Board of Directors

Meeting

Tuesday, January 14, 2014

2:00 p.m.

Central Health Administrative Offices

1111 E. Cesar Chavez St.

Austin, Texas 78702

AGENDA

I. Call to Order and Record of Attendance

II. Public Comments

III. General Business

A. Consent Agenda

All matters listed under the Consent Agenda will be considered by the Board of Directors to be routine and will be enacted by one motion. There will be no separate discussion of these items unless members of the Board request specific items to be moved from the Consent Agenda to the Regular Agenda for discussion prior to the time the Board of Directors votes on the motion to adopt the Consent Agenda.

1. Approve minutes from the December 10, 2013 CCC Board of Directors meeting.

B. Regular Agenda

1. Receive a Delivery System Reform Incentive Payment (DSRIP) Projects update.

2. Receive a presentation and take appropriate action on CCC Audited Financial Statements as of September 30, 2013.

3. Discuss and take appropriate action on agreements for performing CCC DSRIP Projects.
4. Discuss and take appropriate action on an agreement for CCC Actuarial Services.
6. Receive a presentation and take appropriate action on CCC Strategic Plan Measures.
7. Receive a report on the current number of Unique MAP Enrollees.

IV. Closed Session

V. Closing

*The Board of Directors may take items in an order that differs from the posted order.

The Board of Directors may consider any matter posted on the agenda in a closed session if there are issues that require consideration in a closed session and the Board announces that the item will be considered during a closed session.

Consecutive interpretation services from Spanish to English are available during Citizens Communication or when public comment is invited. Please notify the front desk on arrival if services are needed.

Los servicios de interpretación consecutiva del español al inglés están disponibles para la comunicación de los ciudadanos o cuando se invita al público a hacer comentarios. Si necesita estos servicios, al llegar sírvase notificarle al personal de la recepción.
Board of Directors Meeting

January 14, 2014

AGENDA Item III-A-1

Approve minutes from the December 10, 2013 CCC Board of Directors meeting.
(no backup)
Board of Directors Meeting

January 14, 2014

AGENDA Item III-B-1

Receive a Delivery System Reform Incentive Payment (DSRIP) Projects update.
January 10, 2014

Dear CCC Board of Directors:

I am very pleased to provide you an update on recent activity related to the 1115 Healthcare Transformation Waiver. We are over a quarter of the way into Demonstration Year 3, and

- On December 20th, RHP7 submitted 11 three-year DSRIP projects to HHSC for approval. All of these projects are proposed by providers located in Travis County:
  o City of Austin Health & Human Services Department: 4 projects;
  o UMC Brackenridge: 1 project;
  o ATCIC: 3 projects;
  o St. David's: 1 project;
  o Dell CMC: 1 project;
  o Community Care Collaborative: 1.
We expect to hear if these projects are approved in the spring of 2014. These additional three year projects bring our region's total to 77 DSRIP projects, with a combined value of over $700m.

- The CCC received word in late December that every one of its sixty-three DY2 milestone reports was accepted and approved for payment. The approval of these reports, which detail the work that has gone into DSRIP project planning in the most recent waiver Demonstration Year, will result in a $49.3m payment to the CCC in late January. This payment will include $20m of Central Health IGT and an additional $29.3m from the federal government.

- All of the providers in RHP 7 had success in their submissions. In total, the region stands to receive $102m in local and federal funds for its providers’ approved DY2 activity. Of this, UMC Brackenridge will receive $25.4m and Dell Children’s Medical Center will receive $6.5m. Central Health provides the IGT for these two performing providers. Central Health will provide the IGT for St David’s South Austin’s three-year DSRIP project when approved.

- The CCC just completed its RFA process to select providers in the initial round of DY3 activity. We will bring contract information forward to the boards for approval very soon.

I will be happy to answer any questions you have about these items.

Thank you,

Sarah Cook
Medicaid Waiver Director
Central Health
AGENDA Item III-B-2

Receive a presentation and take appropriate action on CCC Audited Financial Statements as of September 30, 2013.
Community Care Collaborative
Financial Statement Presentation
Audited Financials – September 30, 2013

CCC Board of Directors
JANUARY 14, 2014

Overview

• Audited Financial Statements as of September 30, 2013
• Received an “Unqualified” or “Clean” opinion from external auditors
• FY13 actual ending balance of net assets greater than estimated
  • Actual net assets - $12,393,741
  • Estimated net assets - $10,518,916
## Preliminary Report

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<tr>
<th>Sources</th>
<th>Amended Budget</th>
<th>Estimate</th>
<th>Preliminary Actual</th>
<th>Audited Actual</th>
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<td>8,994,823</td>
<td>8,994,823</td>
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<td><strong>29,573,712</strong></td>
<td><strong>29,573,712</strong></td>
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<td>Uses - Programs</td>
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<td>Healthcare Deliver</td>
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<td>15,627,713</td>
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<td>DSRIP Project Costs</td>
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AGENDA Item III-B-3

Discuss and take appropriate action on agreements for performing CCC DSRIP Projects.
(no backup)
Board of Directors Meeting

January 14, 2014

AGENDA Item III-B-4

Discuss and take appropriate action on an agreement for CCC Actuarial Services.
Community Care Collaborative
3-Year Payment Projection
Consultant Recommendation

CCC Board of Directors
JANUARY 14, 2014

PRESENTATION MADE BY:
JOHN STEPHENS, DIR. OF FINANCIAL PLANNING & MGMT
CENTRAL HEALTH

CCC Three-Year Payment Projection

- Required by section 4.3.2 of the Master Agreement

- Actuarial consultant will project cost for the Covered Population (MAP and Charity Care) for three years

- Projections will serve as starting point for discussion of next year's budget, including any proposed changes to benefit plans or size/composition of Covered Population
Preparation for Three-Year Study

- Central Health/Seton staff (CCC Finance Committee) began work in October

- Issues addressed were:
  - Better defining the Covered Population
  - What kind of data we needed to provide consultant for the study – and how we would develop it
  - How we can use the study to manage the cost and quality of services we deliver

Preparation for Three-Year Study, cont.

- CCC Finance Committee worked with a number of people to prepare the Request for Proposals and work through study issues

  - CCC CMO, Dr. Mark Hernandez
  - Seton VP of Analytics and Health Economics, Dr. Ryan Leslie
  - KC Cerny, long-time consultant to both Central Health and Seton on healthcare data analytics
  - CCC Advisory Board – briefed on Oct. 22
RFP Process

- RFP went out on October 25
- Preproposal conference on November 20 to address questions from potential proposers
- Received four proposals on December 17
- Evaluated by five-member team
- Interviewed two finalists on January 10
- Consensus recommendation is Wakely Consulting Group

Wakely Consulting Group

- Leading actuarial consulting firm
- Leader in actuarial risk adjustment
- Have done risk adjustment plans and analyses related to the ACA for 33 states and other entities, including:
  - State of New York
  - State of Illinois
  - Massachusetts Association of Health Plans
  - Robert Wood Johnson Foundation
Wakely Consulting Group, cont.

- Wakely has also recently completed a study for the St. Louis Regional Health Commission to project indigent care costs for a network of safety-net providers, including Federally Qualified Health Centers

- Wakely’s experience, qualifications, and work plan were the best of all the proposers

Recommendation

- Authorize negotiation and execution of a CCC contract with Wakely Consulting Group for an annual NTE amount of $143,000
  - Base contract of $118,000
  - Contingency of $25,000

- Three-year contract with two extensions
MEMORANDUM

TO: CCC Board of Directors

FROM: Jeff Knodel, Chief Financial Officer for Central Health

DATE: January 10, 2014

RE: CCC Three-Year Payment Projection Solicitation

We have selected an actuarial consultant to perform the three-year payment projection for the CCC that is required by section 4.3.2 of the Master Agreement.

To recap the work we have done on this, we began work with the CCC Finance Committee on the solicitation back in early October. We worked on a number of issues related to the study, including better defining the population we serve, what types of data will be required, and how we can use the study to manage the cost and quality of services we deliver.

We also worked with a number of people outside of the Finance Committee, in particular the CCC Chief Medical Officer, Dr. Mark Hernandez, Dr. Ryan Leslie, Seton’s VP of Analytics and Health Economics, and KC Cerny, a long-time data consultant to both Central Health and Seton. In addition, we met with the CCC Advisory Board on October 22 to apprise them of the work we were doing.

We sent out a request for proposals on October 25 and held a preproposal conference on November 20 to address questions that potential proposers might have about the solicitation. On December 17 we received four proposals, which were evaluated initially and individually by a five-member team. We then met as a team on December 30 to discuss our evaluations and select a short list of potential consultants.

We narrowed the list of four down to two and interviewed the two finalists today. Our consensus recommendation is Wakely Consulting Group. Wakely Consulting Group is also a leading actuarial consulting firm with numerous offices in the U.S. and is a leader in actuarial risk adjustment. They have performed risk adjustment plans and analyses related to the Affordable Care Act for 33 states and for other organizations, including the State of New York, the State of Illinois, the Massachusetts Association of Health Plans, and the Robert Wood Johnson Foundation. They have also completed a recent project for the St. Louis Regional Health Commission that was very similar to our project, in that it involved projecting costs for a network of safety net providers that included Federally Qualified Health Centers. Wakely’s experience, qualifications, and work plan were the best of the four proposers.
We recommend that the CCC Advisory Board approve negotiation and execution of a three-year contract with Wakely in a not-to-exceed amount of $143,000: $118,000 for the study and $25,000 for a contingency.
Board of Directors Meeting

January 14, 2014

AGENDA Item III-B-5

Receive a presentation on CCC Financial Statements as of December 31, 2013.
Community Care Collaborative
Financial Statement Presentation
FY 2014 – as of December 31, 2013

CCC Board of Directors
JANUARY 14, 2014

General

- Interim Financial Statements
  - Balance Sheet
  - Sources and Uses Report – Budget vs. Actual
- Three months of operations
  - October 1 - December 31, 2013
Balance Sheet
December 31, 2013

Assets
- Current Assets
  - Cash & Cash Equivalents 18,403,305
  - Total Current Assets 18,403,305
- Total Assets 18,403,305

Liabilities
- Short-term Liabilities
  - Accounts Payable 2,043,552
  - Other Liabilities 354,311
  - Total Short-term Liabilities 2,397,863
- Total Liabilities 2,397,863

Net Assets
- Total Net Assets 16,005,442

Liabilities and Net Assets 18,403,305

Sources and Uses Report
Budget vs. Actual
As of FYTD December 31, 2013

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<th>Adopted Budget</th>
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<td><strong>Sources</strong></td>
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<td>DSIRP Revenue</td>
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<td>Self Indigent Care Payments</td>
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<td>Central Health Indigent Care Payments</td>
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<td>Healthcare Delivery</td>
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<td>Permitted Investments - UT</td>
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<td>Emergency Reserve</td>
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<td><strong>Sources over uses</strong></td>
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Net Assets:
- Unrestricted 14,715,442
- Emergency Reserve 1,250,000
- Total 16,005,442
### Healthcare Delivery

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<th>Healthcare Delivery</th>
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<td>Healthcare Services</td>
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<td><strong>Total</strong></td>
<td><strong>73,118,730</strong></td>
<td><strong>15,186,986</strong></td>
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Questions? Comments?
Board of Directors Meeting

January 14, 2014

AGENDA Item III-B-6

Receive a presentation and take appropriate action on CCC Strategic Plan Measures.
(no backup)
Board of Directors Meeting

January 14, 2014

AGENDA Item III-B-7

Receive a report on the current number of Unique MAP Enrollees.
(no backup)