

*Integrated Clinical
Solutions, Inc.*



***Cook County Health
and Hospitals System***

***VISION 2015:
An Overview of Strategic Direction
Board Progress Meeting***

May 27, 2010

Key Questions

- WHY are changes to the Cook County Health and Hospitals System necessary?
- WHAT will the System look like?
- HOW will we get there?

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Key Issue #1: THERE ARE SIGNIFICANT UNMET HEALTH CARE NEEDS IN COOK COUNTY.

Health Outcomes Snapshot: Cook County

- Cook County has a low overall health status ranking based on composite health indicators.
- Key areas of the County—e.g. South Cook—have especially poor health indicators.

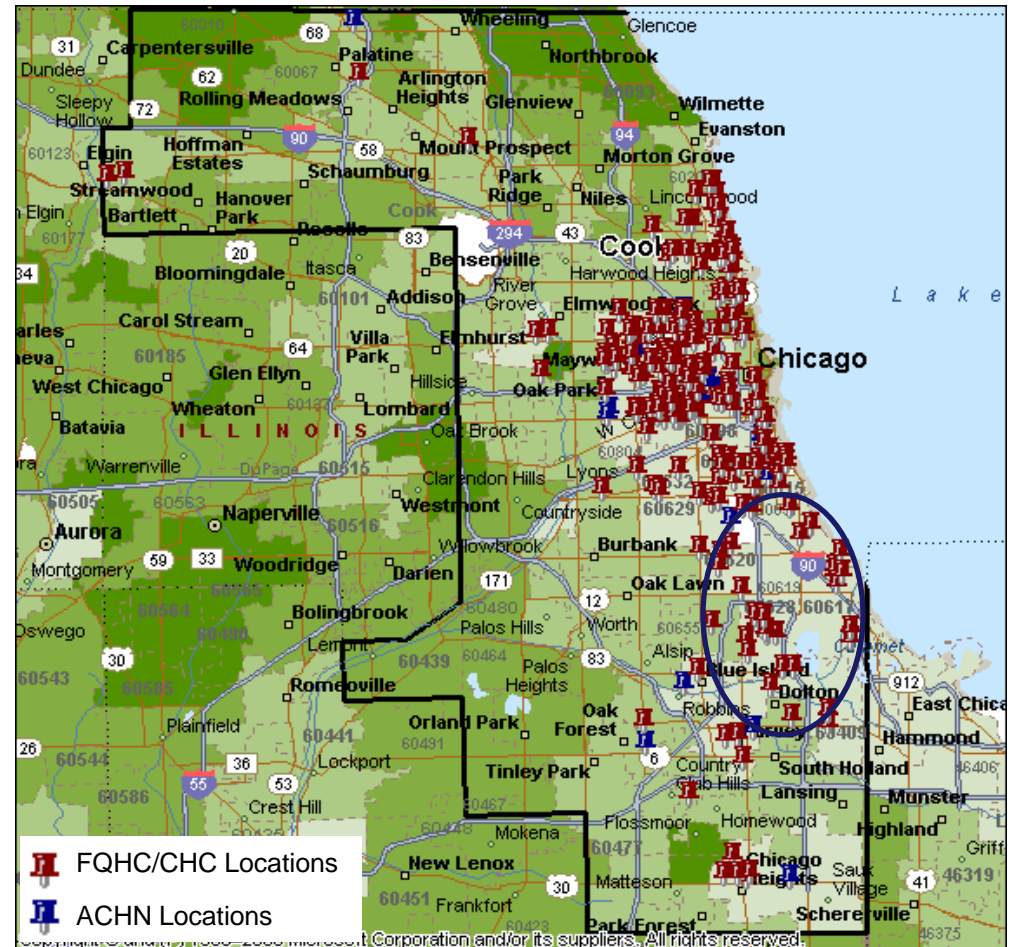
	Cook County	Target Value*
Health Outcomes		
Mortality		
Premature death	7,701	5,694
Morbidity		
Poor or fair health	18%	9%
Poor physical health days	3.3	2.4
Poor mental health days	3.2	2.0
Low birthweight	9%	6%

* Reflects 90th percentile
 Source: www.countyhealthrankings.org

Key Issue #2: SYSTEM ACCESS POINTS NEED TO BE BETTER ALIGNED GEOGRAPHICALLY WITH VULNERABLE PATIENT POPULATIONS.

FQHC/CHC Locations and Median Household Income (2007) by ZIP Code

- There has been a significant geographic redistribution of the vulnerable population to South/South Cook, Downtown/West, and North Cook regions.
- The community areas with the lowest health rankings have the least health resource coverage.

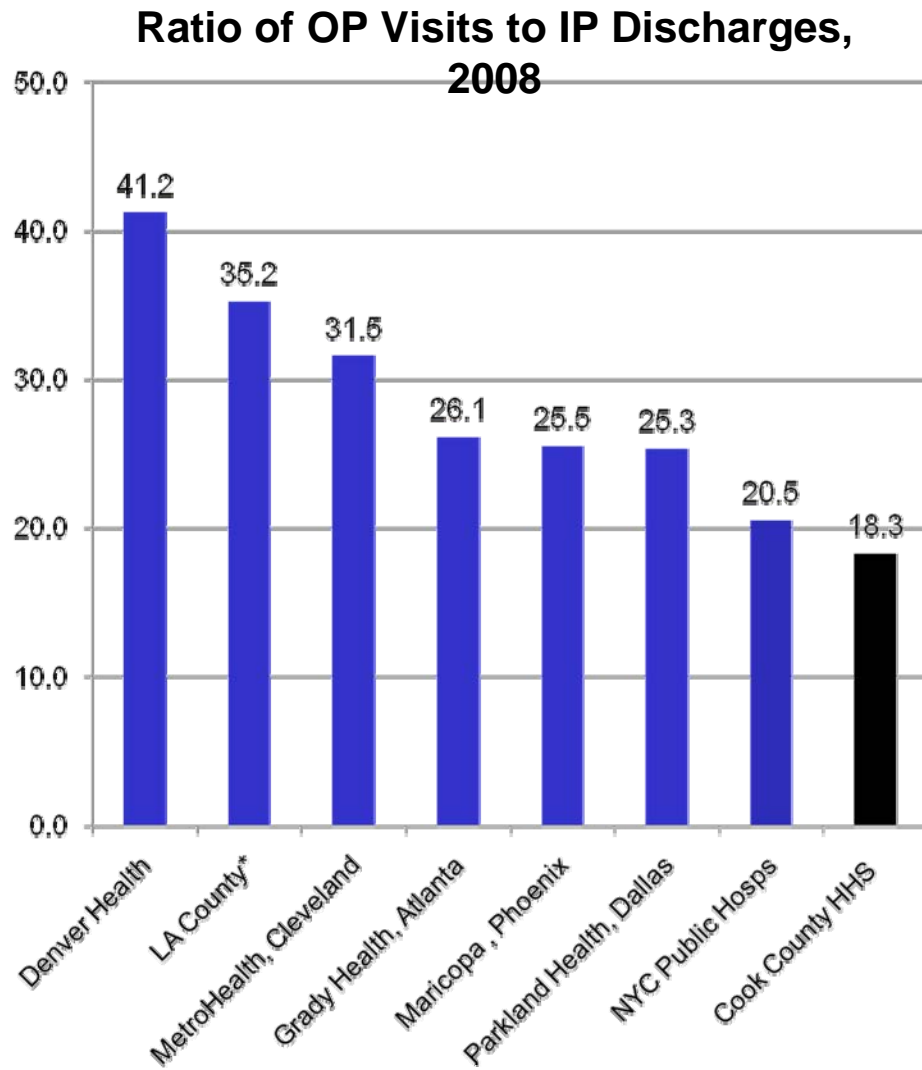


Sources: CCHHS; Illinois Primary Health Care Association; Microsoft MapPoint data

Key Issue #3: CCHHS RESOURCES ARE MOVING TOWARD EXPANDED OUTPATIENT CARE, BUT ARE STILL SOMEWHAT ORIENTED TO MORE COSTLY INPATIENT SERVICES.

- Compared with other major public health systems, CCHHS is highly focused on the provision of acute inpatient services.
- Evolving healthcare models are placing increased emphasis on primary care/prevention and comprehensive case management/care coordination.

Source: National Association of Public Hospitals

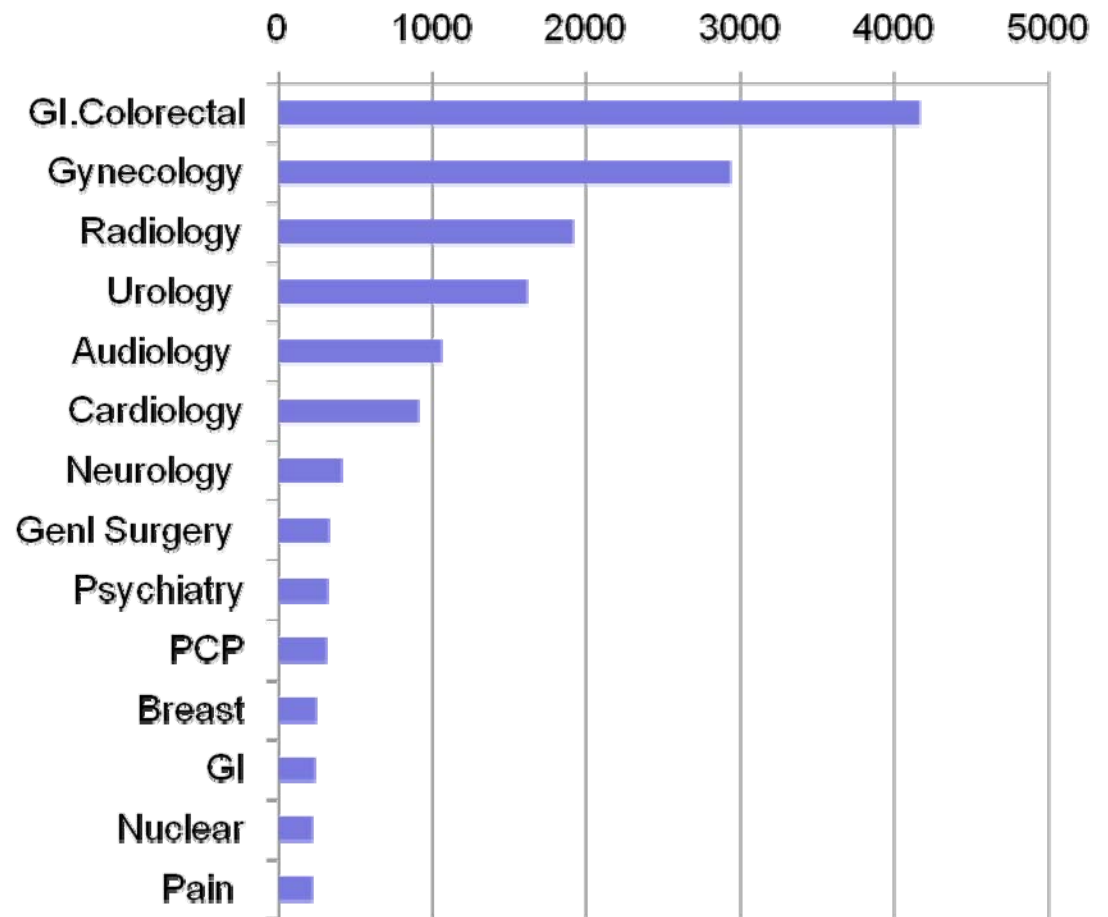


* Includes 600,000 visits paid by LACDHS to private community clinics for uninsured low-income patients.

Key Issue #4: OUTPATIENT SERVICES NEED TO BE GREATLY EXPANDED TO DEAL WITH THE BACKLOG FOR MANY BASIC PROCEDURAL SERVICES.

- There is a significant backlog of patients, particularly for outpatient procedural services.
- Having ready access to needed outpatient services can reduce complications and the need for more cost-intensive care in other settings.

IRIS Referrals Greater Than 21 Days Old, Specialties and Associated Clinics, Feb. 2010

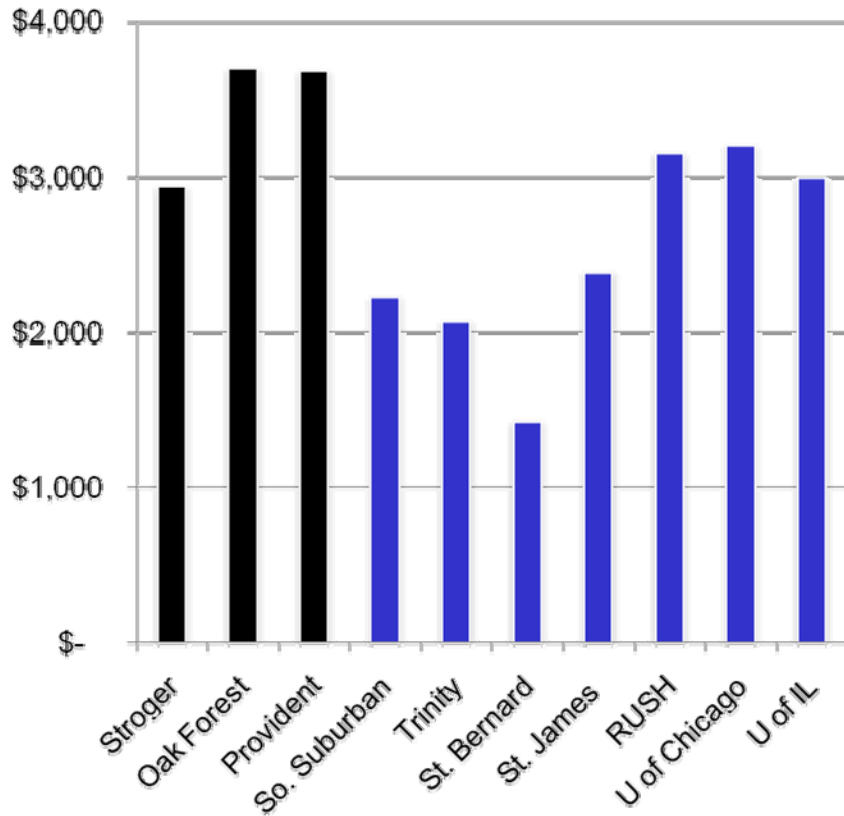


Source: IRIS, CCHHS

Key Issue #5: CCHHS' CURRENT STRUCTURE IS NOT SUSTAINABLE.

- CCHHS has a high cost per inpatient day.

Calculated IP Cost per Patient Day, 2007

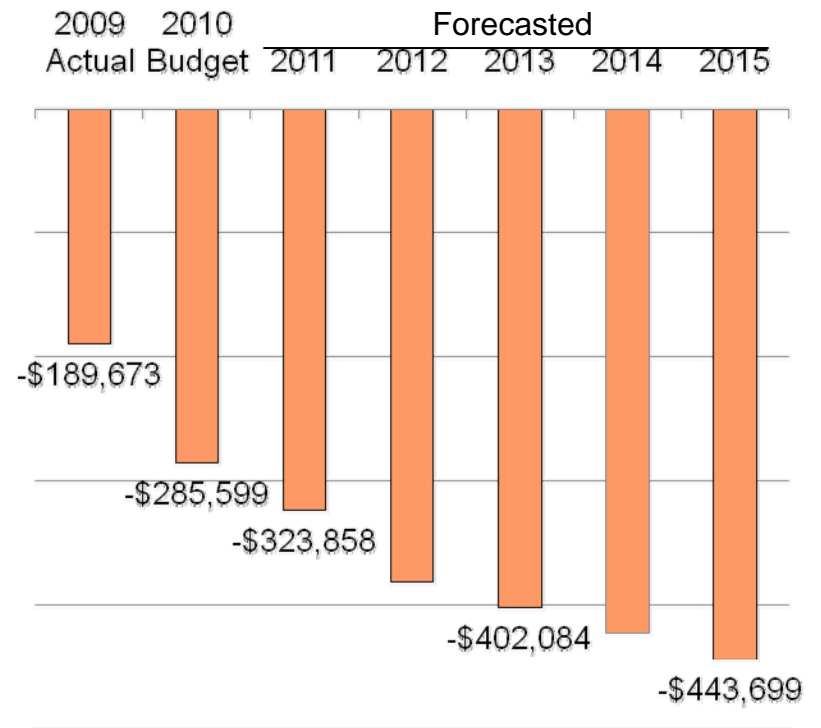


Source: Mike Koetting analysis using Medicare Cost data

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- Operating losses are projected to increase substantially over the 5-year forecast period.

Forecasted Pro Forma– Status Quo*



Source: CCHHS; ICS Analysis

NOTE: *Does not factor in potential impact of performance improvement initiatives.

HEALTH REFORM WILL POSE ADDITIONAL CHALLENGES...

Health care reform...how will it impact CCHHS?

Market Impacts

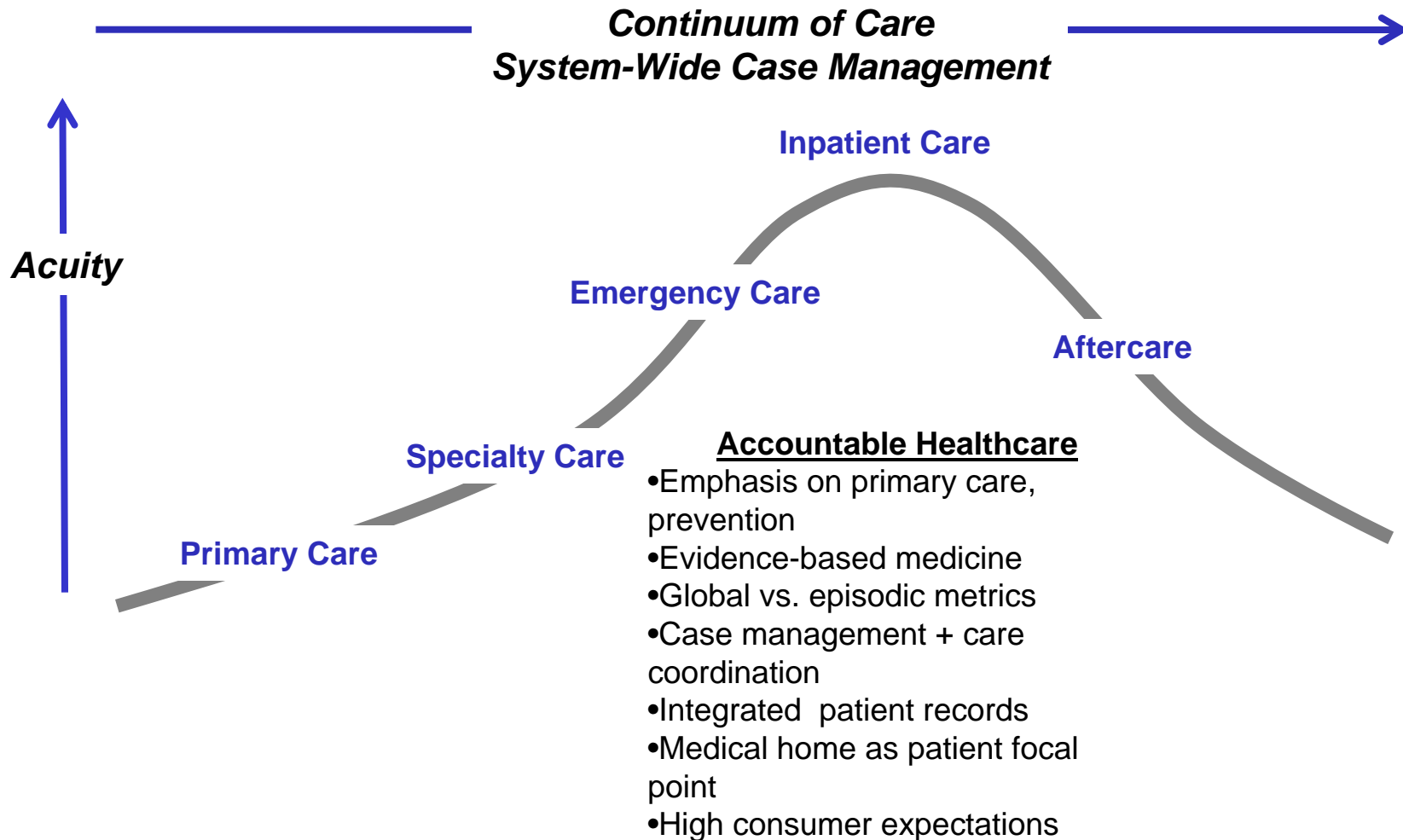
- ✓ Fewer un-/underinsured
- ✓ Medicaid expansion
- ✓ More healthcare \$\$
- ✓ Increased demand for healthcare
- ✓ More “choice-enabled” patients

CCHHS Impacts

- ✓ Substantial #'s remain uncovered
- ✓ DSH cuts + state freezes
- ✓ Declining special payments & subsidy revenues
- ✓ Growing volumes, esp. OP care
- ✓ Higher consumer expectations

HEALTH REFORM WILL EMPHASIZE ACCOUNTABILITY ACROSS THE SPECTRUM OF CARE

The future-state evolution of health care will place increased emphasis on the full spectrum of care...



Key Questions

- WHY are changes to the Cook County Health and Hospitals System necessary?
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- HOW will we get there?



Strategic Plan: VISION 2015

Mission

To deliver integrated health services with dignity and respect regardless of a patient's ability to pay; foster partnerships with other health providers and communities to enhance the health of the public; and advocate for policies which promote and protect the physical, mental and social well being of the people of Cook County.

Vision 2015

In support of its public health mission, CCHHS will be recognized locally, regionally, and nationally—and by patients and employees—as a progressively evolving model for an accessible, integrated, patient-centered, and fiscally-responsible healthcare system focused on assuring high-quality care and improving the health of the residents of Cook County.

Core Goals

I. Access to Healthcare Services

II. Quality, Service Excellence & Cultural Competence

III. Service Line Strength

IV. Staff Development

V. Leadership & Stewardship

Strategic Initiatives

- Eliminate System access barriers at all delivery sites.
- Designate and develop strategically-located sites for development of comprehensive outpatient services.
- Evaluate optimal long-term development of Provident, Oak Forest, and ACHN sites.

- Develop an integrated, System-wide approach and supportive infrastructure for patient-centered care coordination.
- Implement a program of continuous process improvement: patient care quality, safety, and outcomes.
- Develop a comprehensive program to instill cultural competency.

- Develop/strengthen clinical service lines in key disciplines based on patient population needs.
- Pursue mutually beneficial partnerships with community providers.
- Assure the provision of the Ten Essentials of Public Health.

- Implement a full range of initiatives to improve caregiver/employee satisfaction.
- Focus on effective recruiting and retention processes.
- Develop a robust program for in-service education and professional skill building.

- Foster leadership development and succession planning.
- Develop long-term financial plans and sustaining funding.
- Hold Board and management leadership accountable to agreed-upon performance targets.

Guiding Principles for System Development

- 1) Deliver the *best possible health care* for the vulnerable population of Cook County within the constraints of dollar resources available to the System.
- 2) Provide healthcare that is *population-centered vs. hospital-centered*.
- 3) Ensure that services are *accessible*.
- 4) Provide health services that are focused on the needs of the vulnerable population, with a *major emphasis on the provision of specialty care* and extension of primary care through partnerships with other healthcare providers.

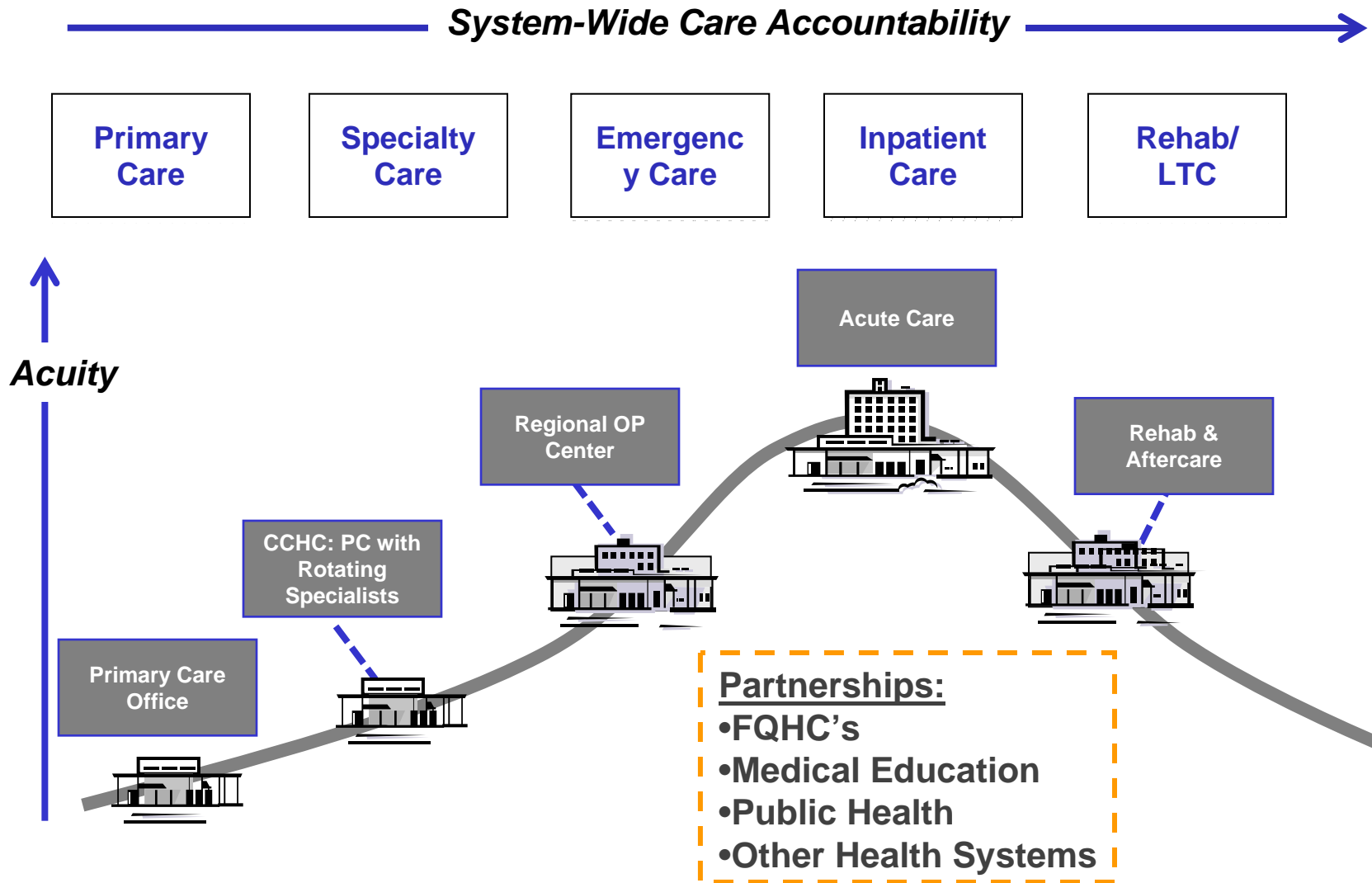
Guiding Principles for System Development

- 5) Make CCHHS the *System of choice* for patient populations, with best practices and high patient/caregiver satisfaction on a System-wide basis.
- 6) Provide *cost-effective* care.
- 7) Strengthen role as *leading-edge institution* in clinical services, education, and research.
- 8) Develop and support *caregiver training and leadership development* at all levels of the organization.

System Design—Old vs. New

<u>Current State</u> HOSPITAL-CENTERED MODEL	<u>Future State</u> POPULATION-CENTERED MODEL
<ul style="list-style-type: none">■ Resources are focused largely on inpatient care services.■ Existing hospital campuses are principal delivery sites.	<ul style="list-style-type: none">■ Resources are reallocated to emphasize broad spectrum of health care delivery.■ Resources are located in geographic settings accessible to population segments having the greatest needs.

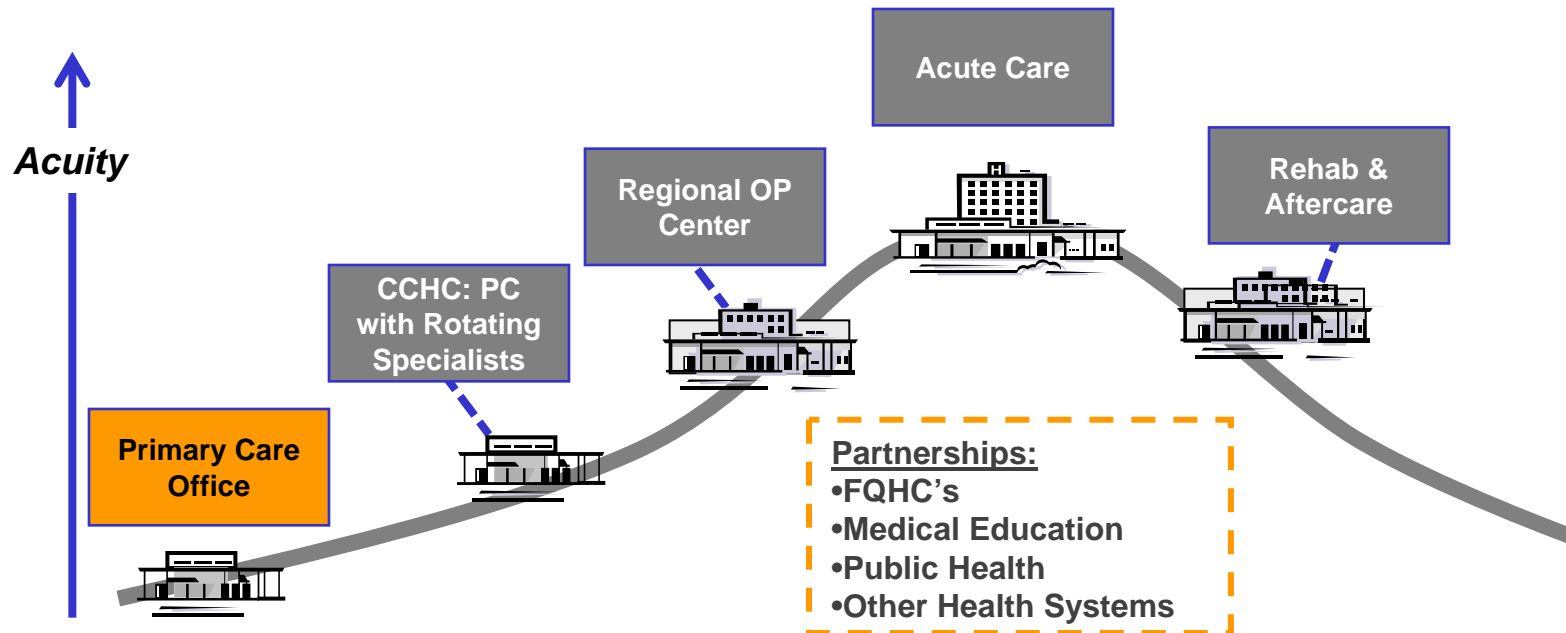
System Design Overview



System Design Overview

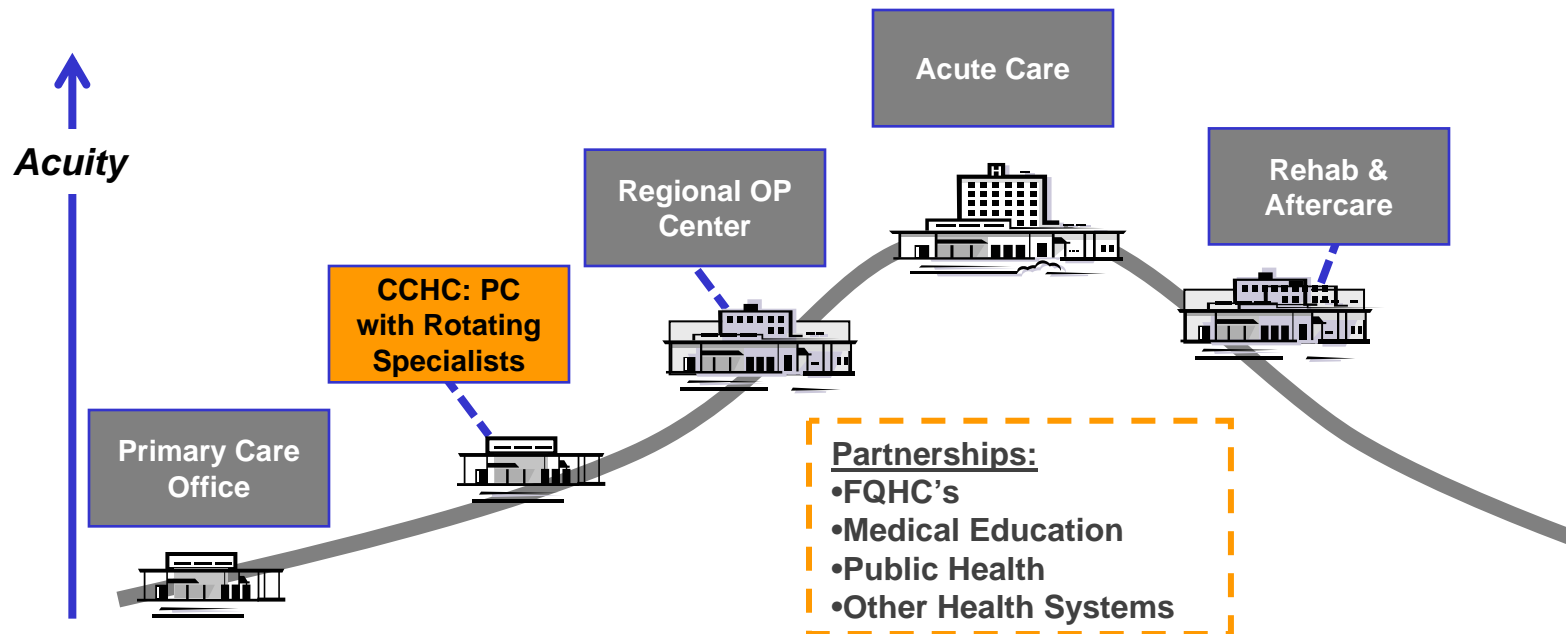
■ Primary Care:

- Maintain ACHN clinics as local Primary Care Centers (PCC'S) in selected community areas: Austin, Englewood, Logan Square, Near South, Vista, Woodlawn.
- Evaluate consolidation of low-volume clinics.
- Develop partnerships with FQHC's for overall extension of primary care coverage and for possible clinic staffing and operations at selected sites.



System Design Overview

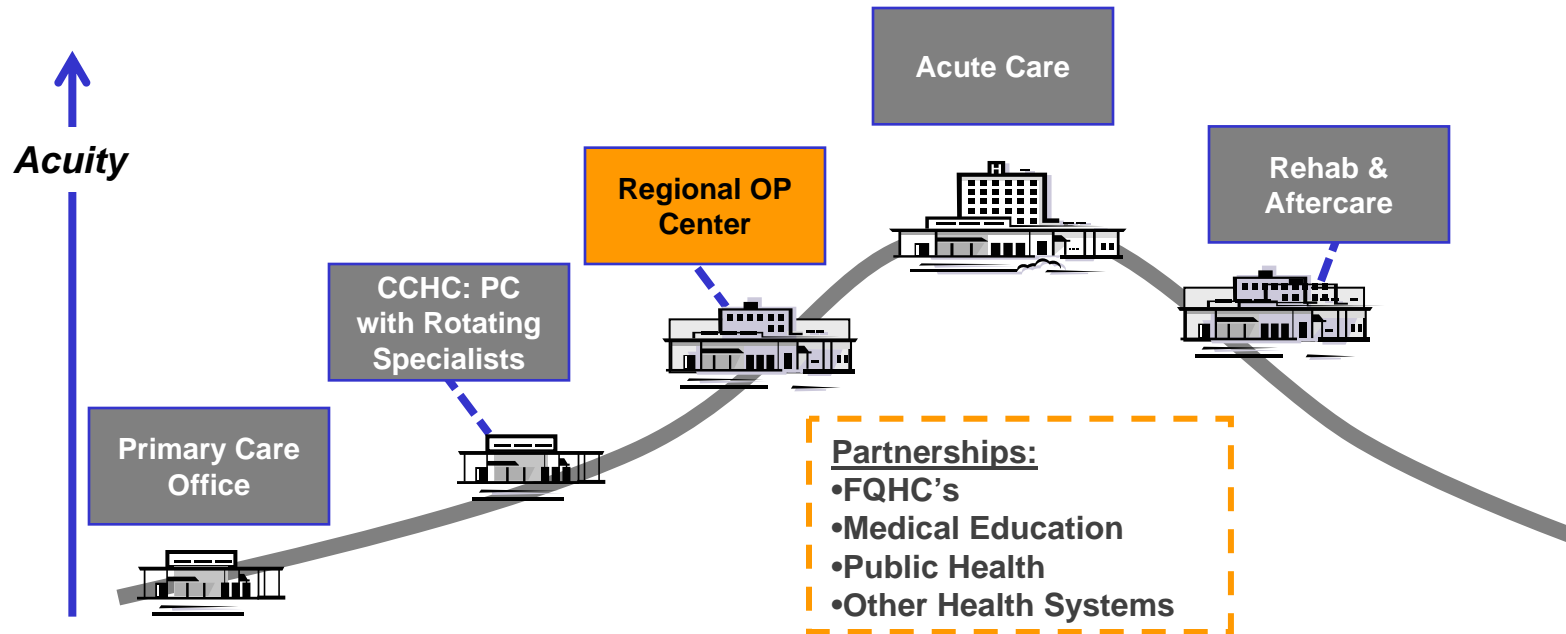
- **Comprehensive Community Health Centers (CCHC's):**
 - Develop CCHC's as expanded outpatient clinic models to include primary care, rotating specialists, and basic diagnostic & treatment services.
 - Target CCHC development for West (Cicero), Northwest (new site, circa Arlington Heights/Des Plaines), and South (Cottage Grove).



System Design Overview

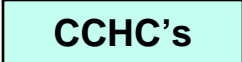
■ Regional Outpatient Centers:

- Develop Regional Outpatient Centers (ROC's) with comprehensive primary and specialty outpatient services, urgent care, and ancillary services.
- Redevelop Fantus as ROC serving Downtown/West/North communities.
- Redevelop Oak Forest Hospital as ROC serving S. Cook market, with evaluation of best-case options re: development on current campus vs. new site located east of existing campus.
- Expand Provident Hospital outpatient services to become ROC serving S. Side market.

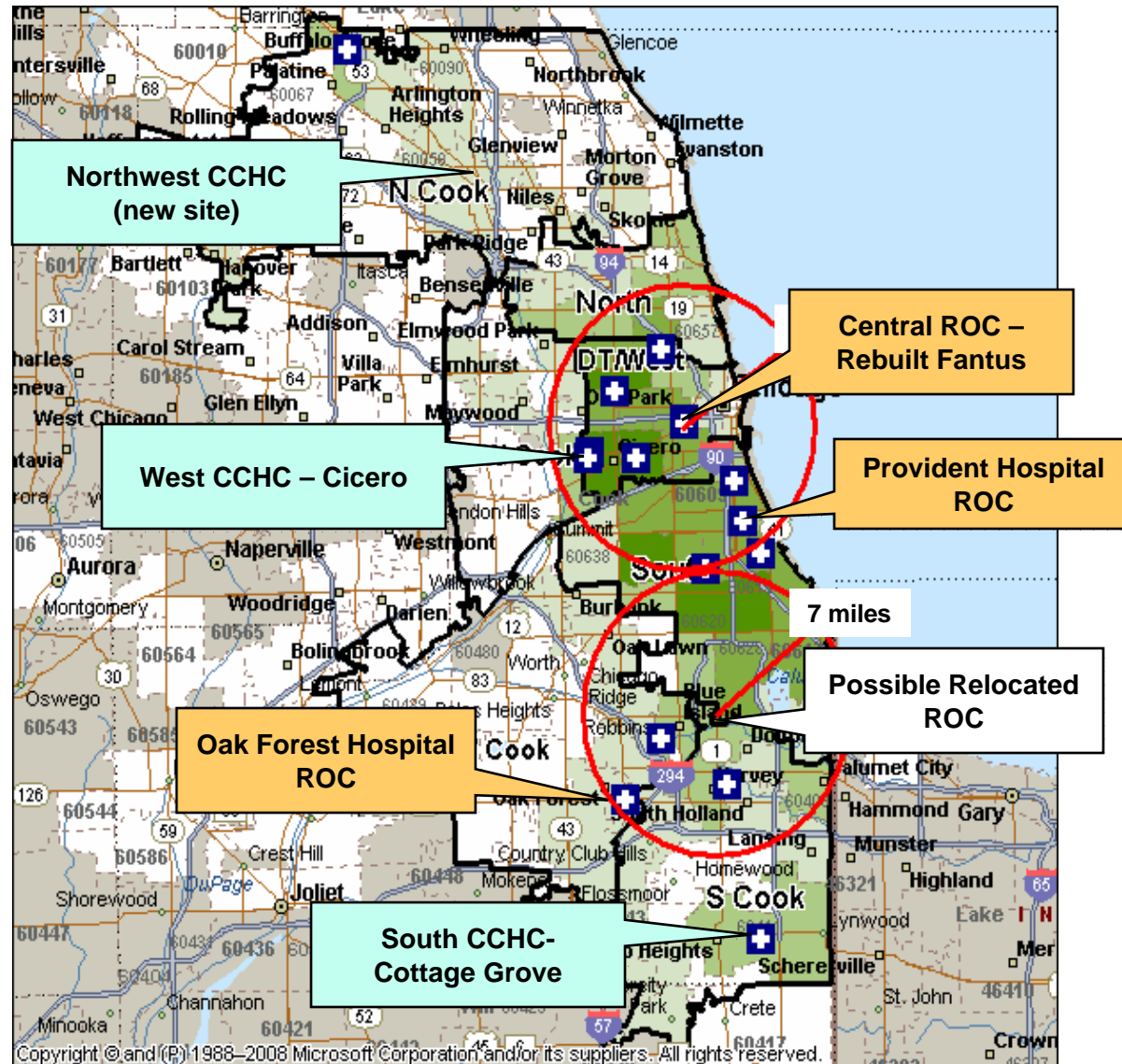


Proposed CCHHS Outpatient Locations

 ACHN Sites

 CCHC's

 ROC's

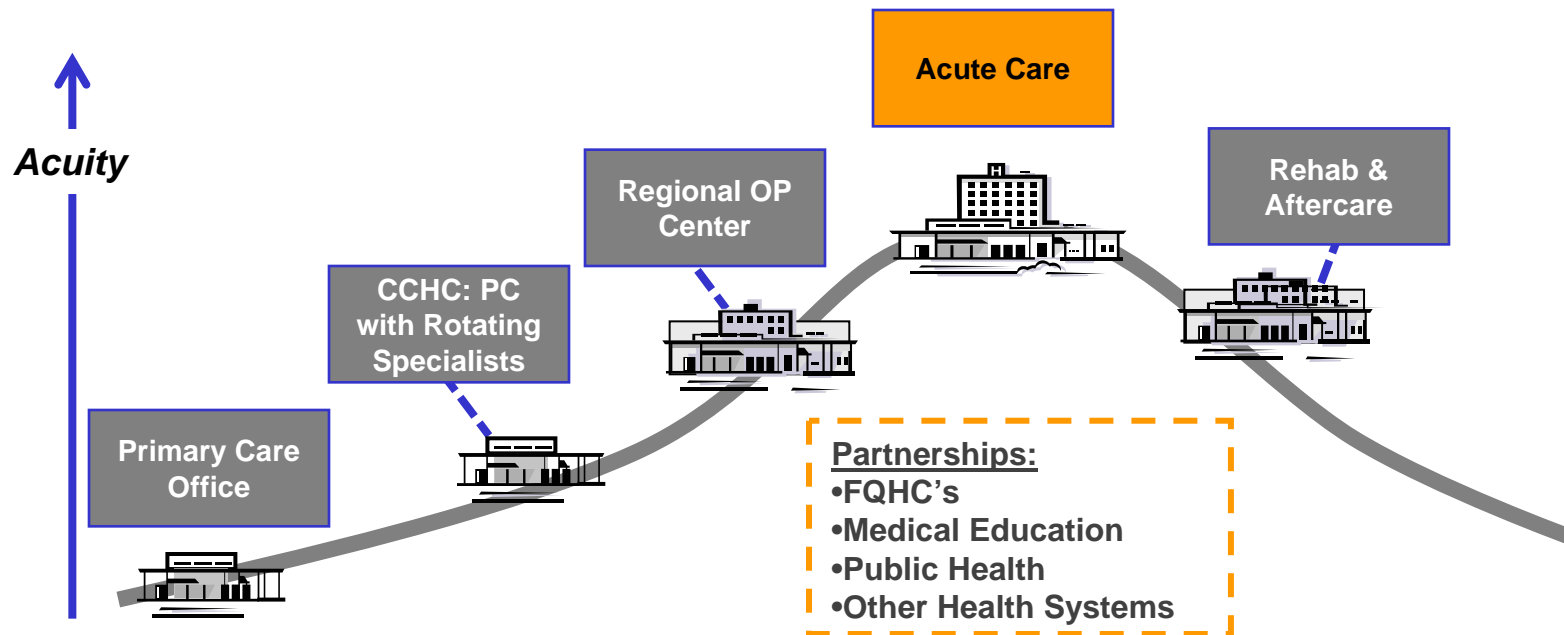


Map Showing
CCHHS OP Origin,
2008

System Design Overview

■ Acute Care:

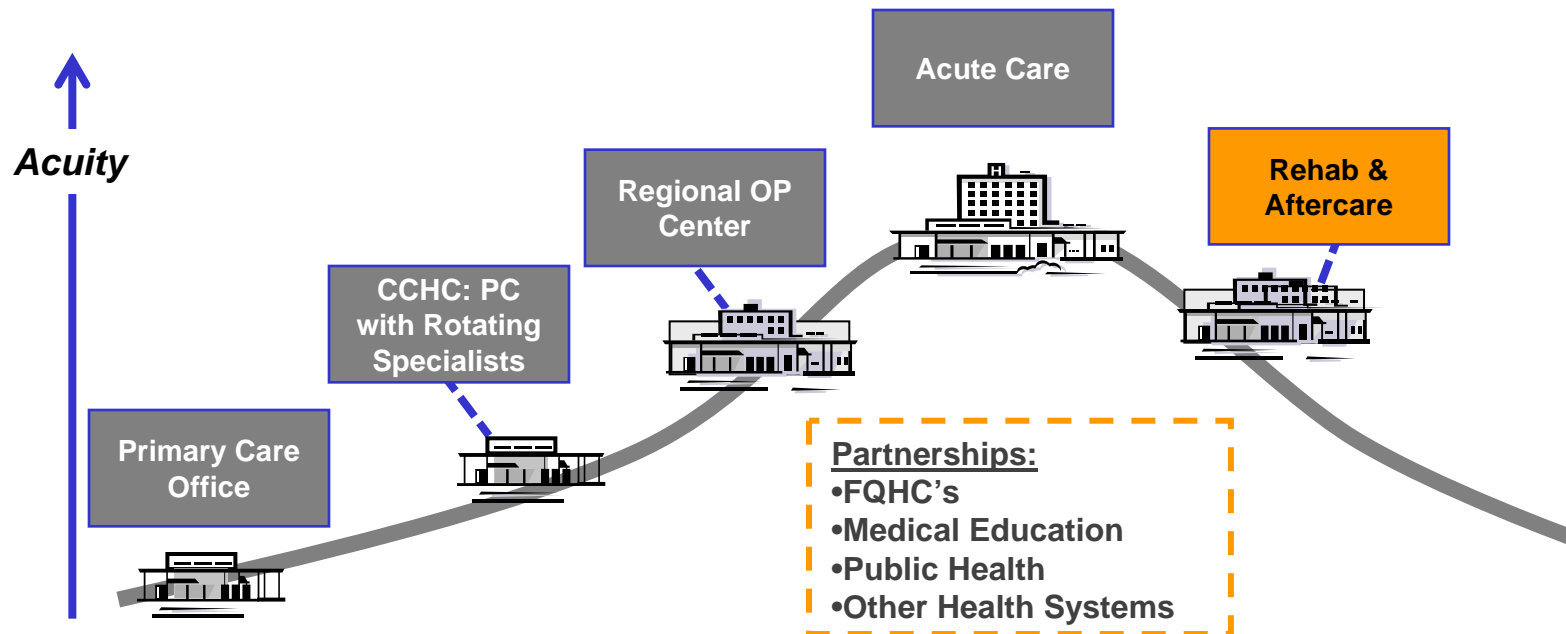
- Continue and strengthen role of John H. Stroger, Jr. Hospital as acute care/tertiary hub of System; develop key service lines.
- Restructure Provident Hospital with expanded outpatient services as ROC and with retention of urgent /emergency care and focused inpatient support; discontinue OB services; continue to explore collaboration with UCMC.
- Redevelop Oak Forest Hospital as ROC; discontinue inpatient care operations, including acute care and rehab/long-term care.



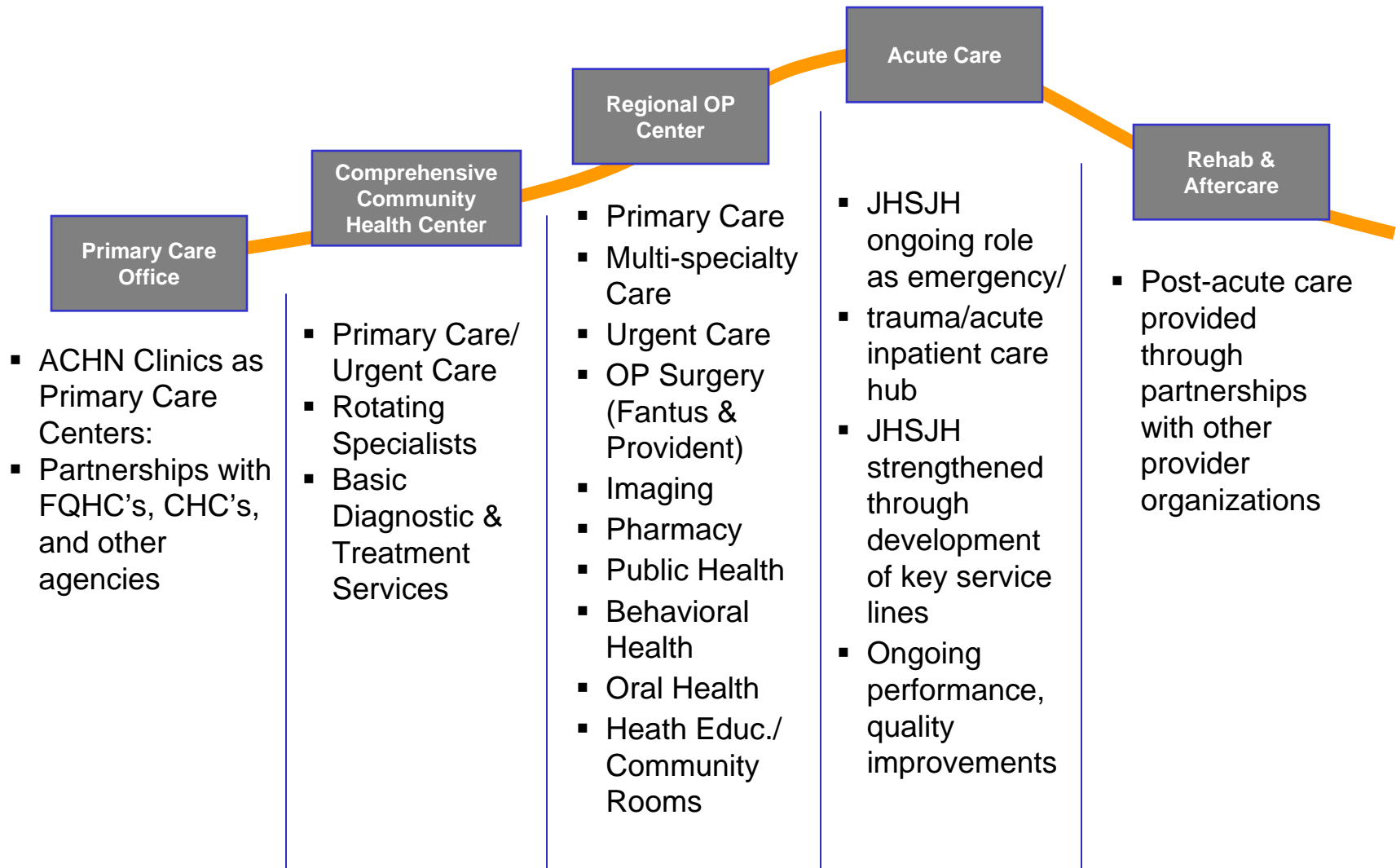
System Design Overview

■ Rehabilitation/Aftercare:

- Develop defined service agreements with one or more community providers for the provision of rehabilitation and long-term care services.
- Fully implement care pathways and discharge planning protocols at JHSJH, with the goal of reducing length of stay and improving utilization of available bed capacity.



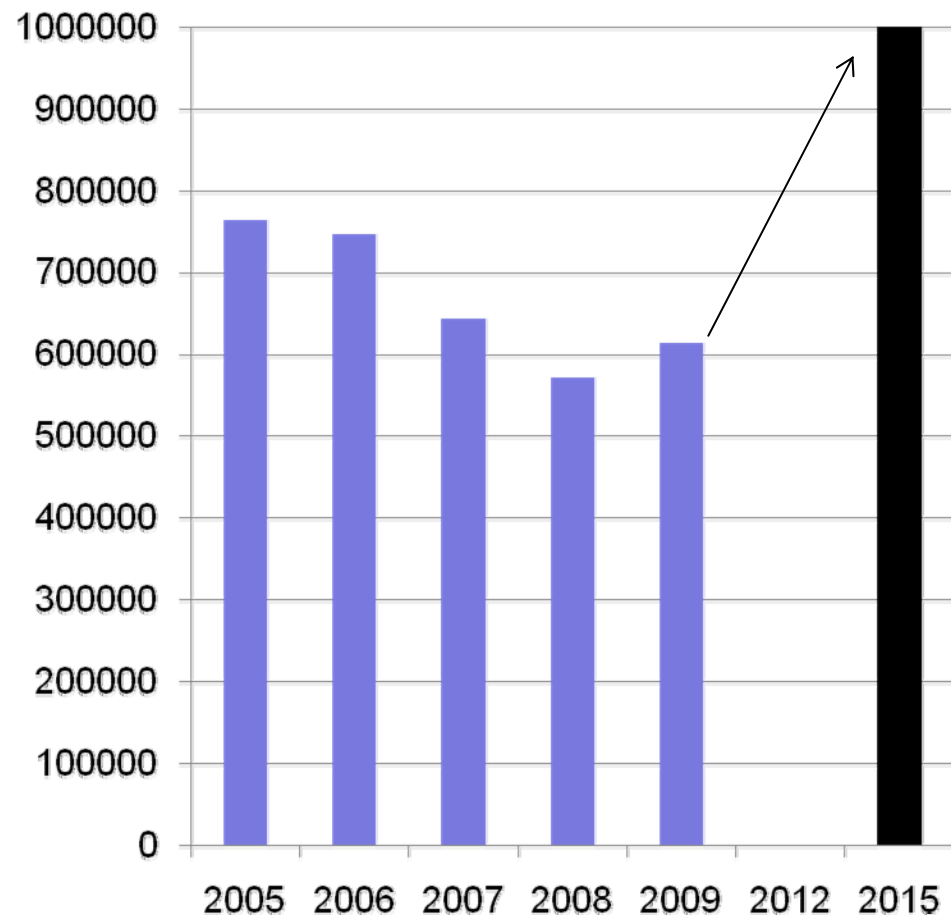
VISION 2015: "What CCHHS will Look Like"



THROUGH THE REALLOCATION OF INPATIENT RESOURCES TO OUTPATIENT SETTINGS, THE SYSTEM CAN MEET MORE OF THE NEEDS OF THE VULNERABLE POPULATION.

- There is a significant opportunity to increase the overall service value of the System by reallocating dollars from currently being spent on inefficient hospital operations.
- Through reallocation, primary care and specialty care outpatient volume can be increased by 65+% over current levels.
- Patients can receive more timely care in a geographically accessible setting.

Trended and Forecasted Primary Care and Specialty Visits, CCHHS



Source: CCHHS, ICS Analysis

Key Questions

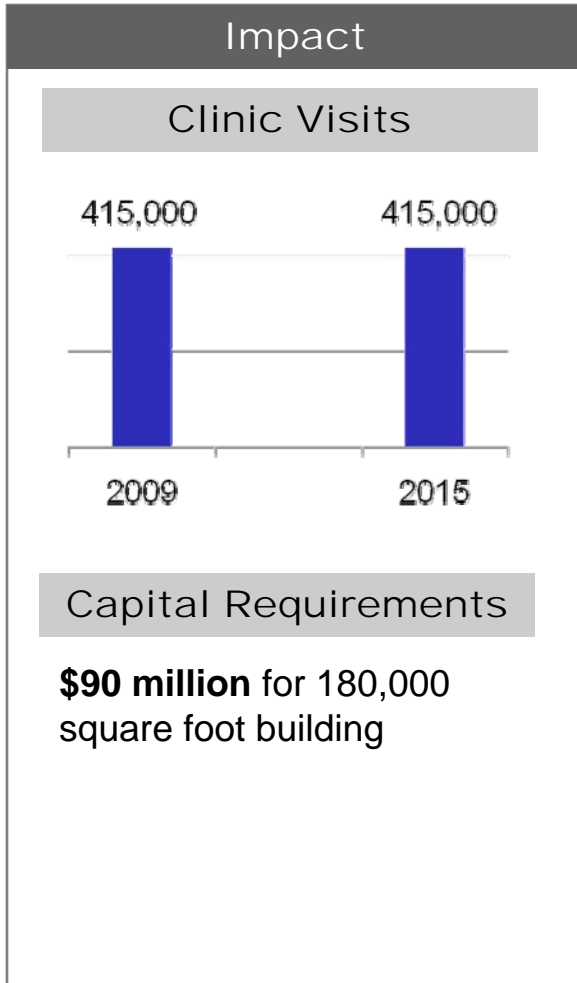
- WHY are changes to the Cook County Health and Hospitals System necessary?
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Major System Action Items

- Rebuild Fantus Clinic as a Regional Outpatient Center.
- Redevelop Oak Forest Hospital as a Regional Outpatient Center.
- Restructure Provident Hospital as a focused inpatient facility and Regional Outpatient Center.
- Strengthen John H. Stroger, Jr. Hospital's clinical services and operations.
- Fully develop the primary care/CCHC network.
- Implement System-wide performance improvement initiatives.

Action Items

I. Rebuild Fantus Clinic as a Regional Outpatient Center



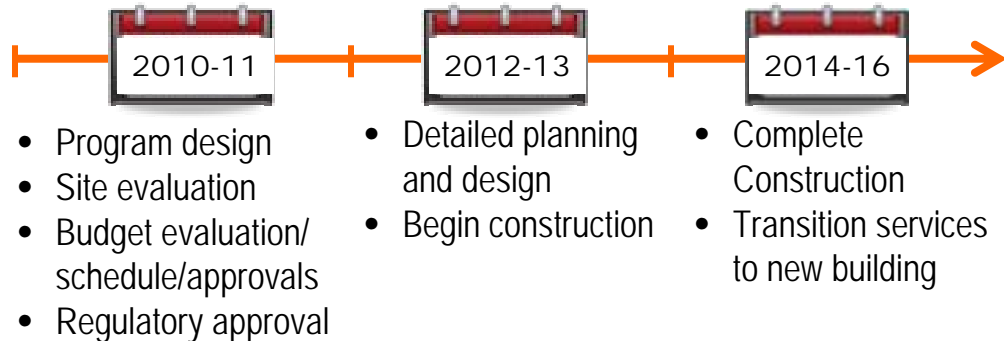
Description

Replace existing facilities: new construction + expanded parking.

Proposed Changes – Service & Staffing

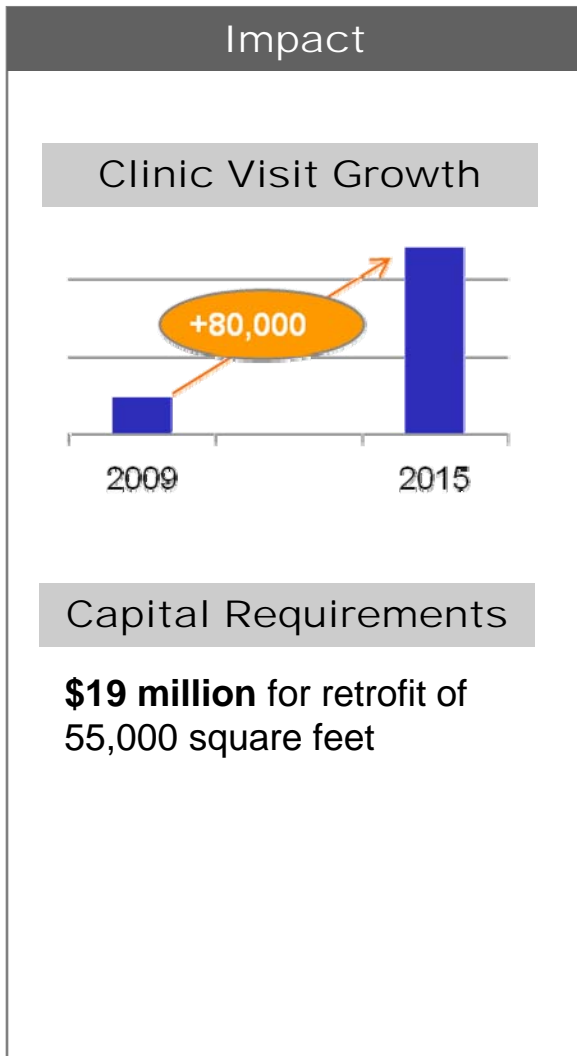
- Addition of OP surgical capability (4 rooms) and 2 procedure rooms to existing service complement
- Maintain existing primary care and specialty complement
- Relocate OB/Peds to distributed clinics

Implementation



Action Items

II. Redevelop Oak Forest Hospital as a Regional Outpatient Center



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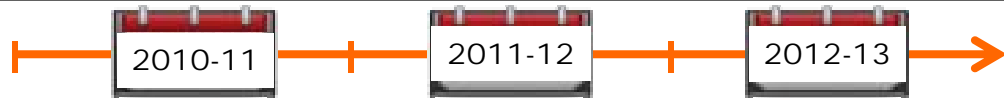
Description

- Discontinue all inpatient services—acute care & rehab./LTC; develop service and transfer agreements for patients requiring hospital admission or rehab/LTC.
- Identify best-case site options for short- and longer-term development of ROC: Oak Forest campus; new “greenfield” site; co-location with existing S. Cook health care provider

Proposed Changes – Service & Staffing

- Consolidate services in “E” bldg.
- Primary Care/ Prevention/ Screening Services (~7 MD FTEs)
- Multi-specialty Care (~18 MD FTEs)
- Urgent Care (~13 MD FTEs)
- Advanced Imaging
- Pharmacy
- Health Educ./ Community Rooms

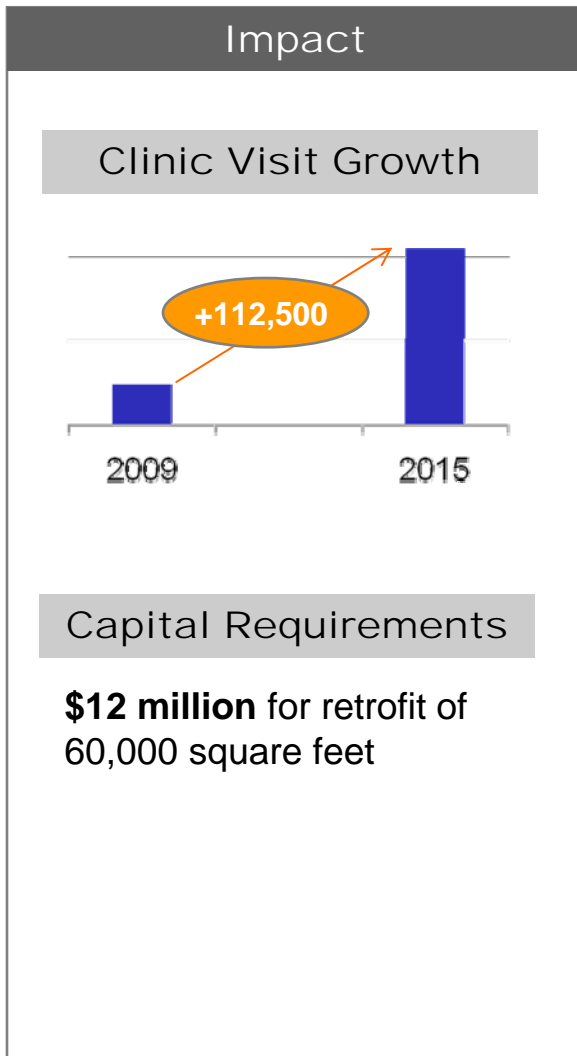
Implementation



- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • ROC planning/design • Partnership provisions—IP transfers • Temp. IP suspension | <ul style="list-style-type: none"> • ROC renovation/ construction • Staffing • Regulatory approvals—IP closure | <ul style="list-style-type: none"> • Open new ROC • Continue to evaluate long-term options re: location |
|---|---|---|

Action Items

III. Restructure Provident Hospital as a focused inpatient facility + ROC



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Description

- Expand outpatient services
- Retain emergency services + short-stay (low acuity) beds; discontinue OB, ICU, and general M/S inpatient services
- Utilize JHSJH for OB inpatient services + M/S transfers
- Continue to explore collaborative options with UCMC

Proposed Changes - Service & Staffing

- Full service ED
- Short-stay unit (36 beds + overflow unit)
- Primary Care/ Prevention/ Screening Services (~8 MD FTEs)
- Multi-specialty Care (~23 MD FTEs)
- OP Surgery
- Advanced Imaging
- Pharmacy
- Health Educ./ Community Rooms

Implementation



Action Items

IV. Strengthen John H. Stroger, Jr. Hospital clinical and operating profile

Impact
<p>Projected Growth</p> <ul style="list-style-type: none"> Improved through-put and bed capacity to support growth and service line plans All 20 OR's in operation
<p>Capital Requirements</p> <p>Investment in key service lines, capital equipment upgrades, and performance improvement initiatives</p>

Description

- Strengthen clinical service lines overall
- Strengthen/expand Women + Child Health; increase IP/OP volumes
- Continue performance improvement, quality, and service excellence initiatives

Proposed Changes – Service & Staffing

- Increased IP bed utilization through facility and operational initiatives
- Expanded OR access
- Capital equipment upgrades
- Service/quality improvements and multicultural initiatives

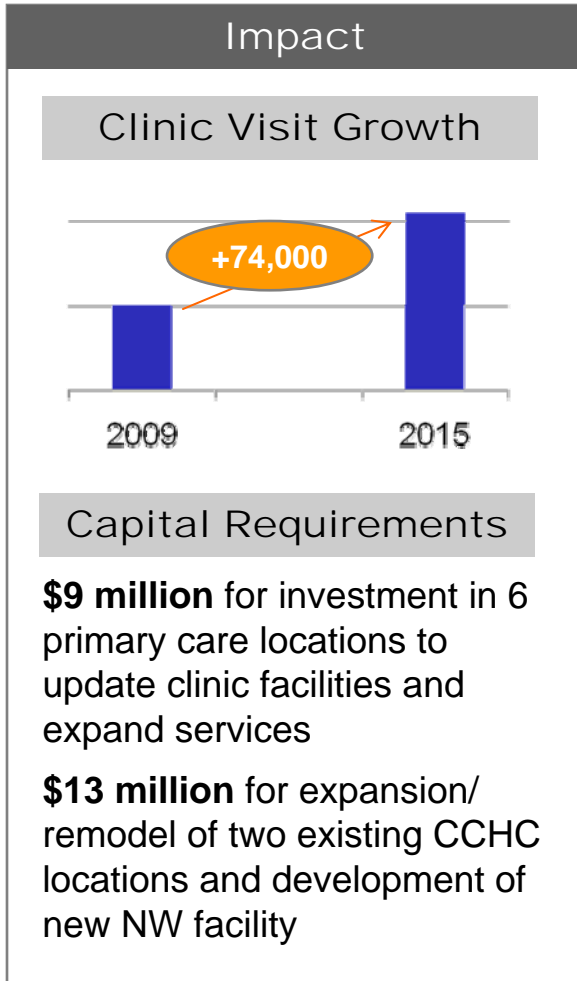
Implementation



- IP capacity optimization
- On-going service line planning
- Capital equipment upgrades
- On-going performance improvement

Action Items

V. Fully develop primary care services and Comprehensive Community Health Centers



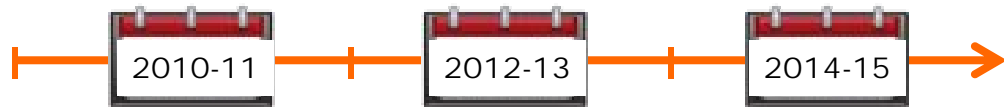
Description

- Increase efficiency/volumes through <'s in staffing/support
- Evaluate consolidation of low-volume clinics
- Define partnerships with FOHC's/CHC's
- Develop targeted sites: Northwest, West, and South CCHC's

Proposed Changes - Service & Staffing

- Increased support staff to provider ratio from 2.8 to ~4.0
- Expanded primary care (~8 MD FTEs) and specialty care (~17 MD FTEs)
- New Northwest CCHC location
- Service/quality improvements and multicultural initiatives

Implementation



- CCHC site selection
- Detailed planning & design
- Evaluation of clinic consolidation
- Partnerships with FOHCs
- Support staffing increases
- Facility expansion/construction
- On-going performance improvement

Action Items

VI. Implement System-wide performance improvement initiatives

Impact
<p>Performance Improvement</p> <ul style="list-style-type: none"> System-wide caregiver/patient satisfaction improvement Top quartile ranking
<p>Capital Requirements</p> <p>See Goal IV for detail</p>

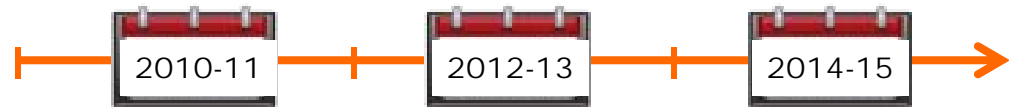
Description

- Aggressively pursue System-wide operations improvement + quality, service, and cultural competence initiatives.
- Formalize and pursue staff + leadership development initiatives

Proposed Changes – Service & Staffing

- Service/quality improvements and multicultural initiatives
- See Goal IV

Implementation



- Implement service line initiatives
- Performance improvement initiatives
- Service excellence/cultural competency initiatives
- Staff training and development

Resource Reallocation—Strategic Direction (2015 Overview)

STRATEGIC INITIATIVE	Cash Source	Cash Use	COMMENTS
Restructure Oak Forest Hospital Clinical Services	\$55M		Discontinue inpatient care—both acute and rehabilitation care—and ER services; significantly expand outpatient services (see below).
Expand OFH Outpatient Services; develop as Regional Outpatient Center		\$(13M)	Consolidate OP services in renovated or new facility on OFH campus; significantly expand scope of specialty services and ancillary support; grow services from 25K to ~ 105K annual visit volume.
Make Provisions for Displaced OFH Acute Care Inpatient Volume		\$(5M)	Reserve funds to reimburse community hospitals for displaced uninsured inpatient cases. (Long-term need for funding will be reduced by impact of HC reform.)
Make Provisions for Displaced OFH Rehabilitation Inpatient Volume		\$(4M)	Through agreement, relocate rehabilitation inpatients to an outside healthcare system; reserve funds for the provision of such services. (Assume ADC of 20 or less.)
Restructure Provident Hospital Clinical Services	\$17M		Discontinue inpatient OB/maternal health and ICU, resize IP unit to short stay beds/general acute of 36 beds plus overflow unit.
Expand Provident Hospital Outpatient Services; develop as Regional Outpatient Center		\$(14M)	Consolidate OP services in new or renovated facility; significantly expand scope of specialty services; grow OP from 35K annual visits to 150K visits, grow OP surgeries from 1,650 to 4,000 cases annually.
Develop CCHC's: Cicero/Jorge Prieto, Cottage Grove, NW market (new)		\$(9M)	Expand /build to include primary care, specialty care, pharmacy and basic imaging. Budget to include expansion of bi-lingual staff/patient advocacy skills. New clinic in northwest market.
Support Expansion of Primary Care		\$(4M)	Invest in support staff to improve productivity and patient care.
Enhance service lines, ancillary services at John H. Stroger, Jr. Hospital		\$(23M)	Make investment in key service lines. In addition, provide for upgraded capital equipment, service/quality improvements, and multicultural initiatives.
TOTAL	\$72M	\$(72M)	

Capital Requirements—Strategic Direction

PROJECT	ESTIMATED COSTS	SQUARE FOOTAGE	COMMENTS
ROC – Oak Forest Hospital Campus	\$19M	55,000	Assumes \$250 per square foot to retrofit existing building (e.g., Building E) into clinic space, \$5M estimated for new equipment.
ROC – Replacement Fantus Facility	\$90M	180,000	Assumes \$500 per square foot, based on current footprint and square footage.
ROC – Provident Hospital Campus	\$12M	60,000	Assumes \$200 per square foot to retrofit hospital floor into clinic space.
CCHC – Cicero/Jorge Prieto/Cottage Grove + New Northwest site	\$13M	17,000	Assumes a \$3M investment in each of the two existing CCHC locations to update clinic, expand services and space; assumes new clinic (northwest site) is 17K feet at \$400 per square foot.
Primary Care Expansion	\$9M	N/A	Assumes a \$1.5M investment in each of the six primary care locations to update clinic, expand services and space.
Capital Avoidance: Oak Forest & Provident Hospitals	?	?	Assumes that future capital requirements at both facilities will be substantially less if inpatient facilities are eliminated or downsized.
TOTAL, ROUNDED	\$143M		

Strategic Capital Reallocation – Forecast 2010 - 2015

Strategic Capital Reallocation – Forecast 2010 - 2015 (in millions)						Comments
	2011	2012	Forecasted			
			2013	2014	2015	
Operating Impact						
Oak Forest						
Discontinue inpatient, ED	\$ 24.5	\$ 50.6	\$ 52.1	\$ 53.6	\$ 55.3	2011 includes partial year and transition costs.
Lease 24 med/surg beds	(13.5)	(13.9)	(14.4)	(9.9)	(5.1)	Assumes that HC reform reduces uninsured.
Expand ambulatory services	(4.0)	(7.5)	(11.5)	(12.2)	(12.6)	Grows to 105K patient visits.
Relocate Rehab Unit	(3.7)	(3.8)	(4.0)	(4.1)	(4.2)	Contract with community hospital.
Provident						
Discontinue inpatient OB and ICU	7.7	15.9	16.4	16.9	17.4	OB \$4M, ICU \$4M, OR \$2M, Med/Surg \$5M.
Expand ambulatory services	(7.6)	(10.3)	(12.7)	(13.3)	(13.7)	Grows to 105K patient visits.
PC expansion	(1.7)	(2.7)	(3.7)	(3.8)	(3.9)	Using 4.3 ratio, adds 70 support ftes.
CCHC						
Expand Cicero and Cottage Grove	(1.3)	(3.5)	(5.0)	(5.2)	(5.4)	Combined increase of 40K patient visits.
New Northwest Clinic	-	-	(2.1)	(3.6)	(3.7)	34K patient visits.
Strategic Investment, Stroger Hospital	(0.3)	(24.7)	(15.1)	(18.5)	(24.1)	Invest in service line development, OR staffing.
Forecasted Change in Operating Cash	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Costs						
Fantus rebuild					(90.0)	Based on \$500 per foot, 180K feet.
PC clinic expansion/update	(3.0)	(3.0)	(3.0)			6 clinics at \$1.5M per clinic
CCHC clinic expansion/update	(3.0)	(3.0)	(7.0)			2 CCHC's at \$3M each, \$7M for new clinic.
Provident reconfigure		(12.0)				Retro fit space for clinic expansion.
Oak Forest reconfigure	(19.0)					Reconfigure building E, new equipment.
Forecasted Strategic Capital Requirements:	\$ (25.0)	\$ (18.0)	\$ (10.0)	\$ -	\$ (90.0)	