

Item 9



Travis County Commissioners Court Agenda Request

Meeting Date: ~~4/30/2013~~ 05-07-2013

Prepared By/Phone Number: Patricia A. Young Brown, Central Health President and CEO/978-8100

Elected/Appointed Official/Dept. Head:

Commissioners Court Sponsor: Judge Biscoe

AGENDA LANGUAGE:

Receive the annual report from Travis County Healthcare District d/b/a Central Health.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

This report and affidavit fulfill Central Health's obligation to provide an administrator's report as listed in the Texas Health and Safety Code Chapter 281.092. Central Health delivered a report to each Commissioners Office. See attached memorandum and annual report for more information.

STAFF RECOMMENDATIONS:

See attached memorandum.

ISSUES AND OPPORTUNITIES:

See attached memorandum.

FISCAL IMPACT AND SOURCE OF FUNDING:

N/A

REQUIRED AUTHORIZATIONS:

County Attorney's Office
County Judge's Office

John Hille, Assistant County Attorney
David Salazar, Executive Assistant

Dear Friends & Colleagues:

I am pleased to send you a copy of Central Health's fiscal year 2012 annual report...
"A Healthy Return on Investment".

This past fiscal year, which ran from October 1, 2011 until September 30, 2012, Central Health led the way to better health for all Central Texans. Whether through expanded primary and specialty care services for eligible residents of Travis County, or serving as the regional anchor for the Section 1115 Medicaid Transformation waiver, Central Health's accomplishments are wide-ranging and profound. When taken in comparison to data and accomplishments from our first year of operation in 2005, they are all the more impressive.

For example:

- ✦ Since 2005, enrollment in the Medical Access Program (MAP) has increased 175%, and primary care visits are up 78%.
- ✦ In 2012, Central Health funded 315,623 primary care visits, which includes medical, dental, and behavioral health.
- ✦ A total of 111,808 callers to our customer service call center were assisted with questions about healthcare services, how to obtain access to care, and enrollment in MAP, Medicare or CHIP.

Central Health also led the way on a number of local initiatives, such as:

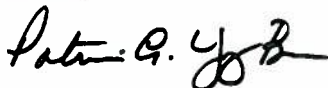
- ✦ Placing Proposition 1 on the November 2012 ballot.
- ✦ Beginning work on a game-changing integrated delivery system for Central Texas called the Community Care Collaborative (CCC), which you will likely be hearing more about in the coming months.
- ✦ Leading a community planning process around behavioral health services.
- ✦ Producing a comprehensive white paper entitled "Health & Healthcare Trends & Innovations in Central Texas", which provides an overview of the state of health care in the region.

In addition to outlining our accomplishments over the previous year, the annual report also includes a summary analysis of our annual financial statements for net assets, revenues, expenses and changes in net assets for our entire organization.

We are happy to provide additional printed copies of the annual report, which can be obtained by calling (512) 978-8000. An electronic version is available for download at www.CentralHealth.net, along with each of our previous annual reports.

We sincerely appreciate your support and consideration in 2012 and look forward to our ongoing cooperation in the future as we continue to provide access to healthcare for those who need it most. The coming year promises to be our most exciting and important yet.

Sincerely,



Patricia A. Young Brown
President & CEO

AFFIDAVIT

STATE OF TEXAS

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§

COUNTY OF TRAVIS

I, Patricia A. Young Brown, make this affidavit as part of the Travis County Healthcare District's Annual Report for Fiscal Year 2012 and hereby, on oath, state the following:

1. I am President and CEO of the Travis County Healthcare District dba Central Health and serve as the "administrator" as defined by Section 281.026 of the Texas Health and Safety Code.
2. The District's Annual Report for Fiscal Year 2012 reflects all money and choses in action received by the administrator and their disposition.
3. The District's Annual Report contains in detail the operations of the District for Fiscal Year 2012.



Patricia A. Young Brown

BEFORE ME, the undersigned authority, on this day personally appeared Patricia A. Young Brown and on oath stated the facts stated above are true to the best of her knowledge or belief.

Sworn to and subscribed before me on the 23rd day of April 2013.





Notary Public in and for the State of Texas



CENTRAL HEALTH

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Aurora, Texas 78712
www.centralhealth.net

2012 Central Health Board of Managers



Susan Matthews, C.F.A.
Chairperson



James Matthews, C.F.A.
Vice Chairperson



James O'Connell, M.A.
Treasurer



Anthony Kelly, J.D.



James Matthews, S.B., M.P.A.



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Thomas B. Koppelman, M.D.



Susan Matthews, M.D.



Patricia A. Young-Green, C.F.A., President, S.F.C.



CENTRAL HEALTH

A Healthy Return on Investment
2012 Annual Report





Central Health is preparing to undertake what is possibly the most important endeavor for the health of Travis County that has ever been envisioned, much less implemented. The year 2013 will mark an entirely new way of providing care for the most vulnerable among us, from the quality of that care to its cost. Every resident of Travis County will benefit. But we'll get to that.

The purpose of this annual report is to recap the previous year's accomplishments. Since our first published annual report in 2005, every year we have brought you concrete examples of our work and hard data that demonstrate how we continue to strive to meet the expectations of the residents of Travis County, and to meet our own vision of Central Texas being a model healthy community. The past fiscal year is no different.

89% of Central Health's expenses go to healthcare delivery

In 2012, Central Health provided access to care for record numbers of individuals in every measurable category, including primary care, specialty care, and behavioral health. It's with a great deal of conviction that I can say that by providing more access, expanding our network and relieving the burden on an overstressed system, we are meeting the expectations of those who voted Central Health into existence in 2004.

And now we are working to reimagine and rebuild that system. Since our first year of operation in 2005, we've worked to fill the gaps in our local healthcare delivery system. Now we have the opportunity to construct a better version of that system thanks to the federal Section 1115 Medicaid Transformation and Quality Improvement Waiver and our new Community Care Collaborative, both of which are described in more detail inside. The work we are now undertaking is a fundamental reorganization of our business model, although our aspirations remain unchanged. Central Health is sailing into uncharted waters as we work with our partners to substantially reform the way health care is delivered in Travis County. I have no doubt this will be apparent when we bring you our fiscal year 2013 Annual Report.

As an organization invested in the people of Travis County and our collective future, we appreciate your continuing support. Our success is attributable to the community-wide belief in our mission, and active support from a large and growing number of individuals and organizations. We thank you.

Sincerely,



Patricia A. Young Brown

Patricia A. Young Brown
President & CEO
Central Health

OUR SHARED VISION

Central Texas is a model healthy community.

OUR MISSION

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

OUR GOALS

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

Technology: Maximize the use of technology designed to improve healthcare outcomes 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.

See how investing in a healthy Central Texas is paying off:

- Care by the Numbers 2
- Improving Outcomes 4
- Our Community, Our Future . . . 6
- Financials 8

Care by the Numbers

Our top priority is the people who rely on us for their access to quality health care. The figures below represent real people in our community who we have helped. Are we providing greater access for Travis County residents? Our numbers speak for themselves.

315,623 Total primary care visits in fiscal year 2012
including medical, dental, and behavioral health

Increase in state application assistance in fiscal year 2012
40%

111,808

Number of calls handled by the Central Health call center in 2012—a 17% increase compared to fiscal year 2011

New individuals enrolled in Medicaid and CHIP through application assistance

1,842

780% Increase in annual primary care visits since 2005



176% Increase in average monthly MAP enrollment since 2005

Number of square feet of the new North Central Health Clinic, with 57 exam rooms and 18 operatories that will serve as a primary care and multi-specialty hub for the northern part of Central Health's service area

50,000

253,738

Total medical visits in fiscal year 2012

Behavioral health visits—a 4% increase in behavioral health visits compared to fiscal year 2011

25,557

Average monthly MAP enrollment—an 11% increase compared to fiscal year 2011

23,437



36,328 Visits to the dentist—a 27% increase in dental visits compared to fiscal year 2011

17% Increase in CommunityCare visits compared to fiscal year 2011

Improving Outcomes

Every day, our goals are to increase access to health care, maximize the use of technology, invest in practices that improve healthcare outcomes, and work to lead our community to better health. Below are the numerous ways we achieved those goals in 2012.

WOMEN'S HEALTH SERVICES

The provision of women's health services is a perennial challenge in Travis County, and 2012 was an especially difficult year. Central Health made it a priority to bolster these services for women in Travis County.

- Created a new contract with Planned Parenthood for family planning services in November 2011.
- Relocated services previously provided at Austin Women's Hospital at UNCBS to St. David's in January.
- Expanded contracts with People's Community Clinic, El Buen Samaritano Episcopal Mission and Lane Star Circle of Care to provide additional health care for eligible residents of Travis County in May.

ELIGIBILITY SERVICES

Enhancing the ways and means of obtaining access to essential healthcare services is a cornerstone of Central Health's Eligibility Services. In 2012, Central Health Eligibility Services made great strides.

- Initiated programs using postcards to remind enrollees to renew enrollment and calling new enrollees to ensure they understood benefits and how to access them.
- Developed and produced a new Medical Access Program enrollee handbook. The new bilingual handbook is easier to read and understand, and helps enrollees better understand MAP benefits.
- Expanded virtual MAP enrollment (allowing certain partner agencies to electronically complete the initial application process), with 1,796 individuals enrolled.

TECHNOLOGY AND RESOURCES

Staying abreast of new technology and making the best use of available resources to improve all aspects of health care, from treatment to billing, is essential to improving outcomes for patients. In 2012, we continued down the trail we began many years ago, including:

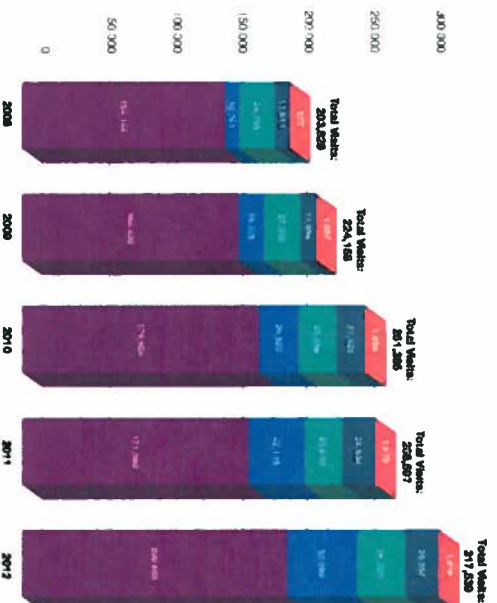
- Expanded functionality of Care 2, the community's Health Information Exchange (HIE) system, to include lab and pharmacy.
- Developed the capability to access slightly data directly, streamlining the reporting process and requirements.
- Launched three new Web sites in 2012: Eligibility Services, MAP and RHP 7, all of which enhance the public's ability to get help and information at any time.



Women's Health
Boosting women's health services was a key area of emphasis in 2012.

New Web Sites

Under the Access Program at Central Health Hospital
Technology Report
Central Health 2012 Annual Report



SPECIALTY CARE SERVICES

Providing access to specialty care services before health problems grow into full-blown emergencies is a critical area that we continue to expand.

- Expanded specialty care access at CommunityCare sites for endocrinology, dermatology, gastroenterology, and cardiology through a partnership with University of Texas Southwestern (UTSW) Medical Center.
- Sponsored the Selton Cancer Screening Mobile Mammography Initiative, also known as The Big Pink Bus. The bus travels to locations where women would typically have limited access to such screening services.

Leading the Way in 2012

With your help, Central Health is leading the way to better health for all Central Texans.

- Placed Proposition One on the November ballot with considerable community support.
- Supported Senator Mike Watson's 10 Goals in 10 Years initiative and participated on the coordinating committee.
- Entered into a letter of intent with Selton Healthcare Family to create a new integrated care delivery system in Travis County, called the Community Care Collaborative (CCC), focused on improving health outcomes, patient experience and lowering costs.
- Served on the Healthy ATX steering committee.
- Convened a community planning process around behavioral health services and produced two reports documenting the need for additional services.
- Began serving as anchor entity for Regional Health Partnership 7 under the Section 1115 Medicaid Transformation Waiver.
- In collaboration with Austin Area Research Organization (AARO), hosted an Interactive Summit on Health and Health Care in Central Texas, and concurrently released a white paper entitled Health and Healthcare Trends & Innovations in Central Texas, which provides a snapshot of where Central Texas stands on health and health care.
- Served on the Steering Committee and Core Coordinating Committee for the Community Health Assessment (CHA) and Community Health Improvement Plan (CHIP).
- Recognized as the Austin Business Journal Healthiest Employer in Central Texas for small companies.

Learn More

- 10 Goals in 10 Years Initiative: [centralhealth.org/10goals](#)
- Healthy ATX: [healthyatx.org](#)
- Health and Healthcare Trends & Innovations in Central Texas: [centralhealth.org/healthcare-trends](#)

Our Community, Our Future

Since our creation, Central Health has been tasked with filling the gaps and plugging the holes in the local healthcare system. In 2013, we're building a completely new boat.

Central Texas' existing service delivery model is outdated and inefficient. Taxpayer dollars pay for services provided through a patchwork, fee-for-service system, without much coordination, public accountability or easily accessible performance data. As healthcare needs and costs have increased, this old model has become economically unsustainable.

50,000

Number of individuals projected to be cared for through the CCC

The Community Care Collaborative (CCC) is a new public-private partnership created in 2012 to maximize funds available to integrate the fragmented and disjointed safety net healthcare system here in Travis County. Made possible by the Section 1115 Medicaid Transformation Waiver, this 501 (c)(4)(a) non-profit, anchored by Central Health, in partnership with Selon Healthcare Family, is an integrated delivery system that will provide care for more patients and result in better patient outcomes.

The overarching goal of the CCC is to provide high quality, cost effective, patient centered care that improves health outcomes through expanded care coordination, available types of care, and patient management. The CCC will manage the care of Travis County residents who are uninsured, living at or below 200 percent of the Federal Poverty Level, and who qualify for services. In total, approximately 50,000 individuals will be cared for through the CCC.

Because of the increased connectivity of the system and better alignment of incentives to prevent hospitalizations and unneeded emergency department care, the reporting information produced by the system will be much more robust and thus better utilized by the partners to coordinate care and manage cost.



More access for more people
Because of the CCC, more Travis County residents will have access to essential healthcare services in the months and years to come.

Transforming the system will mean better health for more people, resulting in a stronger Travis County.

As mentioned, the CCC is made possible by funding from the 1115 Waiver. Currently in its second year, the Waiver is a 5-year program with two main objectives:

1. Continue to provide supplemental federal funding to Texas hospitals for Medicaid patients (Uncompensated Care, or UCI).
2. Transform and improve the healthcare delivery system for everyone (Delivery System Reform Incentive Payments, or DSRIIP).

Most changes to the healthcare delivery system will occur in the third through the fifth years of the waiver. Beginning in 2012, Central Health is serving as the anchor for a six-county Regional Health Partnership. Our partnership, also known as RHP 7 (TexasRegion7RHP.net), includes Travis, Bastrop, Caldwell, Fayette, Hays and Lee Counties. There are 20 such RHPs in Texas, with a total of \$1.75 billion in uncompensated care (UC) funds and \$1.4 billion in Delivery System Reform Incentive Payments (DSRIIP) available.

As anchor entity for RHP 7, Central Health is responsible for submitting the 68 projects created by the nine performing providers within the region, including the CCC. The total value of all of the projects is approximately \$637 million. Travis County participants submitted a total of 46 projects, with 14 of those coming from the CCC. These include infrastructure projects, which enhance connection and standardization among safety net providers, and care delivery projects, which expand access to primary, specialty and dental services as well as access to appropriate care and treatment for chronic conditions. These projects will positively impact every aspect of the local delivery system and improve care for all Central Texans.

In the months to come, we will begin to see a higher profile for both the CCC and the 1115 Waiver projects. These two endeavors represent a tidal shift in the way care will be delivered in Travis County and Central Texas. With Central Health taking the lead, we are all on the path to better health.



Transforming care for all Central Texans
Central Health's role in the 1115 Waiver will ensure improved healthcare services and outcomes for all those who live and work in Travis County.

6 Counties	9 Performing providers	68 Projects submitted
14 in Travis County		
Projects submitted		
\$637 million		
Total value of 68 projects submitted		

Statement of Net Assets

	Primary Government Governmental Activities	Component Unit CommunityCare	Component Unit Sedona
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 101,724	\$ 23,364	(6,120,255)
Restricted cash and cash equivalents	12,466		500,000
Short term investments	81,746,510		
Adv. claimant case receivable, net of allowance for doubtful debts	621,349		
Accounts receivable, net of allowance for doubtful accounts		3,956,609	147,630
Accounts receivable		90,330	
Premium receivable			543,865
Receivable from other		1,886,195	
Other receivables	9,130,318		
Inventory		242,993	
Funds held by others	264,233		60,725
Prepaid expenses and other assets		340,260	15,222
Total Current Assets	\$ 97,870,230	\$ 4,703,352	\$ 17,479,234
Noncurrent Assets			
Deferred insurance costs	216,915		
Investments restricted for capital acquisition	749,272		
Investment restricted for Sedona	5,083,480		
Long term restricted	4,000,000		
Investment in Sedona	14,000,000		
Capital assets			
Land	16,537,938		5,891
Building and improvements	95,035,869		5,891
Equipment and furniture	3,814,973	1,017,788	
Construction in progress	25,680,628	202,756	
Intangible assets	(17,717,345)	(356,726)	(1,349)
Net accumulated depreciation	(17,769,213)	153,872	4,844
Total Capital Assets Net	136,541,894	153,872	4,844
Total Assets	\$ 230,411,204	\$ 5,020,618	\$ 17,483,688
LIABILITIES			
Current Liabilities			
Accounts payable	6,607,870	1,329,241	911,100
Unpaid taxes and the adjustment expense			60,382,536
Claims payable			32,084
Salaries and benefits payable	471,472	2,977,621	
Accrued interest	14,673		
Due to other governments	436,253		
Deferred revenue		121,341	
Other accrued liabilities		643,274	362,652
Contingent liabilities	910,000		
Capital Lease Obligations		115,232	
Due to Health Care, Healthcare District	\$ 8,674,268	1,406,961	330,912
Total Current Liabilities	\$ 17,010,606	\$ 7,012,670	\$ 10,174,884
Noncurrent Liabilities			
Contingent liabilities	(4,160,000)		
Capital Lease Obligations		386,091	
Due to Health Care, Healthcare District	14,160,000	4,380,000	310
Total Noncurrent Liabilities	\$ 22,654,268	\$ 4,772,711	\$ 10,174,884
Total Liabilities	\$ 39,664,874	\$ 11,785,381	\$ 20,349,768
NET ASSETS			
Investment in capital asset net of related debt	(627,612)		
Restricted for capital acquisition	472,726		
Restricted for Sedona	(5,003,000)		4,000,000
Restricted for HAVO	(2,305,962)	4,003,472	(3,291,716)
Unrestricted			
Total Net Assets	\$ 227,777,816	\$ 4,803,477	\$ 10,658,234

The notes to the financial statements are an integral part of these financial statements and are by their nature an integral part of the financial statements.

Statement of Revenues, Expenses, and Changes in Net Assets

	Primary Government Governmental Activities	Component Unit CommunityCare	Component Unit Sedona	Component Unit Sedona
Operating Revenues				
Less: net revenue - additional net	25,655,575			25,655,575
Less: net revenue - base net	1,116,236			1,116,236
Patient user fee revenue		20,537,802		20,537,802
Premium revenue, net		4,056,424		4,056,424
ASO revenue		2,682,300		2,682,300
Grant revenue	1,301,275	6,994,866		8,296,141
Revenue received from Travelers HealthCare District			12,300,000	12,300,000
Total Operating Revenues	\$ 28,073,086	\$ 37,122,926	\$ 29,016,724	\$ 71,608,494
Operating Expenses				
Healthcare delivery	9,935,930	1,849,399	14,033,644	13,443,333
Salaries and benefits	4,276,352	401,473	3,873,616	4,747,299
Other purchased goods and services	3,685,229	2,697,607	3,127,270	9,718,656
Depreciation and amortization	2,692,289	263,341	1,349	2,957,619
Total Operating Expenses	11,071,850	6,168,732	20,136,999	19,255,801
OPERATING INCOME (LOSS)	\$ 16,901,236	\$ 20,954,194	\$ 8,882,325	\$ 52,352,693
Nonoperating Revenues (Expenses)				
Adv. claimant case revenue	76,268,211			76,268,211
Tax assessment and collection expense	(7,131,346)			(7,131,346)
Interest settlement, revenue, net	1,902,732			1,902,732
Investment income	410,070			410,070
Interest expense	(453,294)			(453,294)
Other revenue	1,015			1,015
Total Nonoperating Revenues	77,455,616	3,778	25,959	77,455,616
Change in net assets	(5,293,148)	22,157,900	4,908,394	6,530,636
Total net assets - beginning of year	233,070,964	1,867,772	1,260,000	236,200,736
Total Net Assets - END OF YEAR	\$ 227,777,816	\$ 4,803,477	\$ 10,658,234	\$ 244,109,972

The notes to the financial statements are an integral part of these financial statements and are by their nature an integral part of the financial statements.

