



CENTRAL HEALTH

ANNUAL REPORT



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 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.



CENTRAL HEALTH

www.centralhealth.net

@CentralHealthTX



Central Health will celebrate its 15th anniversary in the coming year. Since the healthcare district's inception the health care landscape has changed dramatically in Travis County—and the country—however our mission remains the same: we believe every county resident deserves a fair shot at achieving better health. This drives our work each and every day, which we could not do without taxpayer support, dedicated

partners, and invaluable community input and guidance. With this in mind, we enthusiastically present the Fiscal Year 2018 Annual Report, a continuation of the story we began together in 2004.

Every decision Central Health makes begins and ends with the people we serve. Together with our partners, we are dedicated to building systems and programs that lift up fellow community members who have fewer resources. In Fiscal Year 2018, Central Health developed a new strategic work plan, building on an organization-wide, independent third-party performance review, and ongoing community dialogues. With renewed focus and energy, we are tackling new challenges in the delivery of care in Travis County.

Moving forward, Central Health will continue its strategy of generating funds for health care while maintaining reserves for future challenges and unexpected needs. Our financial strategy is strengthened by our Enterprise, which includes Central Health-funded CommUnityCare Health Centers; Sendero, our community

based health insurance company; and the Community Care Collaborative, Central Health's partnership with Ascension-Seton Healthcare Family. Through the Community Care Collaborative, we partner with Seton clinics, Integral Care, the Dell Medical School at The University of Texas at Austin, and many other provider organizations. Our strengths in finance and partnerships funded care for more than 183,000 patients, over the course of the year.

We use data to guide our work, but the connections made every day with patients and community members help us understand how to best meet their health care needs. Central Health created community advisory committees to foster new levels of interaction with residents of neighborhoods that for too long have lacked health care services. A series of "community conversations" was launched to provide everyone a seat at the table, and ensure transparency of our operations and strategies. We also convene a working group of stakeholders dedicated to improving access to health care and vital social services in East Travis County. Central Health could not have asked for better conversations—and collaboration—with the community.

As we mark 15 years in the community, Central Health—under the guidance and leadership of our nine-member, all-volunteer board of managers—will continue to work diligently to uphold the public's trust through sound fiscal stewardship and fulfillment of our mission.

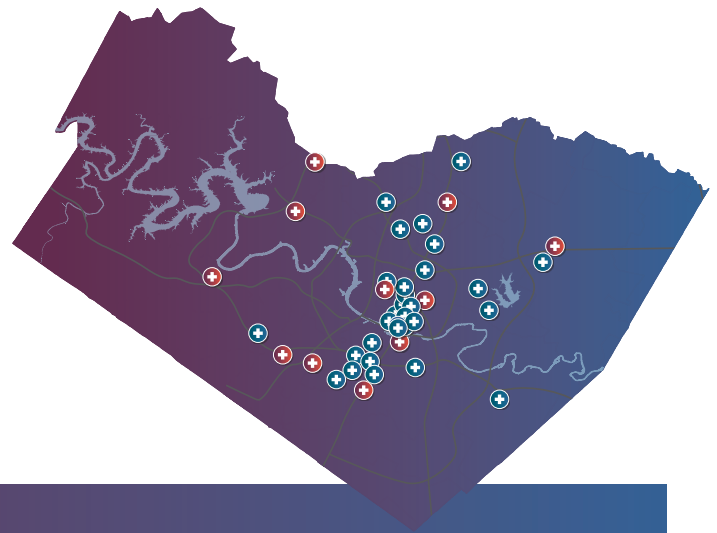
Respectfully Submitted,

Mike Geeslin

Central Health President and CEO

2018 BY THE NUMBERS

Central Health is the local governmental entity responsible for purchasing health care services for eligible low-income Travis County residents. As a steward of public funds, Central Health carefully balances fiscal responsibility with the growing need for health care services among Travis County's low-income and uninsured populations.



OUR
NETWORK
INCLUDES

41

PRIMARY
CARE
LOCATIONS

40

SPECIALTY
CARE
CLINICS

24

URGENT/
CONVENIENT
CARE LOCATIONS

7

HOSPITALS

AND DOZENS OF ADDITIONAL CARE PROVIDERS

IN 2018, AS A DIRECT RESULT
OF CENTRAL HEALTH FUNDING:

183,985

PEOPLE RECEIVED
HEALTH CARE SERVICES

Providing health care to more
than one out of every 7 Travis
County residents

2,267

PEOPLE RECEIVED
PREMIUM ASSISTANCE
FOR THEIR HEALTH
INSURANCE PLANS

Including 1,532 Austin musicians
and music industry professionals
enrolled in HAAM and SIMS

99,204

PEOPLE RECEIVED
SCREENING AND
ASSISTANCE OBTAINING
HEALTH CARE COVERAGE

A 7,419 year-over-year increase

CENTRAL HEALTH ENTERPRISE PARTNERS



A Central Health and Seton partnership

The **Community Care Collaborative (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 populations.

In 2018, the CCC enrolled 46,750 uninsured Travis County residents in the Medical Access Program, providing coverage for essential primary care, specialty, dental, hospital and behavioral health services.



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

In 2017 CommUnityCare provided 356,518 medical, behavioral health and dental encounters to 98,907 unique patients.



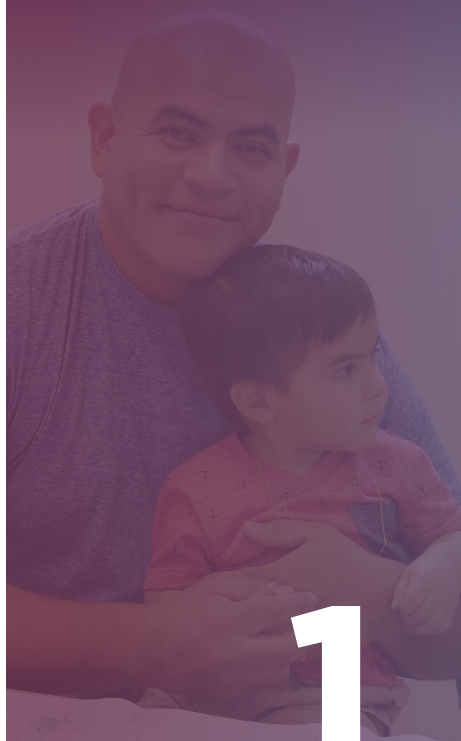
Founded in 2011, **Sendero Health Plans** is the local nonprofit, community-based health maintenance organization (HMO) of Central Health designed to serve the unique needs of Central Texas residents.

In 2017 Sendero enrolled 43,845 people in its Medicaid, CHIP and Affordable Care Act (ACA)-qualified insurance plans.

Central Health's strategic objectives provide a roadmap toward achieving our vision of making Central Texas a model healthy community. Working with partners and the community, Central Health helped thousands of Travis County residents live better and healthier lives in 2018.

OBJECTIVE 1:

DEVELOP AND EXECUTE HEALTH CARE DELIVERY BASED ON PEOPLE AND SPACE



Service and facility expansion

- Central Health identified four priority areas in East Travis County to focus increases and improvements for care delivery in 2019.
- Central Health, CommUnityCare, Austin ISD and Austin Public Health partnered to open the North East Health Resource Center in April 2018 to provide Colony Park residents with health care, enrollment and screening services.
- In collaboration with CommUnityCare and Travis County, the Del Valle Health Center opened November 2017.
- Site plans were finalized to develop a 20,000-square-foot health care facility at the Community First! Village, which will offer new access for the hundreds of formerly homeless residents living in the Village.

Population health

- The Central Health Equity Policy Council—comprised of 70 local health advocates—worked with local school districts to implement recess policies that encourage physical activity, and HIV screening opt-out policies to increase early detection.
- Central Health partnered with Austin Public Health and Travis County Health and Human Services to create a neighborhood profile of Colony Park to guide health care and social service planning in the community.
- The Community Care Collaborative (CCC)—Central Health's non-profit partnership with Seton Healthcare Family—provided free rides to Medical Access Program (MAP) patients for clinic appointments, pharmacies, and physical therapy, through a partnership with RideAustin.
- Sendero Health Plans—Central Health's non-profit insurance plan—distributed 4,330 free meals to children and their families through its summer lunch program.

Communication and community engagement

- To ensure residents were involved in planning future services in their communities, Central Health formed three advisory committees, launched a dedicated website and e-newsletter, and distributed bilingual digital and paper surveys.
- Central Health implemented a new approach to community engagement and public participation, which included launching a series of community dialogues called "Community Conversations."
- The Community Health Champions program grew to nearly 150 members who volunteered at events and delivered presentations across the community about Central Health's mission and services.

OBJECTIVE 2:

IMPLEMENT A PATIENT- FOCUSED AND COORDINATED HEALTH CARE SYSTEM



Health coverage

- Central Health's eligibility offices provided 26,587 in-person appointments—a 4 percent increase over the previous year—at six eligibility office locations.
- Sendero Health Plans worked with more than 2,500 local providers to deliver more than \$125 million in health care services to members.

Primary care

- CommUnityCare provided more than 297,000 alternative care visits with nurses, clinical pharmacists, nutritionists and other non-physicians, allowing patients quicker access to care when a doctor visits isn't necessary.
- CommUnityCare launched a shuttle pilot program to provide patients and clients free rides to and from the Central Health Southeast Health & Wellness Center.

Specialty care

- The CCC made significant progress in improving specialty care by eliminating ophthalmology wait lists for MAP patients; doubling ear, nose and throat clinic availability; and increasing access to rheumatology and urology specialists.

Patient experience

- The CCC began offering comprehensive system navigation and support for MAP patients through its Medical Management program, with a special focus on transitions from the hospital or emergency department.
- The CCC continued providing post-acute care at skilled nursing facilities, and recuperative care for homeless patients.

OBJECTIVE 3:

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



Stewardship

- Central Health maintained the lowest tax rate of any major urban hospital district.
- Central Health increased tax revenue by 6 percent to fund additional health care services while also maintaining sufficient reserves.

Planning

- New budget priorities included additional funding for women's health, a public education campaign, support for health equity policy council initiatives, and supporting pop-up resource centers in Travis County.
- Central Health continued to plan for the redevelopment of the Central Health Brackenridge Campus including identifying new partnerships and leasing components of the property.

TRAVIS COUNTY HEALTHCARE DISTRICT dba CENTRAL HEALTH

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION SEPTEMBER 30, 2018

	Primary Government	Component Units		
	Business-type		Sendero	Community Care
	Activities	CommUnityCare	(December 31, 2017)	Collaborative
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,470,253	\$ 16,574,847	\$ 51,374,388	\$ 36,595,290
Short-term investments	79,896,562	-	2,445,377	-
Ad valorem taxes receivable, net of allowance for uncollectible taxes of \$2,202,009	1,022,084	-	-	-
Accounts receivable, net of allowance for doubtful amounts of \$12,248,078	-	16,109,130	-	-
Accounts receivable	-	-	9,973,291	-
Premium receivable	-	-	140,852	-
Reinsurance recoverables	-	-	314,624	-
Grants receivable	-	721,284	-	-
Other receivables	3,856,173	-	-	144,021
Inventory	-	589,031	-	-
Prepaid expenses and other assets	524,288	479,997	549,699	398,487
Total current assets	86,769,360	34,474,289	64,798,231	37,137,798
Noncurrent assets:				
Investments restricted for capital acquisition	6,328,247	-	-	-
Long-term receivables	4,000,000	-	-	-
Investment in Sendero	71,000,000	-	-	-
Sendero surplus debenture	17,083,000	-	-	-
Goodwill	-	1,412,400	-	-
Capital assets:				
Land	11,770,184	-	-	-
Construction in progress	196,007	11,210	-	-
Buildings and improvements	134,354,257	858,322	-	-
Equipment and furniture	8,779,252	937,359	38,215	-
Less accumulated depreciation	(39,902,640)	(1,156,630)	(38,215)	-
Total capital assets, net	115,197,060	650,261	-	-
Total noncurrent assets	213,608,307	2,062,661	-	-
Total assets	300,377,667	36,536,950	64,798,231	37,137,798
LIABILITIES				
Current liabilities:				
Accounts payable	1,410,896	3,483,581	311,854	1,268,549
Unpaid losses and loss adjustment expenses and risk adjustment payable	-	-	63,295,115	-
Claims payable	-	-	3,066,250	-
Premium tax payable	-	-	1,459,294	-
Salaries and benefits payable	1,284,603	5,219,715	-	-
Accrued interest	29,933	-	-	-
Deferred rent	-	331,393	-	-
Other accrued liabilities	-	2,511,481	5,559,471	23,118,123
Certificates of obligation	1,030,000	-	-	-
Capital lease obligation	81,607	-	-	-
Deferred revenue	-	1,332,243	3,430,506	773,780
Surplus debenture	-	-	17,083,000	-
Due to Central Health	-	836,730	843,460	1,889,039
Total current liabilities	3,837,039	13,715,143	95,048,950	27,049,491
Noncurrent liabilities:				
Certificates of obligation	8,350,000	-	-	-
Capital lease obligation, net of current portion	107,870	-	-	-
Due to Central Health	-	4,000,000	-	-
Total noncurrent liabilities	8,457,870	4,000,000	-	-
Total liabilities	12,294,909	17,715,143	95,048,950	27,049,491
NET POSITION				
Net investment in capital assets	105,817,060	-	-	-
Restricted for capital acquisition	6,328,247	-	-	-
Restricted for HMO	-	-	45,000,000	-
Unrestricted	175,937,451	18,821,807	(75,250,719)	10,088,307
Total net position	\$ 288,082,758	\$ 18,821,807	\$ (30,250,719)	\$ 10,088,307

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, 2018

	Primary Government		Component Units	
	Business-type		Sendero	Community Care
	Activities	CommUnityCare	(December 31, 2017)	Collaborative
Operating revenues:				
UMCB lease revenue	\$ 9,840,623	\$ -	\$ -	\$ -
Ground sublease revenue	903,467	-	-	-
Net patient service revenue	-	67,318,974	-	-
Premium revenue, net	-	-	146,236,417	-
ASO revenue	-	-	-	-
Grant revenue	-	10,213,194	-	-
Foundation grant revenue	-	130,065	-	-
Revenue received from Central Health	-	-	-	23,200,000
Revenue received from CCC	-	19,161,911	-	-
Revenue received from				
Delivery System Reform Incentive Payment	-	6,195,953	-	59,153,831
Revenue received from Seton Affiliation	-	-	-	36,266,490
Personnel services received from an affiliate	-	-	-	635,477
Total operating revenues	10,744,090	103,020,097	146,236,417	119,255,798
Operating expenses:				
Health care delivery	149,251,115	34,952,316	160,315,012	88,607,043
Payment per University of Texas affiliation agreement	-	-	-	35,000,000
Delivery System Reform Incentive Payment program expense	-	-	-	3,659,814
Salaries and benefits	3,453,570	66,750,238	4,855,603	-
Other purchased goods and services	4,083,076	369,998	12,961,648	-
Depreciation and amortization	4,675,917	249,124	769	-
Total operating expenses	161,463,678	102,321,676	178,133,032	127,266,857
Operating income (loss)	(150,719,588)	698,421	(31,896,615)	(8,011,059)
Nonoperating revenues (expenses):				
Ad valorem tax revenue	182,593,772	-	-	-
Tax assessment and collection expense	(1,541,652)	-	-	-
Tobacco settlement revenue, net	3,426,346	-	-	-
Investment income	1,521,495	-	73,870	-
Interest expense	(375,319)	-	-	-
Other revenue (loss)	80,458	-	-	34,020
Total nonoperating revenues, net	185,705,100	-	73,870	34,020
Change in net position prior to capital contribution	34,985,512	698,421	(31,822,745)	(7,977,039)
Capital contribution received from Central Health	-	-	10,000,000	-
Change in net position after capital contribution	34,985,512	698,421	(21,822,745)	(7,977,039)
Total net position - beginning of year	253,097,246	18,123,386	(8,427,974)	18,065,346
Total net position - end of year	\$ 253,097,246	\$ 18,123,386	\$ (8,427,974)	\$ 18,065,346

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



Dr. Guadalupe Zamora
Chairperson



Sherri Greenberg
Vice-Chairperson



Dr. Charles Bell
Treasurer



Dr. Abigail Aiken
Secretary



Katrina Daniel
Manager

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Clarke Heidrick
Manager
*(October 2017-
December 2017)*



Shannon Jones
Manager
*(December 2017-
September 2018)*



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Julie Oliver
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Cynthia Valadez, Sr.
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