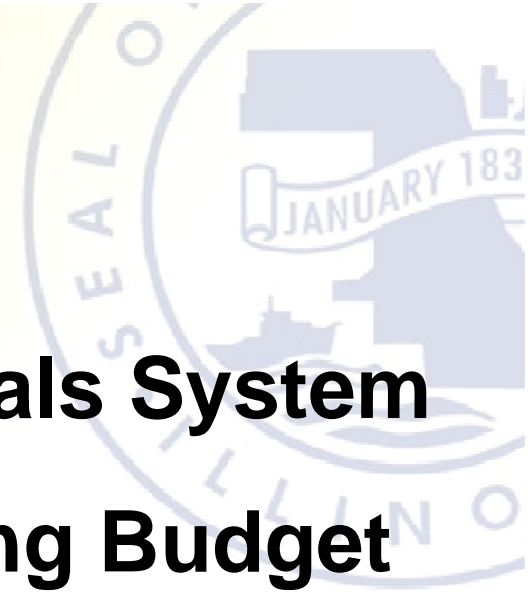


Cook County Health & Hospitals System



Cook County Health & Hospitals System

FY2013 Preliminary Operating Budget

CCHHS Finance Committee

Public Hearing Presentation

Tuesday, August 28, 2012

Thursday, August 30, 2012

Tuesday, September 4, 2012

CCHHS

Cook County Health & Hospitals System FY 2013 Preliminary Budget

Direction

Continue path to **patient centered population health model**

Expand primary care and ancillary services

Continue to **collaborate** with other **healthcare providers**

Improve the use of information systems

Better documentation to **improve** patient care

Increase patient satisfaction

Reduce redundant testing

Improve revenue

Qualify for Meaningful Use payments

Obtain a Section 1115 Waiver

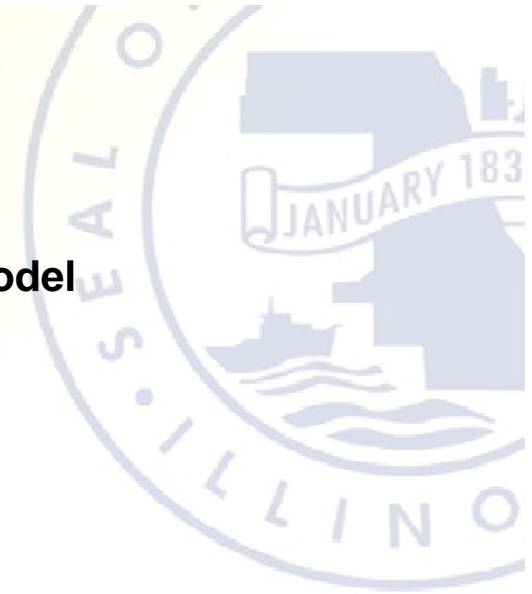
Improve access to comprehensive healthcare

Attract patients that have **commercial insurance**

Provide high **quality** services with emphasis on **patient satisfaction**

Prepare for implementation of the Affordable Care Act in 2014

Change in healthcare delivery system



FY 2013 Preliminary Budget Revenue Estimate

FY 2013 Revenue Estimate expected to be **greater than FY 2012**
Expansion of services associated with the 1115 Waiver
Reduction in outstanding **Accounts Receivable (A/R)**
Achieved through **improvements** in the **revenue cycle**

Revenue Estimate based on the actual **payer mix by service**.

The volume of services assume current levels
Some additional **increase** in **outpatient services**

OFHC assumes **hospital based clinic rate** through Stroger Hospital

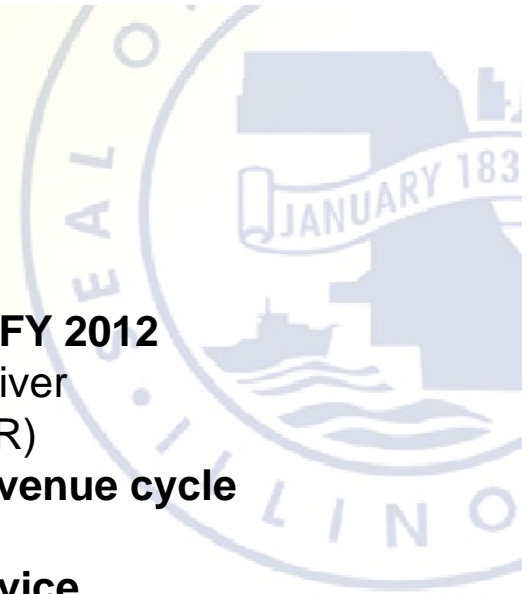
ACHN community clinics assume **hospital based clinic rate**.

The tax subsidy remains at the **same level as FY 2012** - \$253,770,995

1115 Waiver Revenue Estimate

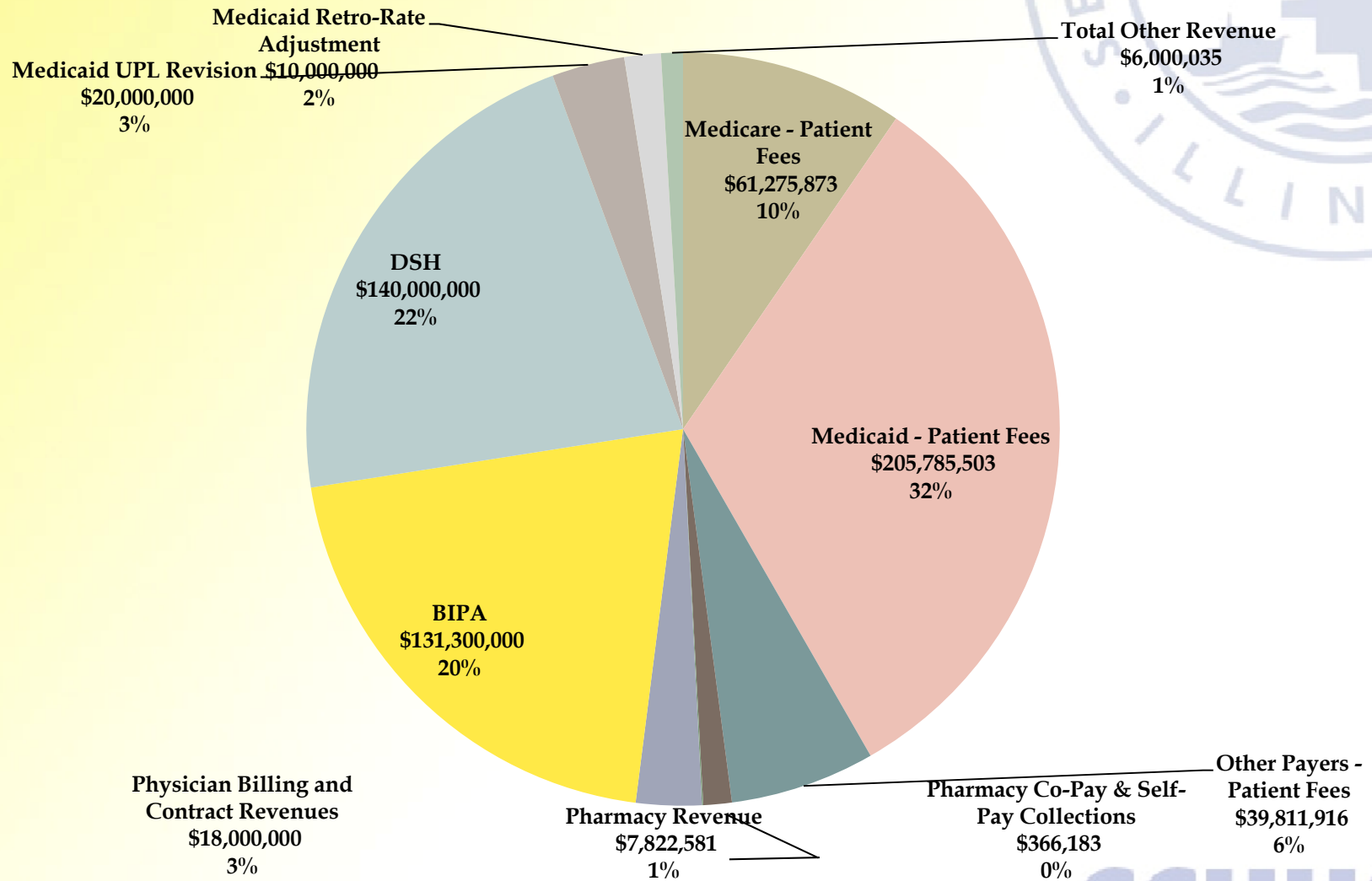
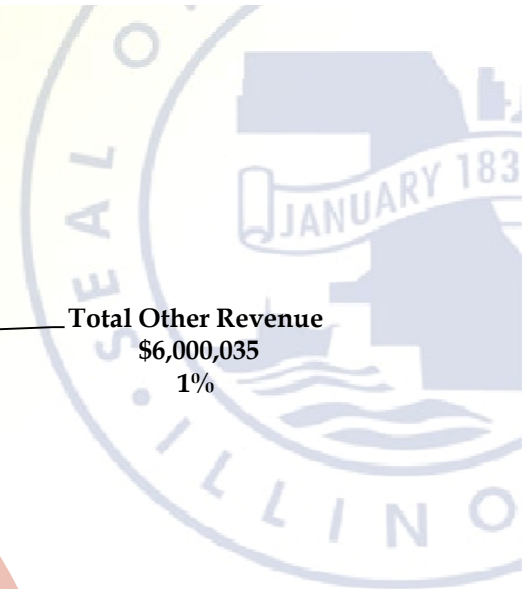
Assumes enrollment of **115,000** at **per member per month** fee

1115 Waiver revenue will be cost settled – **payments for cost of services**



FY 2013 Preliminary Budget

FY 2012 Revenue by Source



Cook County Health & Hospitals System

FY 2013 Preliminary Budget

FY 2012 Payer Mix by Charges

Cumulative Payer Mix Through June-2012 By Charges

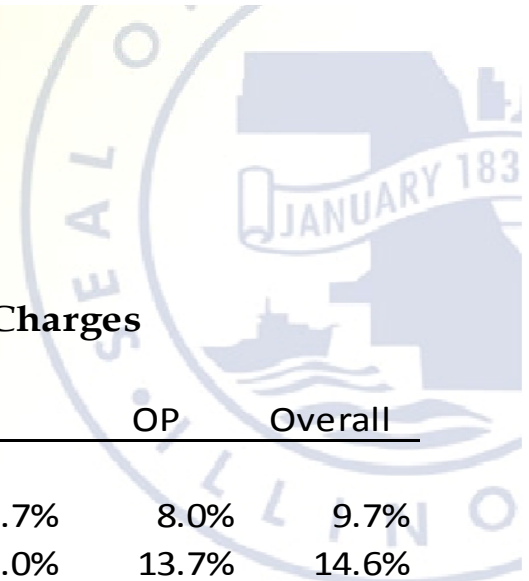
	IP	OP	Overall
SHCC			
Medicare	11.0%	8.7%	9.7%
Medicaid	44.1%	21.5%	31.3%
Commerci	3.2%	2.9%	3.0%
Self-Pay	41.7%	66.9%	56.0%
	100.0%	100.0%	100.0%

	IP	OP	Overall
PHCC			
Medicare	15.7%	8.0%	9.7%
Medicaid	18.0%	13.7%	14.6%
Commerci	1.9%	2.8%	2.6%
Self-Pay	64.4%	75.5%	73.1%
	100.0%	100.0%	100.0%

	IP	OP	Overall
OFHC			
Medicare	0.0%	7.4%	7.4%
Medicaid	0.0%	9.8%	9.8%
Commerci	0.0%	1.6%	1.6%
Self-Pay	0.0%	81.2%	81.2%
	0.0%	100.0%	100.0%

	IP	OP	Overall
CCHHS			
Medicare	11.2%	8.6%	9.7%
Medicaid	43.1%	20.5%	29.9%
Commerci	3.1%	2.8%	3.0%
Self-Pay	42.6%	68.1%	57.4%
	100.0%	100.0%	100.0%

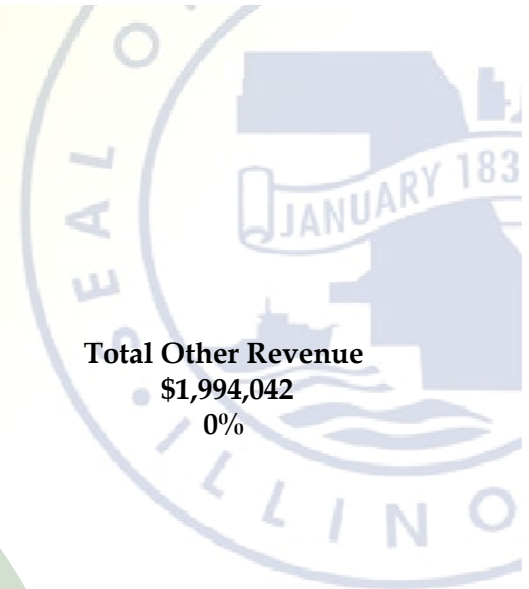
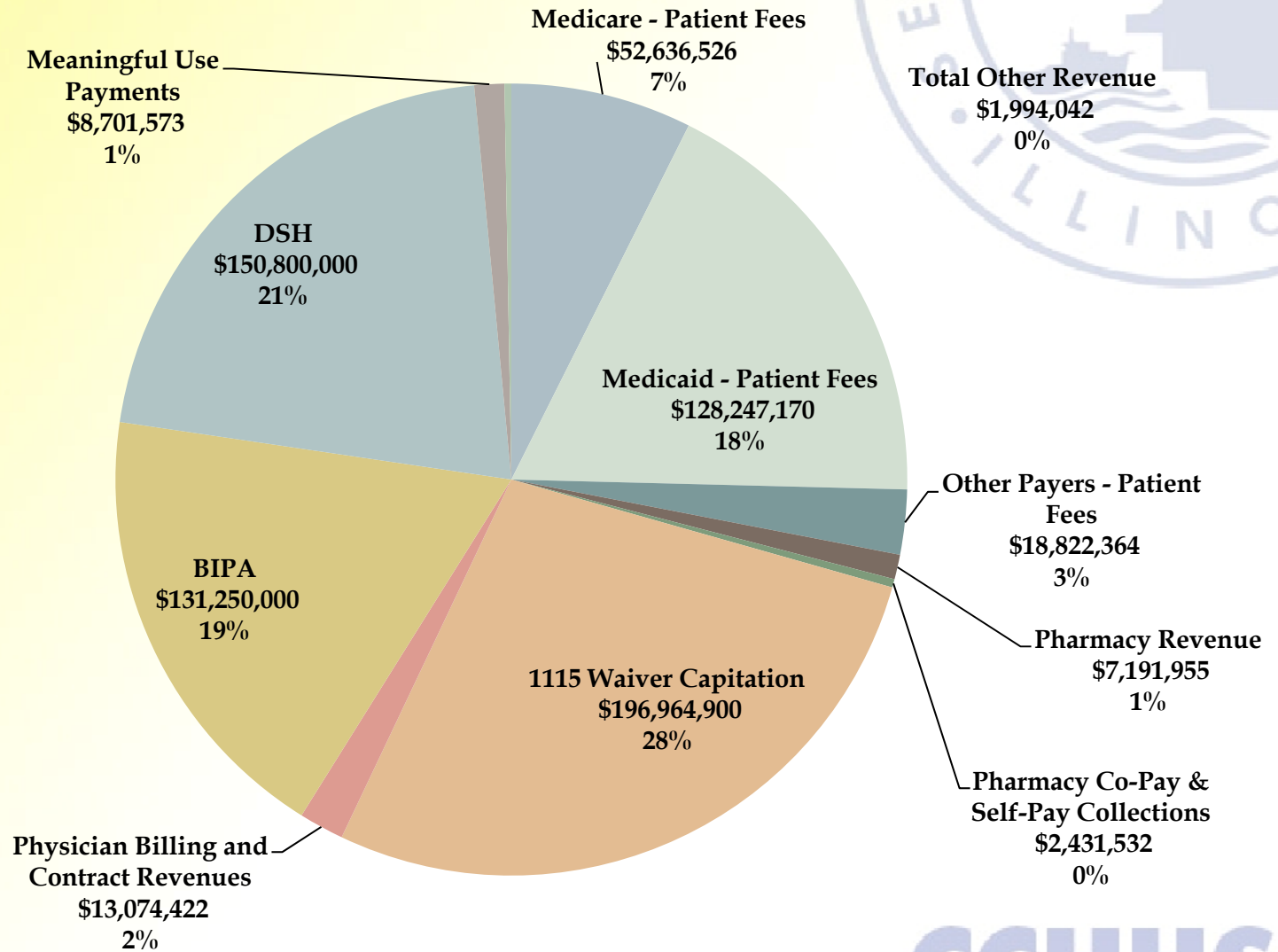
	SHCC	PHCC	OFHC	CCHHS
Cum. IP Re	43.66%	22.37%	0.00%	41.72%



Cook County Health & Hospitals System

FY 2013 Preliminary Budget

FY 2013 Revenue by Source



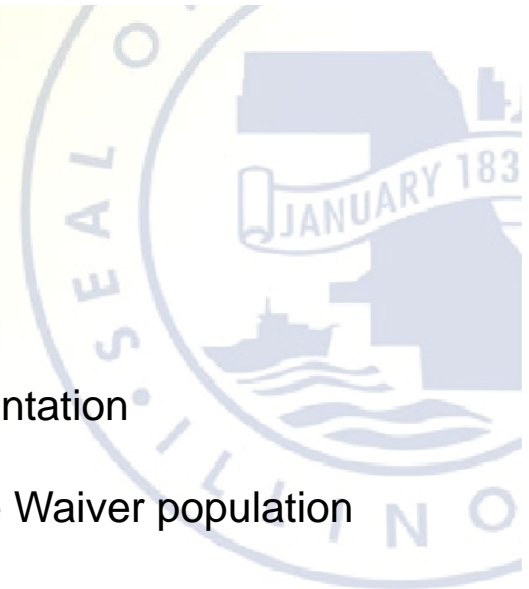
CCHHS

Cook County Health & Hospitals System

FY 2013 Preliminary Budget Revenue

Patient Fees	2012	2013	Variance
Medicare - Patient Fees	\$ 61,275,873	\$ 52,636,526	\$ (8,639,347)
Medicaid - Patient Fees	\$ 205,785,503	\$ 128,247,170	\$ (77,538,333)
Other Payers - Patient Fees	\$ 39,811,916	\$ 18,822,364	\$ (20,989,552)
Pharmacy Revenue	\$ 7,822,581	\$ 7,191,955	\$ (630,626)
Pharmacy Co-Pay & Self-Pay Collections	\$ 366,183	\$ 2,431,532	\$ 2,065,349
1115 Waiver Capitation	\$ -	\$ 196,964,900	\$ 196,964,900
Physician Billing and Contract Revenues	\$ 18,000,000	\$ 13,074,422	\$ (4,925,578)
Total Patient Fees	\$ 333,062,056	\$ 419,368,869	\$ 86,306,813
Supplemental Payments			
BIPA	\$ 131,300,000	\$ 131,250,000	\$ (50,000)
DSH	\$ 140,000,000	\$ 150,800,000	\$ 10,800,000
Meaningful Use Payments	\$ -	\$ 8,701,573	\$ 8,701,573
Total Supplemental Payments	\$ 271,300,000	\$ 290,751,573	\$ 19,451,573
One-Time Revenue Enhancements			
Medicaid UPL Revision	\$ 20,000,000	\$ -	\$ (20,000,000)
Medicaid Retro-Rate Adjustment	\$ 10,000,000	\$ -	\$ (10,000,000)
Total One-Time Revenue Enhancements	\$ 30,000,000	\$ -	\$ (30,000,000)
Total Patient Fee Revenue	\$ 634,362,056	\$ 710,120,442	\$ 75,758,386
Other Revenue			
Cafeteria	\$ -	\$ -	\$ -
Physician Resident Program	\$ 350,000	\$ 348,042	\$ (1,958)
Refunds & Rebates	\$ 3,171,000	\$ -	\$ (3,171,000)
Parking	\$ 1,569,000	\$ 1,000,000	\$ (569,000)
Medical Records	\$ 102,000	\$ 146,000	\$ 44,000
Miscellaneous	\$ 808,035	\$ 500,000	\$ (308,035)
Total Other Revenue	\$ 6,000,035	\$ 1,994,042	\$ (4,005,993)
Total 2013 Budgeted Revenue	\$ 640,362,091	\$ 712,114,484	\$ 71,752,393

FY 2013 Preliminary Budget Appropriations/Assumptions



1115 Waiver

Department 896 – 1115 Waiver Medicaid Waiver Implementation

New department unit created

Includes existing operating costs associated with the Waiver population

The 1115 Waiver positions will be hired through an expedited process

To implement the 1115 Waiver it will be necessary to contract for services

A Third Party Administrator, mental health services, substance abuse services, case management, additional primary care capacity, and additional Medicaid application services and training

Expenses included in the 260 Account - Professional and Managerial Services

CCHHS will develop procedures to track the expenses and revenues associated with the 1115 Waiver project to assist with the cost settlement of the project.

CMS will require a cost settlement process to occur

Data will demonstrate coordinated care model will save Medicaid dollars.

Cook County Health & Hospitals System

FY 2013 Preliminary Budget Appropriations/Assumptions

Oak Forest Health Center

Expenses associated with the provision of **healthcare** were moved to **Stroger Hospital and ACHN**.

The **revenue** for those services is now credited to **Stroger Hospital and ACHN**

The remaining costs are the costs of **operating the campus**
Public Safety, Utilities, Building and Grounds maintenance, etc.

CCHHS has departments located at the Oak Forest Campus
Centralized Business Office
Cook County Department of Public Health



FY 2013 Preliminary Budget Appropriations/Assumptions



Supply Chain Savings

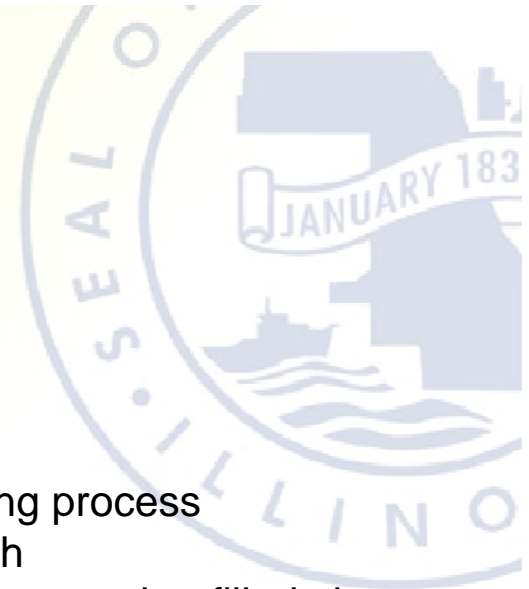
\$25M reduction in expenditures associated with supply chain

Implementation of a **new automated purchasing and inventory** system

899 Account - Fixed Charges

- **Cook County will continue** to provide on a county-wide basis
Employee benefits, insurance coverage, and other services
- **Employee turnover adjustment** will be allocated to each **business unit**
In FY 2012 it was the 899 Account - Fixed Charges

FY 2013 Preliminary Budget Appropriations/Assumptions



Personnel

Hiring additional positions in FY2013

Assumes the **382 positions** included in the 2012 hiring process

Assumes **30 vacant positions** to be filled each month

Assumes **210 vacant positions** for the 1115 Waiver to be filled thru an **expedited process**

As currently filled positions become vacant through natural attrition those positions will be **replaced as needed as turnover occurs**

The County Department of Budget and Management Services (DBMS) has included in their **estimates of labor costs** amounts that have already been agreed to through **standard wage increases** and **collective bargaining agreements**

Cook County Health & Hospitals System

FY 2013 Preliminary Budget

Operating Budget Summary

Affiliate	FY 2012 Adjusted	FY 2013 Preliminary	Variance
240 – Cermak	\$40.1 M	\$40.9 M	\$0.8 M
241 – JTDC – Health	\$3.9 M	\$3.9 M	(\$0.0 M)
890 – Health System Administration	\$165.5 M	\$154.9 M	(\$10.6 M)
891 – Provident Hospital	\$51.1 M	\$49.5 M	(\$1.6 M)
893 – ACHN	\$47.1 M	\$51.8 M	\$4.7 M
894 – CORE	\$11.7 M	\$11.7 M	\$0.0 M
895 – Public Health	\$17.1 M	\$16.1 M	(\$1.0 M)
896 – Section 1115 Medicaid Waiver Implementation	-	\$97.9 M	\$97.9 M
897 – Stroger Hospital	\$426.5 M	\$426.0 M	(\$0.5 M)
898 – Oak Forest Health Center	\$34.9 M	\$12.5 M	(\$22.4 M)
Total*	\$797.9 M	\$865.2 M	\$67.3 M

*Does not include special-purpose funds

DBMS Data Source

Cook County Health & Hospitals System

FY 2013 Preliminary Budget Personnel Commitments

Affiliate	FY 2012 Approved	FY 2013 Preliminary	FY 2013 Vacant Positions
240 - Cermak	527.0	502.1	74.0
241 - JTDC - Health	37.0	36.0	4.0
890 – Health System Administration	581.0	608.0	116.0
891 – Provident Hospital	468.0	383.0	40.0
893 - ACHN	677.3	652.0	38.0
894 - CORE	70.0	66.0	6.0
895 - Public Health	176.0	155.0	17.0
896 – Section 1115 Medicaid Waiver Implementation	0.0	247.0	246.0
897 – Stroger Hospital	4,184.0	3,902.0	404.0
898 - Oak Forest Health Center	337.5	116.0	7.0
Total	7,057.8	6,667.1	952.0