

Minutes of the Special Meeting of the Finance Committee of the Cook County Health (CCH) Board of Directors, held for the purpose of introducing the proposed CCH FY2025 Preliminary Budget on Friday, July 26, 2024 at the hour of 11:30 A.M. and holding public hearings on Friday, August 2, 2024 at the hour of 11:00 A.M. and Monday, August 5, 2023 at 6:00 P.M. The meeting and hearings were held at 1950 West Polk Street, Room 5301, in Chicago, Illinois.

I. Attendance/Call to Order

Chair Reiter called the meeting to order.

Members Present: Chair Robert G. Reiter, Jr. and Directors Joseph M. Harrington and Sam A Robinson, III, PhD (3)

Also Present: Board Chair Lyndon Taylor and Directors Jay Bhatt, DO, MPH, MPA; Robert Currie; Sage J. Kim, PhD; and Tanya R. Sorrell, PhD, PMHNP-BC

Absent: None (0)

Additional attendees and/or presenters were:

Pamela Cassara - Chief Financial Officer
Jeff McCutchan –General Counsel
Rachel Marrello -
Erik Mikaitis, MD – Interim Chief Executive Officer
Deborah Santana – Secretary to the Board

II. Public Speaker Testimony

There were no public speakers who provided testimony on July 26, 2024.

III. Introduction and review of proposed CCH FY2025 Preliminary Budget

Dr. Erik Mikaitis, Interim Chief Executive Officer, provided introductory comments regarding the proposed CCH FY2025 Preliminary Budget (Attachment #1).

Pamela Cassara, Chief Financial Officer, reviewed the presentation on the proposed CCH FY2025 Preliminary Budget (Attachment #2).

Chair Reiter recessed the meeting to Friday, August 2, 2024 at 11:00 A.M.

IV. August 2, 2024 Public Hearing – 11:00 A.M.

Attendees

Chair Reiter called the reconvened meeting to order.

Members Present: Chair Robert G. Reiter, Jr. and Director Joseph M. Harrington (2)

Also Remotely Present: Director Robert Currie

Members Absent: Director Sam A Robinson, III, PhD (1)

Additional attendees and/or presenters were:

Pamela Cassara - Chief Financial Officer
Jeff McCutchan –General Counsel
Rachel Marrello -
Erik Mikaitis, MD – Interim Chief Executive Officer
Deborah Santana – Secretary to the Board

A. Review proposed CCH FY2025 Preliminary Budget

Ms. Cassara reviewed the presentation on the proposed CCH FY2025 Preliminary Budget (Attachment #2).

B. Receive Public Speaker Testimony

The following individuals provided testimony on August 2, 2024:

	Name	Organization
1.	Crystal Tyler	Illinois Public Health Institute (IPHI)
2.	Mona Elgindy	Legal Aid Chicago
3.	Itedal Shalabi	Arab American Family Services of Illinois
4.	Sonia Ayala	Esperanza Health Centers

Chair Reiter recessed the meeting to Monday, August 5, 2024 at 6:00 P.M.

V. August 5, 2024 Public Hearing – 6:00 P.M.

Attendees

Chair Reiter called the reconvened meeting to order.

Members Present: Chair Robert G. Reiter, Jr. and Directors Joseph M. Harrington and Sam A Robinson, III, PhD (3)

Also Remotely Present: Director Jay Bhatt, DO, MPH

Members Absent: None (0)

Additional attendees and/or presenters were:

Pamela Cassara - Chief Financial Officer
Erik Mikaitis, MD – Interim Chief Executive Officer
Deborah Santana – Secretary to the Board

A. Review proposed CCH FY2025 Preliminary Budget

Ms. Cassara reviewed the presentation on the proposed CCH FY2025 Preliminary Budget (Attachment #2).

B. Receive Public Speaker Testimony

The following individuals provided testimony on August 5, 2024:

	Name	Organization
1.	Karen Foley	JPA - Juvenile Protection Association
2.	Marilyn Render	RENDERing Expectations, LLC
3.	Lynda Schueler	Housing Forward
4.	Andrea Munoz	Prieto Advisory Council
5.	Samuel Mulroe	A Safe Haven
6.	Robert Mapes	AgeOptions
7.	Nicole Kazee	Erie Family Health Centers
8.	Muhammad W. Paracha, MD, MPH	AHS Family Health Center (AHSFHC)

VI. Adjourn

Chair Reiter noted that the Finance Committee will review and consider the proposed CCH FY2025 Preliminary Budget at its next regular meeting on Thursday, August 15, 2024 at 9:00 A.M.

Schedule for CCH Proposed FY2025 Preliminary Budget:

7/26/24 at 11:30 A.M.	Special Finance Committee Meeting	Preliminary Budget Introduction
8/2/24 at 11:00 A.M.	Special Finance –Public Hearing	Receive Testimony
8/5/24 at 6:00 P.M.	Special Finance –Public Hearing	Receive Testimony
8/15/24 at 9:00 A.M.	Regular Finance Committee Meeting	Consideration/Recommend Approval
8/23/24 at 9:00 A.M.	Board Meeting	Consideration

Cook County Health and Hospitals System
Minutes of the Finance Committee Special Meeting
July 26, 2024
Recessed and reconvened on
Friday, August 2, 2024 and Monday, August 5, 2024

ATTACHMENT #1



CCH FY2025 Proposed Budget Introduction

July 26, 2024

Remarks as prepared

Dr. Erik Mikaitis

We are pleased to present you with Cook County Health's proposed Fiscal Year 2025 budget. It's important to know that this is a balanced budget. It holds us accountable for the ongoing good fiscal management we have had in recent years, challenges us to grow in key areas of opportunity, and most importantly, strengthens our ability to carry out our mission.

I am proud to say that our government-sponsored health system is increasingly operating more and more like our private non-profit peers: efficient, disciplined, and strategic. We are doing this while keeping our commitment to care for all regardless of ability to pay as our true north.

I just want to take moment to reflect on the progress that the health system has achieved just in the last few years. This includes, increasing Stroger's Leapfrog Quality Score from an F in 2020 to a B in 2023, as well as its CMS star ratings from a 1 star in 2020 to 3 stars in 2023, and a sustained increase in our patient satisfaction scores in our ambulatory clinics. As well as creating and building out the Office of Behavioral Health and Office of Life Sciences. Importantly, these improvements did not come at the detriment of our fiscal health. CCH operated with a deficit in 2019 but has ended every subsequent year with a positive variance.

With this budget, we are continuing the significant progress on the path that system leaders, both past and present, have been charting over the past few years.

Key drivers in this budget include growth in key clinical areas including our new health center in Bronzeville, stabilization of our CountyCare membership post-redetermination, the provision of comprehensive services to new arrival patients, continuing progress in coding and reimbursements, as well as implementation and sustainability of ARPA-funded programs.

That's not to say the next year will be without its challenges. Like every other health system, we are faced with increasing costs for labor and supplies, the need to make necessary upgrades to our IT and facility infrastructure, and the shortage of health care professionals locally and nationally continues to frustrate our recruitment efforts.

Despite these headwinds, we are confident that Cook County Health is in a promising position and poised for continued success in 2025.

Before I turn it over to Pam, I would like to extend my deepest gratitude to this Board, to President Preckwinkle and the County Board for your ongoing leadership and support. I would also like to thank Pam Cassara, Scott Spencer, Joe Franzwa, and the entire finance department for their efforts to develop this budget. And I also want to thank our Cook County Health team for their exceptional contributions to the health system on behalf of the patients, members and residents we serve.

Cook County Health and Hospitals System
Minutes of the Finance Committee Special Meeting
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ATTACHMENT #2

FY2025 Proposed Budget

Erik Mikaitis, Interim CEO

Pamela Cassara, CFO

July, 2024



COOK COUNTY
HEALTH

Agenda



01



**FY24
Accomplishments
& FY25 Key
Initiatives**

02



**CCH Historical
Overview**

03



**FY2025 Budget
Health Fund**

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**Special Purpose
Funds**

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Appendix




FY 2024 Accomplishments




 Provident and Stroger Hospital had successful Joint Commission surveys; entered into value-based care agreements with insurance plans; began robotics-assisted surgeries; maintained a B Leapfrog rating; Cermak achieved the National Commission of Correction Health Care accreditation; Increase in CountyCare quality and experience metrics


 Hosted over 700 participants in the Cook County Behavioral Health Summit; awarded \$44M in “Stronger Together” ARPA-funded Behavioral Health grants; provided healthcare to thousands of new arrivals at Belmont Cragin and through a mobile care team; CCDPH awarded \$2M in grants for behavioral health supports in suburban schools; ; responded to measles outbreak

 Implemented new wayfinding signage; rolled out new language services equipment; unveiled community mural at Cermak

 Opened a neurocritical ICU; launched Cook County Health Express Care; expanded telehealth at Cermak; went live with web-based external referral platform to facilitate external referrals; welcomed Immigrant Adults and Seniors to CountyCare




 Invested in capital equipment including an inventory management system, Cermak pharmacy equipment, a mobile MRI, ultrasound machines, endoscope replacement





 Completed assessment of CCH nursing to become magnet certified; awarded 91 scholarships under the Provident Scholarship Fund

 Achieved 2023 year-end with an improved net position and an audit without any material weaknesses or significant deficiencies; continued to make progress on the revenue cycle turnaround plan

FY 2025 Key Initiatives



-  Continue improvement in quality metrics; expand value-based care; invest in grant and research infrastructure
-  Continue investment in service lines; address gaps in access to behavioral healthcare; create more pathways for justice-involved individuals; open the Crisis Stabilization and Triage Center at Provident; improve population health; further expand language access; CCDPH long term plan; execute on ARPA-funded projects; implement 1115 waiver to better address social risk factors
-  Maximize access to services through scheduling, patient portal, virtual care, etc.; continue improvement in patient satisfaction scores

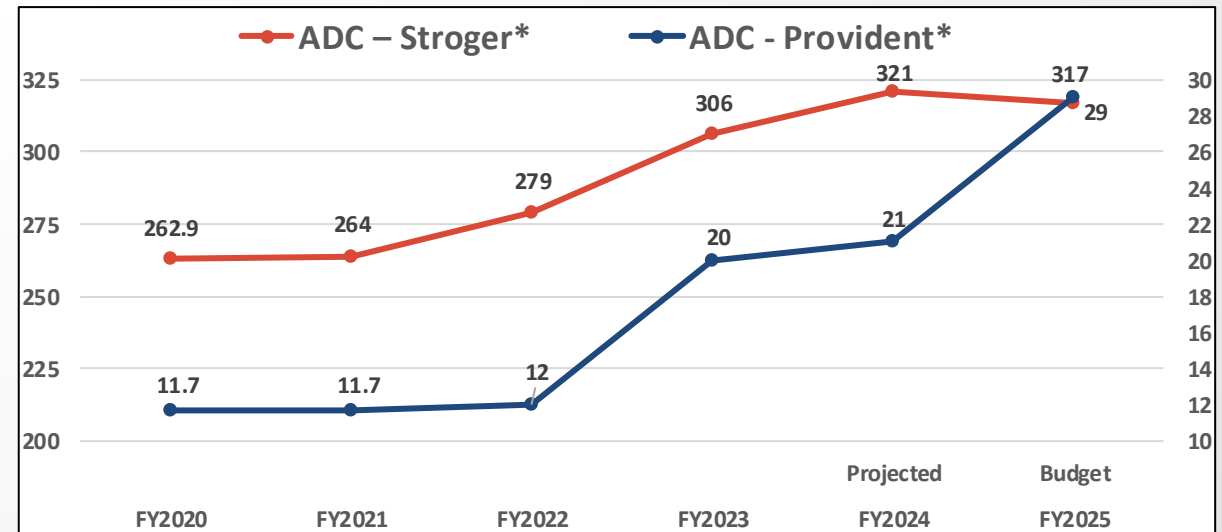
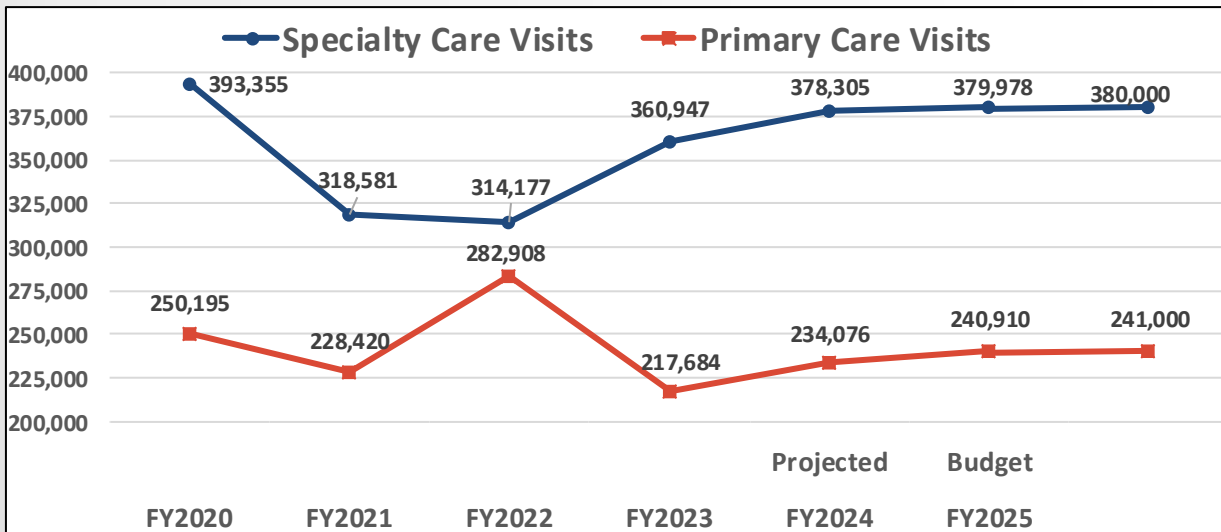
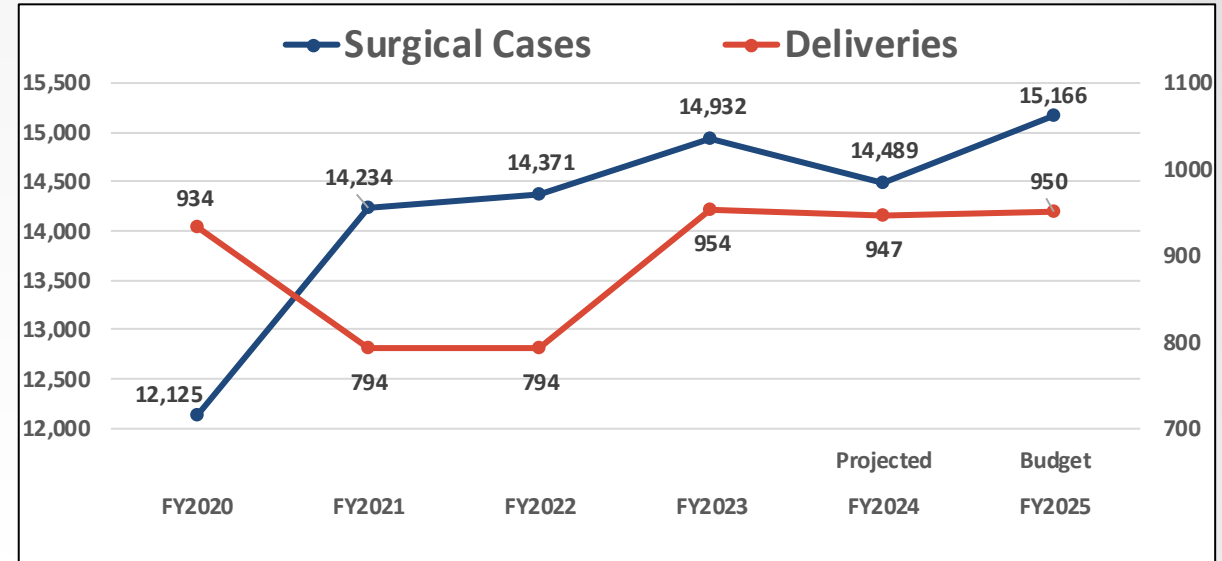
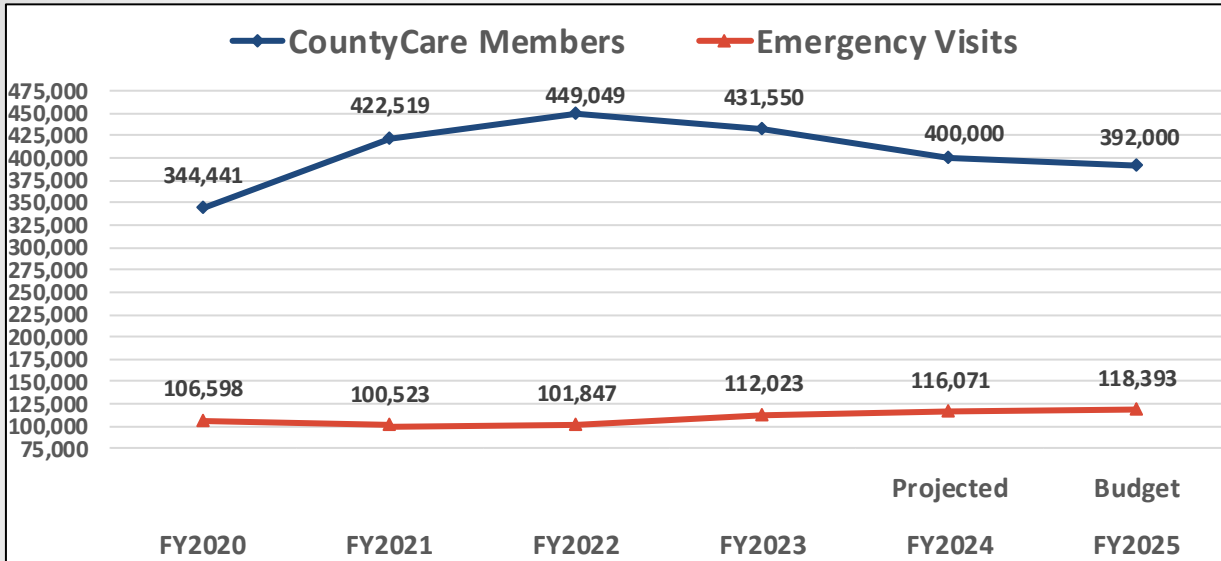
-  Open new Bronzeville Health Center with expanded services; continue development of the referral network; increase surgical volumes; open Provident observation unit
-  Streamline the procurement process; complete long-term facility planning; implement capital improvement and capital equipment investments; invest in radiology equipment
-  Continue to improve the hiring processes and employee retention programs, improve employee engagement scores
-  Reduce utilization of overtime and agency; continue implementation of the revenue turnaround plan; measure and improve productivity; improve invoice payment processes

FY2025 CCH Historical Overview



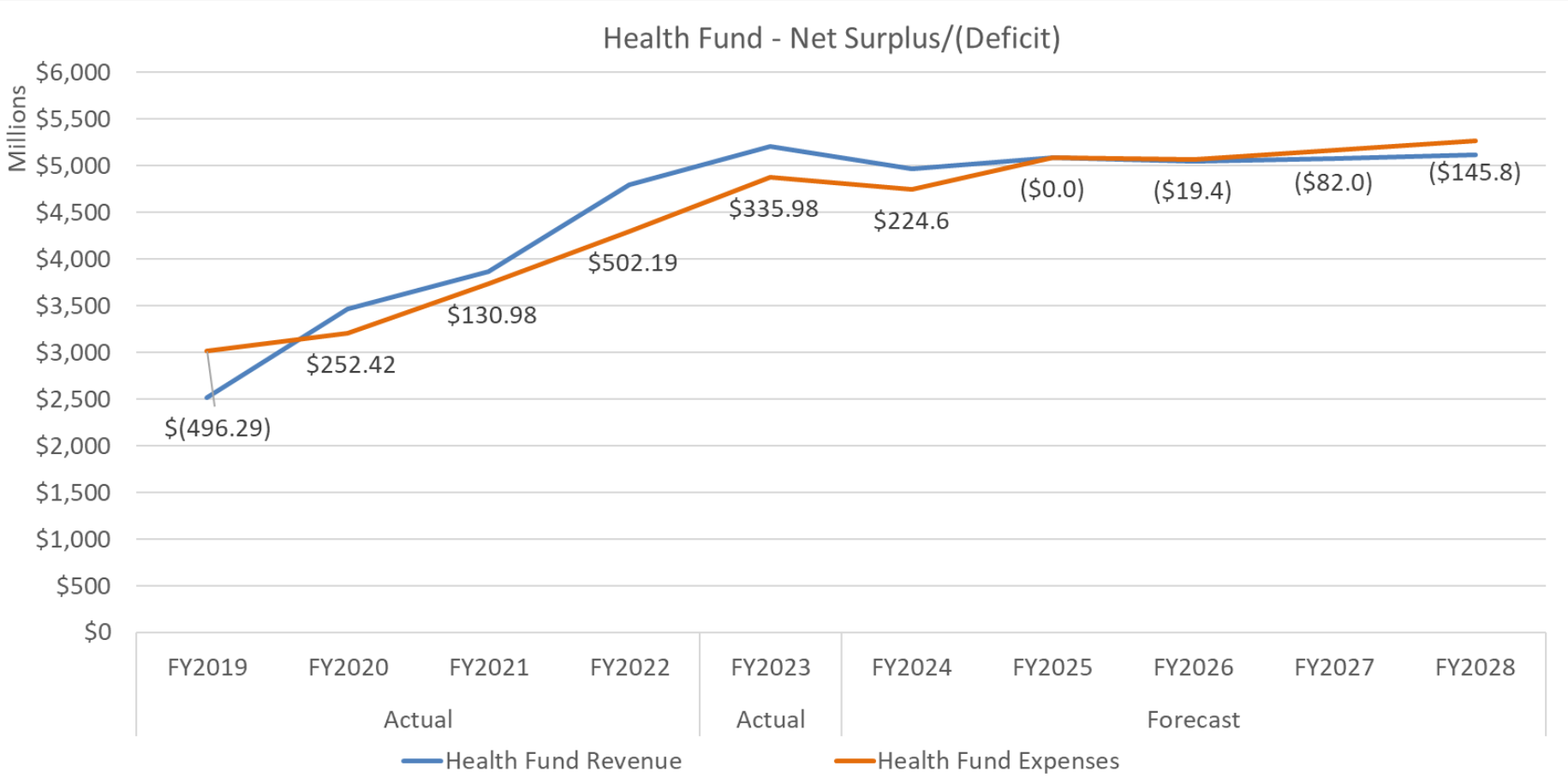
COOK COUNTY
HEALTH

Historical Volume Trends



* Inpatient & Observation Average Daily Census

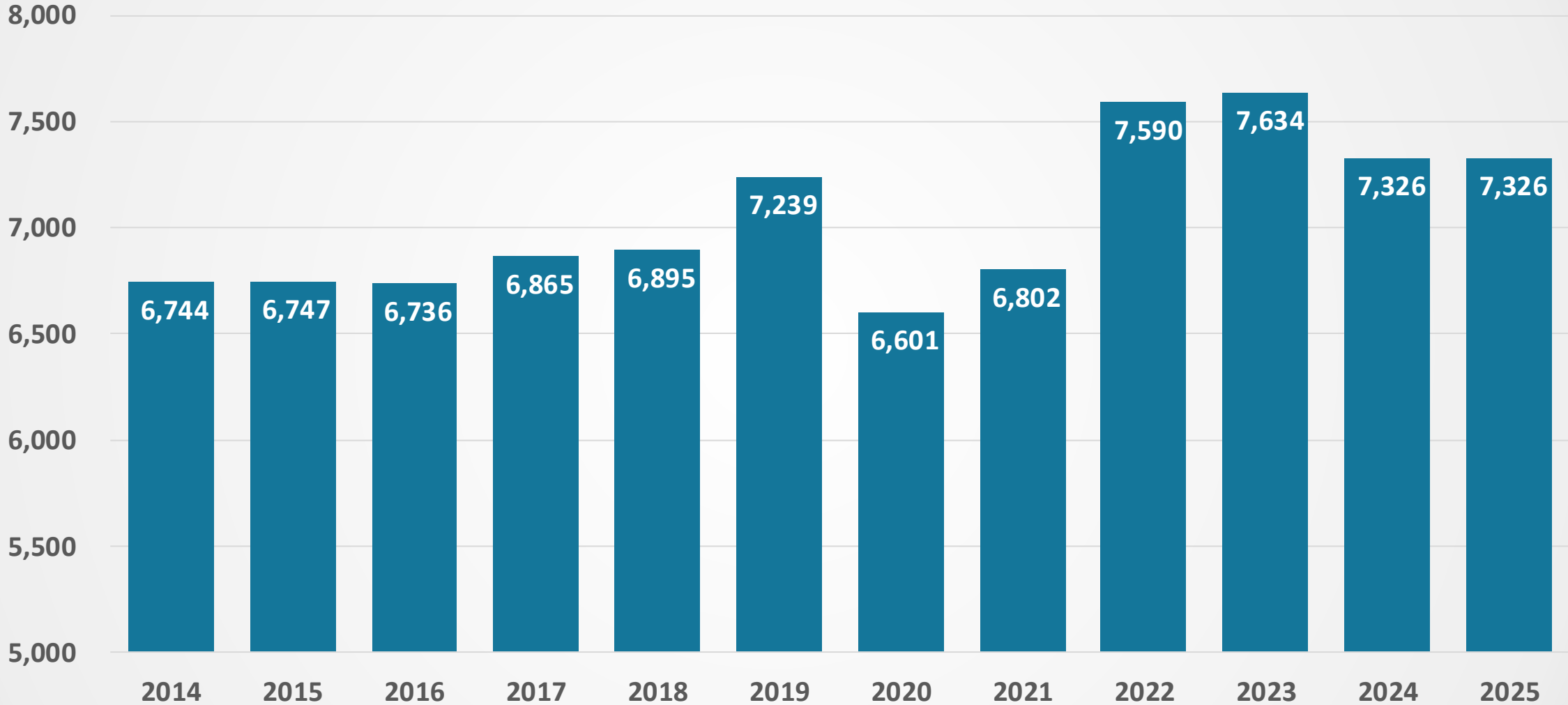
Cook County Health Net Surplus/(Deficit) Projection



Note: FY2020 through FY2023 includes directed payments and domestic claims that CountyCare passes through to CCH in the revenues and expenses of both Health Plan Services and Health Care Services. Beginning in FY2024, directed payments will only be accounted for in the budget for Health Care Services while domestic claims will be offset in a separate account.

- Medicaid expansion in combination with good fiscal management has brought Cook County Health expenses more closely aligned with revenues.
- Revenues are expected to be just short of expenses in the out-year projections absent any additional Management intervention.

Cook County Health Historical FTE Trend



FY2025 Proposed Budget



Health Care Services
Health Plan Services



COOK COUNTY
HEALTH

FY25 Budget Assumptions

FY2024 actual/projected volume run rate as baseline

- + Continued increase in surgical cases and procedures at Stroger and Provident**
- + Continued ramp up of service lines – Cardiac, Neuro, Cancer**
- + 5% increase in CountyCare PMPM capitation rate**
- + 4% chargemaster increase to market rates for select services**
- Medicare IPPS Proposed Rule Net Impacts**
- CountyCare average membership reduced to 392,000 due to redetermination**

FY25 Volume Assumptions

Statistic	FY2022	FY2023	FY2024 Budget	FY2024 Projected	FY2025 Budget
Surgical Cases	14,371	14,932	15,166	14,489	15,166
Emergency Visits	101,847	112,023	106,821	116,071	118,393
Primary Care Visits	217,684	234,076	235,000	240,910	241,000
Specialty Care Visits	360,947	378,305	370,000	379,978	380,000
Deliveries	794	954	800	947	950
ADC – Stroger*	279	306	288	321	317
ADC - Provident*	12	20	21	21	29
CountyCare Members	449,049	431,550	364,000	400,000	392,000

* Inpatient & Observation

FY25 Health Fund Revenue - \$5.146B

In millions	FY2024 Budget	FY2024 Projected	FY2025 Proposed Budget	Variance (FY24B vs FY25B)
CCH Net Patient Revenues	\$702	\$861	\$845	\$143
DSH/BIPA/GME/Dir Pymts	\$733	\$762	\$743	\$10
Health Plan Services	\$2,641	\$3,163	\$3,332	\$691
Tax Allocation	\$158	\$158	\$158	\$0
Other	\$22	\$24	\$68	\$46
Total	\$4,256	\$4,968	\$5,146	\$890

FY25 Health Fund Expense - \$5.146B

In millions	FY2024 Budget	FY2025 Proposed Budget	Var	FY2024 Budgeted FTEs	FY2025 Proposed FTEs	Var
240 – Cermak	\$107	\$118	\$11	601	595	-6
241 – JTDC	\$10	\$11	\$1	60	60	0
890 – Health Admin	\$125	\$160	\$35	556	509	-47
891 – Provident	\$101	\$113	\$12	376	414	38
893 – ACHN	\$180	\$215	\$35	849	849	0
894 – CORE	\$30	\$28	\$(2)	70	73	3
895 - Public Health	\$22	\$24	\$2	123	125	2
896 - Health Plan Svcs	\$2,527	\$3,189	\$662	433	435	2
897 – Stroger	\$1,117	\$1,247	\$130	4,258	4,266	8
899 - Fixed Charges	\$36	\$41	\$5	0	0	0
Total	\$4,256	\$5,146	\$890	7,326	7,326	0

Stroger

In millions	FY2024 Budget	FY2025 Proposed Budget	Variance	FY2024 FTEs	FY2025 FTEs Proposed	Variance
Stroger	\$1,117	\$1,247	\$130	4,258	4,266	8

Expense Drivers:

- Continued ramp up of new service line investment for cardiology, neurology, and cancer
- Increased medical expense and laboratory services due to cost inflation, increased volumes, and addition of robotic assisted surgeries; increased pharmaceuticals utilization; investments in information technology; and use of medical consultants to cover physician vacancies
- 5% COLA increasing personnel expense



Provident

In millions	FY2024 Budget	FY2025 Proposed Budget	Variance	FY2024 FTEs	FY2025 FTEs Proposed	Variance
Provident	\$101	\$113	\$12	376	414	38

Expense Drivers:

- New/expanded Service Lines: Crisis Triage Stabilization Center (CTSC), Neurology/Stroke, GI and Women’s Services, physical therapy, occupational therapy, and speech therapy services, and a new dedicated Observation unit
- Facility infrastructure upgrades and investment for aging campus

Outpatient (ACHN/CORE)

In millions	FY2024 Budget	FY2025 Proposed Budget	Variance	FY2024 FTEs	FY2025 FTEs Proposed	Variance
ACHN/Outpatient Services	\$210	\$243	\$33	919	922	3

Expense Drivers:

- Expansion of virtual care and urgent care to select clinics
- New Bronzeville/31st Street Clinic
- Continued health needs of New Arrivals

Correctional Health

In millions	FY2024 Budget	FY2025 Proposed Budget	Variance	FY2024 FTEs	FY2025 FTEs Proposed	Variance
Cermak	\$107	\$118	\$11	601	595	-6
JTDC	\$10	\$11	1	61	60	0

Expense Drivers:

- Telehealth service phasing continues, maximizing use of technology to provide efficient, effective, and safe services
- Reduction in FTEs reflects staffing and programmatic realignment under the Office of Behavioral Health to meet clinical needs of increased mental health demands

Public Health

In millions	FY2024 Budget	FY2025 Proposed Budget	Variance	FY2024 Budgeted FTEs	FY2025 FTEs Proposed	Variance
Public Health	\$22	\$24	\$2	123	125	2

Expense Drivers:

- Communications initiatives for expansion of advertisement of CCDPH Services to the Public
- New Broadview warehouse facility for vaccine distribution

Health Administration

In millions	FY2024 Budget	FY2025 Proposed Budget	Variance	FY2024 FTEs	FY2025 FTEs Proposed	Variance
Health Administration	\$125	\$160	\$35	556	509	-47

Expense Drivers:

- Investments in Revenue Cycle, Human Resources, and Supply Chain to increase revenue, expand hiring and optimization, and drive operational efficiencies
- Continued expansion of Life Sciences department to support research operations
- Reduction in positions reflects transfers from Position Control Committee pool to other offices to achieve strategic initiatives



FY25 Health Plan Services: CountyCare

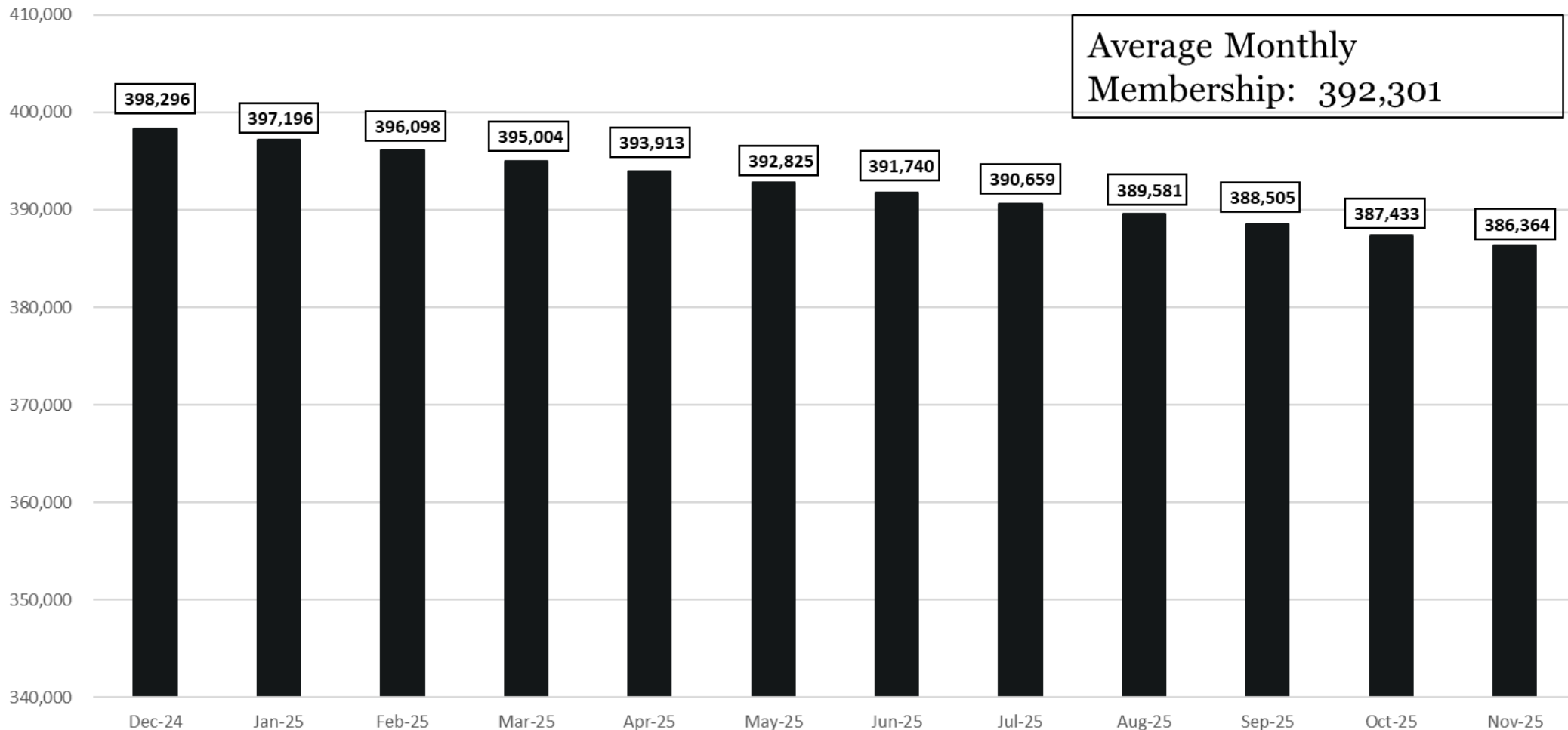
In millions	FY2024 Budget	FY2025 Proposed Budget	Variance	FY2024 Budgeted FTEs	FY2025 Proposed FTEs	Variance
Health Plan Services	\$2,527	\$3,189	\$662	433	435	2

Expense Drivers:

- Projected membership to increase from prior year budget due to redetermination retention and the addition of the Health Benefits for Immigrant Adults and Seniors
- Average membership per month is estimated to average 392,301 a month
- Revenue per member per month expected to increase due to utilization cost trends and program changes
- Medical Loss Ratio is estimated to be 93.6%
- CountyCare CCH expense is projected to increase with the continuous goal to improve utilization of CCH facilities

FY2025 Membership Projections: CountyCare

CountyCare Membership



FY2025 Proposed Health Plan Services Financial Summary

(in millions)

	ACA Adult	FHP	SPD	MLTSS/ LTSS/IM D	SNC	HBIA/IS/ IC	TOTAL
Projected 2025 Membership	97,859	213,865	30,485	9,971	3,225	36,896	392,301
CountyCare Capitation Revenue	\$851	\$818	\$892	\$404	\$38	\$327	\$3,330
Medical Expense (CCH)	\$48	\$28	\$44	\$3	\$.35	\$16	\$139
Medical Expense (Network)	\$764	\$757	\$809	\$377	\$35	\$289	\$3,031
Administrative Expense	\$35	\$32	\$37	\$27	\$6	\$20	\$157
Total CountyCare Expenses	\$847	\$817	\$890	\$407	\$41	\$325	\$3,327
Health Plan Net Income (Loss)	\$4	\$1	\$2	(\$3)	(\$3)	\$2	\$3
Total CCH Contribution	\$52	\$29	\$46	\$0	(\$2.6)	\$18	\$142

NOTE: Some numbers are rounded to nearest million for display purposes and could result in small arithmetical differences.

ACA – Affordable Care Act, FHP – Family Health Program, SPD – Seniors and Persons with Disabilities, MLTSS – Medicaid and Long-Term Services and Supports, LTSS - Long Term Services and Supports, IMD – Institution for Mental Disease, SNC – Special Needs Children, HBIA – Health Benefits for Immigrant Adults, HBIS – Health Benefits for Immigrant Seniors, HBIC – Health Benefits for Immigrant Children



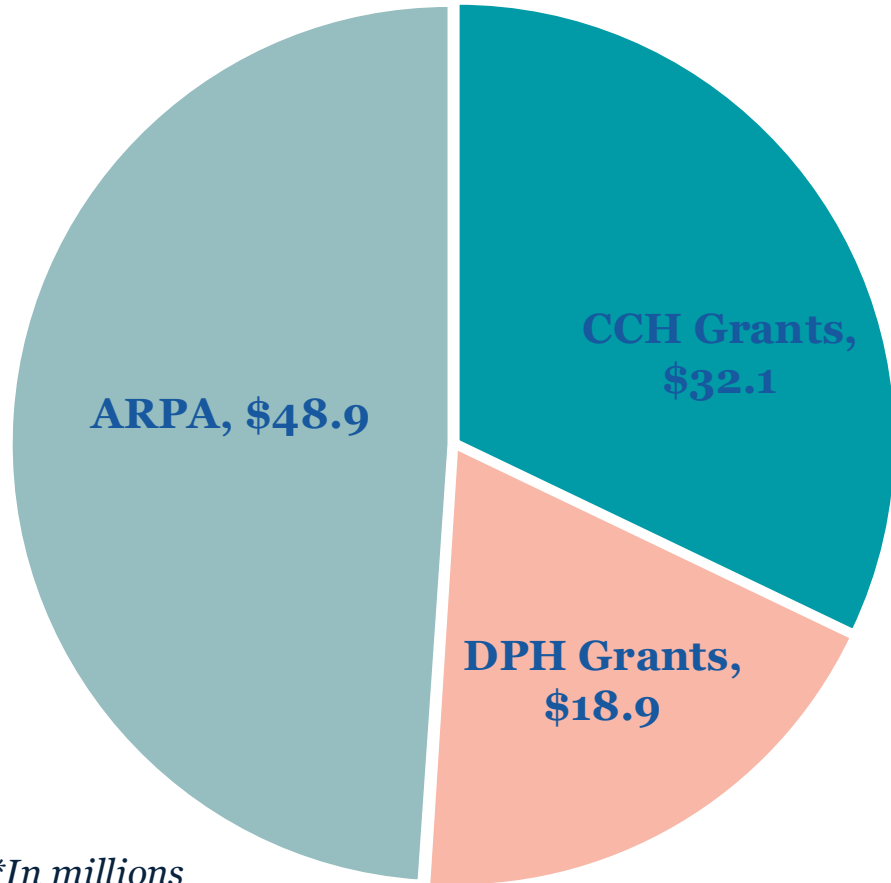
Special Purpose Funds



Special Purpose Funds & Grants: \$99.9 Million

American Rescue Plan Act - **\$48.9M**

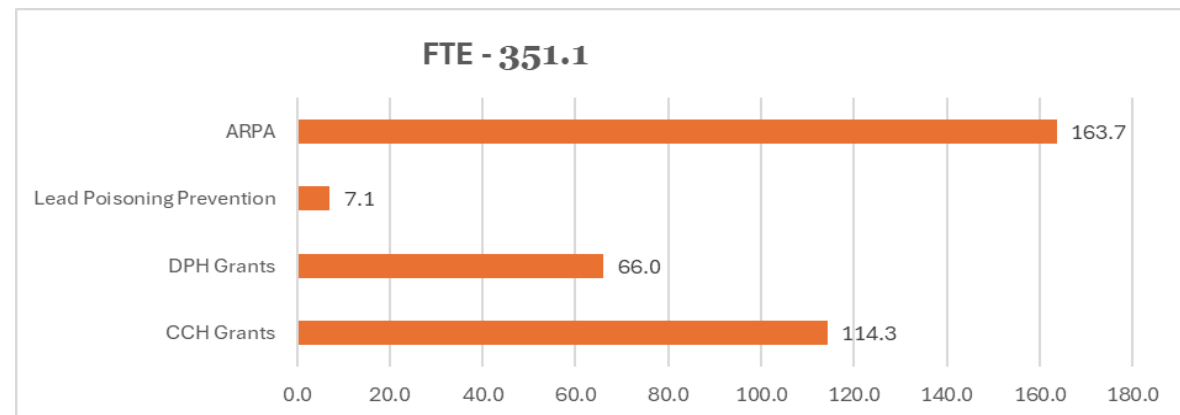
CCH & DPH Grants- **\$51.M** comprised of over **85** separate grants



**In millions*

Chart excludes Lead Poisoning Prevention Fund: \$76k

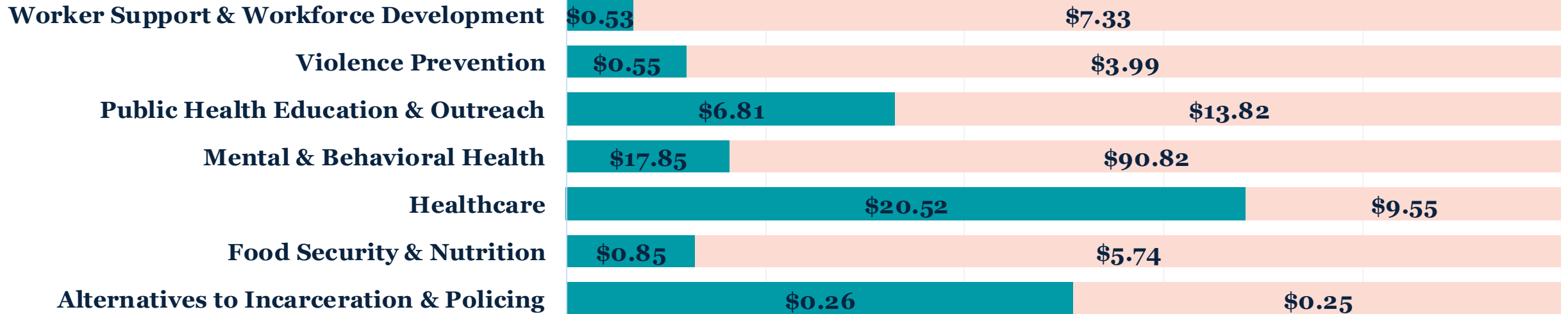
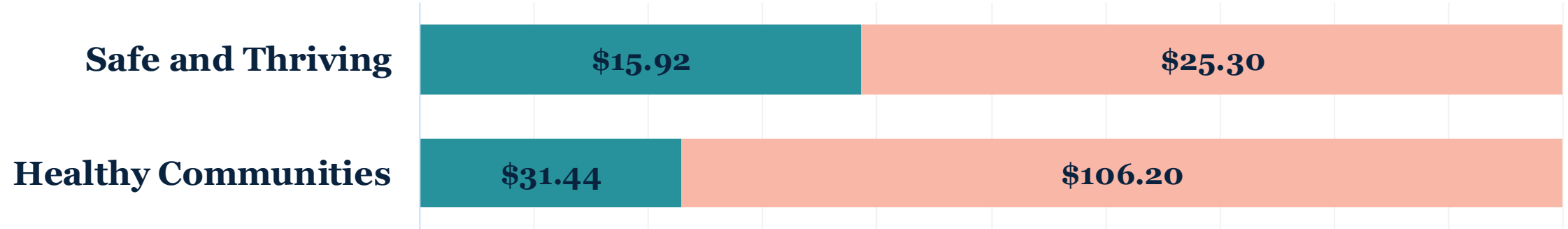
- Behavioral Health
- Opioid & Substance abuse
- Food as Medicine
- Covid 19 and Emergency Preparedness
- Trauma Informed Treatment
- Healthy Children & Families



ARPA Progress to Date

■ Initiative Actuals

■ Remaining Unspent Funds



Appendix: Acronyms

- 340B – federal drug pricing control program
- ACA – Affordable Care Act
- ACHN – Ambulatory and Community Health Network of Cook County (CCH Outpatient Services)
- BIPA – Benefits Improvement and Protection Act (in terms of revenue source)
- CORE – Ruth M. Rothstein CORE Center of Cook County
- DSH – Disproportionate Share Hospital (in terms of revenue source)
- DNFB – Discharged Not Final Billed
- FMAP – Federal Medical Assistance Percentage
- FMLA – Family Medical Leave Act
- FTE – Full Time-Equivalent Employee
- GME – Graduate Medical Education (in terms of revenue source)
- IBNR – Incurred But Not Received
- JTDC – Juvenile Temporary Detention Center
- MBE/WBE – Minority and Women-Owned Business Enterprise
- MCO – Managed Care Organization
- MLR – Medical Loss Ratio
- PMPM – Per Member Per Month

Questions?



COOK COUNTY
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