



COOK COUNTY HEALTH
& HOSPITALS SYSTEM
CCHHS

Strategy Discussions

March 25, 2016

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Deputy CEO of Finance and Operations



COOK COUNTY HEALTH
& HOSPITALS SYSTEM
CCHHS

Strategic Discussion March 25, 2016

Strategic Issues

- Investment in Ambulatory facilities
- Investment in Primary Care
- Investment in high tech equipment
- Investment in clinical lines including partnerships
 - Maternal/Child
 - Laboratory Services
 - Oncology
 - Post Acute
- Ability to finance investments



- CCHHS Volume Summary
- Revenue



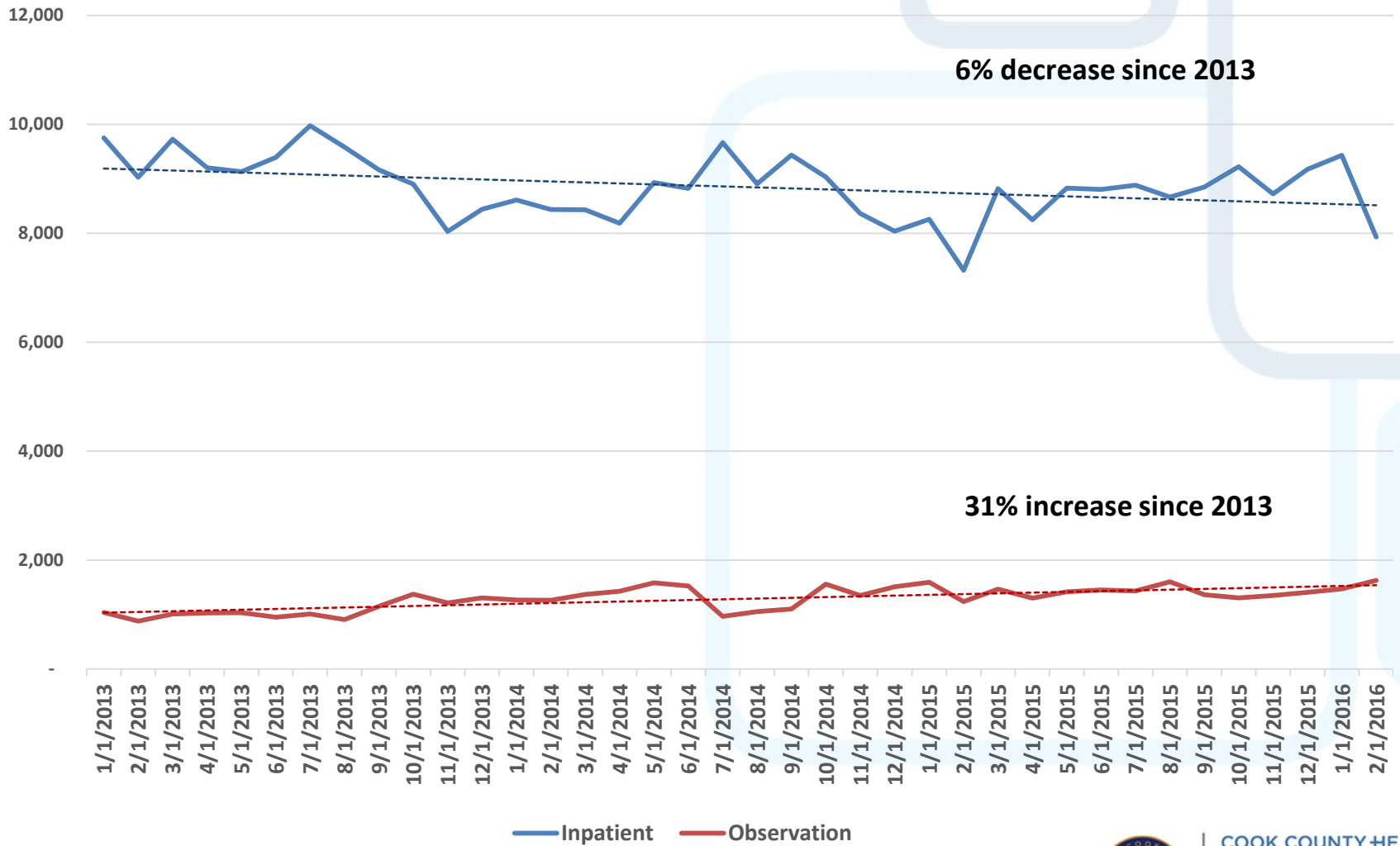
Inpatient & Observation



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Inpatient & Observation Patient Days



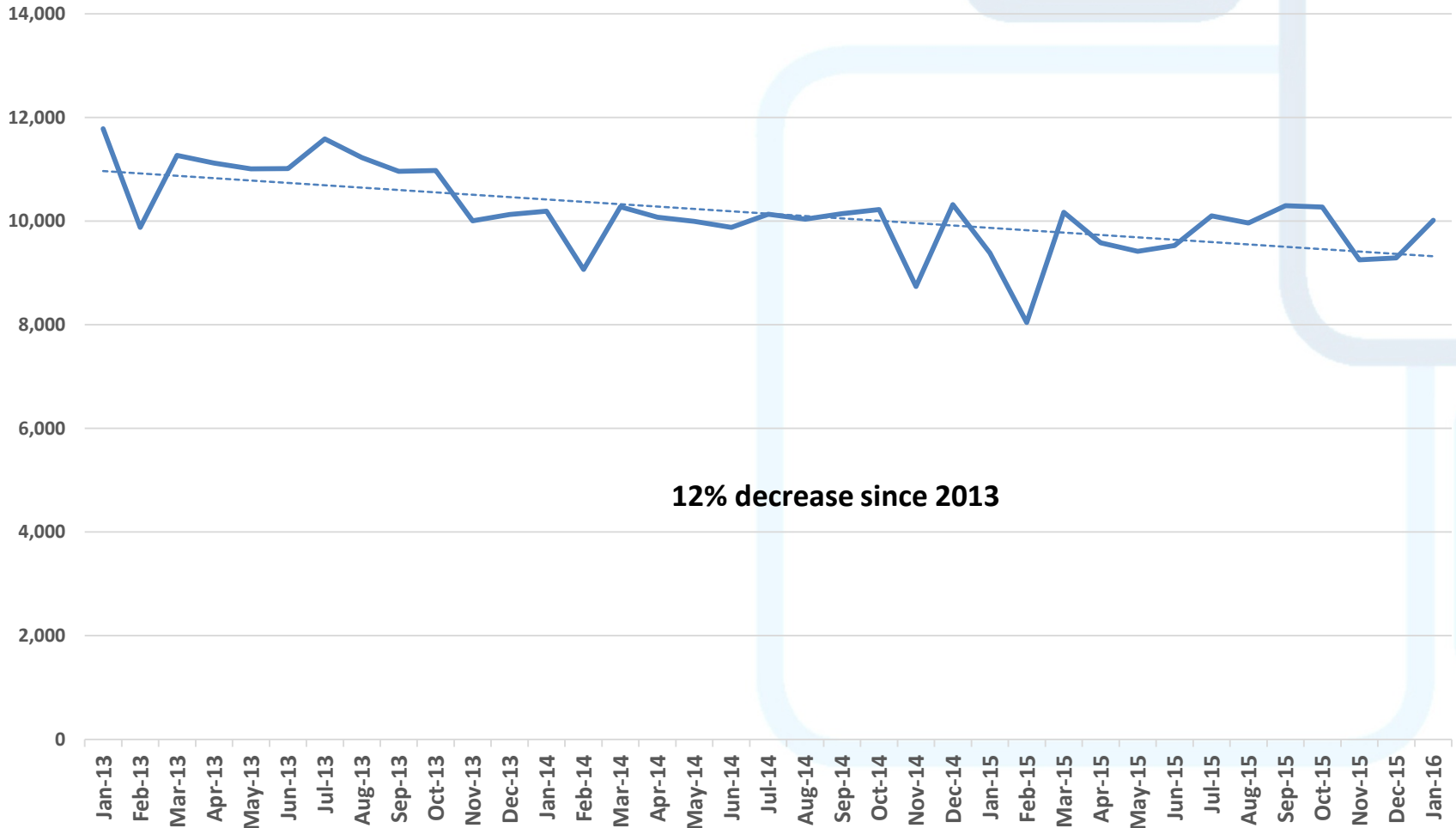
Emergency Services



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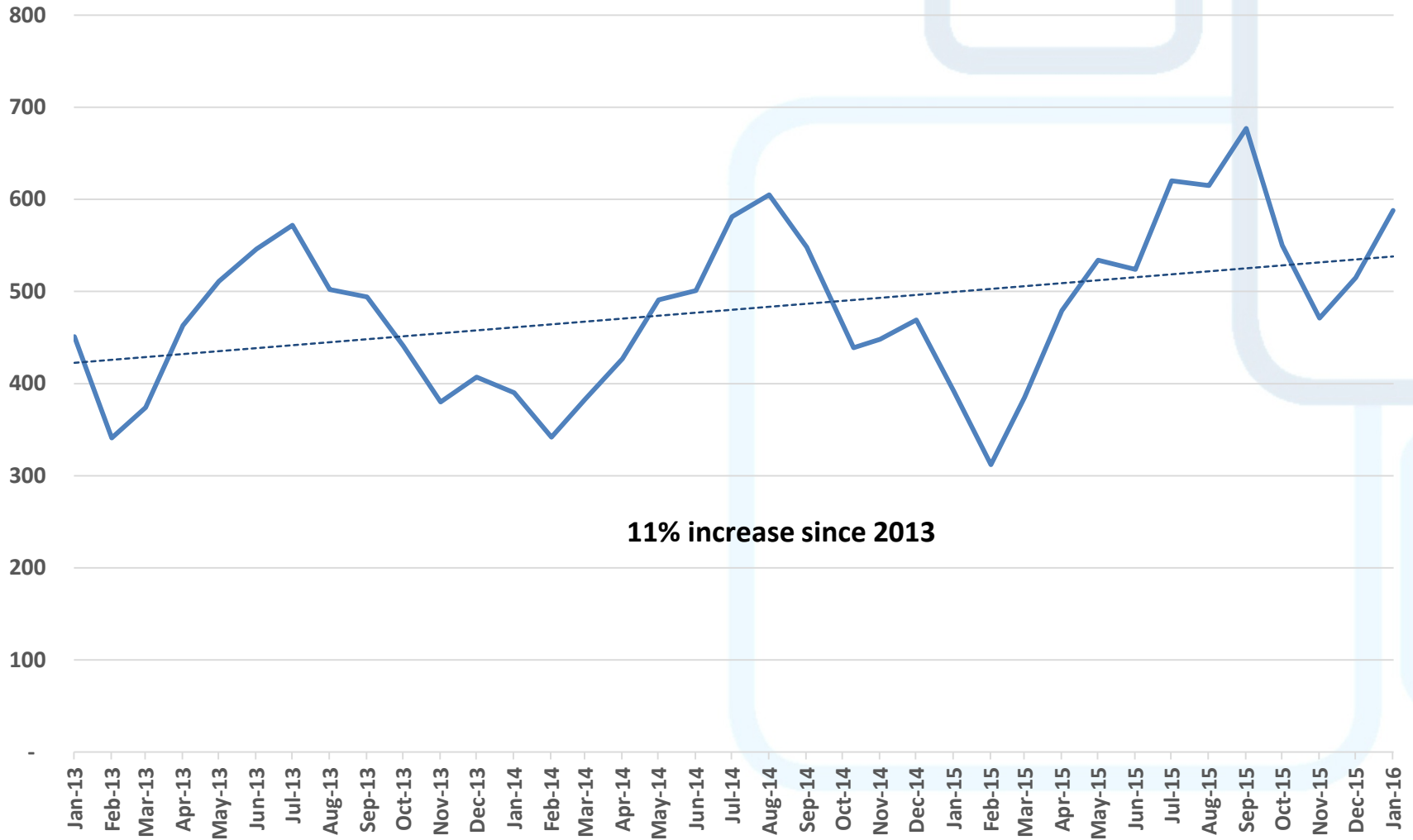
Emergency- Stroger



12% decrease since 2013



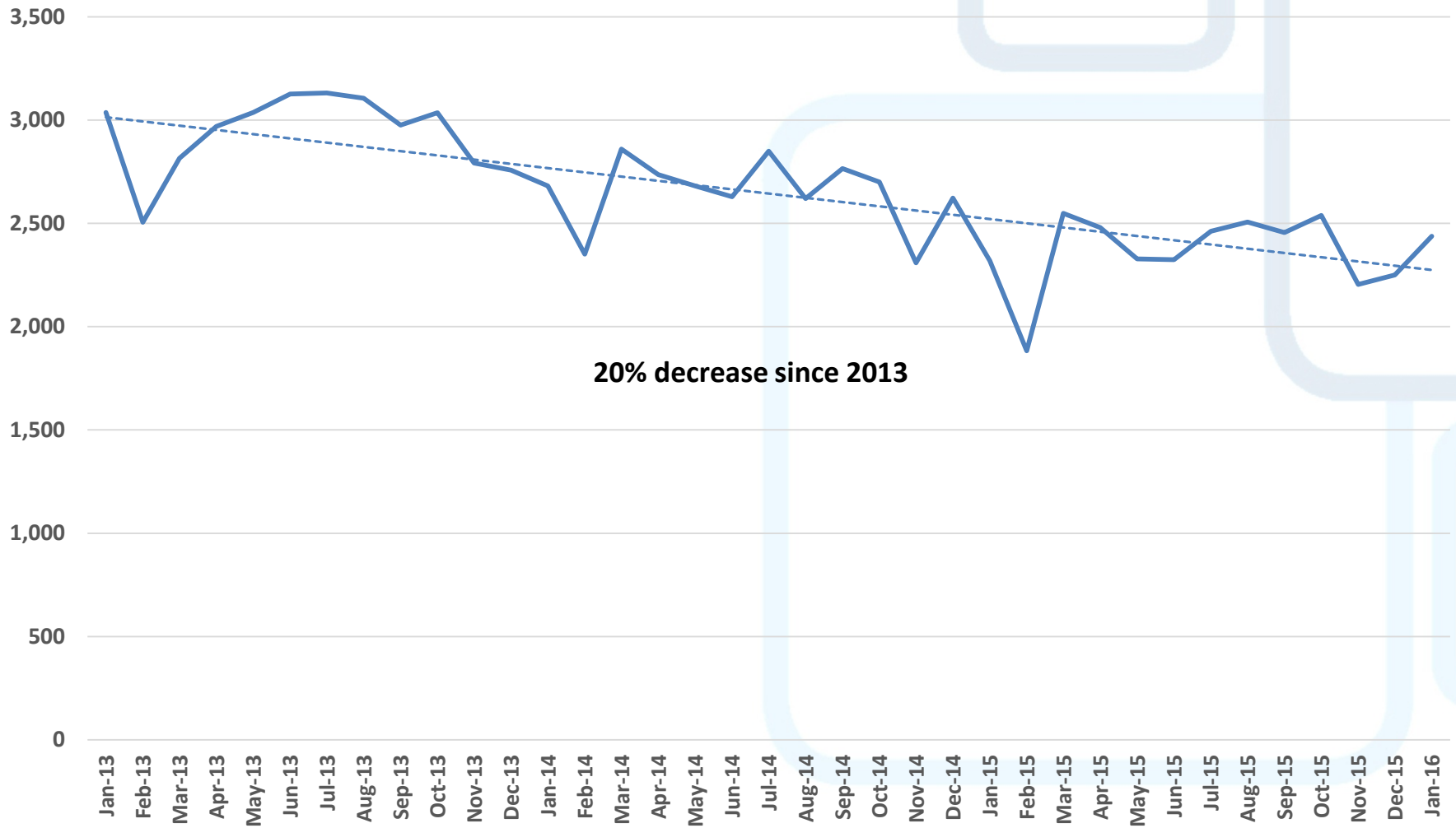
Trauma- Stroger



11% increase since 2013



Emergency- Provident



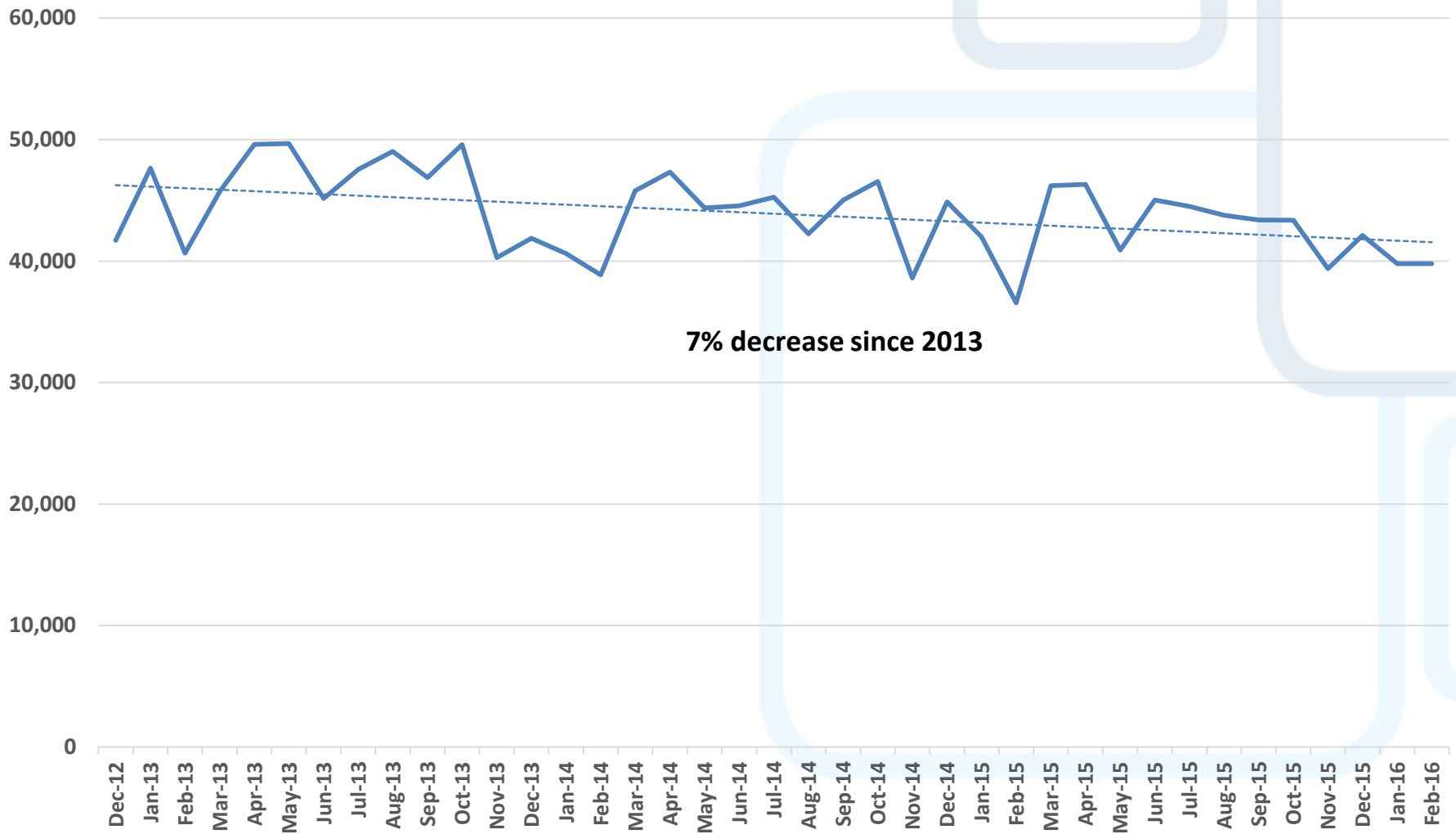
Ambulatory Care



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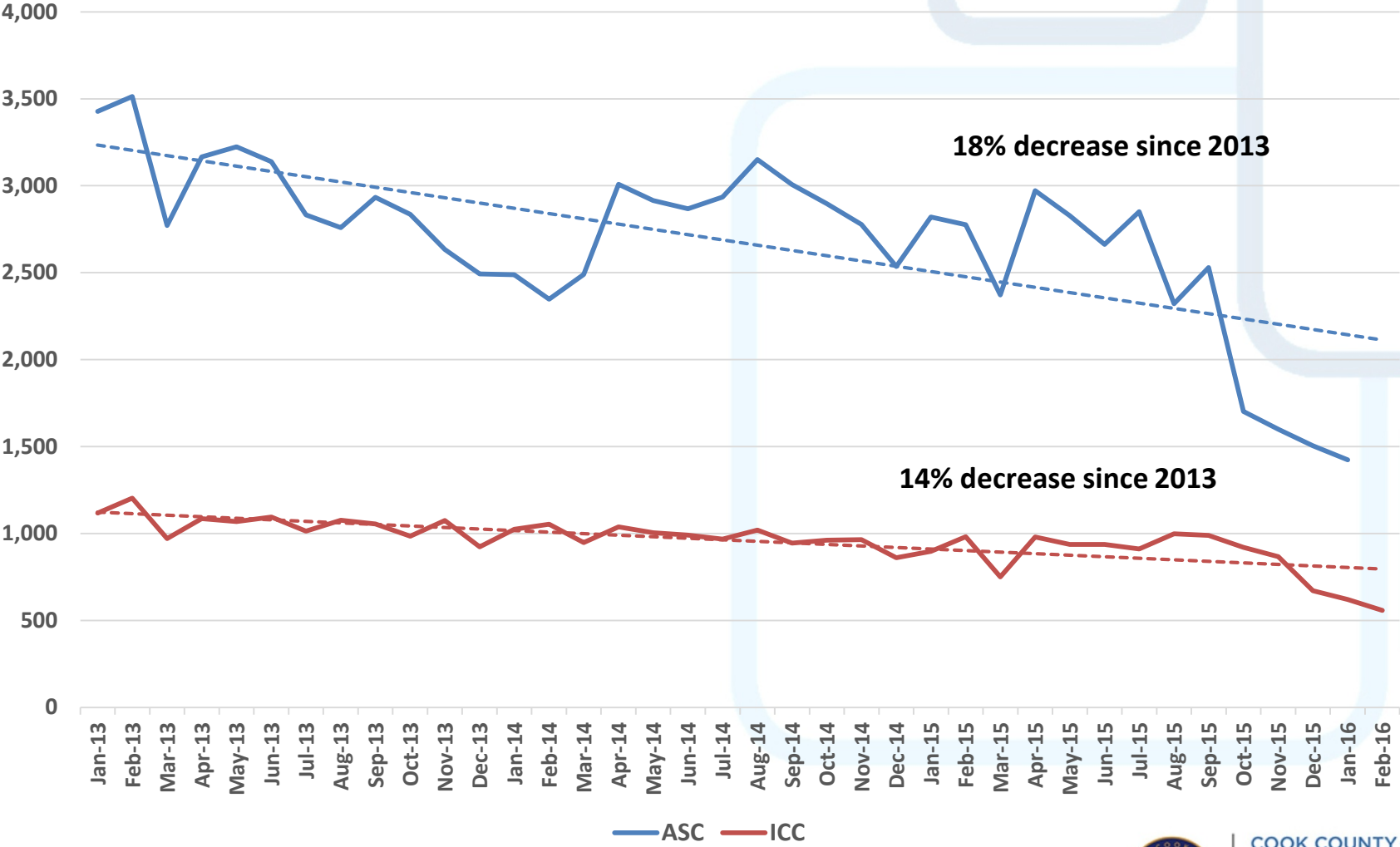
Total Provider Visits



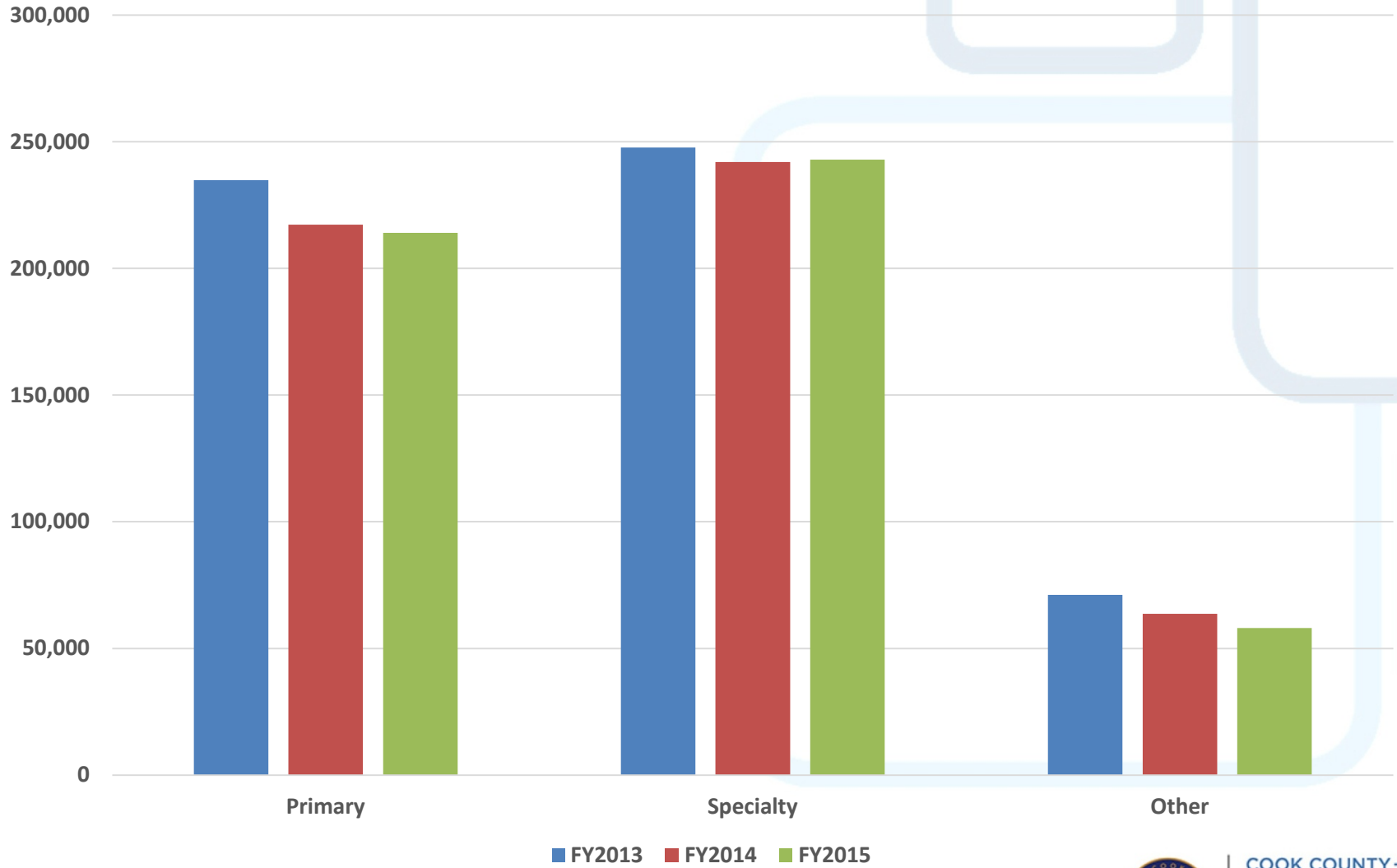
7% decrease since 2013



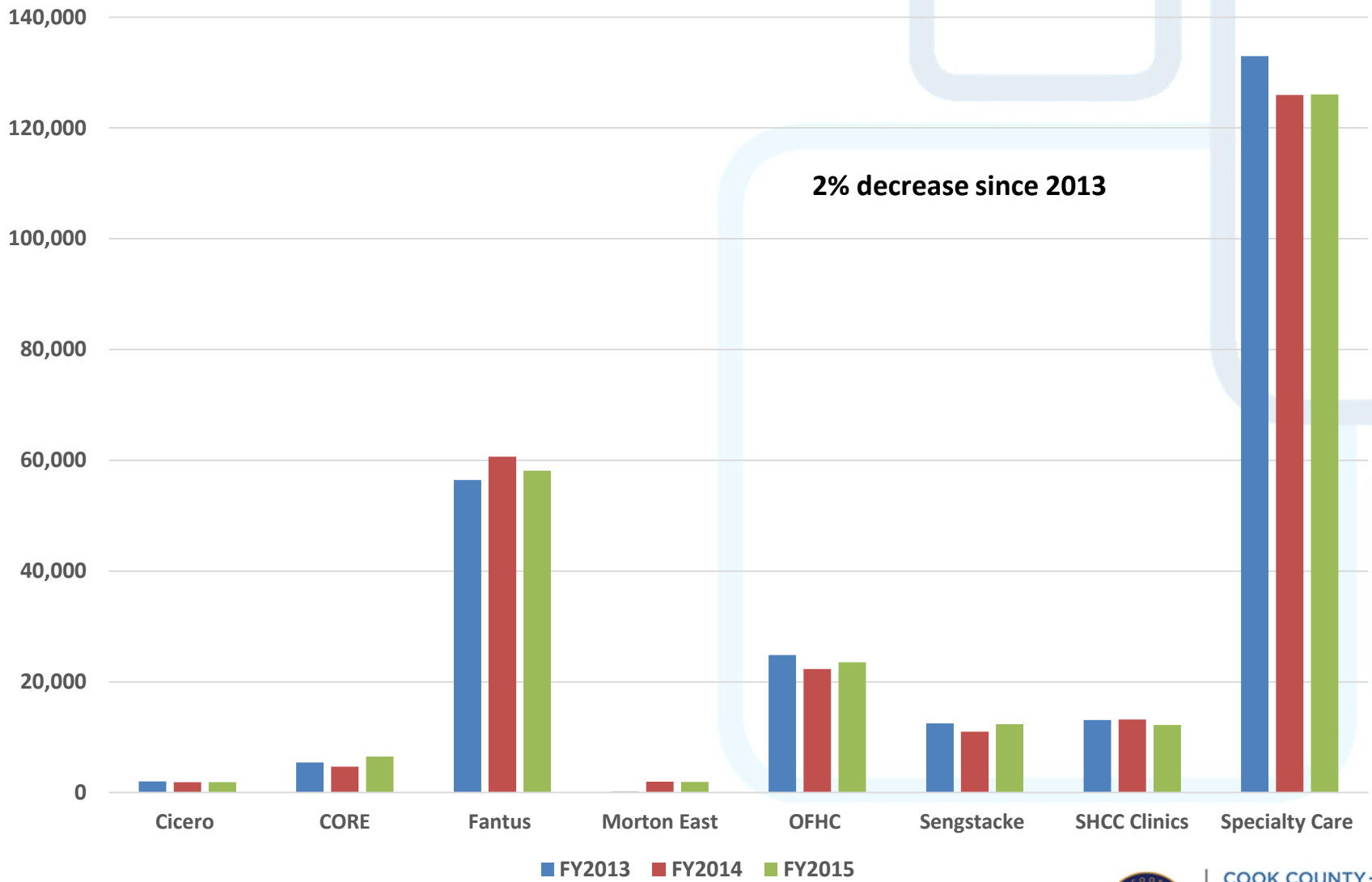
Urgent Care



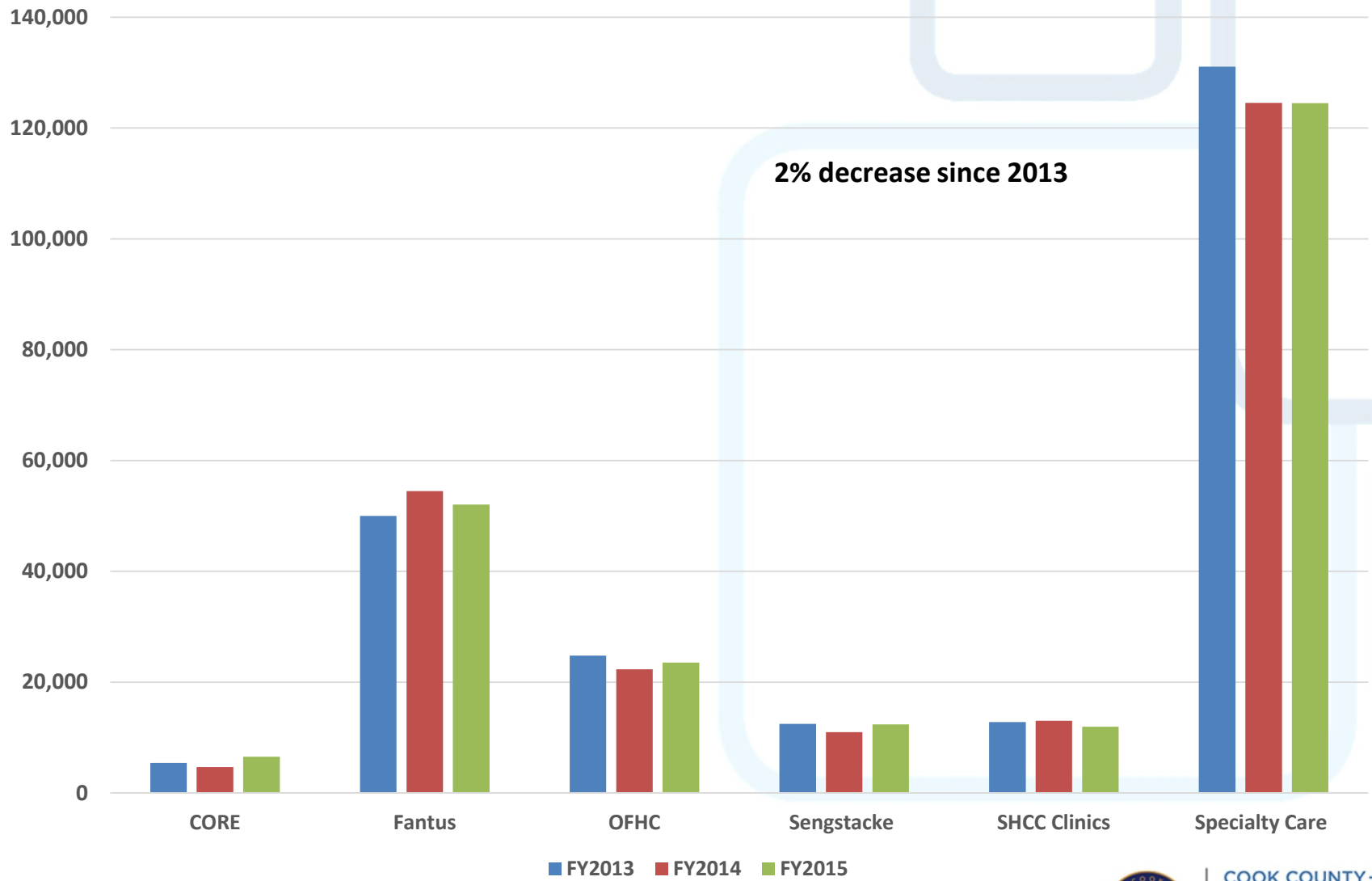
Ambulatory Provider Visit Summary



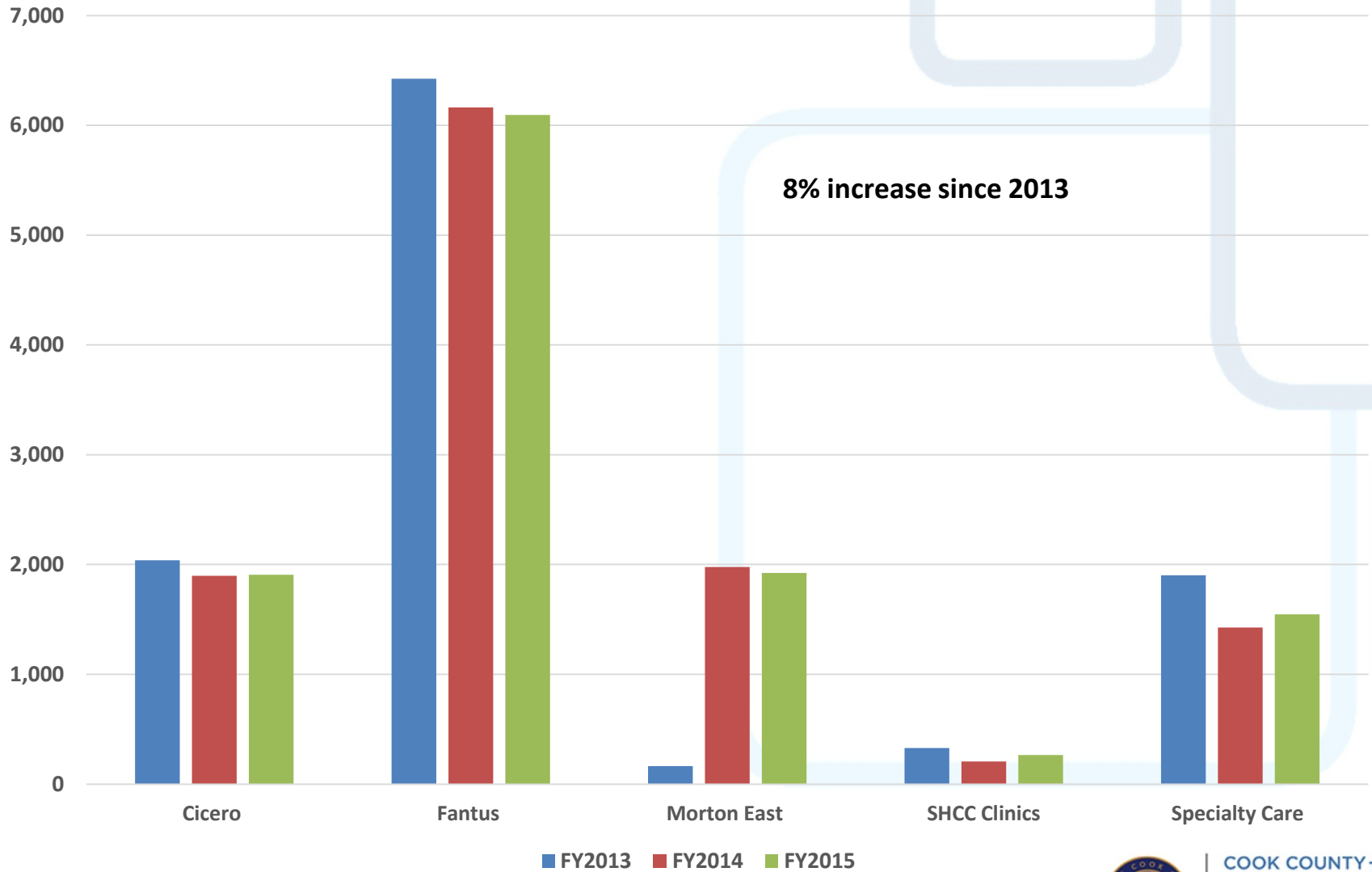
Specialty Care Provider Visits- Total



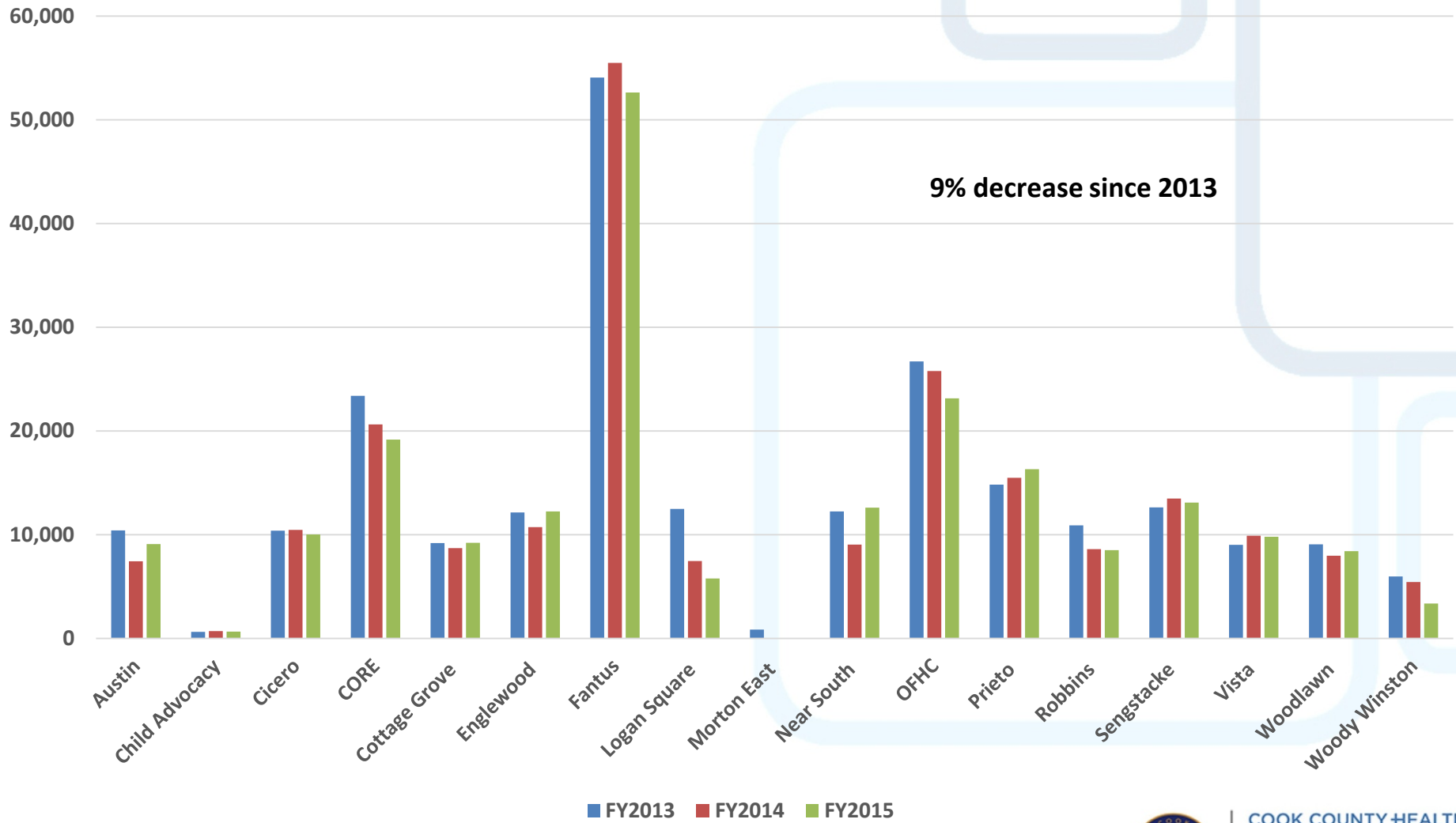
Specialty Care Provider Visits- Adults



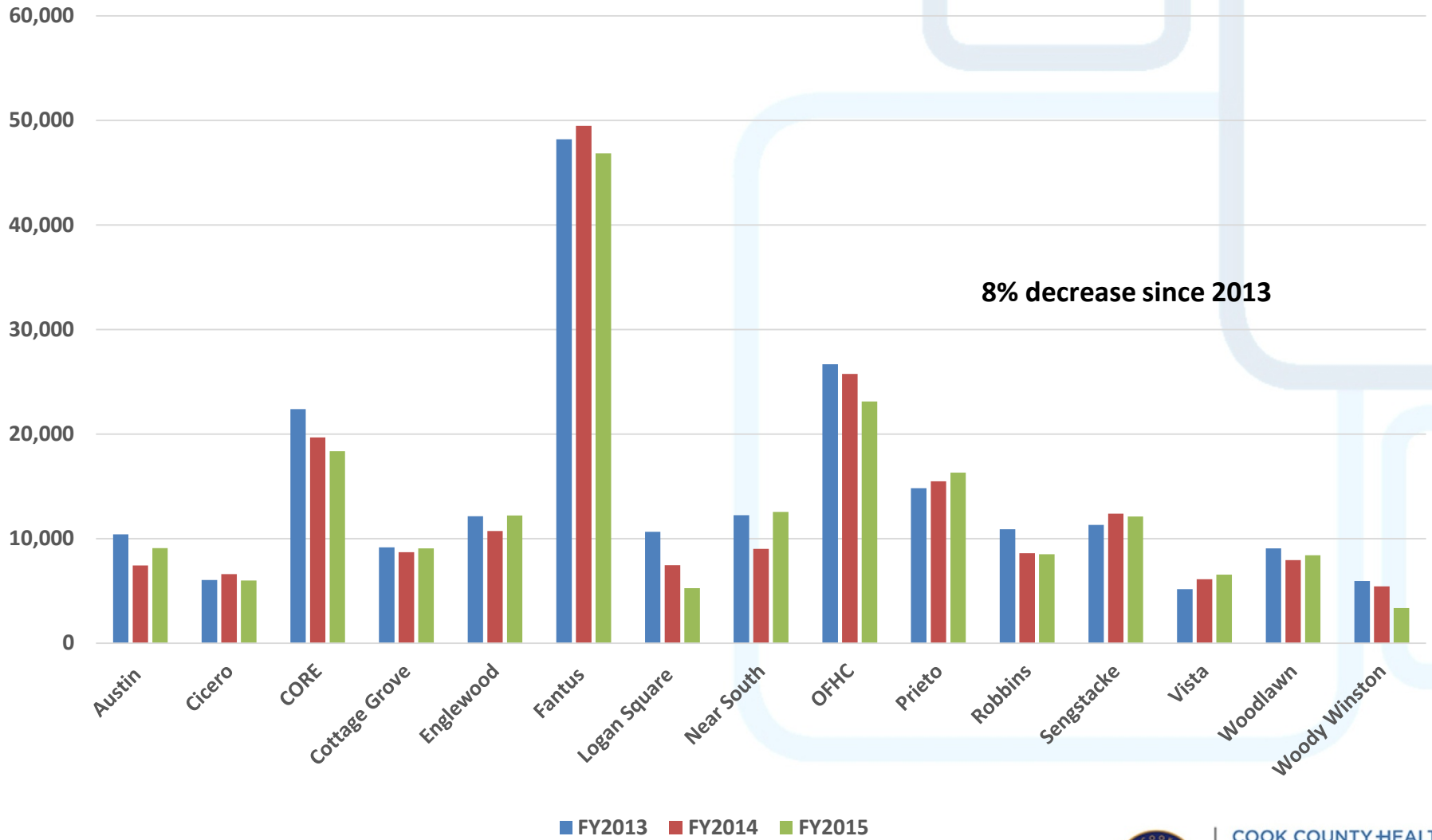
Specialty Care Provider Visits- Peds



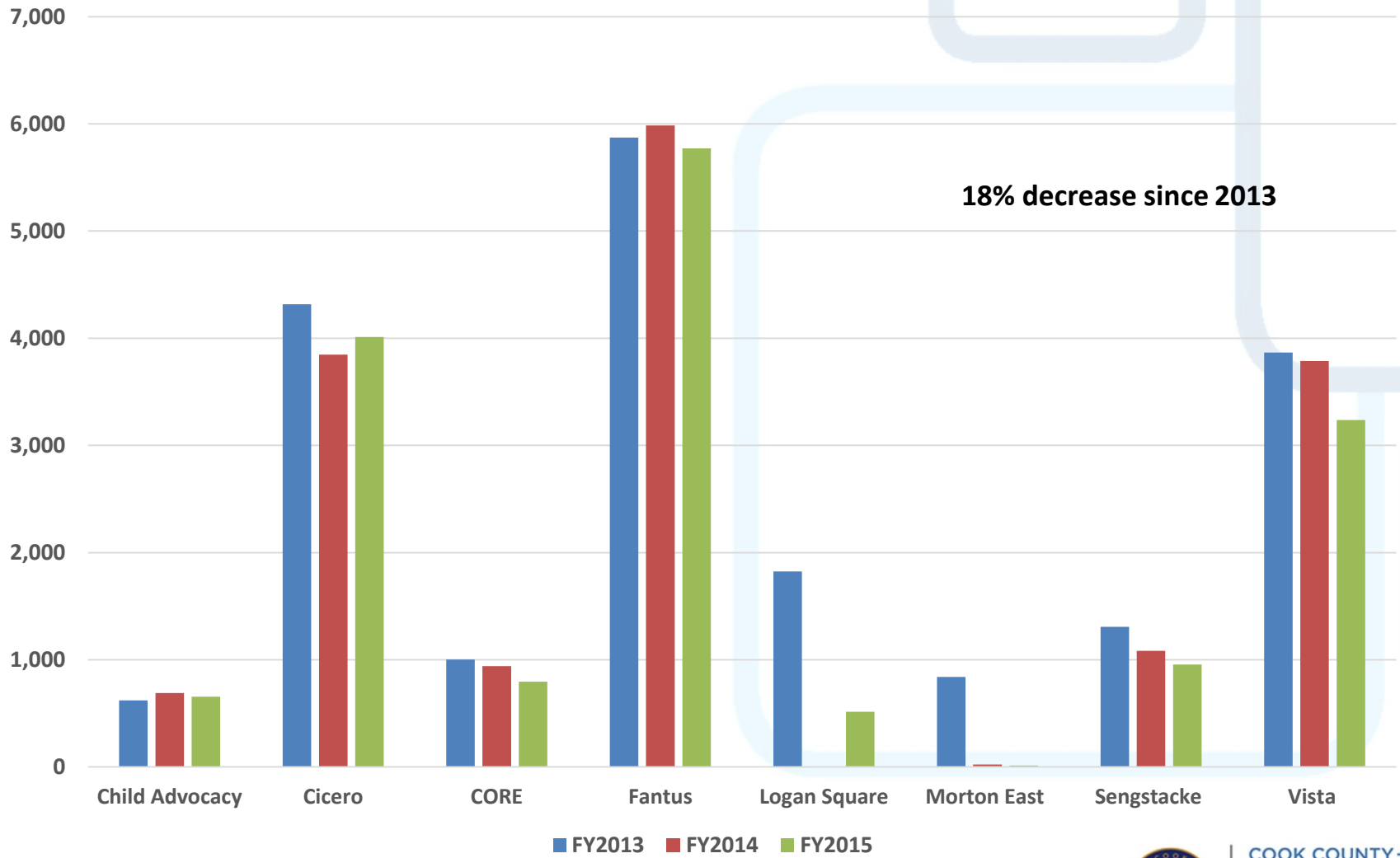
Primary Care Provider Visits- Total



Primary Care Provider Visits- Adults



Primary Care Provider Visits- Peds



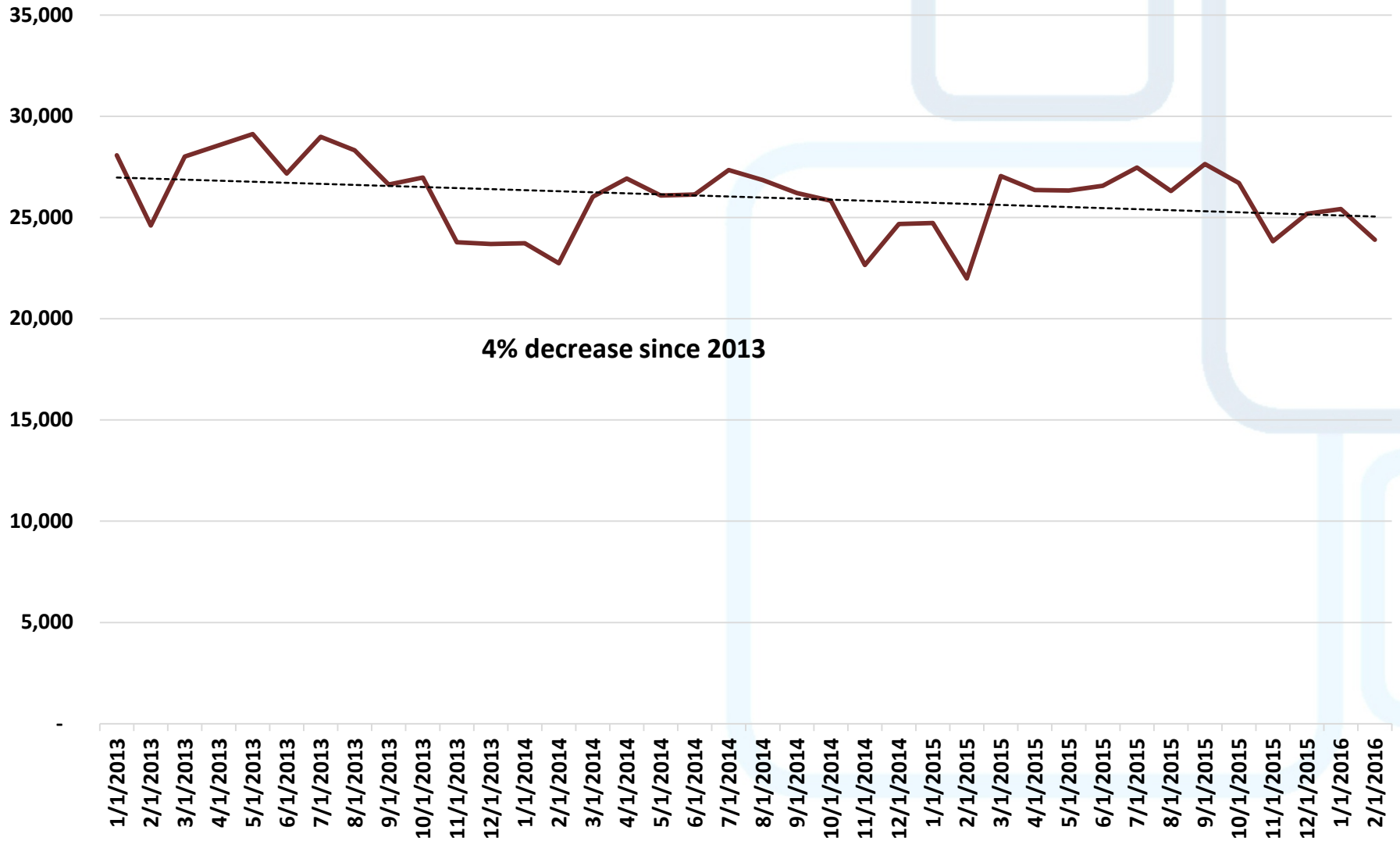
Diagnostics & Lab



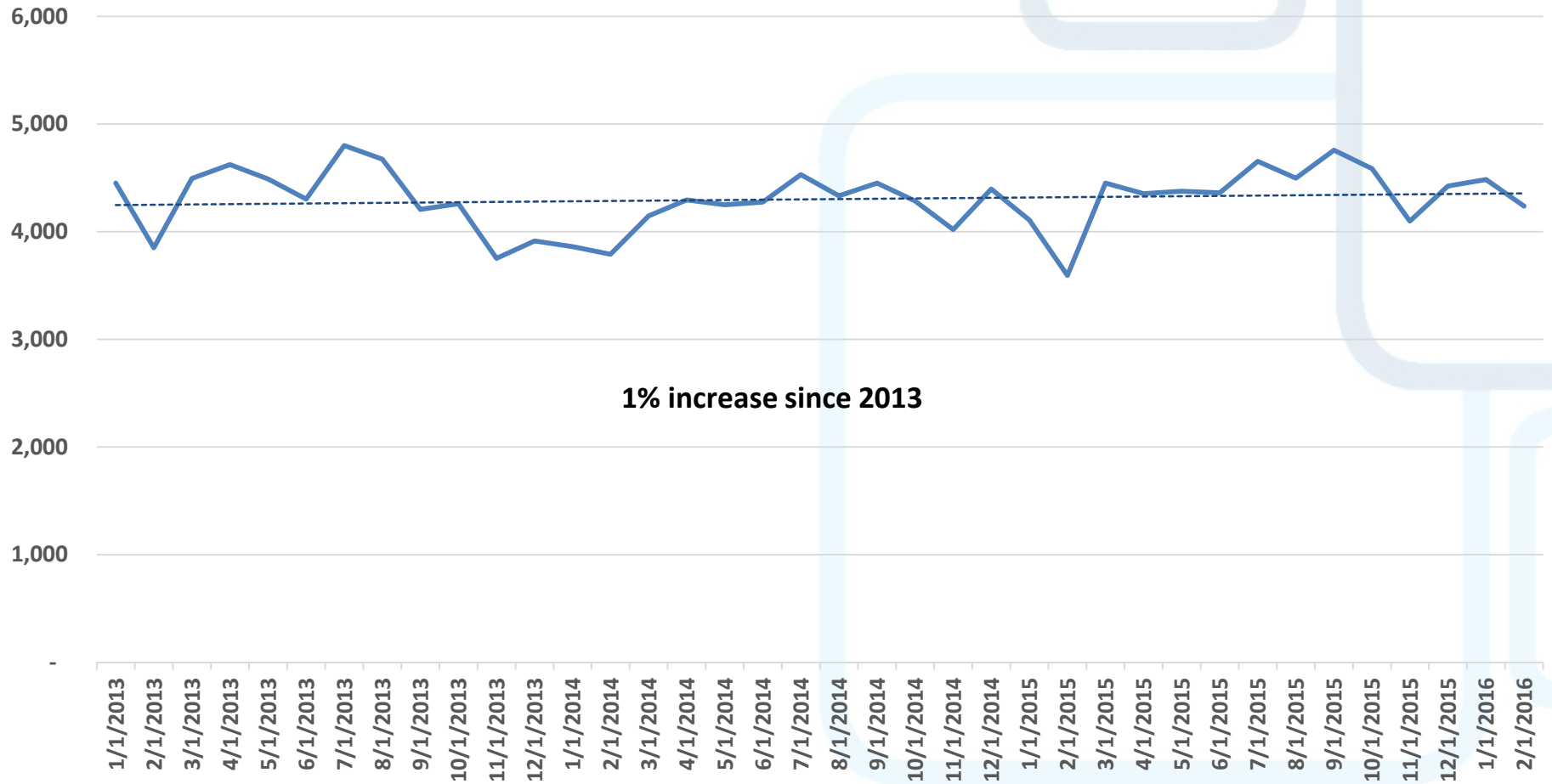
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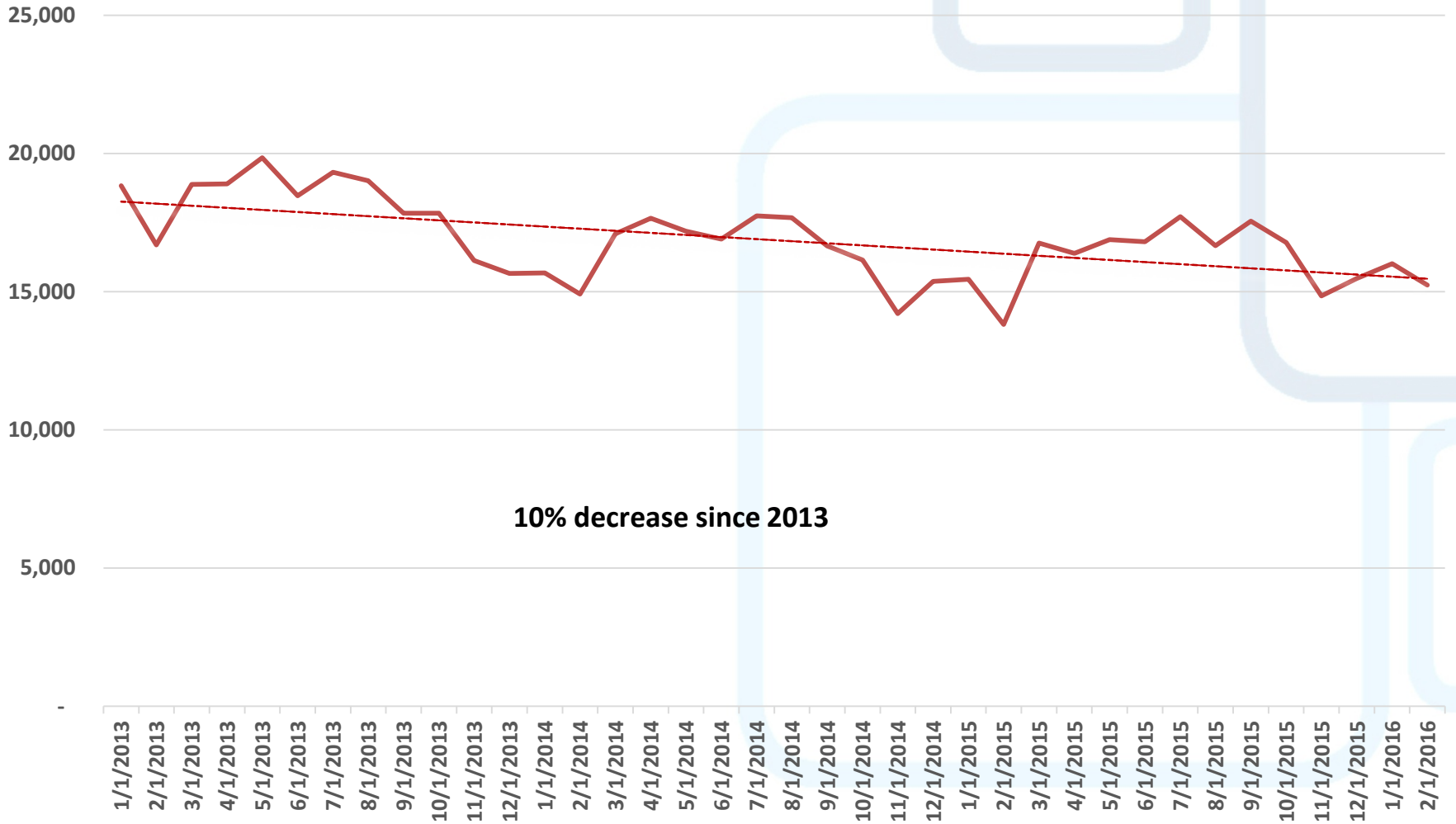
Radiology- Total



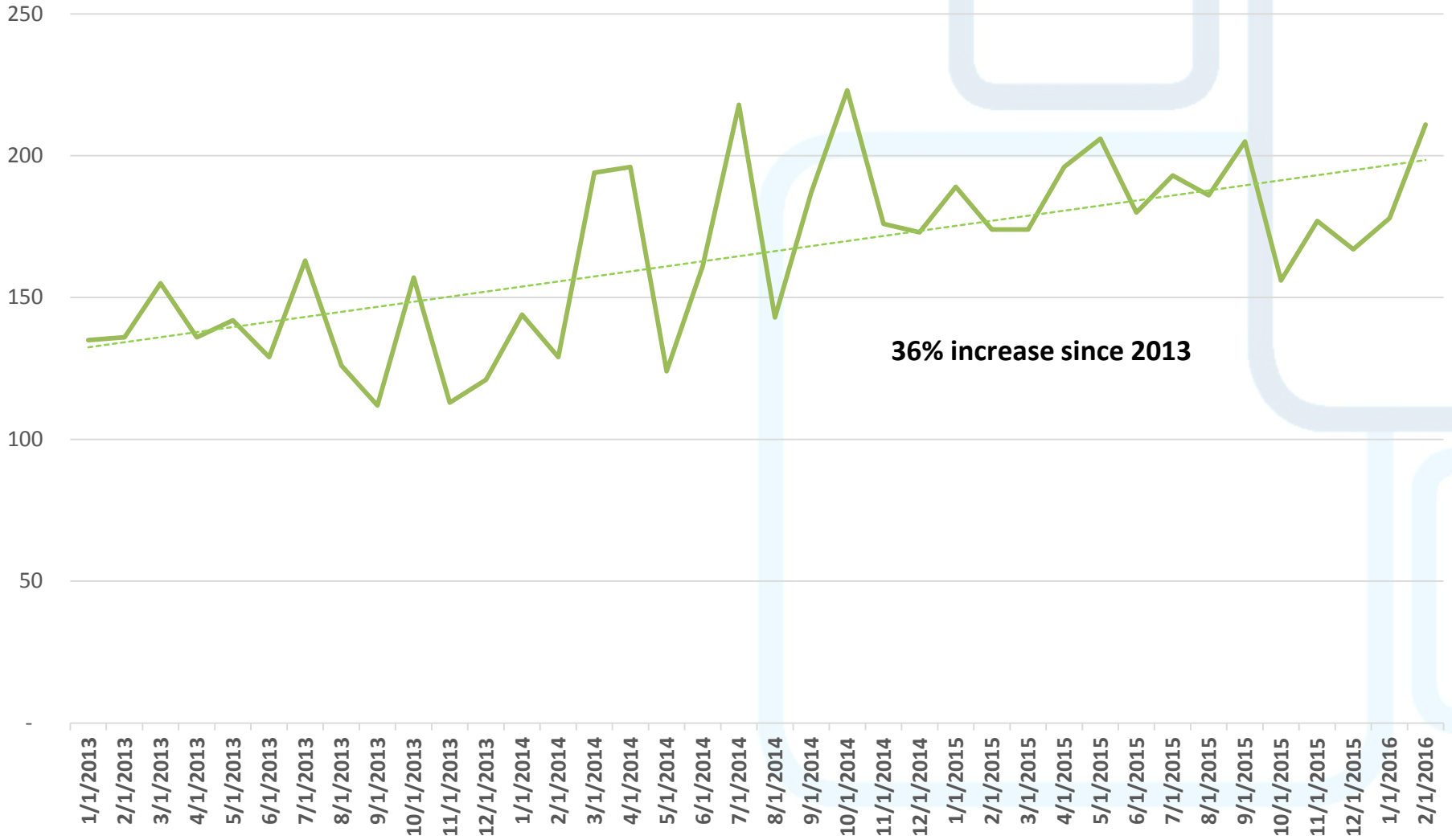
Radiology- CT Scans



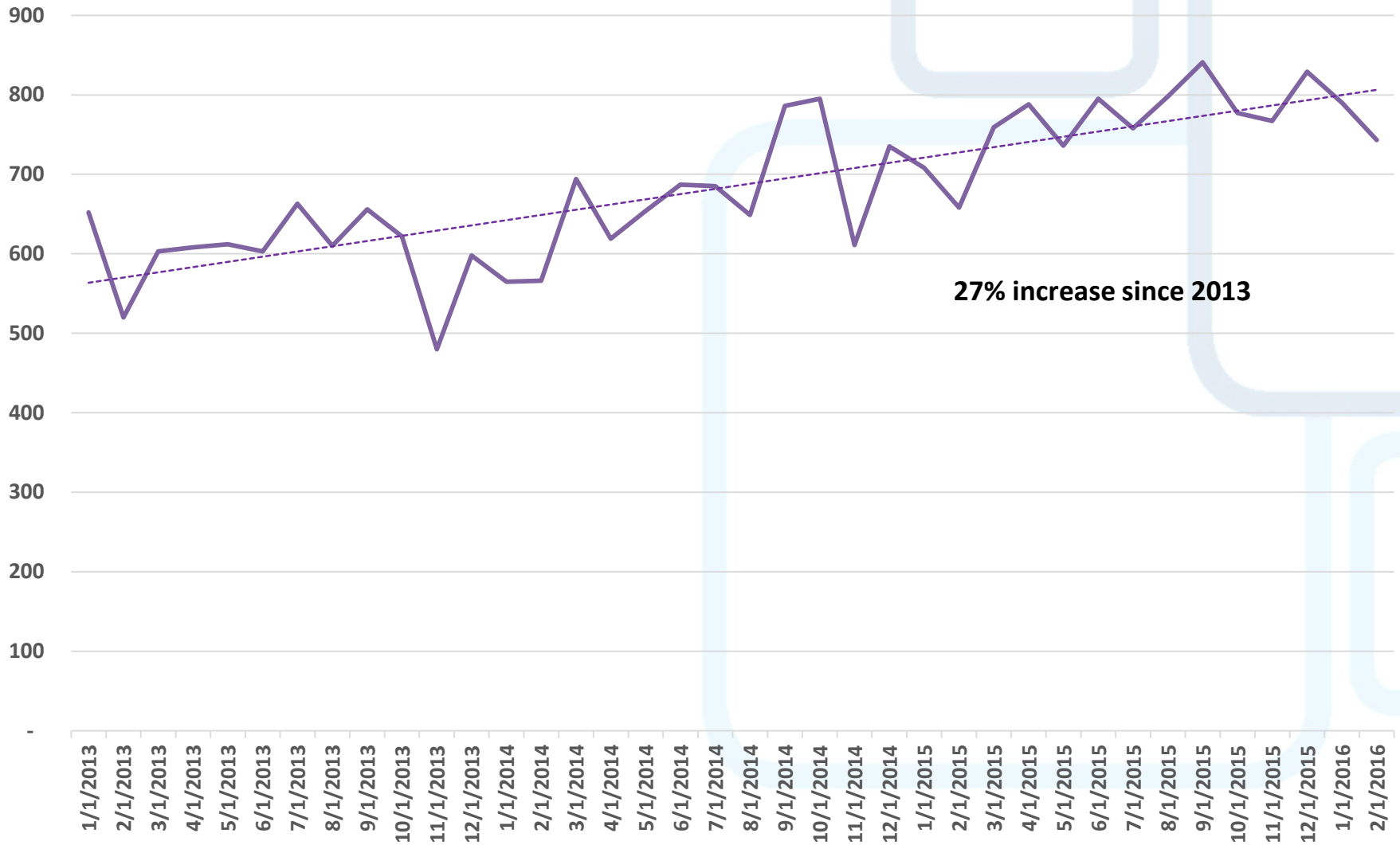
Radiology- Diagnostic



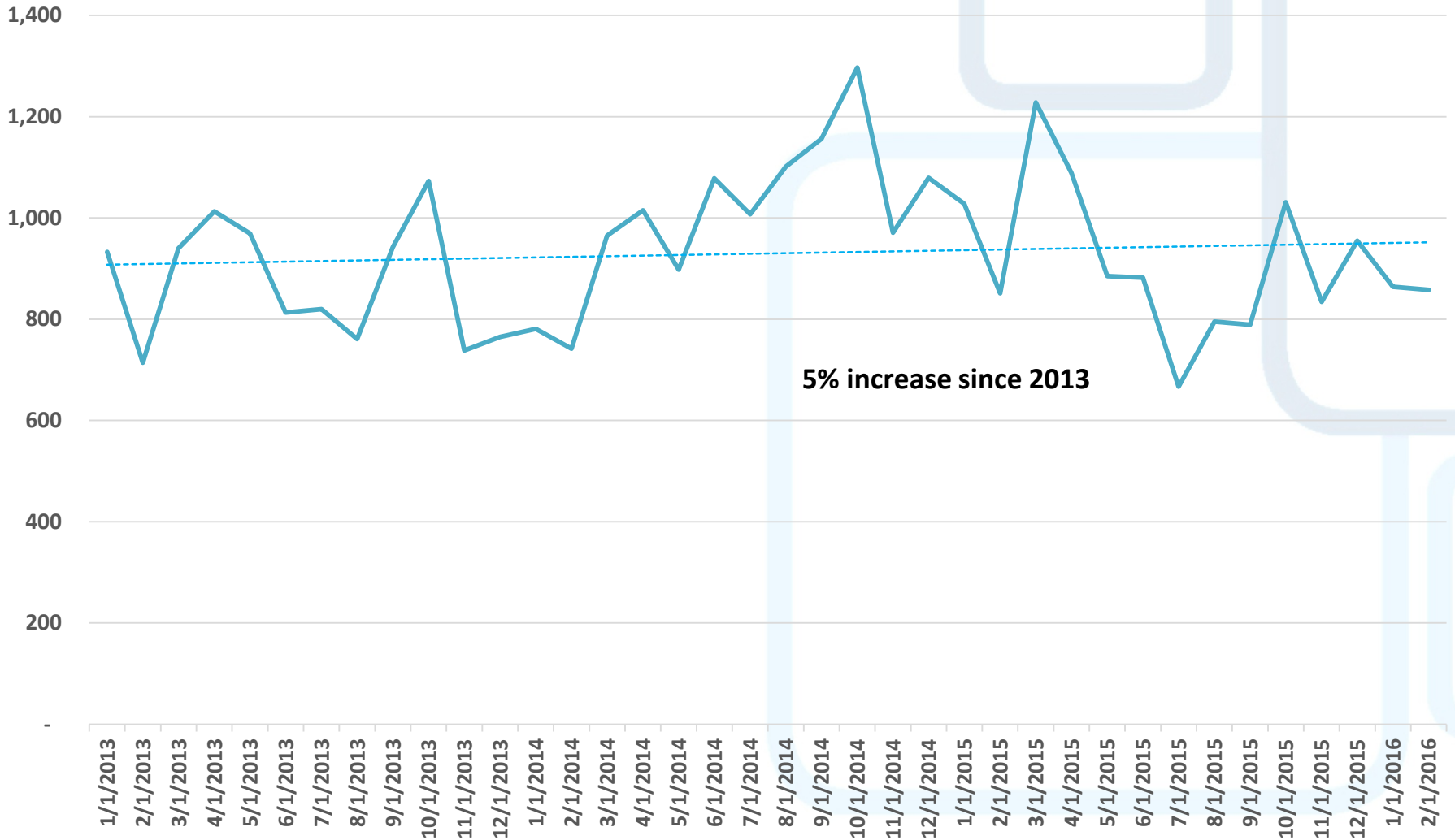
Radiology- Interventional



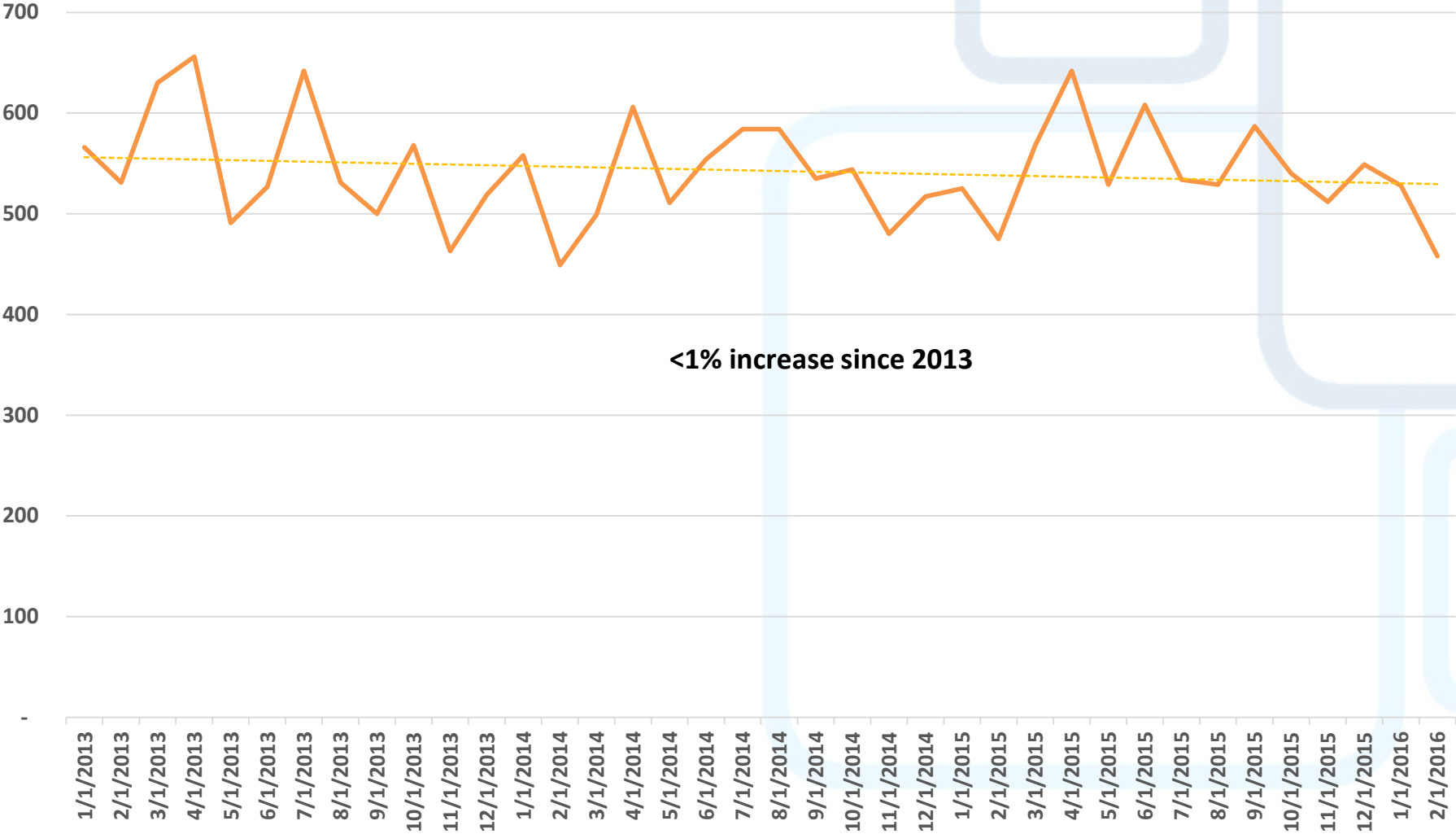
Radiology- MRI



Radiology- Mammography



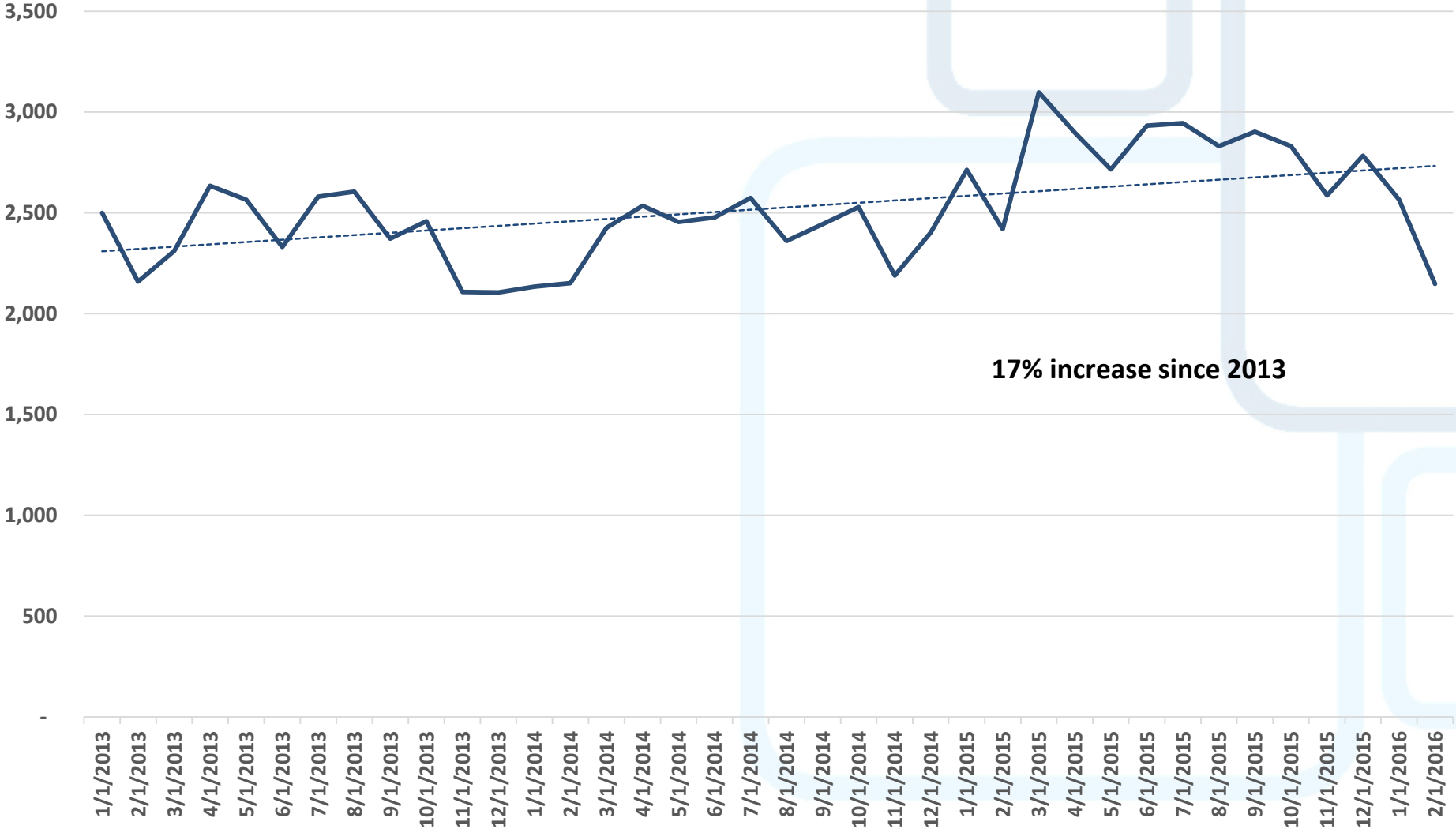
Radiology- Nuclear Medicine



<1% increase since 2013



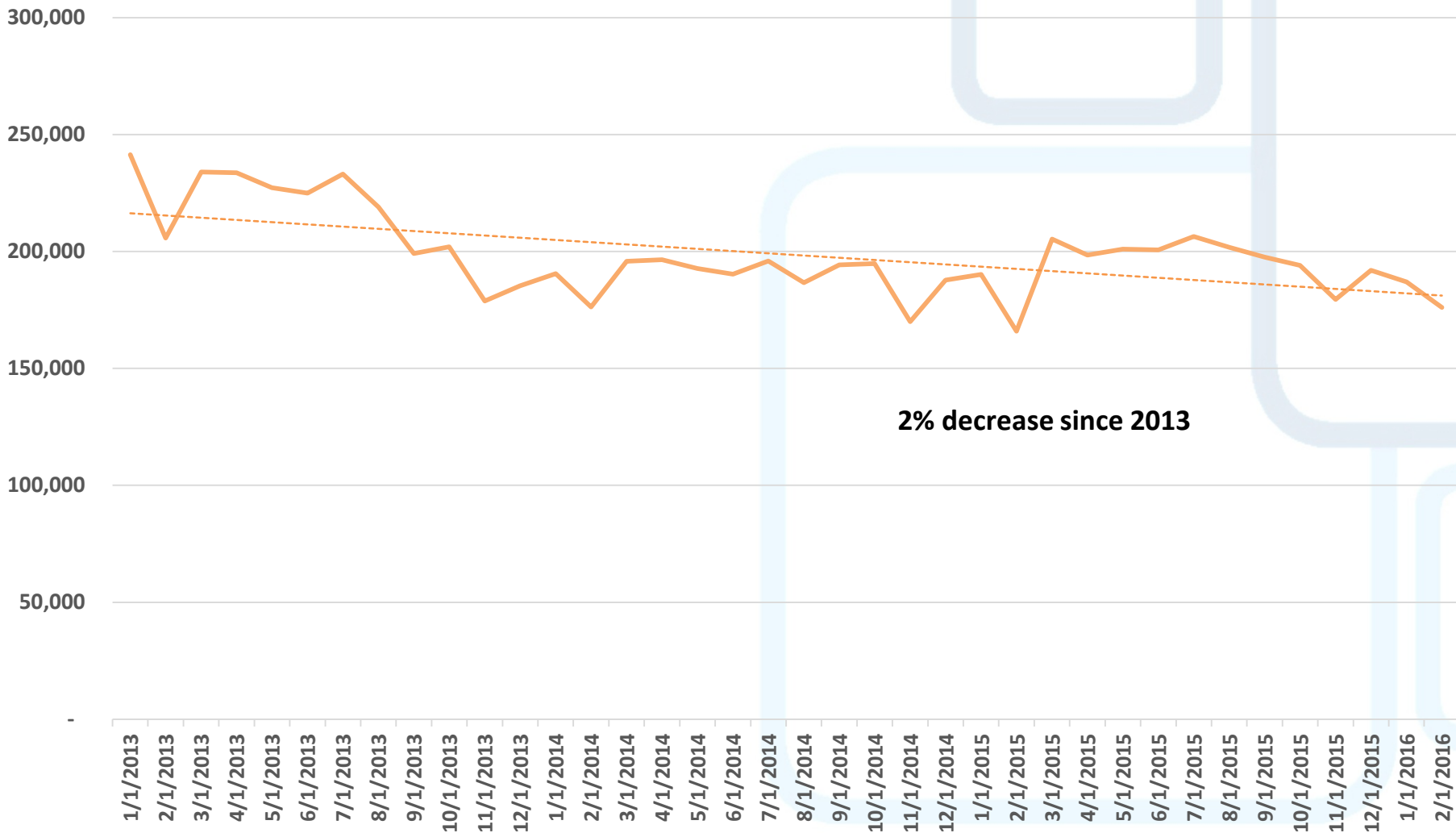
Radiology- Ultrasound



17% increase since 2013



Laboratory



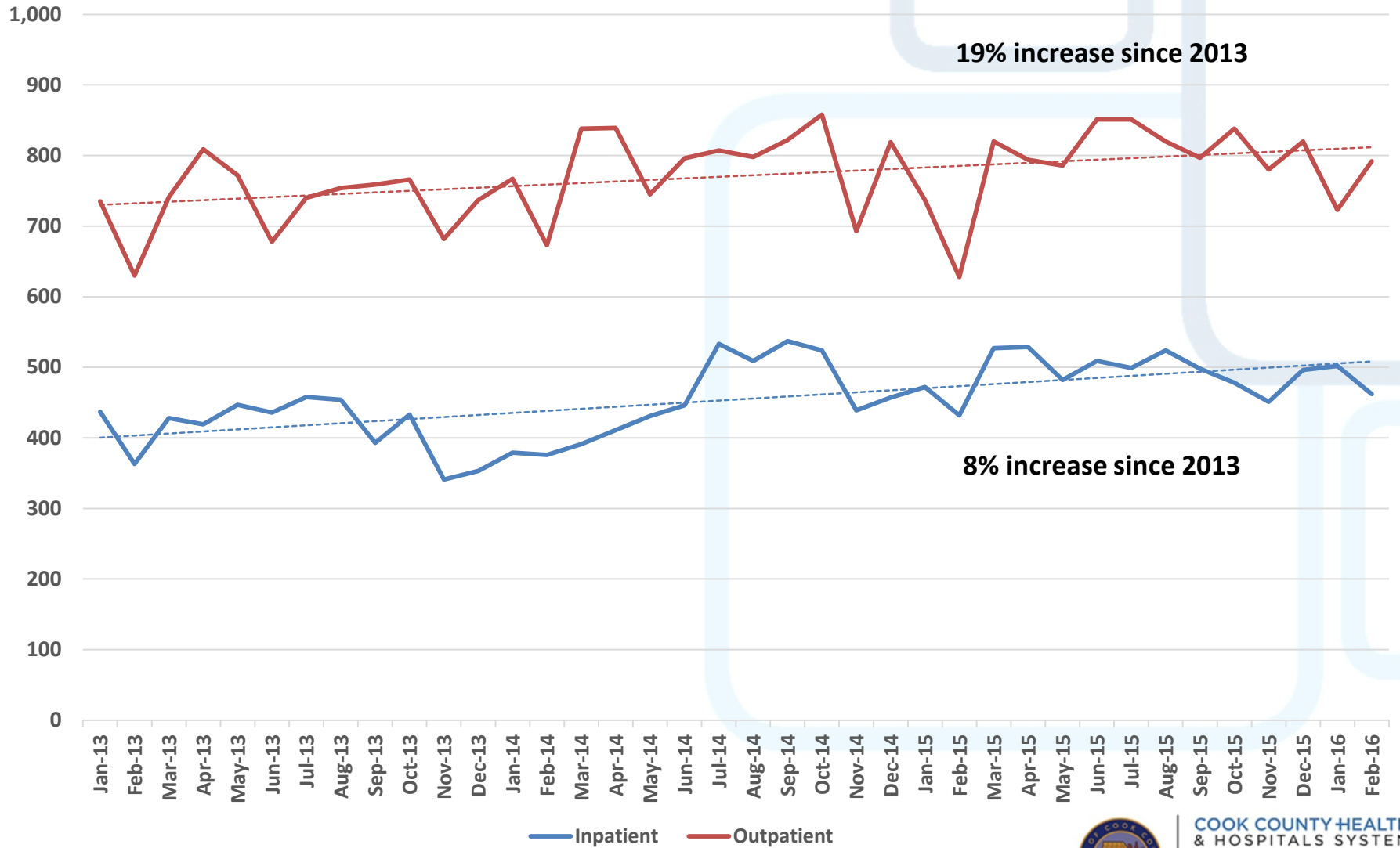
2% decrease since 2013



Surgery



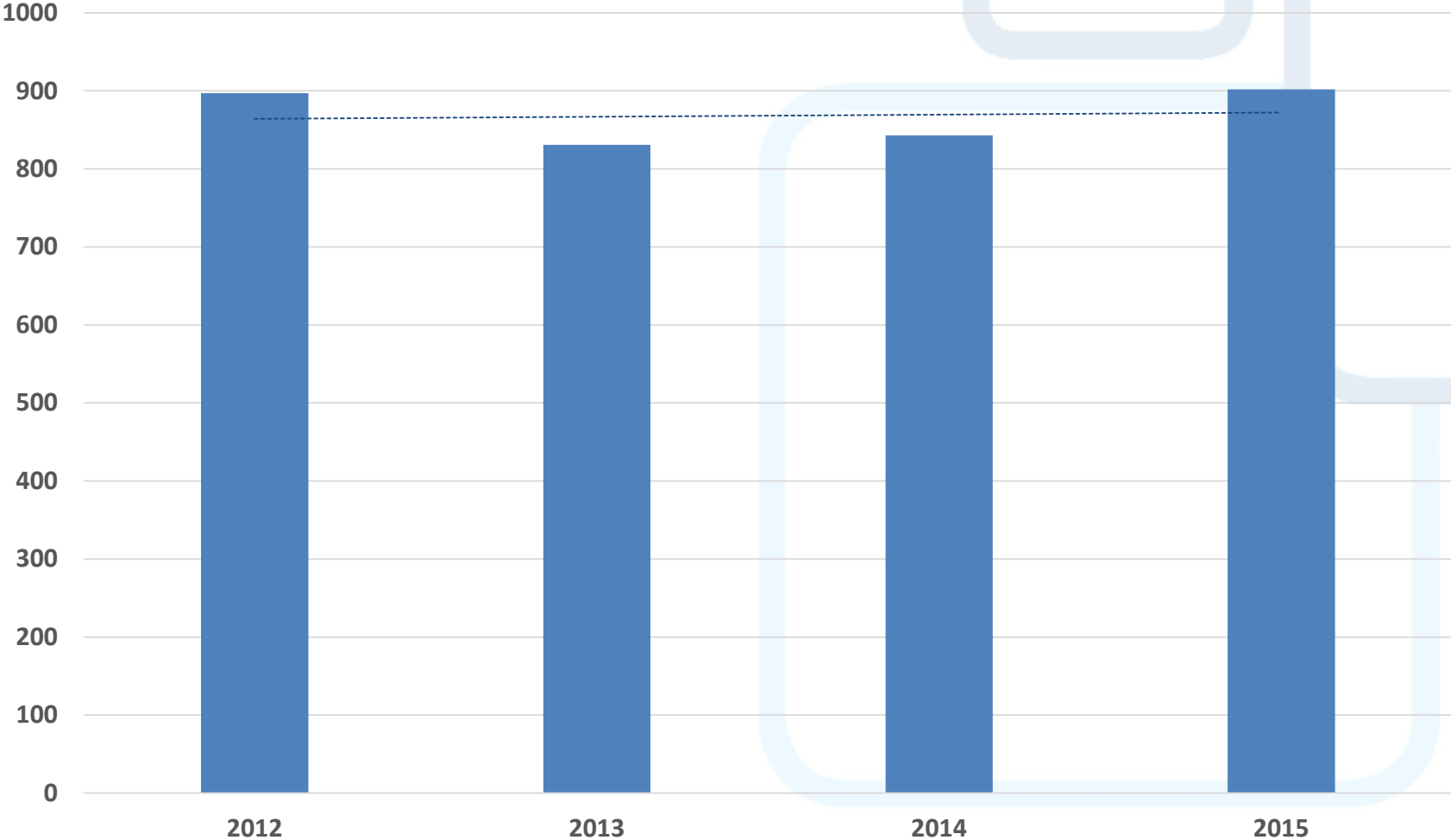
Surgery



Deliveries



Deliveries



Radiology Summary

- Number of linear accelerator treatments increased nearly 500% from 2014
- Interventional radiology has increased 37% since 2013
- Mammography has increased 5% since 2013 with an expected increase in demand through partnership with City of Chicago
- Ultrasound volume has increased 17%

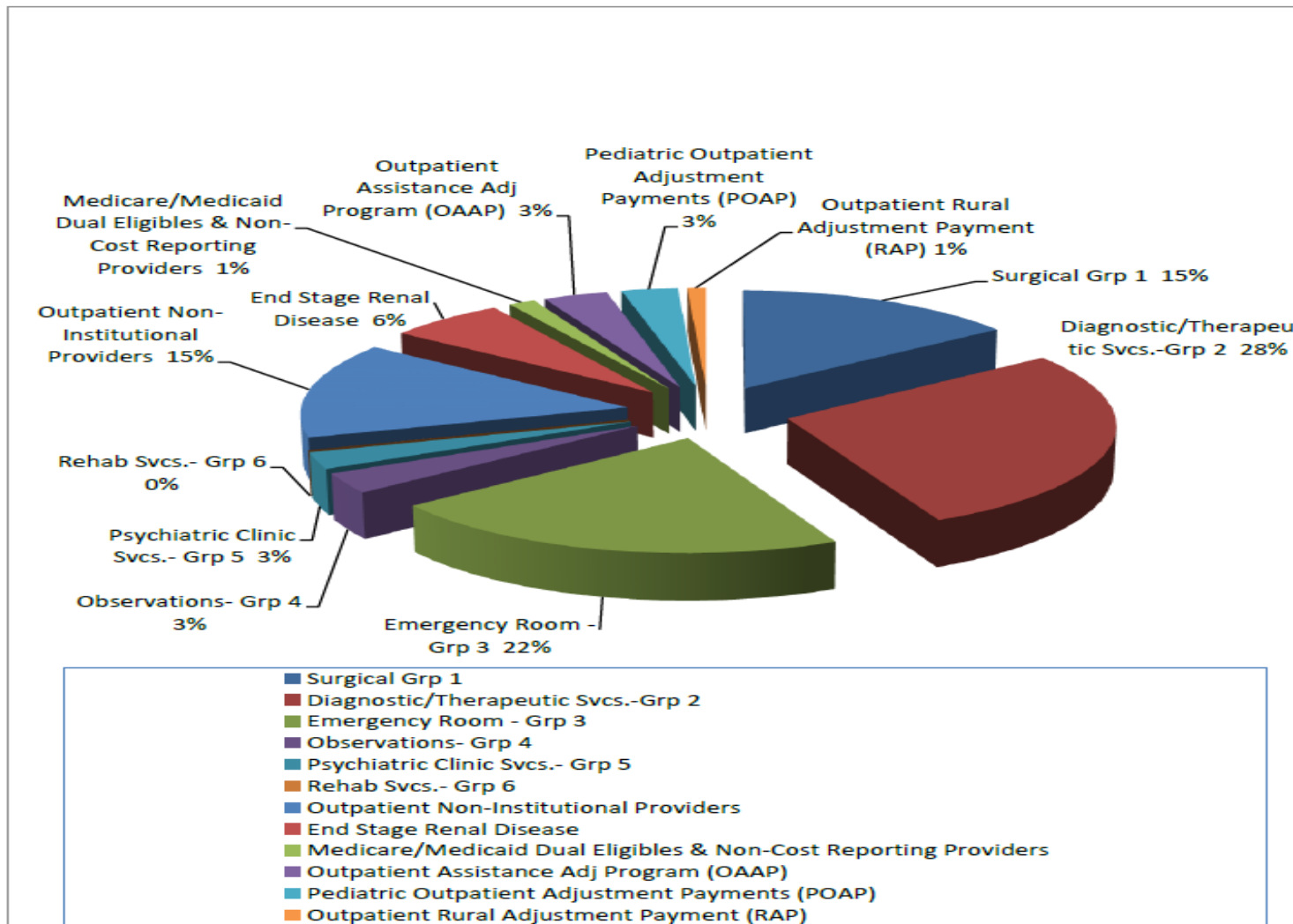


External Data



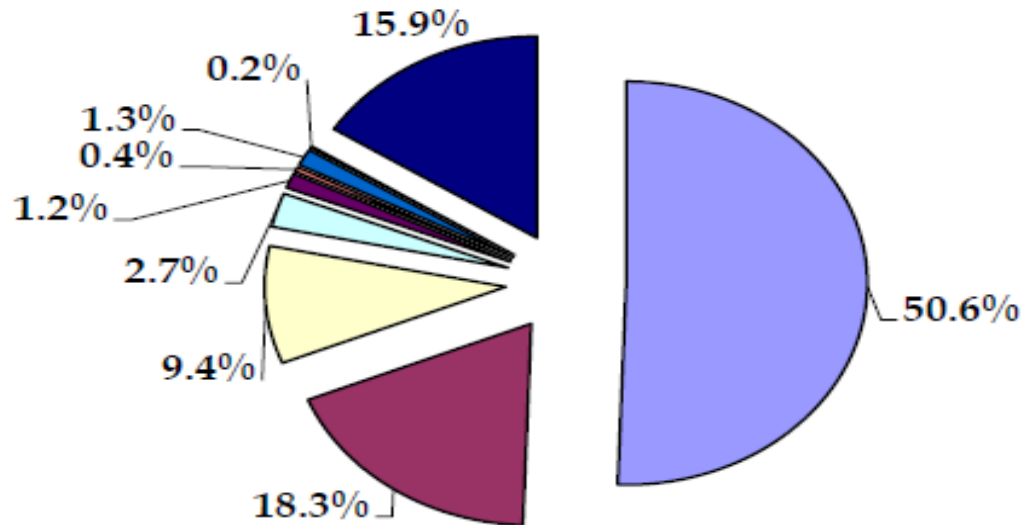
State of Illinois: Outpatient Hospital Spending

FY14 OUTPATIENT HOSPITAL SPENDING BY REIMBURSEMENT GROUP - \$689 Million



State of Illinois: Inpatient Spending

FY 2014 Inpatient Spending - \$2.27 Billion



- Diagnosis Related Grouping General Inpatient Care =50.6%
- Children's Hospitals =18.3%
- All Providers Psychiatric Care =9.4%
- Alternative Reimbursement System General Inpatient Care =2.7%
- All Providers Rehabilitation Care =1.2%

State of Illinois: Medical Programs Spending

Graph I
Medical Programs Spending
Fiscal Year 2012-Fiscal Year 2014
Dollars in Millions

Fiscal Year Events That Affected Spending

2012 Reflects 11 months of long term liability instead of 12 related to PA 96-1405. Reflects full year of Integrated Care Program in HMOs. General Assembly action resulted in \$1.4 billion in unplanned and unfunded pressures to the FY12 Medical Assistance budget. These pressures resulted in approximately \$2.5 billion in unpaid bills being pushed into FY13 creating longer payment cycles. Other Medical includes amounts paid via offsets to ffp draws.

2013 SMART Act reductions implemented per PA 097-689. FY13 lapse period spending extended through 12/31/13. Includes 748 Hospital Relief Fund \$280 million re-appropriation. Other Medical includes amounts paid via offsets to ffp draws. Includes paydown of unpaid bills accumulated during FY12.

2014 Integrated Care program expanded throughout other regions of that state in HMOs. Other Medical includes amounts paid via offsets to ffp draws.

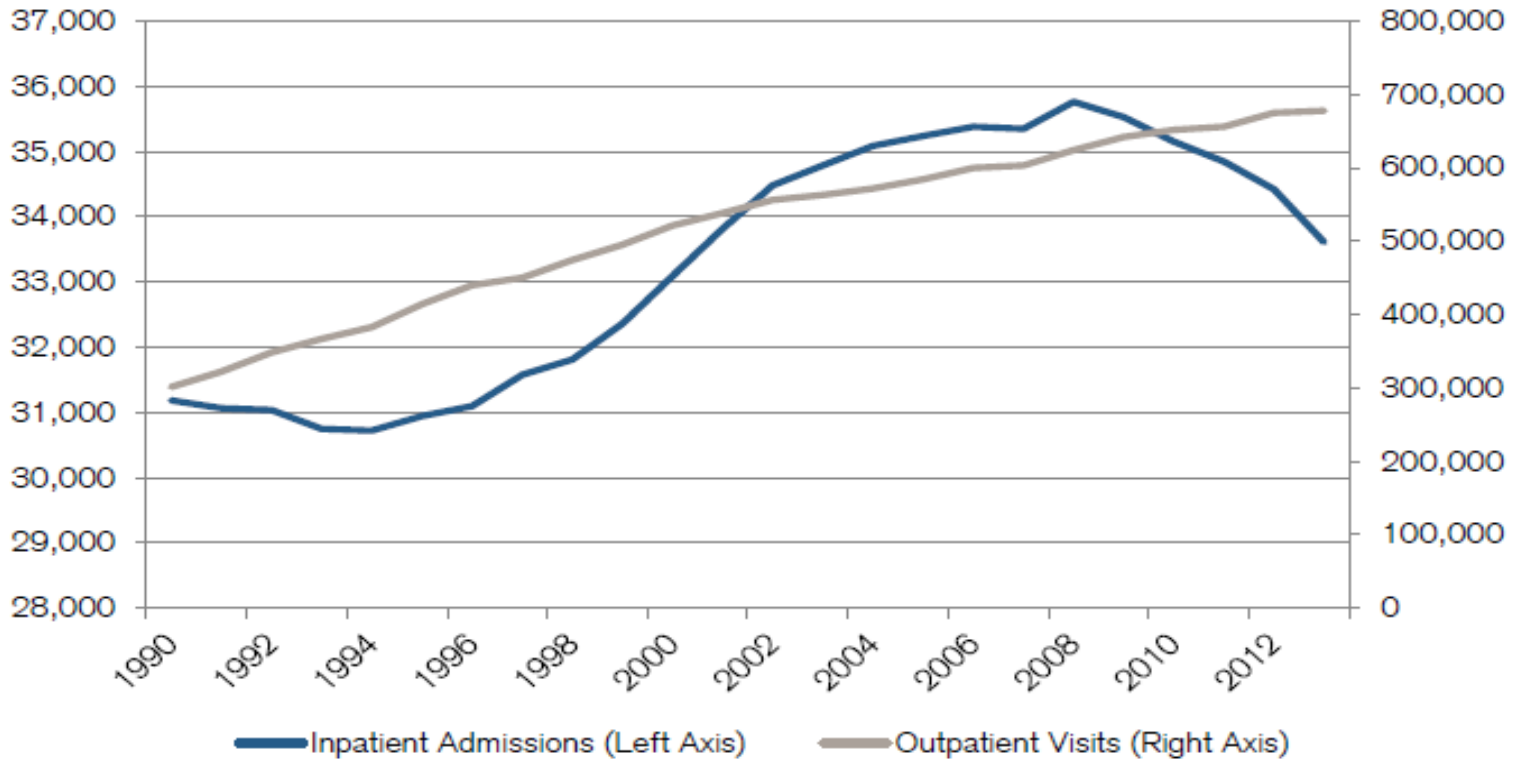


Note: Not included in total spending are expenditures from the (Cook) County Provider Trust, University of Illinois Hospital Services, Trauma Center, Non-entitlements, Hospital Provider (relating to the assessment), Medicaid Research and Development, Special Education Medicaid Match, Independent Academic Medical Center, Post-Tertiary Clinical Services and Juvenile Rehabilitation Services Funds. Also refer to footnotes for Table III.

Graph Prepared By: Division of Finance
 Data Source: Division of Finance, Comptroller Spending Report FY'14.

United States Hospital Utilization

Figure 123: U.S. Acute Care Hospital Utilization Trends 1990-2013



Source: Credit Suisse estimates, American Hospital Association.

In 2015, the cost of health care for a typical American family of four covered by an average employer-sponsored PPO plan is \$24,671 according to the Milliman Medical Index (MMI).

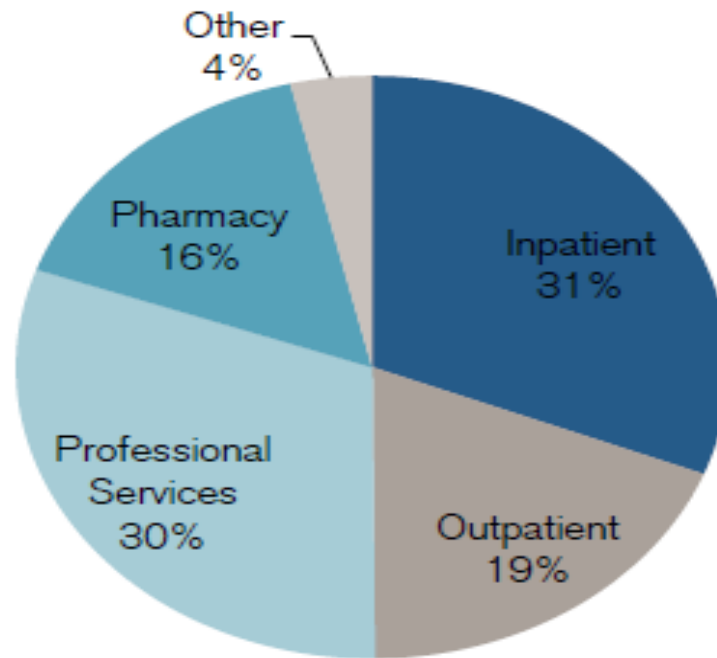


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Milliman Medical Index: Components of Healthcare Spending

Figure 126: 2015 MMI Components of HC Spending

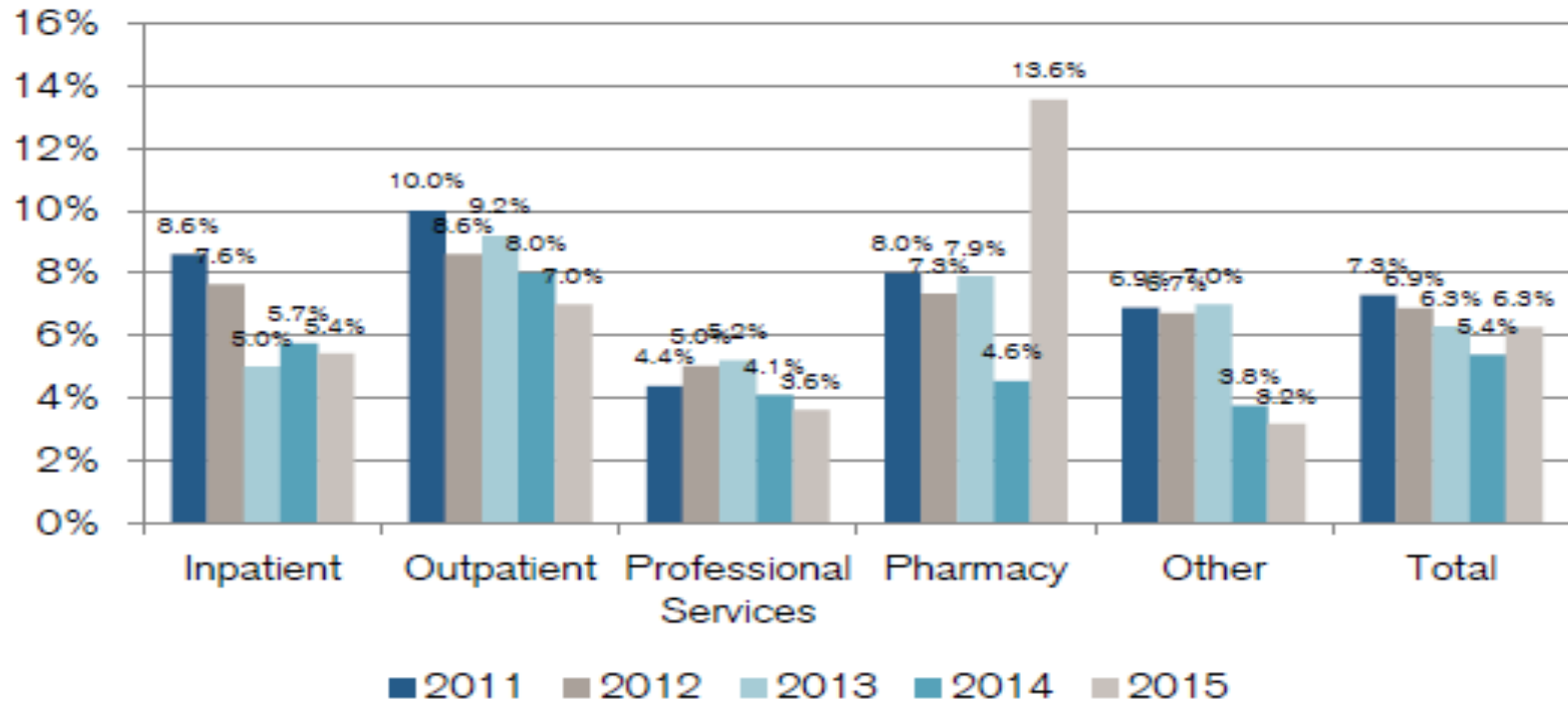


Source: Credit Suisse research, Milliman.



Milliman Medical Index: Annual Rate of Increase

Figure 127: MMI Annual Rate of Increase by Component of Medical Care

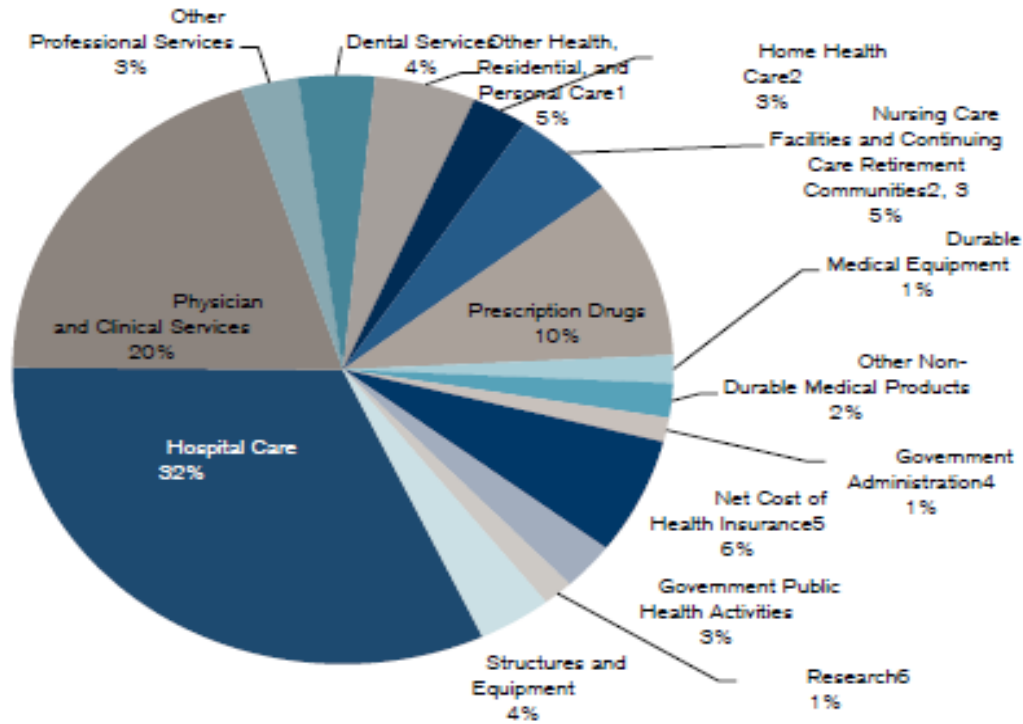


Source: Credit Suisse research, Milliman.



National Health Expenditures

Figure 131: 2014 National Health Expenditures, by Service Type

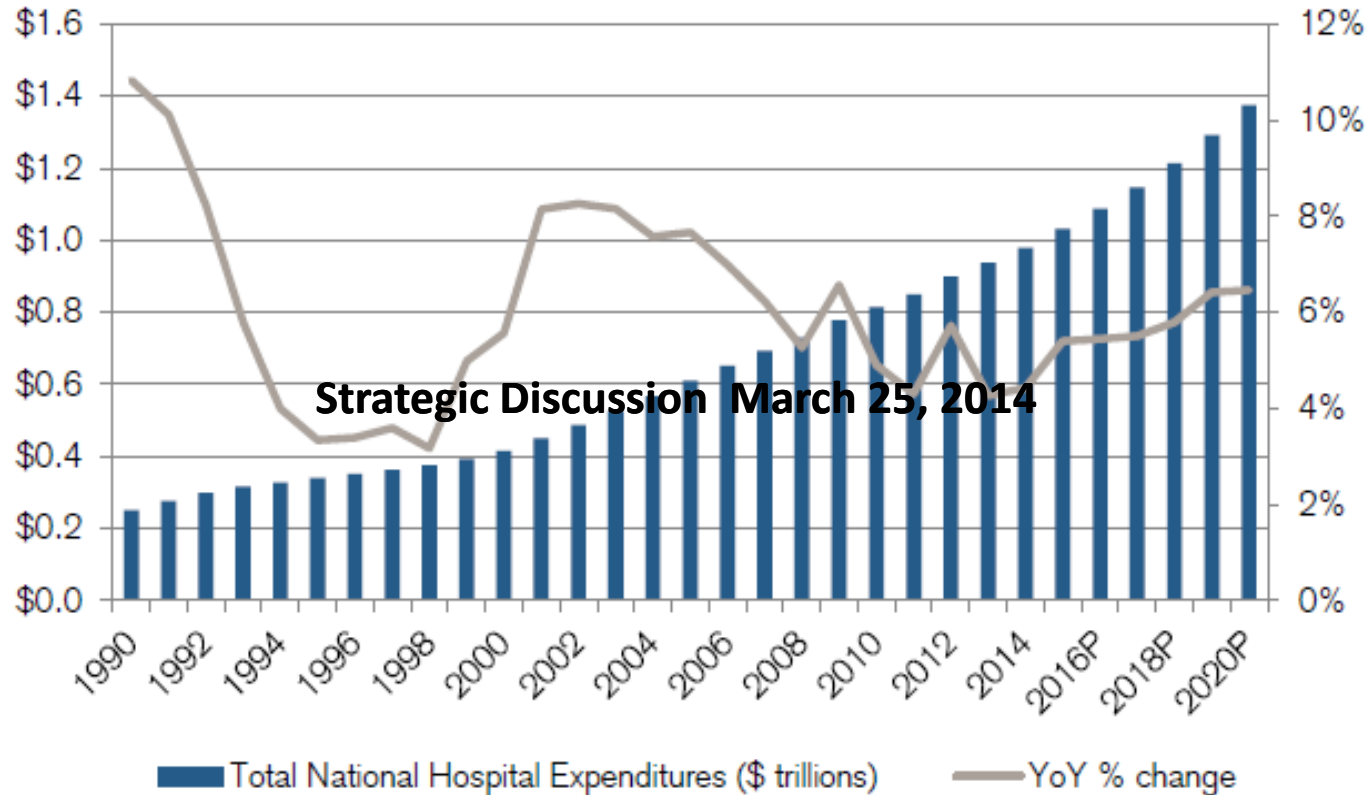


Source: Credit Suisse research, Centers for Medicare & Medicaid Services.



National Acute Care Hospital Expenditures

Figure 122: Total National Acute Care Hospital Expenditures and YoY Growth (1990-2020P)



Source: Credit Suisse estimates, Centers for Medicare & Medicaid Services.



Revenue



Revenue

- Most Medicaid monies including Disproportionate Share Hospital (DSH) payments, Medicaid Fee for Service (FFS), Benefits Improvement and Protection Act (BIPA) Funds are based on cost
- They are also based on Cook County Health and Hospitals System paying the state share of the cost
- Medicaid managed care capitation payments are based on actuarial soundness
- Medicaid managed care payments to providers are primarily based on fee schedules
- Accountable Care Act funding was game changer, but still has challenges



Revenue

- Historically the combination of County funding and the 50% of cost from federal sources worked
- As the County funding shrinks, the challenge increases
- ACA, Medicare, Commercial, and Medicaid MCO patients become key to future success



Revenue

- Breakdown of cash receipts (in millions)

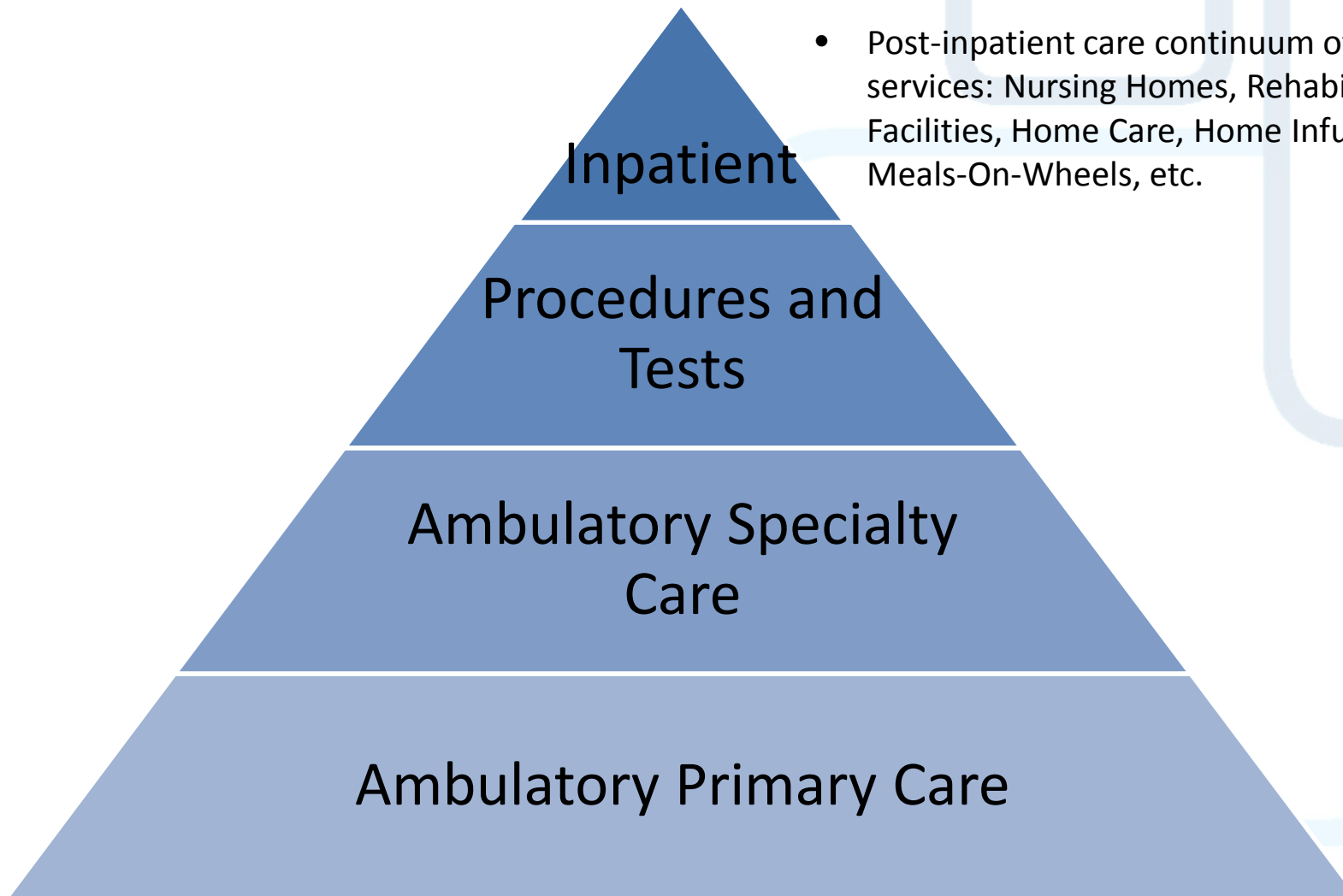
Payor	2014	2015	Budget 2016
BIPA	\$101	\$139	\$131
DSH	\$170	\$158	\$162
CC	\$728	\$847	\$952
MC	\$72	\$68	\$70
FFS	\$160	\$161	\$41
MCO	\$0	\$31	\$92
Phys	\$11	\$15	\$18
Other	\$34	\$66	\$62
Total	\$1,276	\$1,485	\$1,529



Risk and Opportunities

- BIPA
- DSH
- CC
- MC
- FFS
- MCO
- Phys
- ACA
- Exchange
- Research/Grants





- Post-inpatient care continuum of care services: Nursing Homes, Rehabilitation Facilities, Home Care, Home Infusion, Meals-On-Wheels, etc.



Discussion



Previews

- Expenses
- Staff to Volumes
- Debt
- Pension
- CART
 - Clinical
 - Administrative
 - Research
 - Teaching

