

# Strategic Planning FY 2020-2022



**Finance**

January 18, 2019



COOK COUNTY  
**HEALTH**

# Overview of Department

**Finance Department**



COOK COUNTY  
**HEALTH**

# Overview of Department

## Areas of Responsibility

Department Name	Budget	CCH FTE *
<b>CFO Functions;</b> <ul style="list-style-type: none"><li>• Revenue Cycle</li><li>• Health Information Management</li><li>• Financial Reporting &amp; Accounting</li><li>• Budget &amp; Financial Planning</li><li>• Cost &amp; Reimbursement</li><li>• Support Office</li></ul>	<b>\$66M</b>	<b>394</b>

\* Some finance staff report to COO's at Cermak & Provident, and excludes Call Center FTEs

# Overview of Department

## Areas of Responsibility

Department Name	Budget	FTE*	Contracts	FTE
<b>Revenue Cycle</b> Patient Access Admissions Patient Financial Services <b>Other than Personnel</b>	<b>\$16M</b>	<b>255</b>	Ajilon - <b>\$0.2M</b>  Salud Revenue Partners <b>\$6M</b> nThrive <b>\$3M</b> Great Lakes Medicaid (GLM) <b>\$1.7M</b> Change Healthcare <b>\$0.3M</b>	<b>21</b>

FTE count excludes 48 budgeted FTEs in Call Center

# Overview of Department

## Areas of Responsibility

Department Name	Budget	FTE	Contracts	FTE
<b>Health Information Management</b> Coding Systems Medical Records Mgt Quality/analysis  <b>Other Than People</b>	\$6M	71	Himagine - \$4M Maxim - \$22K FGCS - \$0.5M  Iodine - \$0.3M GRM - \$0.3M Perry Johnson - \$27K 3M Coding Software	48 3 5

# Overview of Department

## Areas of Responsibility

Department Name	Budget	FTE	Contracts	C/FTE
<b>Financial Accounting &amp; Reporting</b> Accounts Payable Payroll <b>Other than people</b>	<b>\$6M</b>	<b>57</b>	Ajilon <b>\$0.3M</b>  System Innovators Div/N. Harris Computer/Inovah - <b>\$7K</b> Davis Banc Corp. - <b>\$13K</b>	<b>11</b>



# Overview of Department

## Areas of Responsibility

Department Name	CCH Budget	CCH FTE	Contracts Budgets/Spend	C/FTE
Budget & Financial Planning	\$0.5M	5		
Cost & Reimbursement	\$0.3M	3	Bradley CPA - \$70K	
CFO Office – Finance Division Support Other than people	\$0.4M	3	Keystone Advisors - \$100K  Adv. Board/Mede-Analytics - \$0.5M	2

# Impact 2020 Recap



## Status and Results

- Deliver High Quality Care
- Grow to Serve and Compete
- Foster Fiscal Stewardship
- Invest in Resources
- Leverage Valuable Assets
- Impact Social Determinants
- Advocate for patients



COOK COUNTY  
**HEALTH**



# Impact 2020

## Progress & Updates

Focus Area	Name	Status
Deliver High Quality Care	With other leaders - Drive investment in state of the art equipment to improve safety & quality; standardize and improve registrations by implementing Central Registration; improving financial counselling and screening of detainees to ensure continuity of care .	60%
Foster Fiscal Stewardship	With other leaders - Improve revenue cycle – documentation, coding , billing and collections. Provide tools for providers to collaborate with Health Information Management (HIM) to achieve chart completion and coding queries to support timely billing Leverage technology initiatives such as Countywide Enterprise Resource Planning (ERP) implementation, Vizient data and Clairvia (nursing management) and other technology investments to improve performance	60%

# Impact 2020

## Progress & Updates

Focus Area	Name	Status
Invest in Resources	With CIO - Develop and complete capital equipment assessment and replacement plan.	60%
Leverage Valuable Assets	With CMO - develop specialty-specific Clinical, Administrative, Research and Teaching (CART) inventory. Distribute physician-specific dashboards to benchmark performance. Mature Relative Value Unit model at physician and department level. Case Mix Index, Utilization management	50%
Impact Social Determinants	With CQO - implement REAL training for front line registration staff and measure improvements	40%



# FY2016 - 2018

## Some Financial Context for the future

Environmental Scan of Market, Best Practices and Trends



COOK COUNTY  
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# Environmental Scan of Market, Best Practices, Trends

## ACHE Survey – 10 most concerning issues for Hospital CEOs

“Hospital CEOs ranked financial challenges as the top concern their organization confronted in 2017 **(for the 15<sup>th</sup> consecutive year)**, with governmental mandates and personnel shortages following close behind, according to the American College of Healthcare Executives' annual survey”

Here are the 5 most concerning issues hospital CEOs cited for 2017.

1. Financial challenges , 2. Governmental mandates, 3. Personnel shortages, 4. Patient safety and quality , 5. Patient satisfaction

CEOs also ranked specific concerns within the survey's top three issues. Here are the top three concerns within financial challenges;

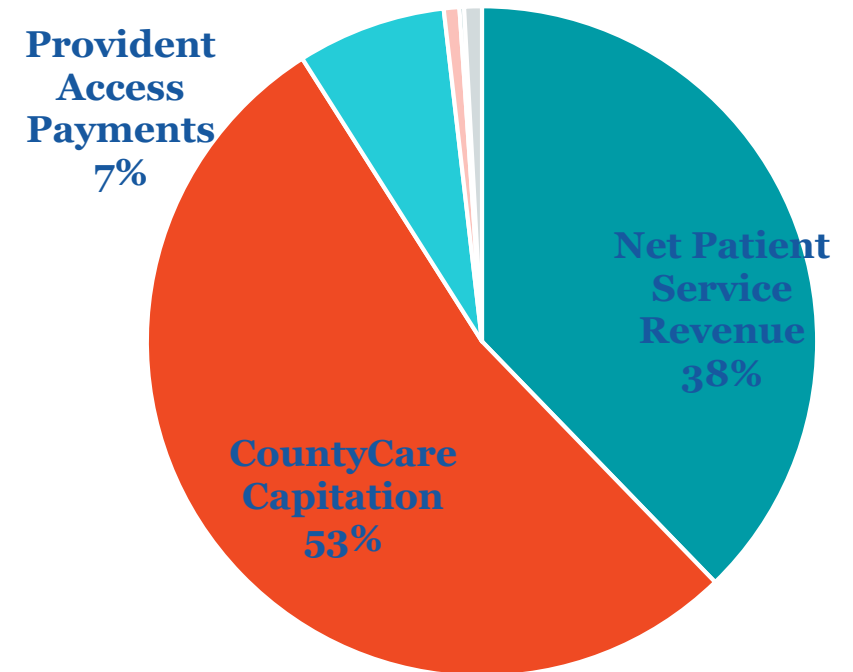
1. Medicaid reimbursement — 71 percent
2. Increasing costs for staff, supplies, etc. — 64 percent
3. Reducing operating costs — 57 percent

# Key Revenue Considerations

## All Operating Revenues (in Millions)

	2017	2016
Net Patient Service Revenue	593.24	531.19
CountyCare Capitation	836.54	924.83
Provident Access Payments	112.84	136.63
Grant Revenue	11.80	12.11
EHR Incentive	3.49	2.62
Other Revenue	13.42	7.39
<b>Total Operating Revenues</b>	<b>1,571.33</b>	<b>1,614.76</b>

CCH Operating Revenues FY 2017



# Key Revenue Considerations

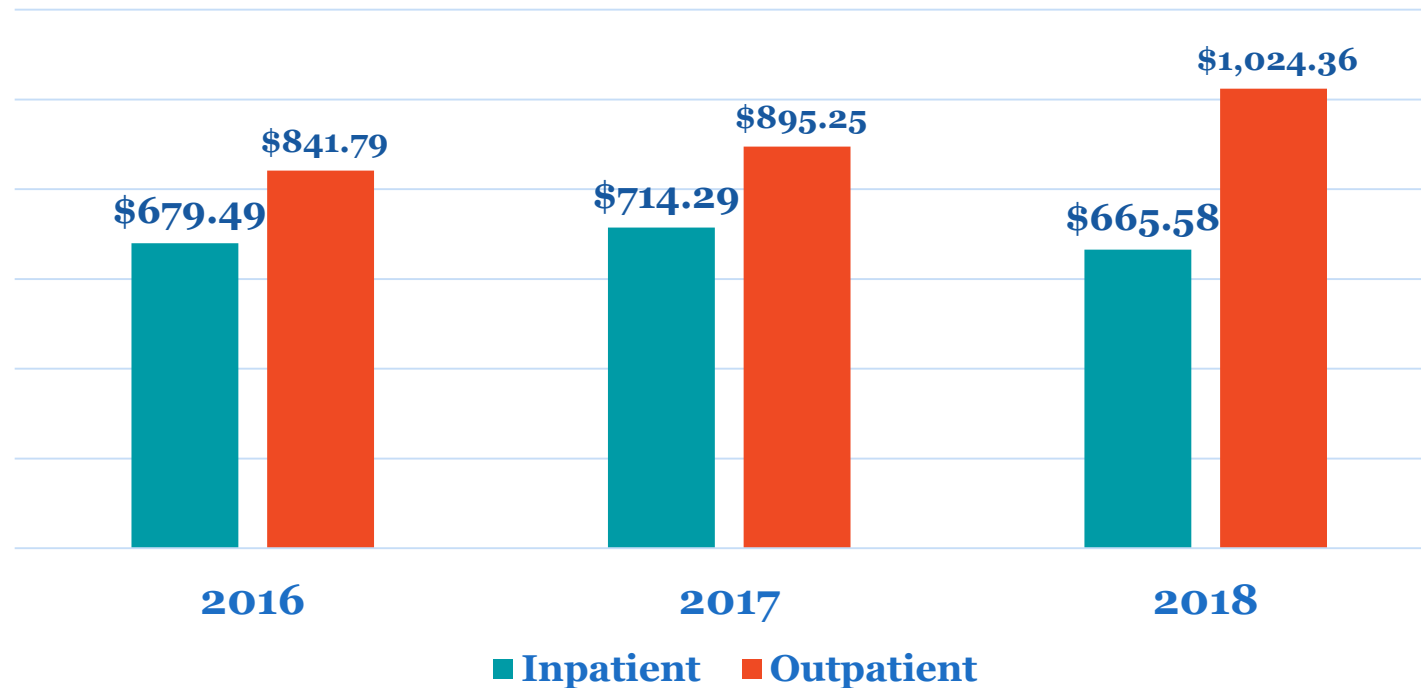
## Gross Patient Service Charges – All Payors (in Millions)

Payor Group	2016		2016 Total	2017		2017 Total	2018		2018 Total
	Inpatient	Outpatient		Inpatient	Outpatient		Inpatient	Outpatient	
MEDICAID/MCAID MGD CARE	\$282.46	\$210.91	\$493.36	\$311.41	\$213.79	\$525.19	\$260.05	\$206.30	\$466.35
CHARITY CARE	\$106.71	\$197.82	\$304.54	\$114.19	\$228.72	\$342.91	\$108.48	\$271.99	\$380.47
MEDICARE/MCARE MGD CARE	\$102.23	\$122.58	\$224.81	\$108.51	\$138.45	\$246.96	\$104.35	\$151.71	\$256.06
SELF PAY	\$66.81	\$134.04	\$200.85	\$65.01	\$139.26	\$204.27	\$66.62	\$177.10	\$243.73
COUNTYCARE	\$70.94	\$117.02	\$187.96	\$70.22	\$115.86	\$186.09	\$87.04	\$148.35	\$235.39
COMMERCIAL	\$38.54	\$36.05	\$74.59	\$37.16	\$36.89	\$74.05	\$34.83	\$48.27	\$83.10
W/OFF	\$11.80	\$20.61	\$32.41	\$7.76	\$19.91	\$27.67	\$3.82	\$18.52	\$22.34
INSTITUTIONAL	\$0.00	\$2.76	\$2.77	\$0.03	\$2.38	\$2.41	\$0.39	\$2.11	\$2.50
<b>Grand Total</b>	<b>\$679.49</b>	<b>\$841.79</b>	<b>\$1,521.28</b>	<b>\$714.29</b>	<b>\$895.25</b>	<b>\$1,609.55</b>	<b>\$665.58</b>	<b>\$1,024.36</b>	<b>\$1,689.94</b>



# Key Revenue Considerations

## Gross Patient Service Charges – Inpatient vs Outpatient (in Millions)



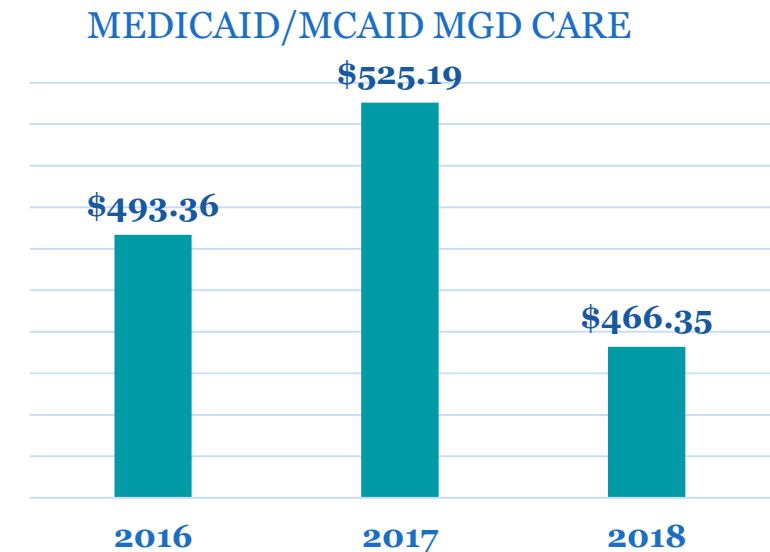
### Observations;

- Sustained shift in activity to outpatient care this is reflective of industry trends
- Sustained growth in charging, also reflective of increasing managed care business and professional fee charging, documentation, coding and billing

# Key Revenue Trends / Analysis

## Top Medicaid/Medicaid Managed Care Plans by Gross Charges (in Millions)

	2016	2017	2018
MEDICAID	\$ 237.90	\$ 218.83	\$ 208.23
ILLINICARE	\$ 44.60	\$ 57.89	\$ 53.66
MEDICAID BLUE CROSS COMM ICP	\$ 33.24	\$ 51.41	\$ 58.76
AETNA BETTER HEALTH	\$ 54.69	\$ 58.59	\$ 6.58
NEXT LEVEL HEALTH HMO	\$ 9.44	\$ 32.39	\$ 33.65
HARMONY HEALTHCARE	\$ 20.22	\$ 21.41	\$ 25.41
MERIDIAN HEALTHCARE	\$ 16.68	\$ 18.49	\$ 26.83
MOLINA HEALTHCARE OF ILLINOIS	\$ 17.92	\$ 20.71	\$ 19.21
FAMILY HEALTH NETWORK	\$ 19.41	\$ 21.52	\$ 0.91



### Observation;

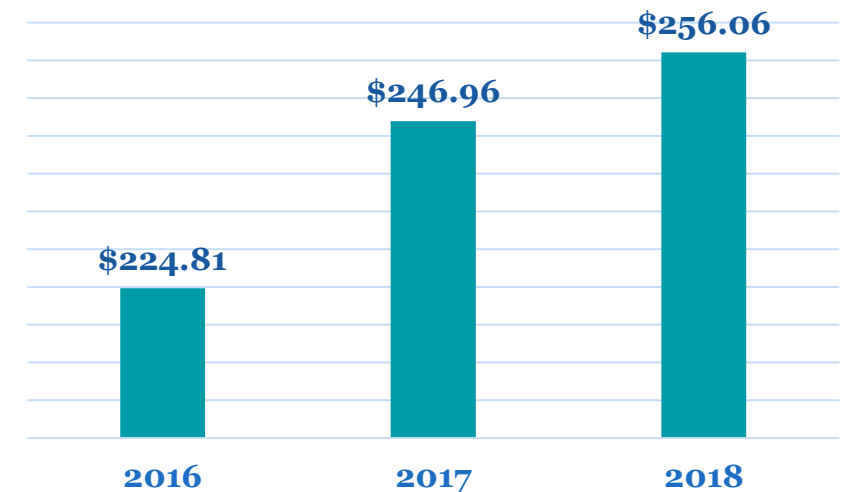
- CCH continues to focus on increasing and attracting all insurance plans by focusing on quality and patient satisfaction

# Key Revenue Trends / Analysis

## Top Medicare/Medicare Managed Care Plans by Gross Charges (in Millions)

	2016	2017	2018
MEDICARE OUTPATIENT	\$101.49	\$107.18	\$115.84
MEDICARE INPATIENT	\$79.20	\$79.73	\$76.52
MEDICARE WELLCARE	\$7.68	\$12.10	\$13.03
MEDICARE AETNA BETTER HEALTH	\$7.19	\$12.08	\$12.19
MEDICARE HUMANA HEALTH	\$5.64	\$6.00	\$6.97
MEDICARE BLUE CROSS COMM ICP	\$1.91	\$4.03	\$4.66
MEDICARE MERIDIAN COMPLETE	\$2.11	\$3.65	\$4.01
INPT PART B ONLY	\$2.68	\$3.32	\$3.28
MEDICARE AETNA HMO	\$.38	\$1.50	\$3.19
MEDICARE UNITED HEALTHCARE	\$3.35	\$4.13	\$2.79

### MEDICARE/MCARE MGD CARE



### Observation;

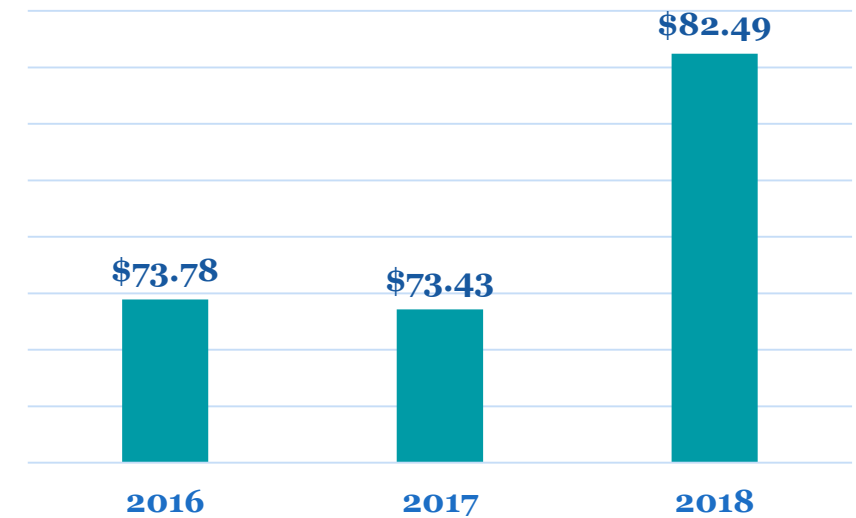
- CCH continues to focus on increasing and attracting all insurance plans by focusing on quality and patient satisfaction

# Key Revenue Trends / Analysis

## Top Commercial Plans by Gross Charges (in Millions)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
BLUE CROSS	\$31.64	\$31.02	\$36.64
COMMERCIAL GENERIC	\$12.73	\$11.23	\$10.12
UNITED HEALTHCARE	\$7.72	\$7.44	\$6.84
BLUECROSS HMO	\$7.10	\$5.48	\$6.43
CIGNA	\$5.15	\$5.23	\$5.10
AETNA	\$3.52	\$4.07	\$5.08
BLUE CROSS CHOICE	\$.77	\$2.72	\$4.72
BLUE CR COOK MED GRP		\$ .00	\$3.28
WORKERS COMPENSATION	\$3.43	\$4.43	\$3.26
HUMANA HMO	\$1.71	\$1.81	\$1.02

Commercial Plans (in Millions)



### Observation;

- CCH continues to focus on increasing and attracting all insurance plans by focusing on quality and patient satisfaction

# Key Revenue Trends / Analysis

## Charity Care/Self-Pay Gross Charge (in Millions)

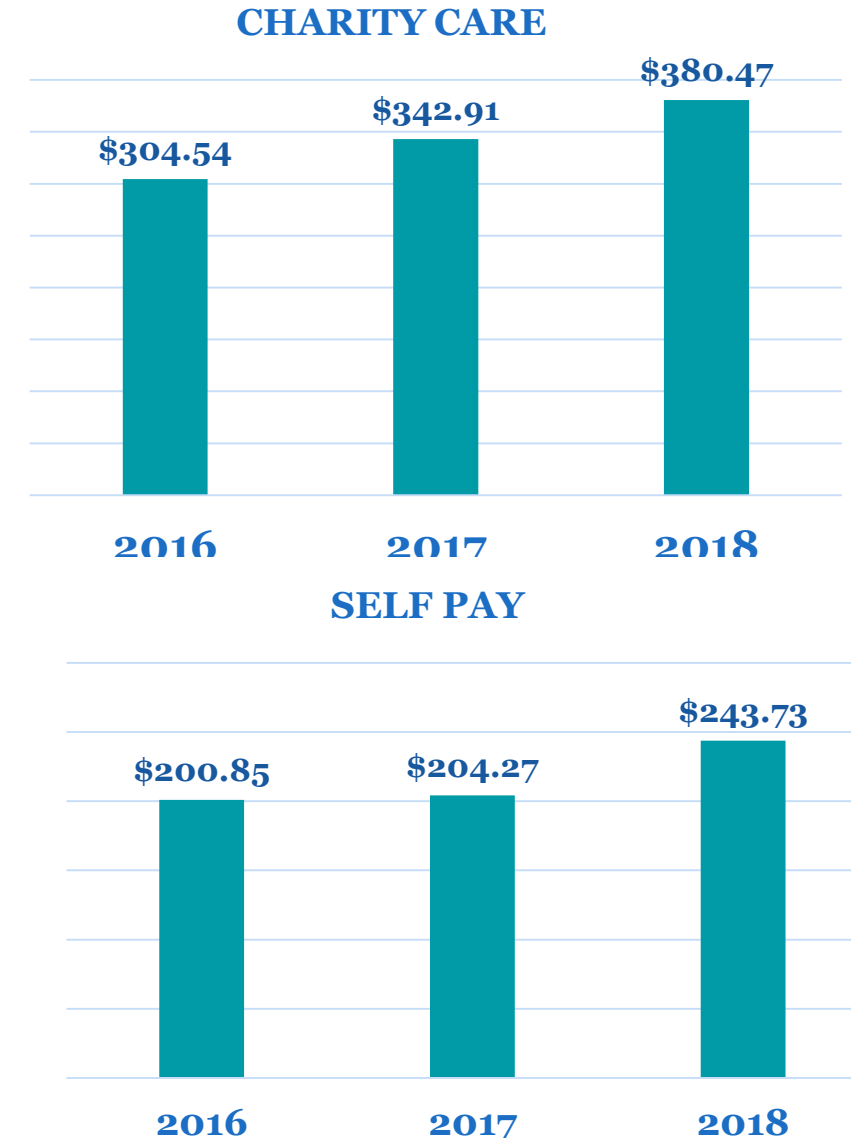
	<u>2016</u>	<u>2017</u>	<u>2018</u>
CARELINK DIR ACCESS	\$104	\$54,126	\$226,989
FINANCIAL ASSIST 1	\$289,489	\$268,659	\$126,671
HUPDA 200% POVERTY	\$11,942	\$15,445	\$20,373
FINANCIAL ASSIST 2	\$2,322	\$3,361	\$4,513
FINANCIAL ASSIST 3	\$436	\$825	\$998
HUPDA 600% POVERTY	\$224	\$521	\$921
<b>Grand Total</b>	<b>\$304,538</b>	<b>\$342,906</b>	<b>\$380,471</b>

	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>SELF PAY</b>	<b>\$200,845</b>	<b>\$204,266</b>	<b>\$243,725</b>

### Observations;

- CCH continues to fulfil its mission of care with increasingly challenging growth of uncompensated care



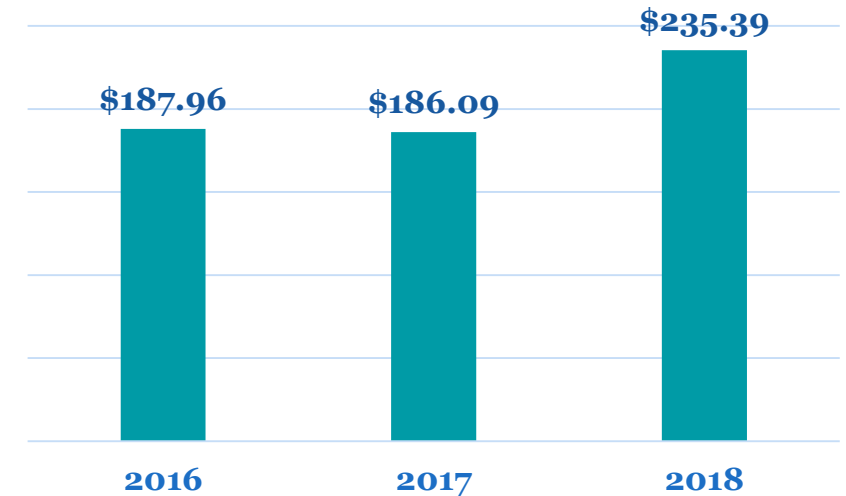
# Key Revenue Trends / Analysis

## Top 9 Clinical Services Provided to CountyCare

### Members by Charges (in Millions)

	2016	2017	2018*
GEN MEDICINE	\$21.40	\$20.59	\$25.33
MEDICINE	\$16.03	\$16.95	\$20.14
EMERGENCY ADULT	\$14.18	\$12.46	\$19.24
AMBULATORY SURG	\$15.55	\$15.83	\$16.85
FAMILY PRACTICE	\$12.42	\$13.34	\$13.44
CHEMOTHERAPY	\$7.17	\$6.84	\$8.81
TRAUMA	\$5.21	\$6.12	\$8.29
PEDIATRICS	\$3.49	\$3.64	\$6.03
ORTHOPEDICS	\$3.37	\$4.00	\$5.46

### COUNTYCARE – CCH Internal Capture



### Observation;

- CCH continues to focus on increasing internal capture of CountyCare business



# Key Revenue Trends / Analysis

## CountyCare - FY2018 - Top 16 Hospitals by Paid Amount

Provider Name	Paid Amount	Unique Claimants
J H STROGER HOSP OF COOK CTY	\$ 81.04	57,753
UNIVERSITY OF ILLINOIS MEDICAL CENTER	\$ 67.48	31,584
RUSH UNIVERSITY MEDICAL CENTER	\$ 48.03	46,774
UNIVERSITY OF CHICAGO	\$ 32.30	19,661
MOUNT SINAI HOSPITAL	\$ 25.50	29,923
ANN AND ROBERT H LURIE CHILDRENS	\$ 19.89	15,302
NORTHWESTERN MEMORIAL HOSPITAL	\$ 17.58	14,851
PRESENCE SAINTS MARY AND ELIZABETH	\$ 16.91	13,959
COMER CHILDRENS HOSPITAL	\$ 15.36	10,066
MERCY HOSPITAL AND MEDICAL CENTER	\$ 14.09	19,481
HOLY CROSS HOSPITAL	\$ 11.49	10,385
ST ANTHONY HOSPITAL	\$ 11.12	16,965
SWEDISH COVENANT HOSPITAL	\$ 10.64	12,718
NORWEGIAN AMERICAN HOSPITAL	\$ 10.52	8,555
PROVIDENT HOSPITAL	\$ 9.06	8,217
ST BERNARD HOSPITAL	\$ 9.03	12,471

### Observations;

- CountyCare is a critical factor in the Cook County Healthcare ecosystem
- CountyCare continues to contribute to CCH as a provider of care

# Key Revenue Trends / Analysis

## Other Payments - Disproportionate Share Hospitals (in Millions)

Description	2016	2017	2018*
Disproportionate Share Hospital	\$156.7M	\$156.9M	\$164.5

## Observations

CCH Imperative to Sustain DSH Funding;

- Disproportionate share of low income patients with high level of uncompensated care
- Must not exceed hospitals “**allowable cost of service**”. Medicaid payments (IP/OP/DSH) must not exceed cost of providing care for Medicaid clients & Uninsured clients i.e. **Medicaid Shortfall** plus Cost of Uninsured
- CCH imperative to manage within Omnibus Budget Reconciliation Act OBRA 1993 hospital-specific limits with increasingly detailed claims level audits

\* FY2018 values are unaudited and preliminary

# Key Revenue Trends / Analysis

## Other Payments - Benefits Improvement and Protection Act (BIPA) (in Millions)

Description	2016	2017	2018*
Benefits Improvement and Protection Act	\$137.9	\$140M	\$136M

### Observations

Medicare, Medicaid, and SCHIP **Benefits Improvement and Protection Act of 2000**

Starting in 2002, the act allowed additional payments to public hospitals that

- were in operation on October 1, 2000, and not receiving DSH payments on that date
- have a low-income utilization rate of 65 percent or higher,
- Payments are not subject to annual state DSH allotments

# Key Revenue Trends / Analysis

## Other Payments - Provident Access Payments (in Millions)

Description	2016	2017	2018*
Access Payments	\$76.4	\$91.4	\$111.4

### Observations

- Payments by Medicaid managed care plans to ensure access to healthcare services at Provident hospital

\* FY2018 values are unaudited and preliminary

# Key Expense Considerations

## Salaries & Benefits Costs (in Millions)

Description	2017	2016
Salaries and Wages	585.16	572.52
Employee Benefits	92.05	89.16
Pension Expenses	235.75	321.59
<b>Total People Expenses</b>	<b>912.96</b>	<b>983.27</b>

### Observations;

- Targeted increase of FTE to meet increased regulatory & quality needs, operational improvements, service line growth etc.
- Impact of negotiated increases in salary & benefits will continue
- Hiring initiatives around hard to fill positions to reduce overtime , agency & registry as needed

# Key Expense Considerations

## Other Than Personnel (in Millions)

	2017	2016
Claims payments to Community providers	680.19	718.03
Supplies	138.59	129.14
Purch. Svc, Rental Others	242.43	182.05
Insurance	34.29	28.26
Depreciation	25.43	27.09
Utilities	13.69	13.36
Services from County Offices	29.92	31.27
<b>Total Other than Personnel</b>	<b>1,164.55</b>	<b>1,129.18</b>

## Observations;

- Medical supplies  
CPI/inflation, implants,  
Building & Rental  
expenses
- Cost of necessary revenue  
cycle initiatives necessary
- Cost of necessary  
equipment purchases via  
lease financing growth
- Necessary support  
expenses through  
consulting and other type  
services





Thank you.



COOK COUNTY  
**HEALTH**