Central is divided into six distinct clinics: Women's Health, Family Medicine, Pediatrics, Internal Medicine, Specialties, and Dental. It's ultimately designed to accommodate 20,000 patients and more than 53,000 visits per year.

Pharmacy Access

Our expanded network of pharmacy locations serves people throughout the county.



which will be renovated after the completion of their new facility in early 2013. After the renovation, the 70,000 square foot facility will serve approximately 20,000 patients per year.

Enhancing convenience for our MAP enrollees' prescription services was also a goal in 2011. Through cooperation with H-E-B and several area pharmacies, we have both **simplified and expanded our pharmacy network**, another important piece of healthcare infrastructure. Patients now have the ability to take their prescription to whichever of the pharmacies in the network is most convenient for them.

September 30, 2011

Statement of Net Assets

	Primary Government Governmental Activities	Component Unit CommUnityCare	Component Unit Sendero
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 24,811	\$ 8,989,879	\$ 200,000
Restricted cash and cash equivalents	55,682	-	1,500,000
Short-term investments	117,255,536	-	-
Ad valorem taxes receivable, net of allowance for uncollectible taxes of \$103,866	357,919	-	-
Accounts receivables	-	3,147,571	-
Grants Receivables	1,382,691	1,458,317	-
Other receivables	4,472,028	-	-
Inventory	-	231,945	-
Prepaid expenses	111,078	296,792	-
Total Current Assets	\$ 123,659,745	\$ 14,124,504	\$ 1,700,000
Noncurrent Assets			
Deferred issuance cost	232,409	-	-
Investments restricted for capital acquisition	9,221,960	-	-
Long-term receivables	-	-	-
Working capital advance to CommUnityCare	4,000,000	-	-
Sendero paid-in capital	1,500,000	-	-
Capital Assets	-	-	-
Land	10,345,124	-	-
Buildings and improvements	91,529,328	100,943	-
Equipment and furniture	3,091,089	420,282	-
Construction in progress	25,587,632	59,666	-
Less accumulated depreciation	(14,426,518)	(95,347)	-
Total Capital Assets Net	116,126,655	485,544	-
Total Non-Current Assets	131,081,024	485,544	-
TOTAL ASSETS	\$ 254,740,769	\$ 14,610,048	\$ 1,700,000
LIABILITIES			
Current Liabilities			
Accounts payable	4,354,293	1,393,533	-
Salaries and benefits payable	522,759	2,941,870	-
Accrued Interest	88,102	-	-
Due to other governments	81,154	-	-
Deferred Revenue	-	166,790	-
Other accrued liabilities	-	877,706	-
Retainage payable	623,497	-	-
Certificates of obligation	930,000	-	-
Due to Travis Co Health Care District	-	3,342,377	-
Total current liabilities	\$ 6,599,805	\$ 8,722,276	\$ 0
Noncurrent liabilities			
Certificates of obligation	15,070,000	-	-
Due to Travis Co Health Care District	-	4,000,000	-
Total noncurrent liabilities	15,070,000	4,000,000	0
Total liabilities	\$ 21,669,805	\$ 12,722,276	\$ 0
NET ASSETS			
Investment in capital assets net of related debt	100,359,064	-	-
Restricted for capital acquisition	5,786,416	-	-
Restricted for HMO	-	-	1,500,000
Unrestricted	126,925,484	1,887,772	200,000
TOTAL NET ASSETS	\$ 233,070,964	\$ 1,887,772	\$ 1,700,000

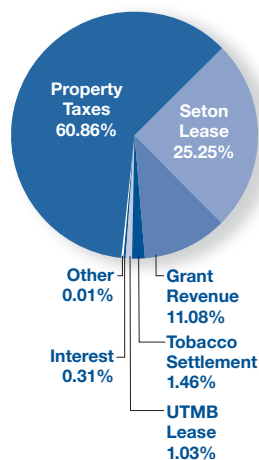
The notes to the financial statements are an integral part of these statements and can be found online at http://centralhealth.net/finances_and_funding.html

Statement of Revenues, Expenses, and Changes in Net Assets

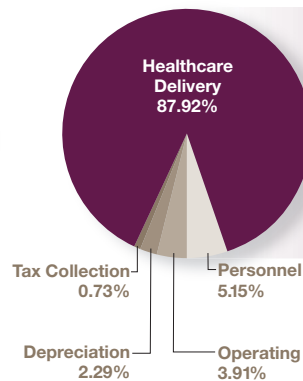
	Primary Government Governmental Activities	Component Unit CommUnityCare	Component Unit Sendero	Combined Totals
Operating revenues:				
Lease revenue - additional rent	28,439,915	-	-	28,439,915
Lease revenue - base rent	1,155,396	-	-	1,155,396
Patient service revenue		16,578,149	-	16,578,149
Grant revenue	12,482,155	6,886,560	-	19,368,715
Revenue received from Travis Co. Healthcare District		34,396,928	1,700,000	36,096,928
Total Operating revenues:	\$ 42,077,466	\$ 57,861,637	\$ 1,700,000	\$ 101,639,103
Operating expenses:				
Health care delivery	94,391,804	16,510,858	-	110,902,662
Salaries and benefits	5,526,007	37,585,188	-	43,111,195
Other purchased goods and services	4,203,236	2,821,652	-	7,024,888
Depreciation	2,456,334	64,128	-	2,520,462
Total Operating expenses:	106,577,381	56,981,826	0	163,559,207
OPERATING INCOME (LOSS)	\$ (64,499,915)	\$ 879,811	\$ 1,700,000	\$ (61,920,104)
Nonoperating revenues (expenses):				
Ad valorem tax revenue	68,533,623	-	-	68,533,623
Tax assessment and collection expense	(788,431)	-	-	(788,431)
Tobacco settlement revenue, net	1,641,354	-	-	1,641,354
Investment income	387,549	-	-	387,549
Interest expense	(42,532)	-	-	(42,532)
Other revenue	16,343	4,781	-	21,124
Total Nonoperating revenues (expenses):	69,747,906	4,781	0	69,752,687
Changes in net assets	5,247,991	884,592	1,700,000	7,832,583
Total net assets - beginning of year	227,822,973	1,003,180		228,826,153
TOTAL NET ASSETS—END OF YEAR	\$ 233,070,964	\$ 1,887,772	\$ 1,700,000	\$ 236,658,736

The notes to the financial statements are an integral part of these statements and can be found online at http://centralhealth.net/finances_and_funding.html

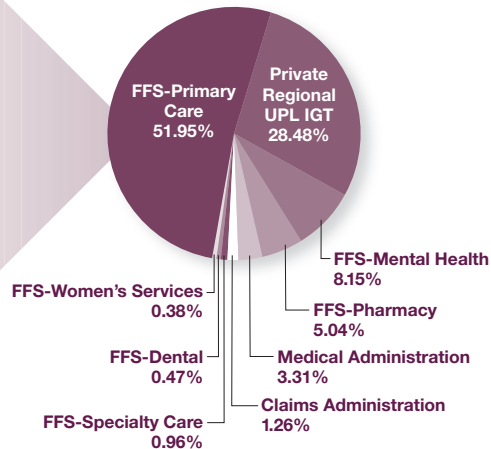
REVENUES



EXPENSES



HEALTHCARE EXPENSES





CENTRAL HEALTH

1111 East Cesar Chavez Street
Austin, Texas 78702
www.centralhealth.net

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