

CCH Finance Committee Meeting June 2019



Ekerete Akpan, Chief Financial Officer

June 21, 2019



COOK COUNTY
HEALTH

Agenda

1. System-wide Financials & Stats
 - a. Financials
 - b. Observations
 - c. Financial / Revenue Cycle metrics
2. CCH Provider Service Financials
3. CountyCare Financials & Stats
4. Correctional Health services Financials & Stats
5. Department of Public Health Financials & Stats
6. Administration Financials
7. System-wide volumes/stats





Systems-wide Financials, Observations, and Revenue Cycle Metrics



COOK COUNTY
HEALTH

Income Statement for the Five Months ending April 2019 (in thousands)

CCH Systemwide	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	242,708	305,646	(62,939)	-21%
County Care Access Payments	174,032	-	174,032	n/a
CountyCare Capitation Revenue	734,610	759,062	(24,453)	-3%
Cook County Access Payments	20,604	20,604	-	0%
Other Revenue	7,093	5,417	1,676	31%
Total Operating Rev	1,179,046	1,090,729	88,317	8%
<u>Operating Expenses</u>				
Salaries & Benefits	269,948	297,141	27,192	9%
Overtime	19,107	14,917	(4,189)	-28%
Contracted Labor	18,564	14,217	(4,347)	-31%
Pension*	45,803	136,401	90,598	66%
Supplies & Materials	16,552	31,261	14,709	47%
Pharmaceutical Supplies	29,607	33,678	4,071	12%
Purch. Svs., Rental, Oth.	90,081	139,533	49,452	35%
External Claims Expense	625,946	590,237	(35,709)	-6%
County Care Access Expense	174,032	-	(174,032)	n/a
Insurance Expense	11,117	12,265	1,148	9%
Depreciation	14,460	14,460	-	0%
Utilities	8,614	4,119	(4,495)	-109%
Total Operating Exp	1,323,832	1,288,230	(35,602)	-3%
Operating Margin	(144,786)	(197,501)	52,715	27%
Operating Margin %	-12%	-18%	6%	32%
Non Operating Revenue	82,529	108,082	(25,553)	-24%
Net Income/(Loss)	(62,257)	(89,419)	27,162	30%



Observations

- Primary Care visits are up by 7% versus FY18, and up 1% versus FY19 target
- Specialty Care visits are up by 2% versus FY18, and down 3% versus FY19 target
- Surgical Cases are down by 3% versus FY18, and down 8% versus FY19 target
- Inpatient Discharges are down 11% versus FY18
- LOS is up 1% versus FY18, and up 1% versus FY19 target
- Emergency Department visits are down 1% versus FY18
- Deliveries are down by 3% versus FY18, and down 13% versus FY19 target
- System-wide uninsured numbers
 - Captured by Visits, held at 45% (Provident 35%, ACHN 44%, Stroger 47%)
 - Captured by Charges, held at 43% (Provident 39%, ACHN 46%, Stroger 43%)

Financial Metrics

Metric	As of end Apr- 18/YTD	As of end Apr- 19/YTD	Target
Days Cash On Hand**	37	1	60
Operating Margin***	-5.8%	-9.6%	-5.4%
Overtime as Percentage of Gross Salary	7.4%	7.6%	5.0%*
Average Age of Plant (Years)	23.3	23.2	10.7

*Days Cash on Hand - CCH target 60 days, Moody's 198 days . Overtime as percentage of Gross Salary – CCH target 5% , Moody's 2%

** Days Cash in Hand – Point in time i.e. as of end October for each year

***Excludes Pension Expense-Target based on compare group consisting of 'like' health systems : Alameda Health System, Nebraska Medical Center, Parkland Health & Hospital System, and UI Health



Revenue Cycle Metrics

Metric	Average FYTD 2019	March-19	April-19	May-19	Benchmark/ Target
Average Days in Accounts Receivable <i>(lower is better)</i>	98	96	92	93	45.85 – 54.9*
Discharged Not Finally Billed Days <i>(lower is better)</i>	10	10.6	10	10.5	7.0
Claims Initial Denials Percentage <i>(lower is better)</i>	21%	23%	21%	19%	20%

Definitions:

Average Days in Accounts Receivable: Total accounts receivable over average daily revenue

Discharged Not Finally Billed Days: Total charges of discharge not finally billed over average daily revenue

Claims Initial Denials Percentage: Percentage of claims denied initially compared to total claims submitted.

* Source HFMA Key Hospital Statistics and Ratio Margins – Posted 2014



Provider of Care Services Financial and Operational Statistics



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HEALTH

Income Statement for the Five Months ending April 2019 (in thousands)

CCH Providers	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	242,708	305,646.35	(62,939)	-21%
Cook County Access Payments	20,604	20,604	-	0%
Other Revenue	6,557	4,658	1,899	n/a
Total Operating Rev	269,869	330,908	(61,040)	-18%
<u>Operating Expenses</u>				
Salaries & Benefits	224,617	234,637	10,020	4%
Overtime	16,172	12,714	(3,458)	-27%
Contracted Labor	17,166	9,535	(7,632)	-80%
Pension*	37,380	114,312	76,932	67%
Supplies & Materials	16,247	29,403	13,157	45%
Pharmaceutical Supplies	26,869	29,511	2,641	9%
Purch. Svs., Rental, Oth.	56,755	90,807	34,052	37%
Insurance Expense	10,823	-	(10,823)	n/a
Depreciation	8,961	8,961	-	0%
Utilities	8,613	4,054	(4,559)	-112%
Total Operating Exp	423,604	533,934	110,330	21%
Operating Margin	(153,735)	(203,026)	49,291	24%
Operating Margin %	-57%	-61%	4%	7%
Non Operating Revenue	37,729	60,150	(22,421)	-37%
Net Income/(Loss)	(116,006)	(142,875)	26,871	19%

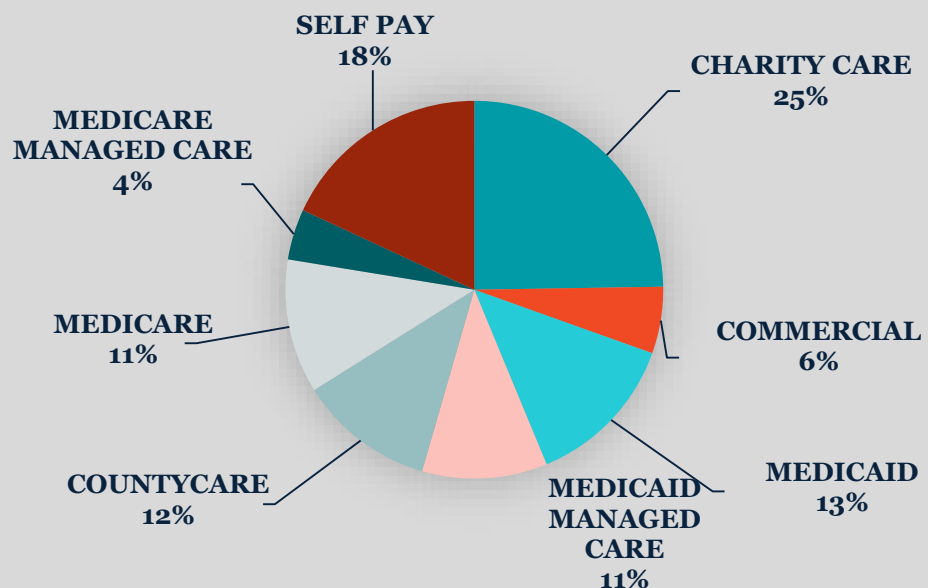


CCH as a Provider - Revenue Statement for the Five Months ending April 2019 (in thousands)

CCHHS Providers	Year-To-Date <i>Actual</i>
Gross Revenue	705,714
<u>Adjustments</u>	
Contractual Adjustments	(211,545)
Charity Adjustments	(214,992)
Total Adjustment	(426,538)
Gross NPSR	279,176
Bad Debt Allowance	(156,901)
Adjusted NPSR	122,275
DSH	65,292
BIPA	55,141
Adjusted NPSR plus DSH and BIPA	242,708
Adjusted NPSR plus DSH and BIPA as a % of Gross Revenue	34%

Stroger Operations Overview for the Five Months ending April 2019

GROSS CHARGES



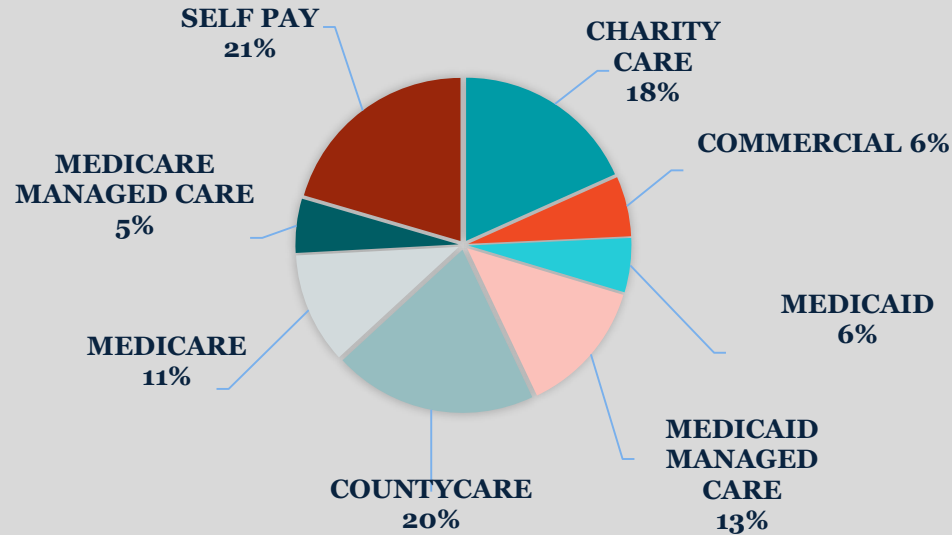
Comments:

- Targeted efforts to improve surgical volumes is ongoing focused on throughput and expedited equipment purchases
- Focused efforts on reviewing observation days

Inpatient/Observation-FYTD			
Measure	FY2019	FYTD Target	FY2018
Inpatient Discharges	6,793	7,330	7,614
- Long Stay Admissions	1,449	1,485	1,491
- One Day Admissions	392	415	470
Inpatient Days	35,667	35,980	37,413
Observation Discharges	4,401	4,285	4,025
Observation Days (Observation Discharge)	8,604	7,830	7,712
Avg LOS (Inpatient Discharge)	5.8	5.6	5.6
Average Daily Census (Inpatient & Observation)	293.3	294.5	298.8
Surgical Cases	4,799	5,405	5,066
Procedures (CPTs)	---	---	---
Radiology Tests	17,700	17,781	17,781
Deliveries	399	455	412
Emergency- FYTD			
Measure	FY2019	FYTD Target	FY2018
Emergency Visits (includes LWBS & Trauma)	49,441	50,725	49,736
Adult Emergency Visits	41,189	41,775	41,107
Peds Emergency Visits	2,973	2,860	3,095
Trauma Visits	2,712	2,797	3,045
LWBS	2,567	2,000	2,489
Radiology Tests	39,931	41,791	41,761
Outpatient Clinic- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	228,212	234,180	222,662
Total Provider Visits*	138,279	143,095	136,513
Specialty/Diagnostic/Procedure Provider Visits			
Austin (AH)	2,071	2,365	2,406
Core Specialty	3,969	4,360	3,924
Hospital - Based	7,742	8,595	8,433
Specialty Care / Fantus / Professional Bldg	96,305	100,320	95,311
Total	110,087	115,640	110,074
Primary Care Provider Visits			
Core	5,369	5,760	5,495
Core Peds	203	245	239
GMC	20,818	19,575	19,009
Peds	1,802	1,875	1,696
Total	28,192	27,455	26,439

Provident Operations Overview for the Five Months ending April 2019

GROSS CHARGES



Comments:

- Leadership reviewing left without being seen in Emergency Dept.
- Sustained growth in surgical cases and specialty services
- Expect more volume growth as we procure equipment, fully staff new clinical capacity and open the ICU



Inpatient/Observation-FYTD

Measure	FY2019	Monthly Target	FY2018
Inpatient Discharges	228	245	289
- Long Stay Admissions	41	50	60
- One Day Admissions	22	15	18
Inpatient Days	1,162	1,250	1,423
Observation Discharges	264	260	260
Observation Days (Observation Discharge)	526	515	556
Avg LOS (Inpatient Discharge)	5.0	5.9	5.3
Average Daily Census (Inpatient & Observation)	11.2	12.2	13.1
Surgical Cases	1,192	1,515	1,090
Procedures (CPTs)	---	---	---
Radiology Tests	145	135	135

Emergency- FYTD

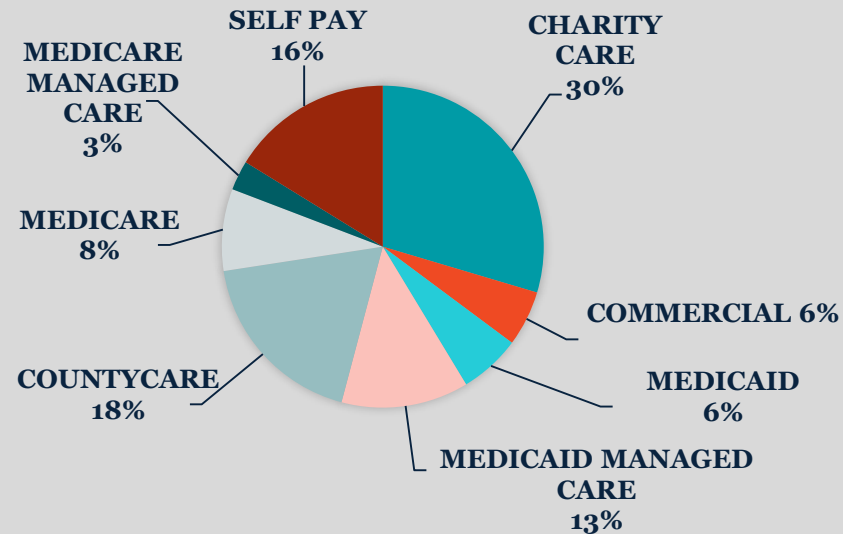
Measure	FY2019	Monthly Target	FY2018
Emergency Visits (including LWBS)	12,129	13,680	12,595
Adult Emergency Visits	10,722	12,025	11,048
Peds Emergency Visits	601	740	753
LWBS	806	545	794
Radiology Tests	6,546	7,002	7,002

Outpatient Clinic- FYTD

Measure	FY2019	Monthly Target	FY2018
Total Registrations	36,925	37,240	33,767
Amb of Prov - Specialty/Diagnostic/Procedure Provider Visits	679	1,014	1,085
Sengstacke - Specialty/Diagnostic/Procedure Provider Visits	14,298	13,923	12,074
Sengstacke Primary	7,655	6,975	6,711
Sengstacke Primary Peds	382	315	125
Radiology Tests	4,127	4,323	4,323

ACHN Operations Overview for the Five Months ending April 2019

GROSS CHARGES



Comments :

- Positive growth trends in Primary care and Specialty care provider visits on track to meet /exceed FY2019 targets
- Leadership continues to focus on initiatives including patient access and increasing specialty care availability at clinics

CCHC Total- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	107,239	109,615	100,870
Total Provider Visits*	72,463	74,175	69,003
CCHC Primary- FYTD			
Measure	FY2019	FYTD Target	FY2018
Arlington Heights (AR)/Vista (VH)	5,066	4,905	4,532
Austin (AH)	4,930	5,660	5,364
Child Advocacy	223	235	251
Cicero (CH)	4,508	4,785	4,636
Cottage Grove (CG)	4,057	4,170	3,745
Englewood (EH)	5,887	5,265	4,786
Logan Square (LS)	6,075	6,015	5,638
Morton East (ME)	372	390	408
Near South (NS)	5,945	6,315	5,844
OFHC (OF)	6,187	6,505	6,254
Prieto (PH)	7,712	7,315	7,021
Robbins (RH)	4,198	4,345	4,050
Woodlawn (WH)	4,540	4,440	3,810
Total Primary Care Provider Visits	59,700	60,345	56,339
CCHC Specialty- FYTD			
Measure	FY2019	FYTD Target	FY2018
Austin (AH)	170	195	190
Cicero (CH)	333	430	430
Logan Square (LS)	317	405	378
Morton East (ME)	64	45	56
OFHC (OF)	11,649	12,720	11,590
Oral Health (OH)	2,289	2,205	2,143
Siegle Health Center	205	---	-
CDPH	1,517	---	---
Total Specialty Care Provider Visits	16,544	16,000	14,787

*excludes Stroger Specialty Care, CORE, Stroger-Hospital Based Clinics, Sengstacke GMC & Psych, Austin Behavioral Health, and assuming all registrations are provider visits



CountyCare Health Plan Financial and Operational Statistics

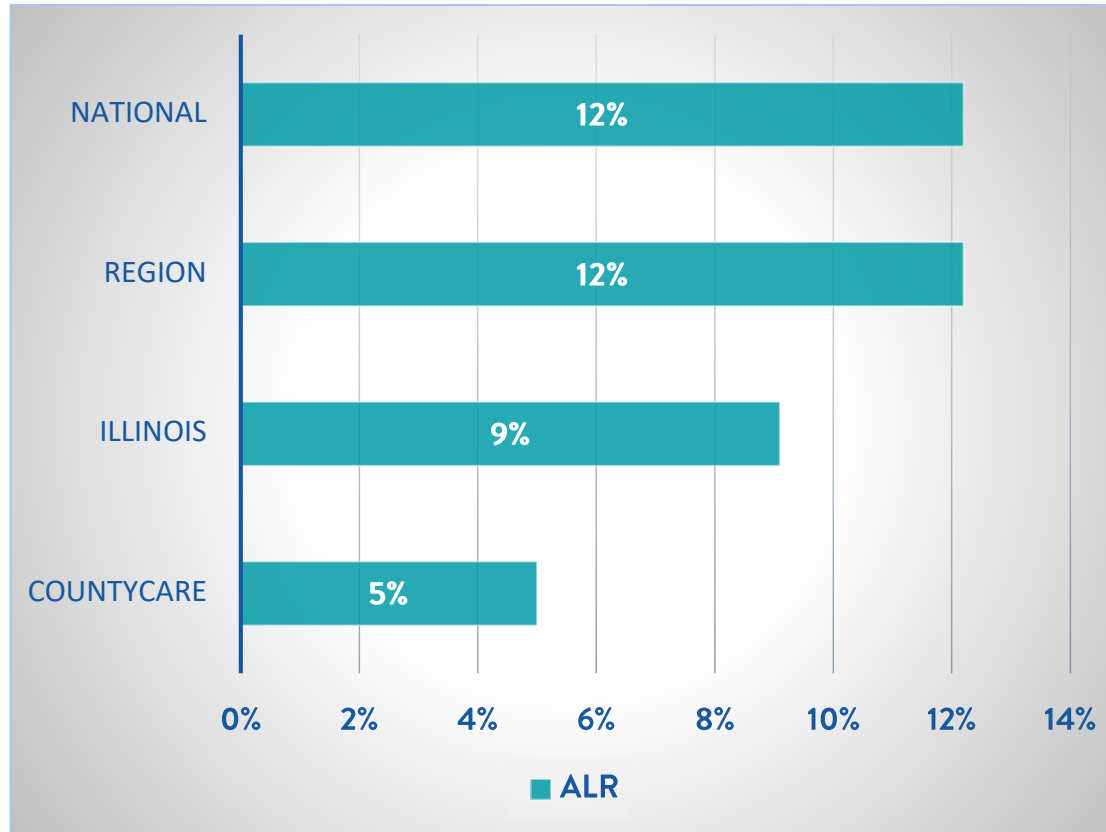


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Income Statement for the Five Months ending April 2019 (in thousands)

	Year to Date		
	Actual	Budget	Variance
Member Months	1,609	1,725	(116)
Revenue			
PMPM	746,493	775,686	(29,193)
Hospital Supplemental Access Payments	174,032	0	174,032
Total Revenue	920,525	775,686	144,839
Expense			
Total Admin Expenses	31,435	34,713	3,278
CCH Clinical Expenses			
Claims	65,416	100,819	35,403
Pharmacy Claims	6,457	15,290	8,833
Care Management	5,216	-	(5,216)
Total CCH Clinical Expenses	77,089	116,109	39,020
External Clinical Expenses			
Claims	452,640	396,155	(56,485)
Hospital Supplemental Access Pmt	174,032	-	(174,032)
Pharmacy Claims	125,184	135,549	10,365
Care Management	19,905	32,822	12,917
Care Management Analytics	3,265	4,750	1,485
Dental Claims	14,062	17,362	3,299
Transportation Claims	7,132	16,195	9,063
Optical Claims	2,513	2,009	(504)
Member Incentives	1,244	1,525	281
Total External Clinical Expenses	799,978	606,367	(193,611)
Total Clinical Expenses	877,067	722,476	(154,591)
Total Expenses	908,502	757,189	(151,313)
Net Income Before Rate Adjustment	12,023	18,497	(6,474)
Medical Loss Ratio (MLR)	95%	93%	-2%
Net Income Before Prior Period Adj/IGT	12,023	18,497	(6,474)
IGT	11,883	16,624	(4,741)
Amortization	3,866	-	3,866
Net Income After IGT And Amortization	(3,725)	1,873	(5,598)
Total CCH Impact	89,112	134,606	(45,494)

CountyCare Operations Stats for the Five Months ending April 2019



Comments:

- CountyCare Medical Loss Ratio is better than National and Regional, sustained at 95% YTD.
- Total membership as of April 7 2019 was 316,710
- Leadership focusing on several initiatives to achieve cost efficiency , protect market share and deepen engagement of targeted demographics
- As part of HFS/Illinois Association of Medicaid Health Plans(IAMHP) initiative, CountyCare is paired with a Safety net hospital to gain better efficiencies and to share technical knowledge aimed at reducing denials

Milliman Research Report-Medicaid Risk-Based Managed Care: Analysis of Financial results for 2016 . Region consists of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
MLR – Medical Loss Ratio , %tage of premium spent on health care quality . ALR Administrative loss Ratio - %tage spent on overhead expenses, such as marketing, profits, salaries, administrative costs etc.

Correctional Health Services Financial and Operational Statistics



COOK COUNTY
HEALTH

Income Statement for the Five Months ending April 2019 (in thousands)

Correctional Health Services	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	52	-	52	0%
<u>Operating Expenses</u>				
Salaries & Benefits	25,146	28,388	3,242	11%
Overtime	2,682	2,014	(668)	-33%
Contracted Labor	36	154	118	77%
Pension*	4,167	9,998	5,831	58%
Supplies & Materials	264	306	42	14%
Pharmaceutical Supplies	2,738	4,240	1,501	35%
Purch. Svs., Rental, Oth.	3,138	4,583	1,446	32%
Insurance Expense	155	-	(155)	n/a
Depreciation	43	43	-	0%
Total Operating Exp	38,368	49,726	11,358	23%
Operating Margin	(38,316)	(49,726)	11,409	23%
Operating Margin %	na	na	na	na
Non Operating Revenue	40,543	41,606	(1,064)	-3%
Net Income/(Loss)	2,226	(8,119)	10,346	127%

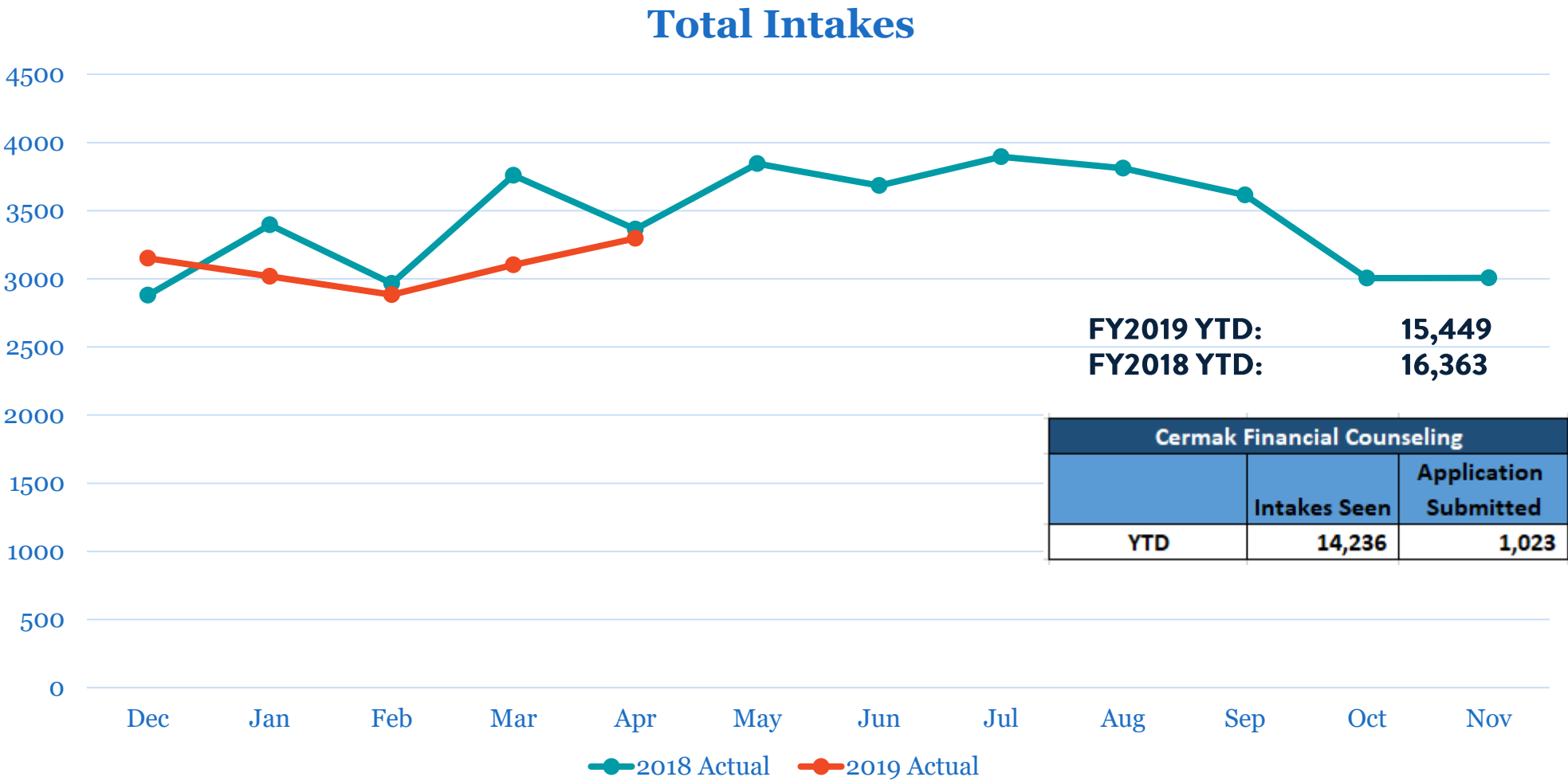
Unaudited Financial Statement



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*Year to Date (5 months) Pension Liability per GASB
Pension includes Other Post Employment Benefits (OPEB) Expense

Correctional Health Operation Overview for the Five Months ending April 2019



Comments:

- 92% of intakes are screened by financial counselling to ensure continuity of coverage

Cook County Dept. of Public Health Financial and Operational Statistics



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Income Statement for the Five Months ending April 2019 (in thousands)

COOK COUNTY PUBLIC HEALTH	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	484	758	(275)	-36%
<u>Operating Expenses</u>				
Salaries & Benefits	3,939	4,308	369	9%
Overtime	7	3	(4)	-154%
Contracted Labor	1	56	55	98%
Pension*	644	1,390	746	54%
Supplies & Materials	7	48	41	85%
Purch. Svs., Rental, Oth.	142	966	824	85%
Insurance Expense	26	-	(26)	n/a
Depreciation	1	1	-	0%
Utilities	-	42	42	100%
Total Operating Exp	4,768	6,815	2,046	30%
Operating Margin	(4,284)	(6,056)	1,772	29%
Operating Margin %	na	na	na	na
Non Operating Revenue	644	727	(83)	-11%
Net Income/(Loss)	(3,640)	(5,329)	1,689	32%

Unaudited Financial Statement



COOK COUNTY
HEALTH

*Year to Date (5 months) Pension Liability per GASB
Pension includes Other Post Employment Benefits (OPEB) Expense

CCDPH Operation Overview for the Five Months ending April 2019

	Program Title	Metric	YTD Thru April 19	FY19 Target
Public Health	Administration	Percent of high-risk infant APORS (Adverse Pregnancy Outcome Reporting System) referrals received that are contacted for follow-up by the Public Health Nurse within 14 calendar days of referral	84%	85%
		Cost per county residents served	\$5.71	\$5.71
	Environmental Health	Cost per Inspection Efficiency	\$208.56	\$208.56
		Time from receipt of Chlamydia or gonorrhea report to field (days)	5	5
	Communicable Diseases	Percent of food establishments with isolated illness complaints within a contracted community or unincorporated Suburban Cook County that are inspected within 2 business days of receipt of complaint	100%	100%
	Program Title	Metric	YTD Thru April 19	FY19 Target
Lead Poisoning Prevention	Lead Poisoning Prevention	Percentage of cases with elevated blood levels visited within the timeline provided in protocols	90%	90%
		Percentage of cases with elevated blood lead levels who receive joint nursing visit and environmental risk assessment visit	95%	95%
	Program Title	Metric	YTD Thru April 19	FY19 Target
TB Program	TB Program	Number of completed Direct Observation Treatments (DOT)	95%	91%



CCH Administration Financial Statements



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HEALTH

Income Statement for the Five Months ending April 2019 (in thousands)

<u>Administration</u>	<u>Year-To-Date</u>		<u>Variance</u>	
	<i>Actual</i>	<i>Budget</i>	<i>\$</i>	<i>%</i>
<u>Operating Expenses</u>				
Salaries & Benefits	14,501	15,878	1,377	9%
Overtime	113	71	(43)	-60%
Contracted Labor	1,360	4,472	3,112	70%
Pension*	2,351	7,738	5,387	70%
Supplies & Materials	35	260	225	87%
Purch. Svs., Rental, Oth.	489	1,729	1,241	72%
Insurance Expense	113	-	(113)	n/a
Depreciation	1,589	1,589	-	0%
Total Operating Exp	20,552	31,736	11,185	35%
Operating Margin	(20,552)	(31,736)	11,185	35%
Non Operating Revenue	2,351	4,048	1,697	42%
Net Income/(Loss)	(18,200)	(27,688)	9,488	34%

Unaudited Financial Statement

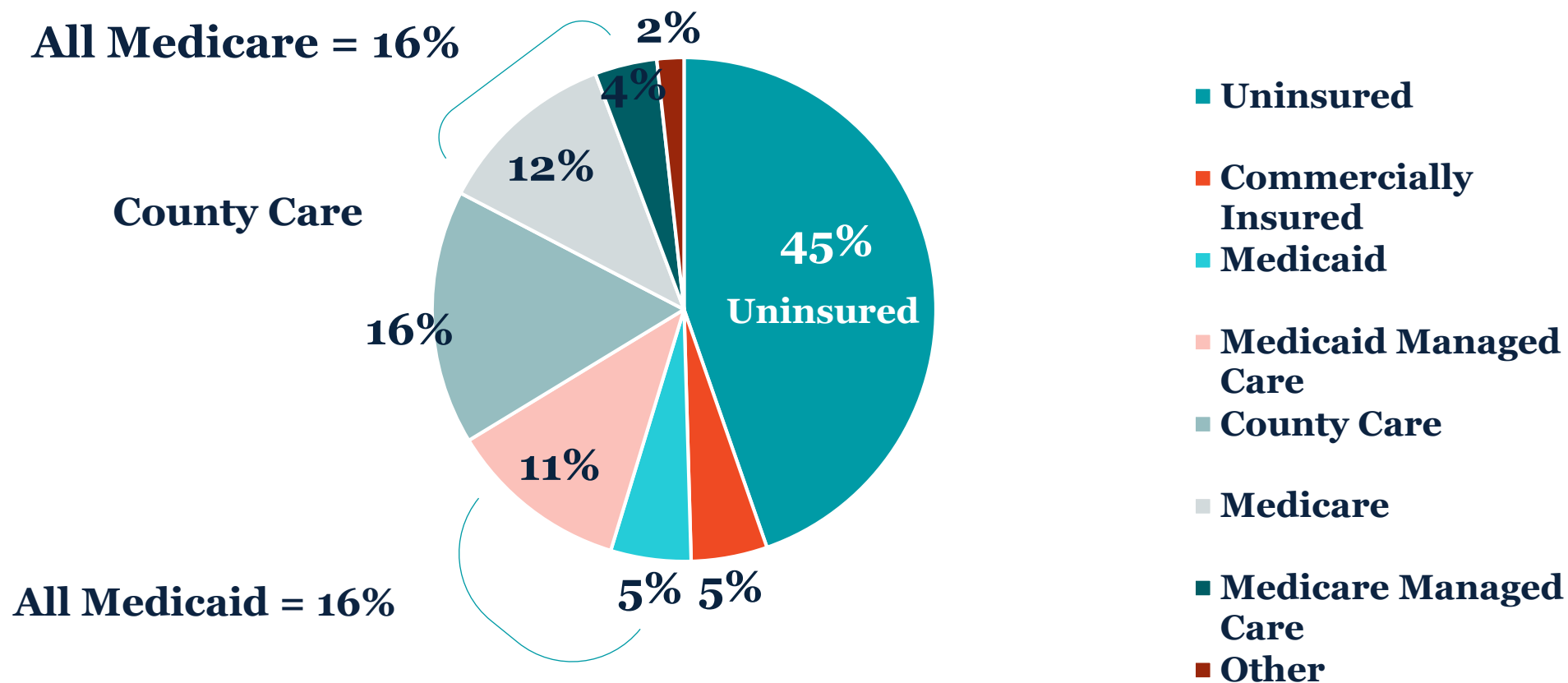
Appendix

System-wide Volumes / Stats

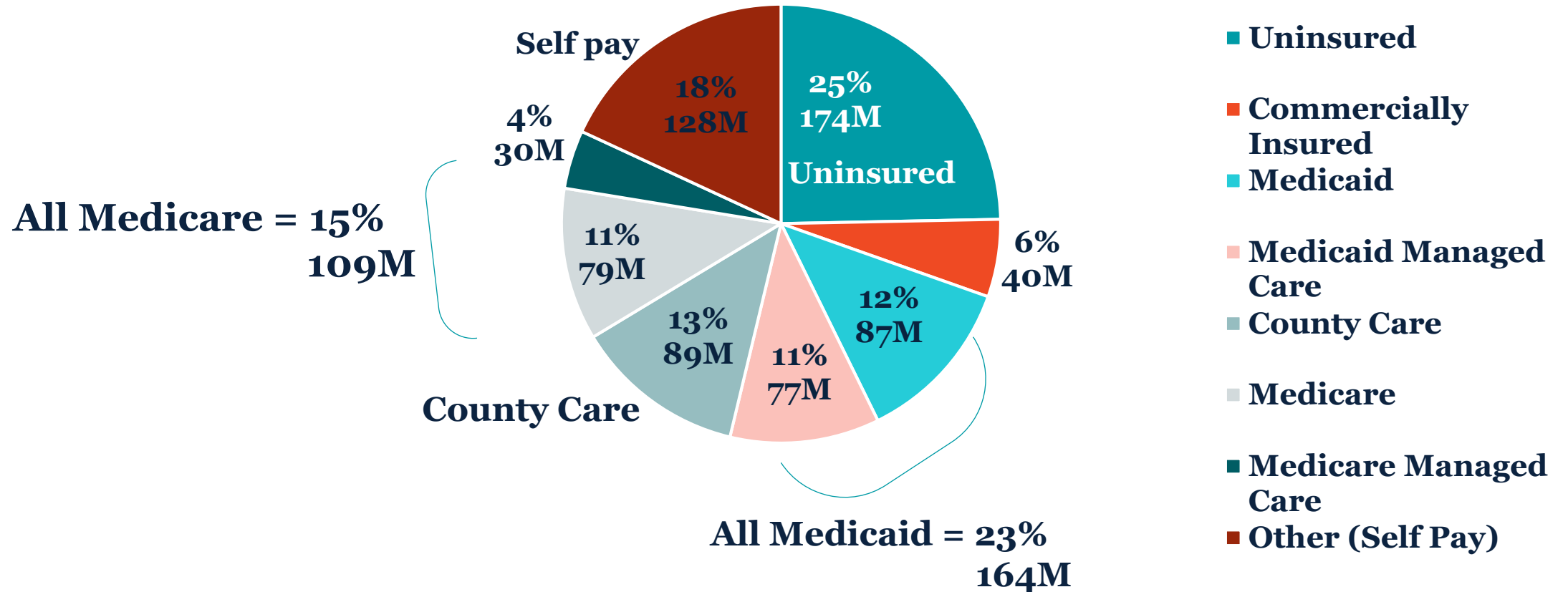


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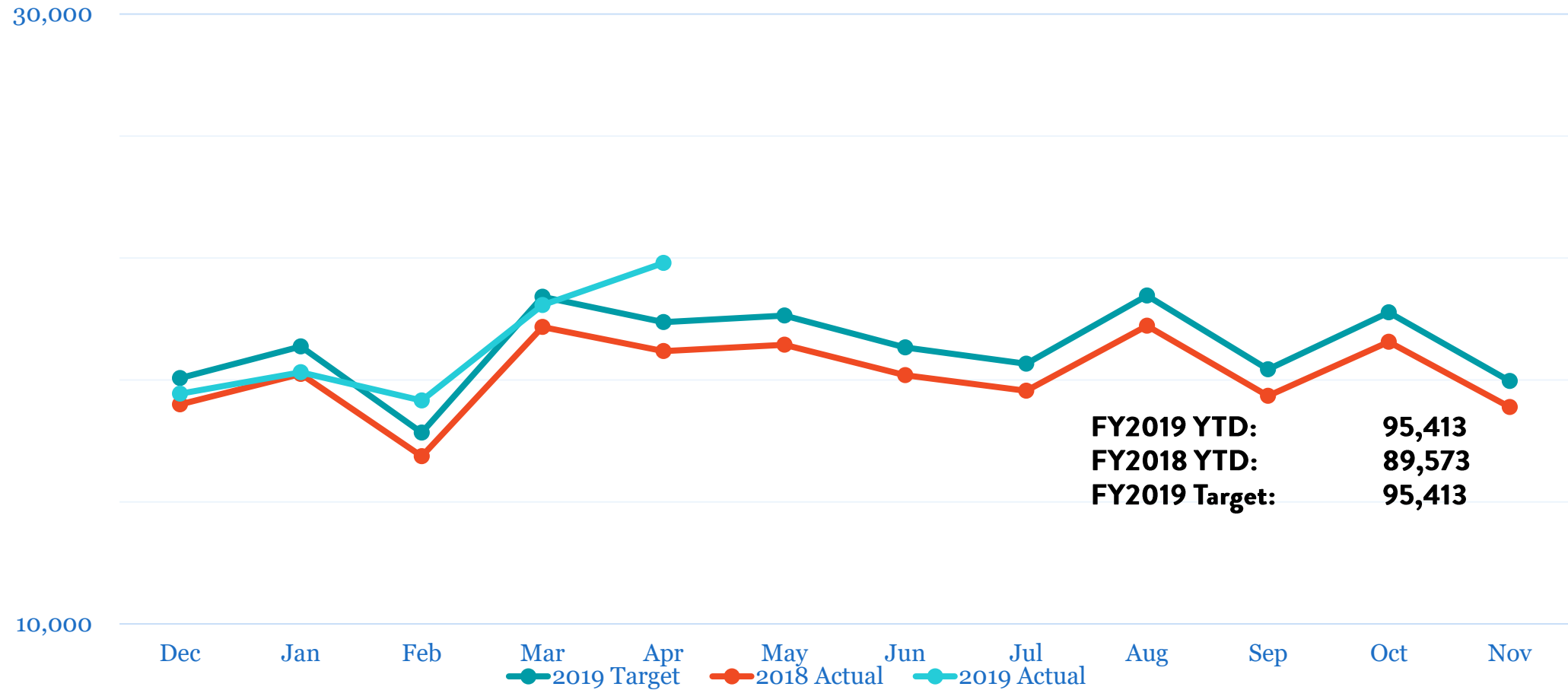
System Payor Mix By Visit as of April 2019



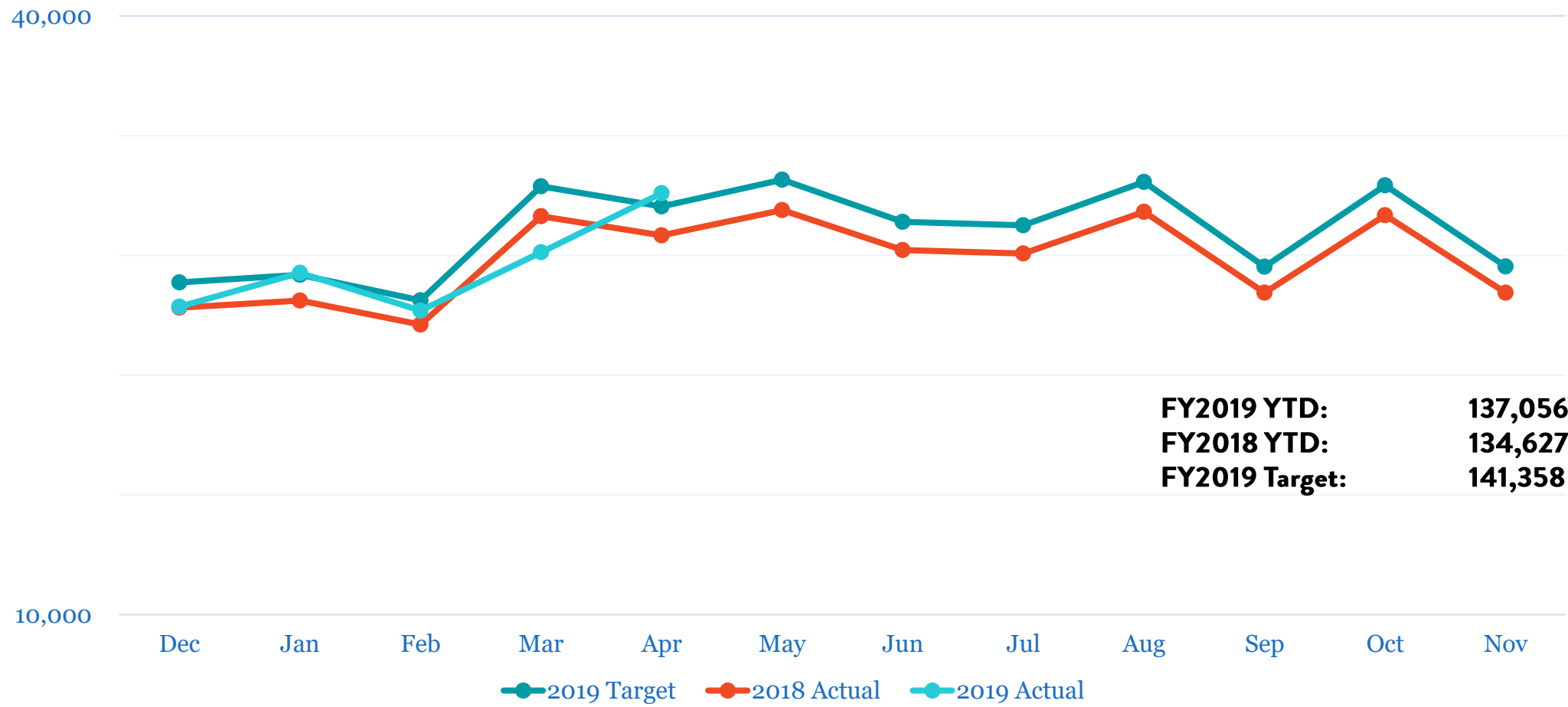
System Payor Mix By Charges as of April 2019



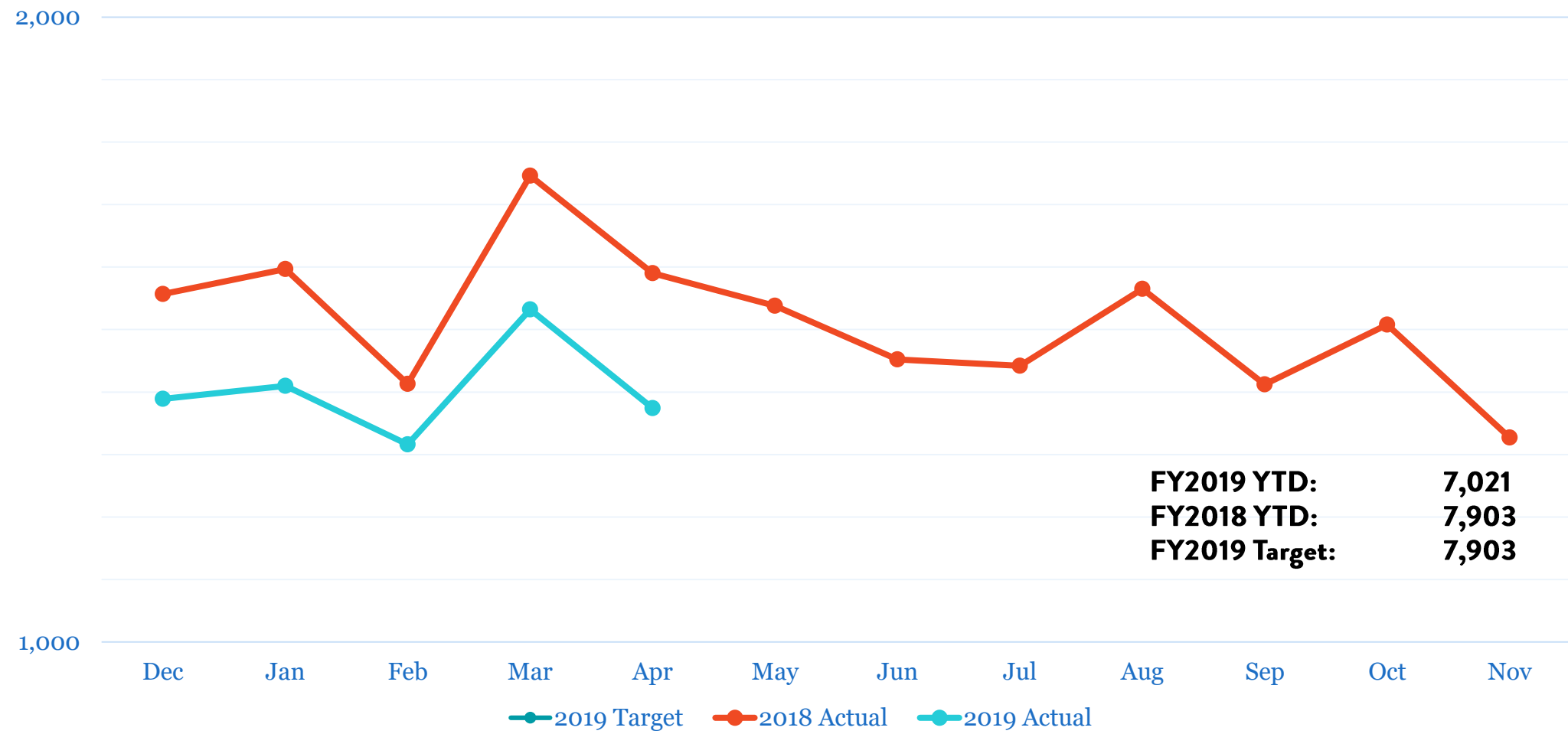
Primary Care Provider Visits



Specialty Care Provider Visits

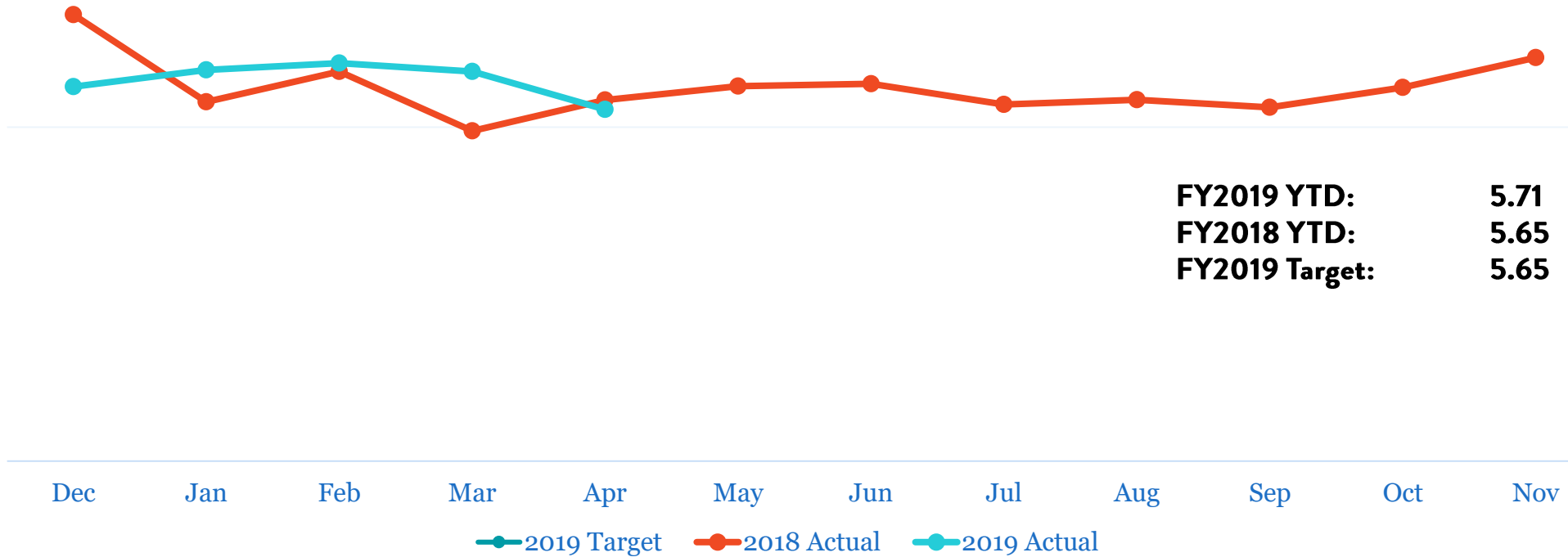


Total Inpatient Discharges

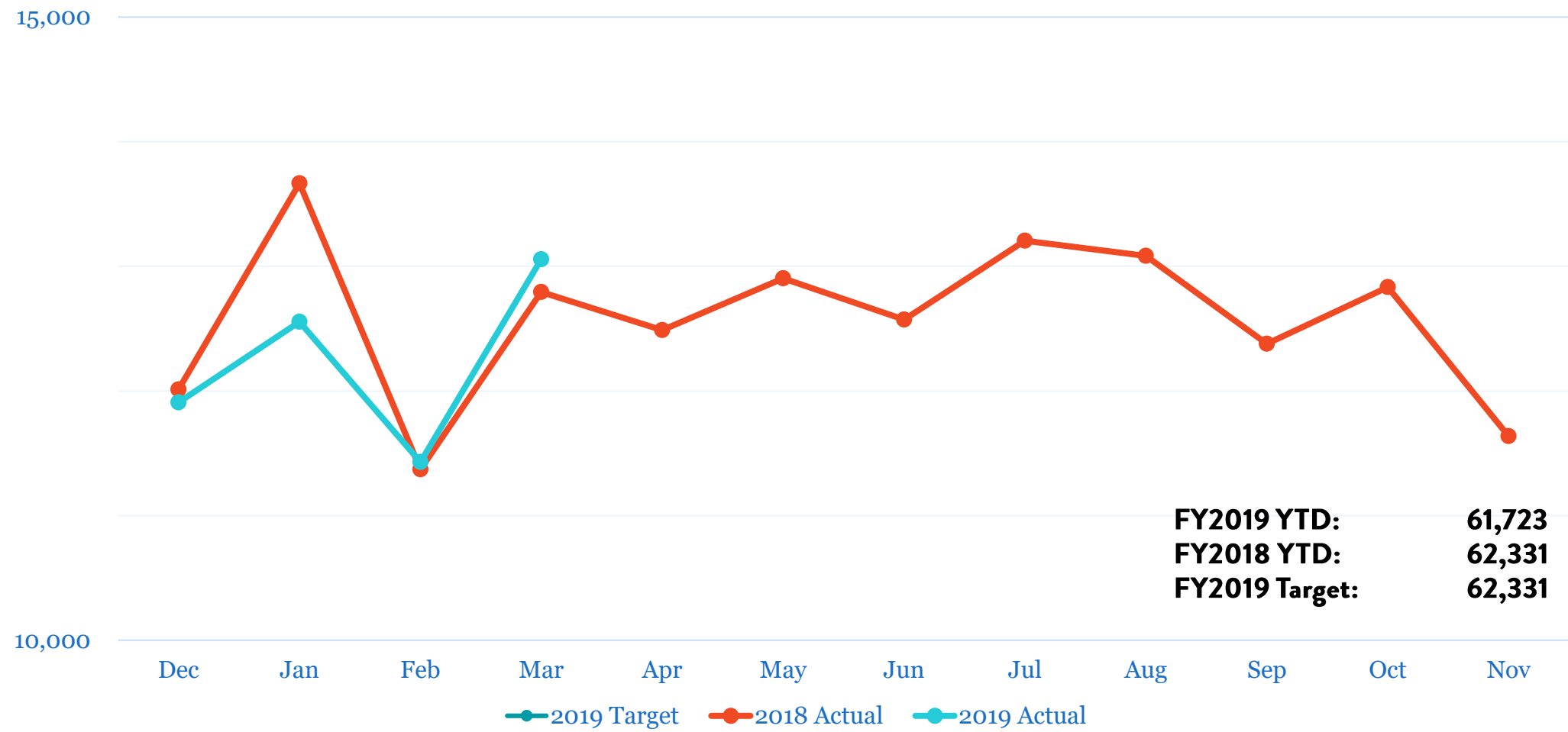


Average Length of Stay

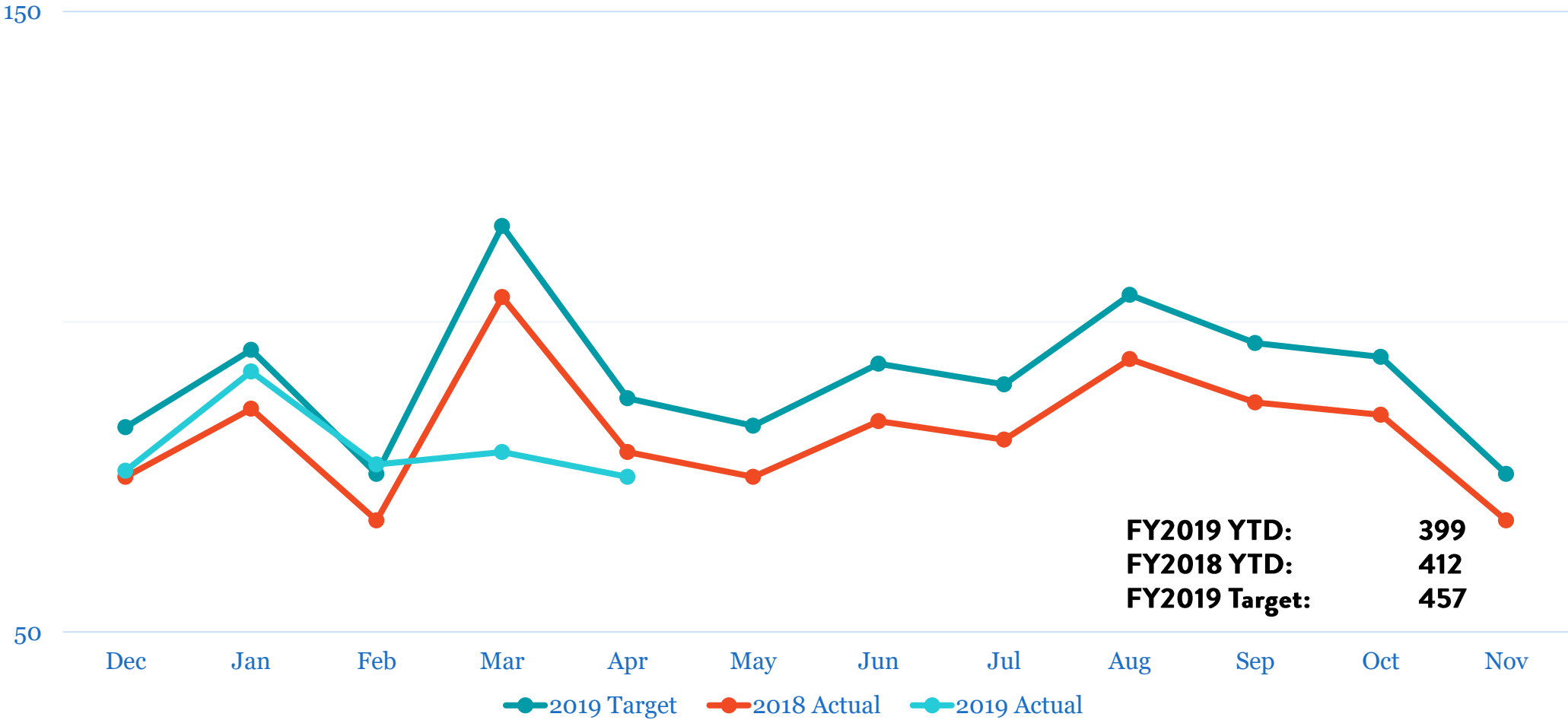
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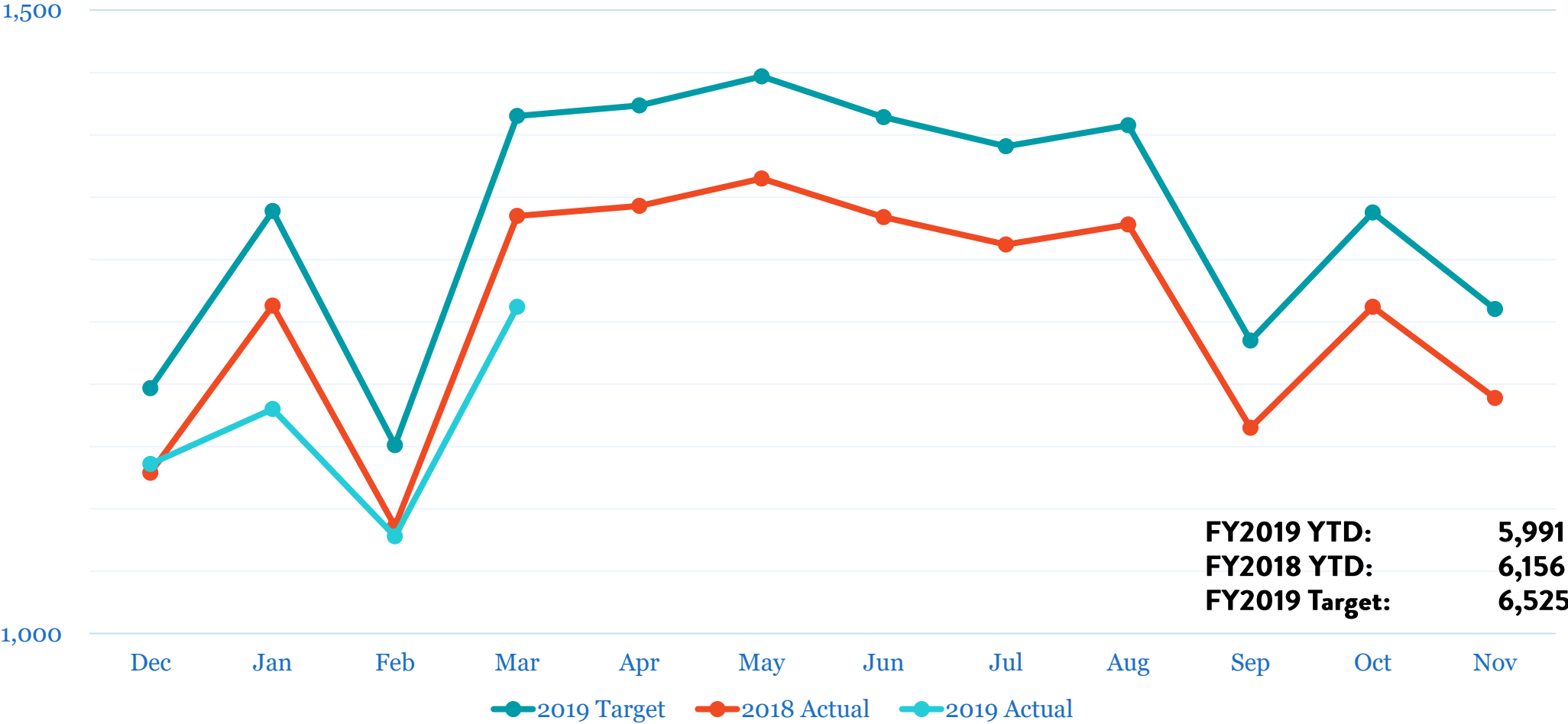
Total Emergency Room Visits



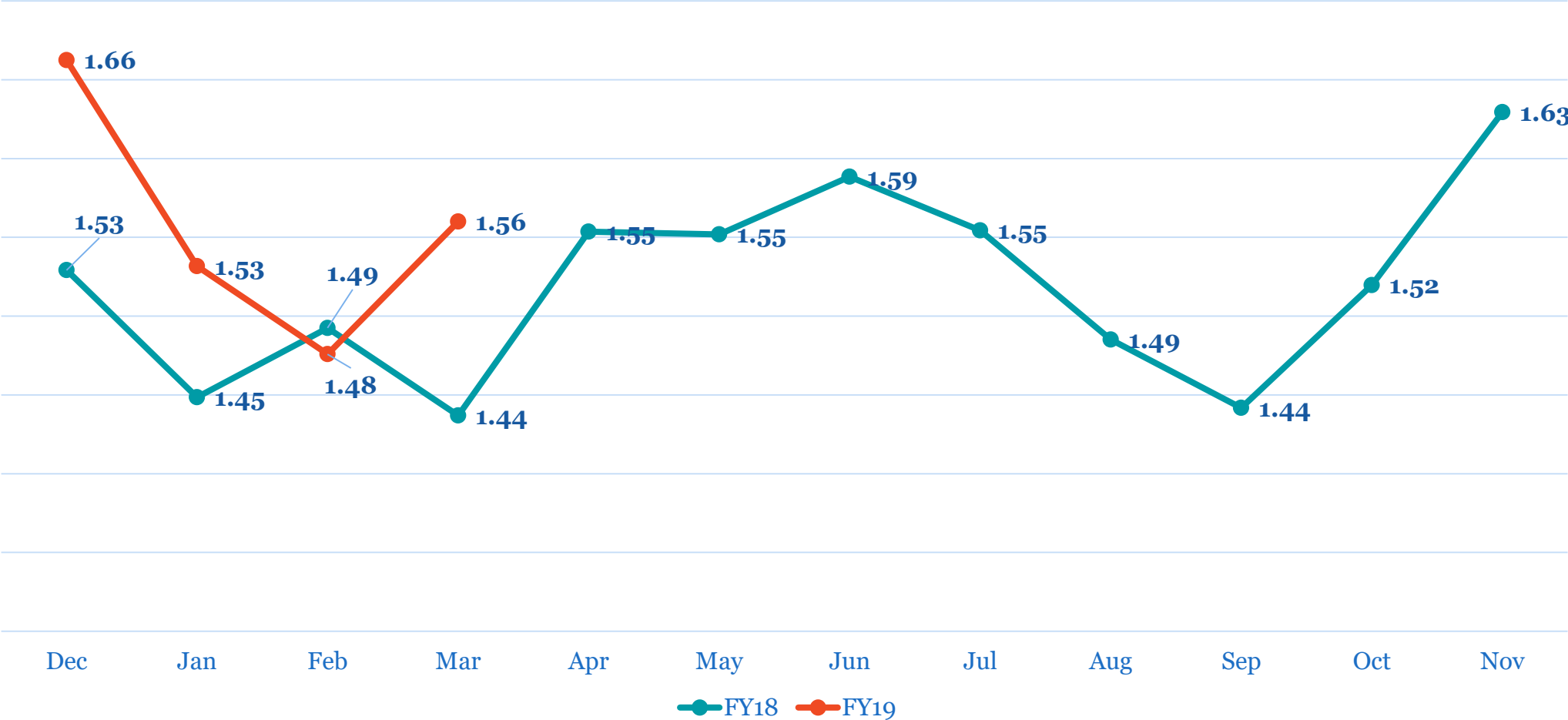
Total Deliveries



Total Surgical Cases



Case Mix Index



Questions?



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