

CCH Finance Committee Meeting September 2019

Ekerete Akpan, Chief Financial Officer

September 20, 2019



COOK COUNTY
HEALTH

Agenda

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



Systems-wide Financials, Observations, and Revenue Cycle Metrics



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Observations on Financials

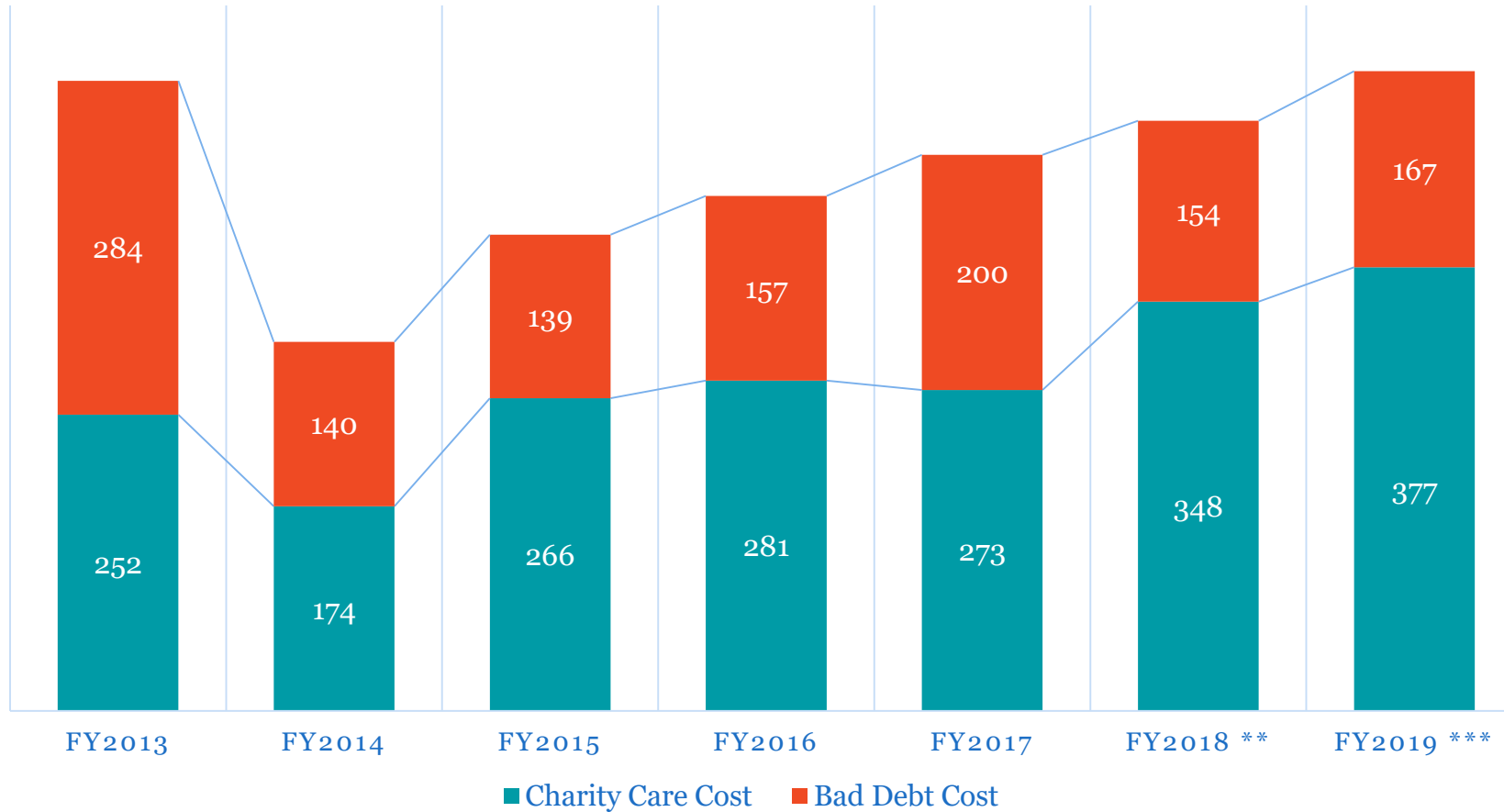
Revenues

- Net Patient Service Revenues - \$455M, 5% unfavorable to target due to increasing and unsustainable growth in charity care, some lower clinical activity and lower revenue cycle activity
 - System-wide uninsured numbers
 - Captured by Visits, held at 44%
 - Captured by Charges, held at 40%
- CountyCare Capitation Revenues - \$1.2B, 4% unfavorable to target due to lower than budgeted enrollment as a result of lower State/County MCO enrollment
- Other Revenues - \$3.8M , ongoing review of outstanding payments to ensure we get caught up by year end

Expenses

- Cost of Pharma - \$52, favorable by 4% compared to budget

CCH Uncompensated Care* (in \$millions)



* Uncompensated Care is Charity Care + Bad Debt at cost
 ** FY2018 Actual from Audited Financials
 ***FY2019 projected



Income Statement for the Eight Months ending July 2019 (in thousands)

CCH Systemwide	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	455,469	477,328	(21,859)	-5%
County Care Access Payments	276,472	-	276,472	n/a
CountyCare Capitation Revenue	1,170,565	1,214,500	(43,935)	-4%
Cook County Access Payments	44,672	44,672	-	0%
Other Revenue	3,824	8,667	(4,843)	-56%
Total Operating Rev	1,951,001	1,745,166	205,835	12%
<u>Operating Expenses</u>				
Salaries & Benefits	442,898	475,425	32,527	7%
Overtime	31,545	23,868	(7,677)	-32%
Contracted Labor	41,828	22,747	(19,081)	-84%
Pension*	73,286	218,242	144,956	66%
Supplies & Materials	31,461	50,018	18,557	37%
Pharmaceutical Supplies	51,757	53,885	2,128	4%
Purch. Svs., Rental, Oth.	162,116	223,253	61,137	27%
External Claims Expense	1,044,340	944,379	(99,961)	-11%
County Care Access Expense	276,472	-	(276,472)	n/a
Insurance Expense	17,787	19,624	1,837	9%
Depreciation	23,136	23,136	-	0%
Utilities	14,312	6,590	(7,721)	-117%
Total Operating Exp	2,210,939	2,061,167	(149,771)	-7%
Operating Margin	(259,937)	(316,001)	56,064	18%
Operating Margin %	-13%	-18%	5%	26%
Non Operating Revenue	132,799	173,684	(40,885)	-24%
Net Income/(Loss)	(127,138)	(142,317)	15,179	11%



Balance Sheet for the Eight Months ending July 2019 (in thousands)

CCH - Balance Sheet Summary	June 2019	June 2018	Variance
<u>Current Assets</u>			
Cash and Cash equivalents	31,136	393,559	(362,423)
Property Taxes Receivable	69,911	91,558	(21,647)
Receivables	423,810	249,251	174,558
Inventory	15,079	27,639	(12,560)
Total Current Assets	539,936	762,007	(222,071)
Refundable Deposit	5,000	50,000	(45,000)
Intangible Assets	21,208	31,091	(9,883)
Capital Assets	490,681	434,530	56,151
Total Assets	1,056,825	1,277,628	(220,803)
Deferred Outflow			
Deferred Outflow	372,465	630,938	(258,473)
Total Deferred Outflow	372,465	630,938	(258,473)



Balance Sheet for the Eight Months ending July 2019 (in thousands)

CCH - Balance Sheet Summary	June 2019	June 2018	Variance
Current Liabilities			
Cash Due to Treasurer	-	-	-
Accounts Payable	149,061	205,893	(56,832)
Accrued Salaries, wages and other liabilities	15,147	12,426	2,722
Claims payable	213,099	505,946	(292,847)
Access Payments Payable	-	43,001	(43,001)
Compensated Absences	6,676	6,654	22
Pension Contribution Payable	66,386	51,274	15,113
Unearned revenue	15,726	15,985	(259)
Due to State of Illinois	-	-	-
Due to other county governmental funds	43	43	-
Due to others	6,994	-	6,994
Self-insurance claims payable	41,897	32,765	9,132
Total Current Liabilities	515,029	873,987	(358,958)
Compensated Absences	37,829	37,705	124
Self-insurance claims payable	137,913	138,832	(919)
Reserve for tax objection suits	12,342	13,003	(661)
Net pension liability	4,858,676	4,504,508	354,168
Total Liabilities	5,561,789	5,568,034	(6,245)
Deferred Inflow			
Deferred Inflow	757,108	561,886	195,222
Total Deferred Inflow	757,108	561,886	195,222
Net position			
Contributed Capital	500,687	445,806	54,881
Unrestricted	(5,390,294)	(4,667,128)	(723,165)
Total net position	(4,889,607)	(4,221,323)	(668,284)



Financial Metrics

Metric	As of end July-18/YTD	As of end July-19/YTD	CCH Target
Days Cash On Hand*	54	4	60
Operating Margin**	-4.9%	-11.1%	-5.4%
Overtime as Percentage of Gross Salary***	7.2%	7.6%	5.0%
Average Age of Plant (Years)	24.4	23.2	20

*Days Cash in Hand – Point in time i.e. as of end of each month. Note State owed CCH **\$200.4M** in payments as of end July 2019

**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

***Overtime as percentage of Gross Salary – CCH target 5% , Moody's 2%



Revenue Cycle Metrics

Metric	Average FYTD 2019	June-19	July-19	Aug-19	CCH Target
Average Days in Accounts Receivable <i>(lower is better)</i>	99	97	102	103	90
Discharged Not Finally Billed Days <i>(lower is better)</i>	11	12	12	13	7.0
Claims Initial Denials Percentage <i>(lower is better)</i>	20%	17%	15%	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.

Provider of Care Services Financial and Operational Statistics



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CCH Provider - Income Statement for the Eight Months ending July 2019 (in thousands)

CCH Providers	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	455,469	477,328	(21,859)	-5%
Cook County Access Payments	44,672	44,672	-	0%
Other Revenue	2,929	7,453	(4,524)	n/a
Total Operating Rev	503,070	529,453	(26,383)	-5%
<u>Operating Expenses</u>				
Salaries & Benefits	369,540	375,420	5,880	2%
Overtime	26,776	20,343	(6,433)	-32%
Contracted Labor	38,629	21,007	(17,622)	-84%
Pension*	60,033	182,899	122,866	67%
Supplies & Materials	30,855	47,045	16,191	34%
Pharmaceutical Supplies	56,510	47,217	(9,293)	-20%
Purch. Svs., Rental, Oth.	105,854	139,539	33,685	24%
Insurance Expense	17,316	-	(17,316)	n/a
Depreciation	14,338	14,338	-	0%
Utilities	14,310	6,486	(7,824)	-121%
Total Operating Exp	734,162	854,294	120,133	14%
Operating Margin	(231,091)	(324,841)	93,750	29%
Operating Margin %	-46%	-61%	15%	25%
Non Operating Revenue	60,286	95,934	(35,648)	-37%
Net Income/(Loss)	(170,806)	(228,907)	58,102	25%



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

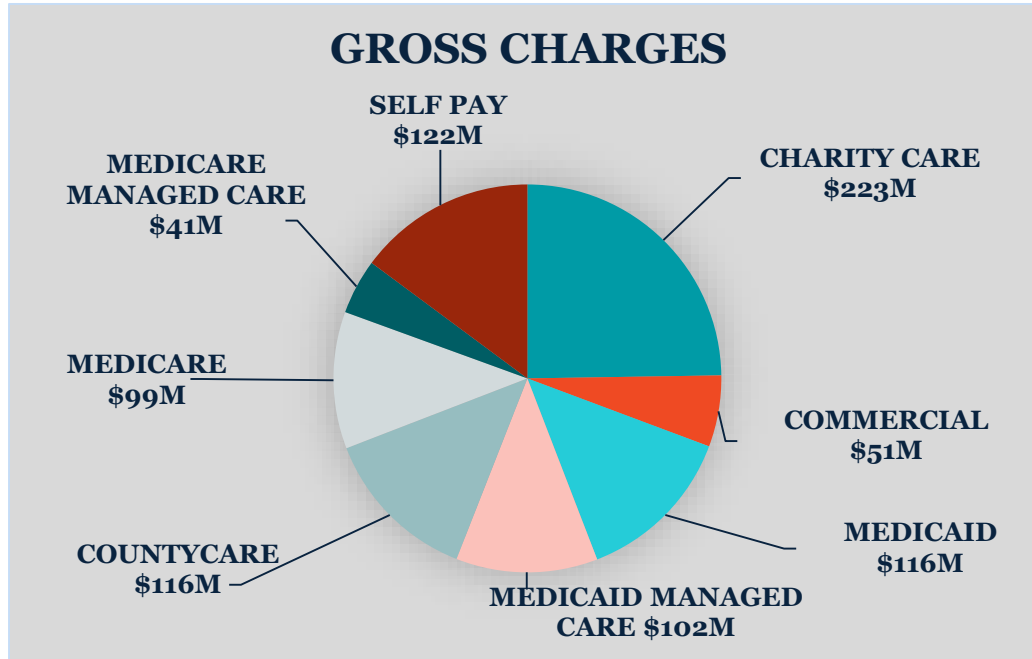
CCHHS Providers	Year-To-Date <i>Actual</i>
Gross Revenue	1,153,036
<u>Adjustments</u>	
Contractual Adjustments	(352,464)
Charity Adjustments	(342,050)
Total Adjustment	(694,513)
Gross NPSR	458,523
Bad Debt Allowance	(273,041)
Adjusted NPSR	185,482
GME	77,295
DSH	104,467
BIPA	88,225
Adjusted NPSR plus GME, DSH, and BIPA	455,469
Adjusted NPSR plus GME, DSH, and BIPA as a % of Gross Revenue	40%

Clinical Activity Observations

- Primary Care visits are up by 10% versus FY18, and up 5% versus FY19 target
- Specialty Care visits are up by 5% versus FY18 flat versus FY19 target
- Surgical Cases are down by 4% versus FY18, and down 9% versus FY19 target
- Inpatient Discharges are down 6% versus FY18
- Length of Stay is up 1% versus FY18, and up 1% versus FY19 target
- Emergency Department visits are down 1% versus FY18
- Deliveries are up by 5% versus FY18, and down 7% versus FY19 target
- CMI is up by 6% versus FY2018



Stroger Operations Overview for the Eight Months ending July 2019



Inpatient/Observation-FYTD			
Measure	FY2019	FYTD Target	FY2018
Inpatient Discharges	11,224	11,728	11,932
- Long Stay Admissions	2,411	2,376	2,404
- One Day Admissions	642	664	695
Inpatient Days	58,459	57,568	58,435
Observation Discharges	7,136	6,856	6,852
Observation Days (Observation Discharge)	13,908	12,528	13,252
Avg LOS (Inpatient Discharge)	5.7	---	5.6
Average Daily Census (Inpatient & Observation)	297.8	336.6	295.0
Surgical Cases	7,932	8,648	8,319
Procedures (CPTs)	---	---	---
Radiology Tests	28,734	28,504	28,504
Deliveries	684	728	652

Emergency- FYTD			
Measure	FY2019	FYTD Target	FY2018
Emergency Visits (includes LWBS & Trauma)	79,529	81,160	80,355
Adult Emergency Visits	66,204	66,839	66,869
Peds Emergency Visits	4,635	4,577	4,727
Trauma Visits	4,587	4,475	4,737
LWBS	4,103	3,199	4,022
Radiology Tests	66,387	67,762	67,762

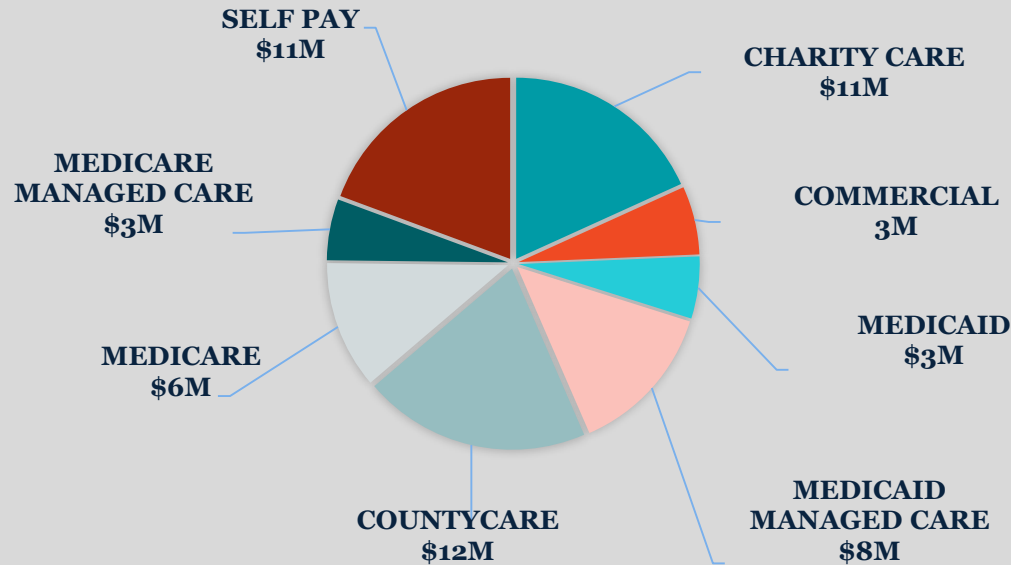
Outpatient Clinic- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	381,580	281,016	360,619
Total Provider Visits*	234,182	171,714	222,872
Specialty/Diagnostic/Procedure Provider Visits			
Austin (AH)	3,584	2,838	3,901
Core Specialty	6,490	5,232	6,468
Hospital - Based	14,063	10,314	13,596
Specialty Care / Fantus / Professional Bldg	163,037	120,384	156,804
Total	187,174	138,768	180,769
Primary Care Provider Visits			
Core	8,873	9,216	8,742
Core Peds	359	392	377
GMC	34,606	31,320	30,190
Peds	3,170	3,000	2,794
Total	47,008	43,928	42,103

Comments:

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

Provident Operations Overview for the Eight Months ending July 2019

GROSS CHARGES



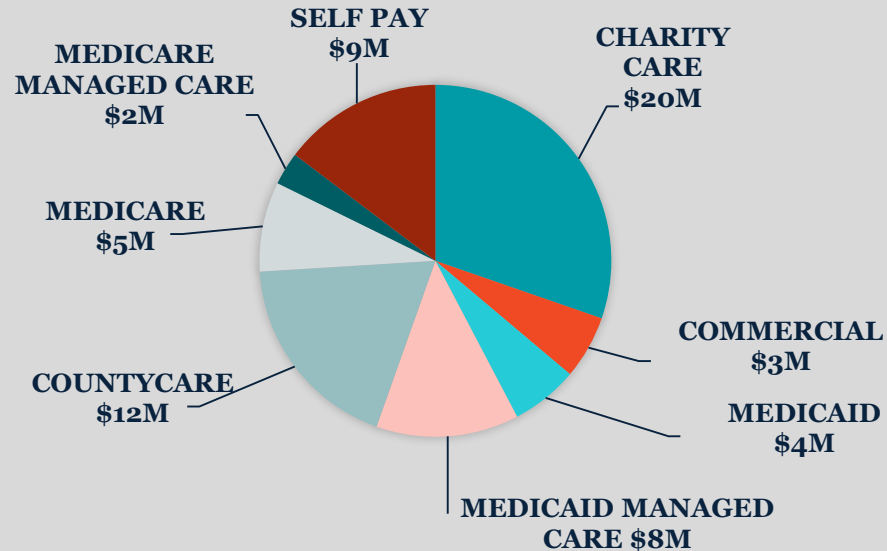
Comments:

- Leadership reviewing left without being seen in Emergency Dept.
- Sustained growth of ambulatory activity at Sengstacke

Inpatient/Observation-FYTD			
Measure	FY2019	Monthly Target	FY2018
Inpatient Discharges	359	392	403
- Long Stay Admissions	66	80	83
- One Day Admissions	30	24	26
Inpatient Days	1,998	2,000	2,046
Observation Discharges	461	416	443
Observation Days (Observation Discharge)	970	824	915
Avg LOS (Inpatient Discharge)	5.3	---	5.4
Average Daily Census (Inpatient & Observation)	12.3	12.2	12.2
Surgical Cases	1,877	2,424	1,848
Procedures (CPTs)	---	---	---
Radiology Tests	240	204	204
Emergency- FYTD			
Measure	FY2019	Monthly Target	FY2018
Emergency Visits (including LWBS)	19,974	21,888	20,657
Adult Emergency Visits	17,697	19,240	18,168
Peds Emergency Visits	987	1,184	1,183
LWBS	1,290	872	1,306
Radiology Tests	10,724	11,336	11,336
Outpatient Clinic- FYTD			
Measure	FY2019	Monthly Target	FY2018
Total Registrations	60,052	59,584	56,169
Amb of Prov - Specialty/Diagnostic/Procedure Provider Visits	1,071	1,623	1,624
Sengstacke - Specialty/Diagnostic/Procedure Provider Visits	23,706	22,276	20,477
Sengstacke Primary	11,936	11,160	10,877
Sengstacke Primary Peds	610	504	313
Radiology Tests	6,846	7,551	7,551

ACHN Operations Overview for the Eight Months ending July 2019

GROSS CHARGES



Comments :

- Positive growth trends in Primary care and Specialty care provider visits on track to 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	185,368	175,384	164,957
Total Provider Visits	122,076	118,680	112,469
CCHC Primary- FYTD			
Measure	FY2019	FYTD Target	FY2018
Arlington Heights (AR)/Vista (VH)	8,615	7,848	7,255
Austin (AH)	8,504	9,056	8,425
Child Advocacy	354	376	396
Cicero (CH)	7,408	7,656	7,375
Cottage Grove (CG)	6,581	6,672	6,305
Englewood (EH)	9,770	8,424	7,919
Logan Square (LS)	10,391	9,624	8,917
Morton East (ME)	502	624	550
Near South (NS)	10,069	10,104	9,579
OFHC (OF)	10,682	10,408	10,165
Prieto (PH)	13,180	11,704	11,319
Robbins (RH)	7,173	6,952	6,589
Woodlawn (WH)	7,692	7,104	6,547
Total Primary Care Provider Visits	100,921	96,552	91,341
CCHC Specialty- FYTD			
Measure	FY2019	FYTD Target	FY2018
Austin (AH)	274	312	298
Cicero (CH)	519	688	688
Logan Square (LS)	450	648	623
Morton East (ME)	90	72	79
OFHC (OF)	19,480	20,352	19,412
Oral Health (OH)	5,952	3,528	3,371
Siegle Health Center (CCHHS)	296	---	-
Total Specialty Care Provider Visits	27,061	25,600	24,471

*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 Seven Months ending July 2019 (in thousands)

	Actual	Year to Date Budget	Variance
Member Months	2,561	2,760	(199)
Revenue			
PMPM	1,191,391	1,241,098	(49,707)
Hospital Supplemental Access Payments	276,472	271,411	5,061
Total Revenue	1,467,863	1,512,509	(44,646)
Expense			
Total Admin Expenses	49,767	55,541	5,773
CCH Clinical Expenses			
Claims	77,944	161,311	83,366
Pharmacy Claims	10,513	24,464	13,952
Care Management	8,400	-	(8,400)
Total CCH Clinical Expenses	96,857	185,775	88,918
External Clinical Expenses			
Claims	764,422	633,848	(130,574)
Hospital Supplemental Access Pmt	276,472	276,903	431
Pharmacy Claims	205,741	216,878	11,137
Care Management	28,255	52,516	24,261
Care Management Analytics	4,892	7,600	2,708
Dental Claims	23,559	27,779	4,220
Transportation Claims	11,165	25,912	14,747
Optical Claims	4,307	3,214	(1,093)
Member Incentives	1,999	2,440	441
Total External Clinical Expenses	1,320,812	1,247,091	(73,722)
Total Clinical Expenses	1,417,669	1,432,865	15,196
Total Expenses	1,467,437	1,488,406	20,969
Net Income Before Rate Adjustment	426	24,103	(23,677)
Medical Loss Ratio (MLR)	97%	95%	-2%
Net Income Before Prior Period Adj/IGT	426	24,103	(23,677)
IGT	20,826	26,598	(5,772)
Amortization	6,185	6,185	-
Net Income After IGT And Amortization	(26,585)	(8,680)	(17,904)
Total CCH Impact	97,283	209,878	(112,594)

CountyCare – Observations and CCH Reimbursement Rates

Comments:

- CountyCare contributes \$97M to CCH through internal capture of CountyCare business at CCH
- CountyCare Medical Loss Ratio is better than National and Regional, sustained at 97% YTD
- Total membership was 317,809 as of July 5, 2019
- Working with CCH leadership to increase appropriate CountyCare memberships access to clinical services at CCH facilities

CountyCare Reimbursement at Medicaid Rates*:

- CountyCare-CCH reimbursement rate has been adjusted to 100% of the Medicaid rate for current fiscal year
- July-2019 CCH financials reflect this change
- Going forward CountyCare will adjust rates in tandem with HFS

* Note State Medicaid Rates available at <https://www.illinois.gov/hfs/MedicalProviders/MedicaidReimbursement/Pages/HospitalRateSheetsEffective070119.aspx>

Correctional Health Services

Financial and Operational Statistics



COOK COUNTY
HEALTH

Income Statement for the Seven Months ending July 2019 (in thousands)

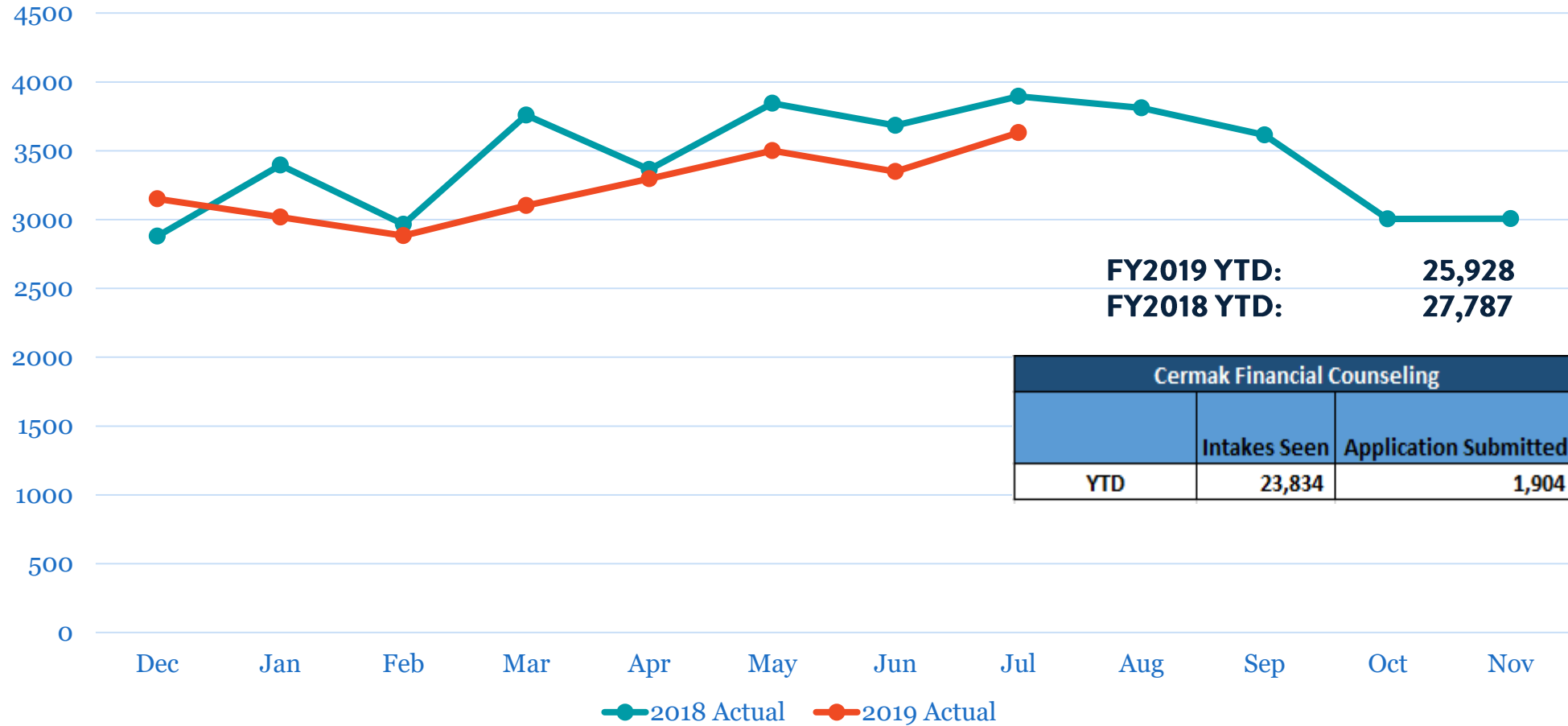
Correctional Health Services	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	103	-	103	0%
<u>Operating Expenses</u>				
Salaries & Benefits	40,758	45,420	4,662	10%
Overtime	4,335	3,223	(1,113)	-35%
Contracted Labor	86	47	(39)	-84%
Pension*	6,577	15,997	9,419	59%
Supplies & Materials	505	606	101	17%
Pharmaceutical Supplies	5,759	6,667	908	14%
Purch. Svs., Rental, Oth.	8,705	7,533	(1,172)	-16%
Insurance Expense	247	-	(247)	n/a
Depreciation	69	69	-	0%
Total Operating Exp	67,042	79,561	12,519	16%
Operating Margin	(66,939)	(79,561)	12,622	16%
Operating Margin %	na	na	na	na
Non Operating Revenue	65,838	67,629	(1,791)	-3%
Net Income/(Loss)	(1,101)	(11,932)	10,831	91%

Unaudited Financial Statement



Correctional Health Operation Overview for the Eight Months ending July 2019

Total Intakes



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 Eight Months ending July 2019 (in thousands)

COOK COUNTY PUBLIC HEALTH	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	791	1,213	(422)	-35%
<u>Operating Expenses</u>				
Salaries & Benefits	5,800	6,893	1,093	16%
Overtime	9	5	(4)	-92%
Contracted Labor	25	13	(11)	-84%
Pension*	908	2,225	1,316	59%
Supplies & Materials	47	78	30	39%
Purch. Svs., Rental, Oth.	227	1,622	1,395	86%
Insurance Expense	42	-	(42)	n/a
Depreciation	2	2	-	0%
Utilities	-	67	67	100%
Total Operating Exp	7,060	10,903	3,843	35%
Operating Margin	(6,269)	(9,690)	3,421	35%
Operating Margin %	na	na	na	na
Non Operating Revenue	908	1,164	(256)	-22%
Net Income/(Loss)	(5,361)	(8,526)	3,165	37%

Unaudited Financial Statement

CCDPH Operation Overview for the Eight Months ending July 2019

	Program Title	Metric	YTD Thru July 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	94%	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 June 19	FY19 Target
Lead Poisoning Prevention	Lead Poisoning Prevention	Percentage of cases with elevated blood levels visited within the timeline provided in protocols	75%	90%
		Percentage of cases with elevated blood lead levels who receive joint nursing visit and environmental risk assessment visit	85%	95%
	Program Title	Metric	YTD Thru June 19	FY19 Target
TB Program	TB Program	Number of completed Direct Observation Treatments (DOT)	92%	91%



CCH Administration Financial Statements



Income Statement for the Eight Months ending July 2019 (in thousands)

<u>Administration</u>	Year-To-Date		Variance	
	<i>Actual</i>	<i>Budget</i>	\$	%
<u>Operating Expenses</u>				
Salaries & Benefits	23,726	25,404	1,678	7%
Overtime	198	113	(85)	-75%
Contracted Labor	3,089	1,680	(1,409)	-84%
Pension*	3,754	12,380	8,626	70%
Supplies & Materials	54	416	362	87%
Purch. Svs., Rental, Oth.	864	8,242	7,379	90%
Insurance Expense	181	-	(181)	n/a
Depreciation	2,542	2,542	-	0%
Total Operating Exp	34,408	50,778	16,369	32%
Operating Margin	(34,408)	(50,778)	16,369	32%
Non Operating Revenue	3,754	6,477	2,722	42%
Net Income/(Loss)	(30,654)	(44,301)	13,647	31%

Unaudited Financial Statement

*Year to Date (8 months) Pension Liability per GASB
Pension includes Other Post Employment Benefits (OPEB) Expense

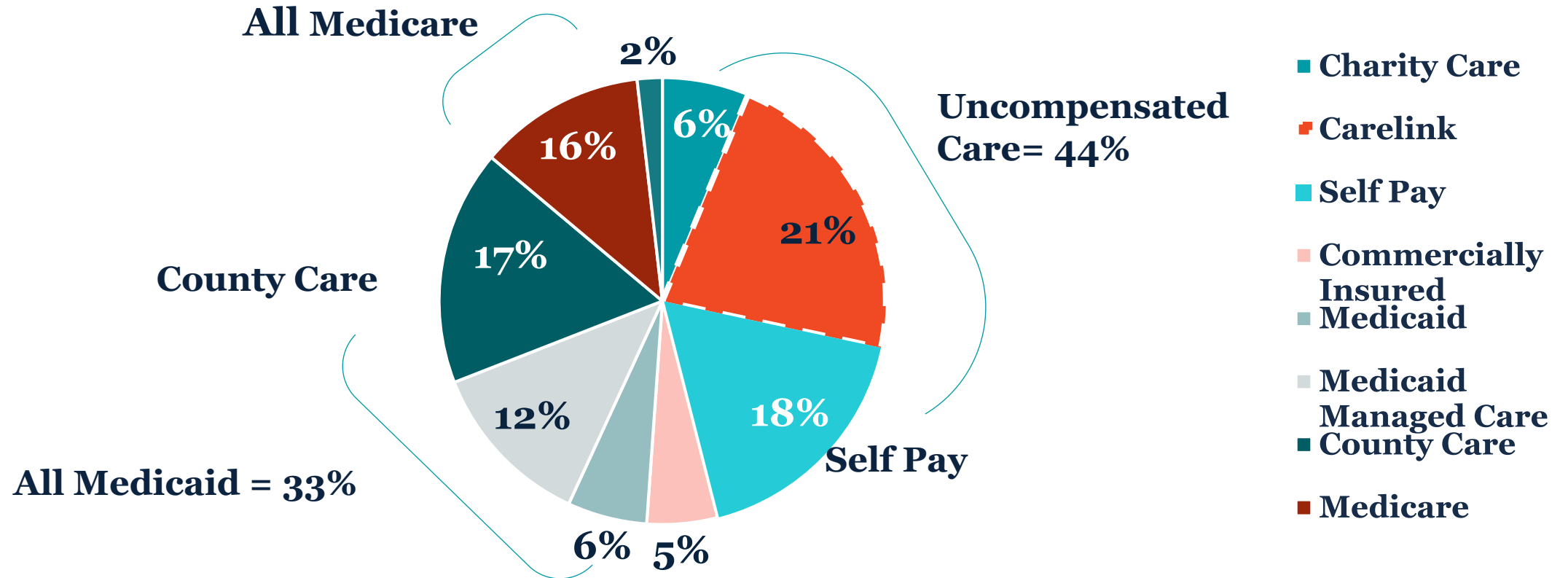
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System-wide Volumes / Stats

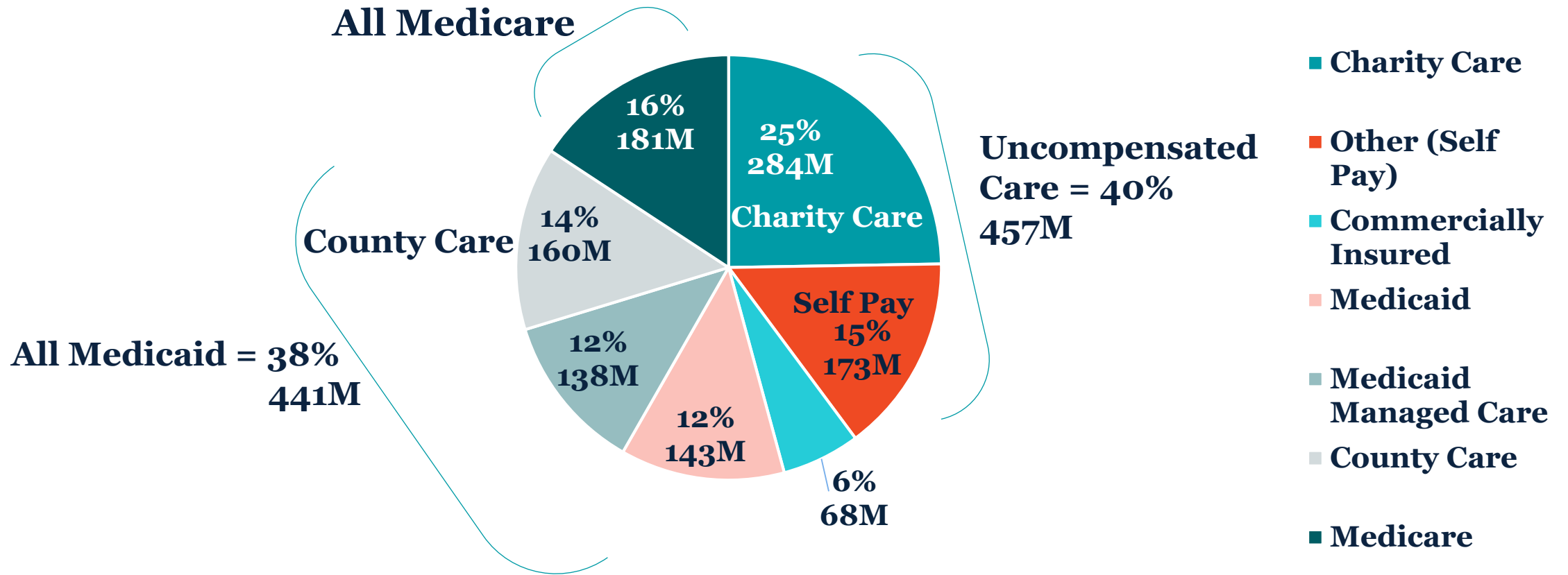


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System Payor Mix By Visit as of July 2019



System Payor Mix By Charges as of July 2019



Primary Care Provider Visits

30,000

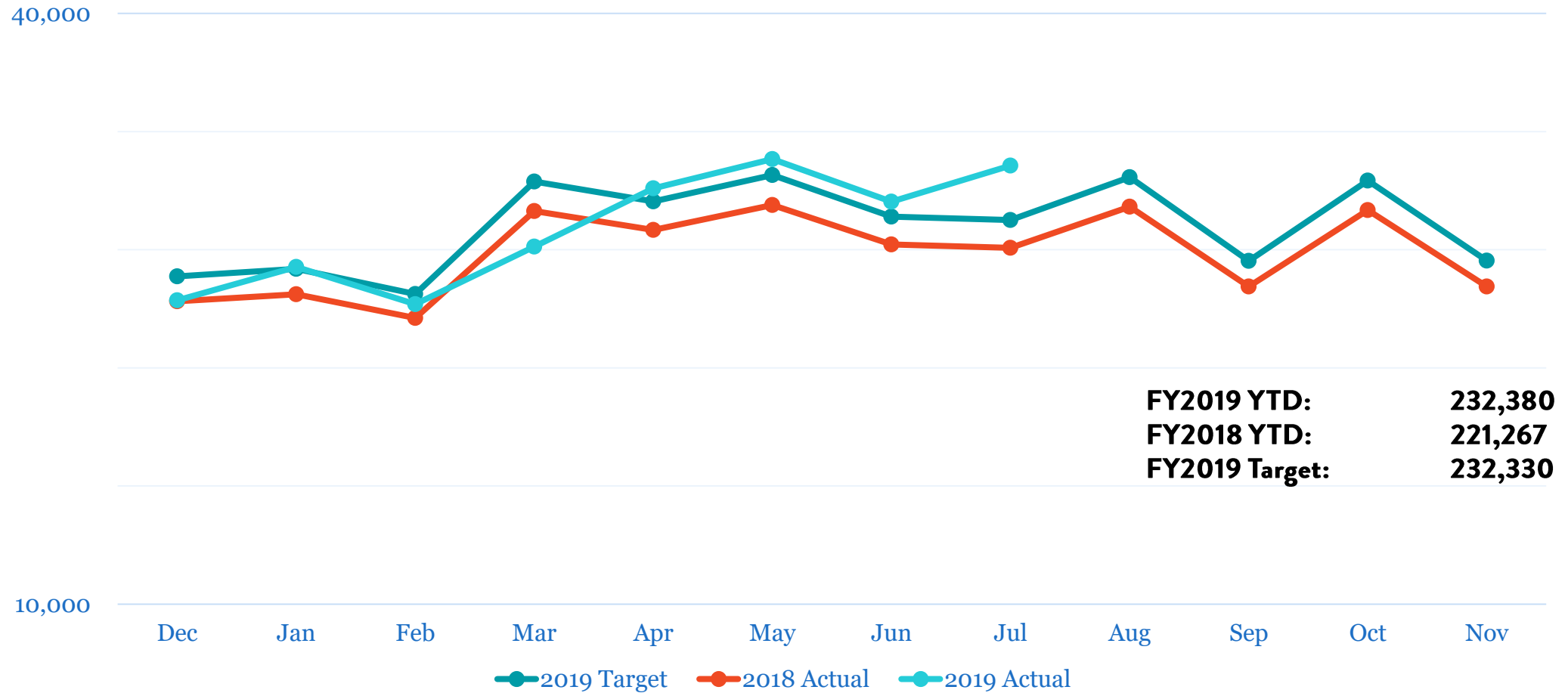
10,000

Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov

● 2019 Target ● 2018 Actual ● 2019 Actual

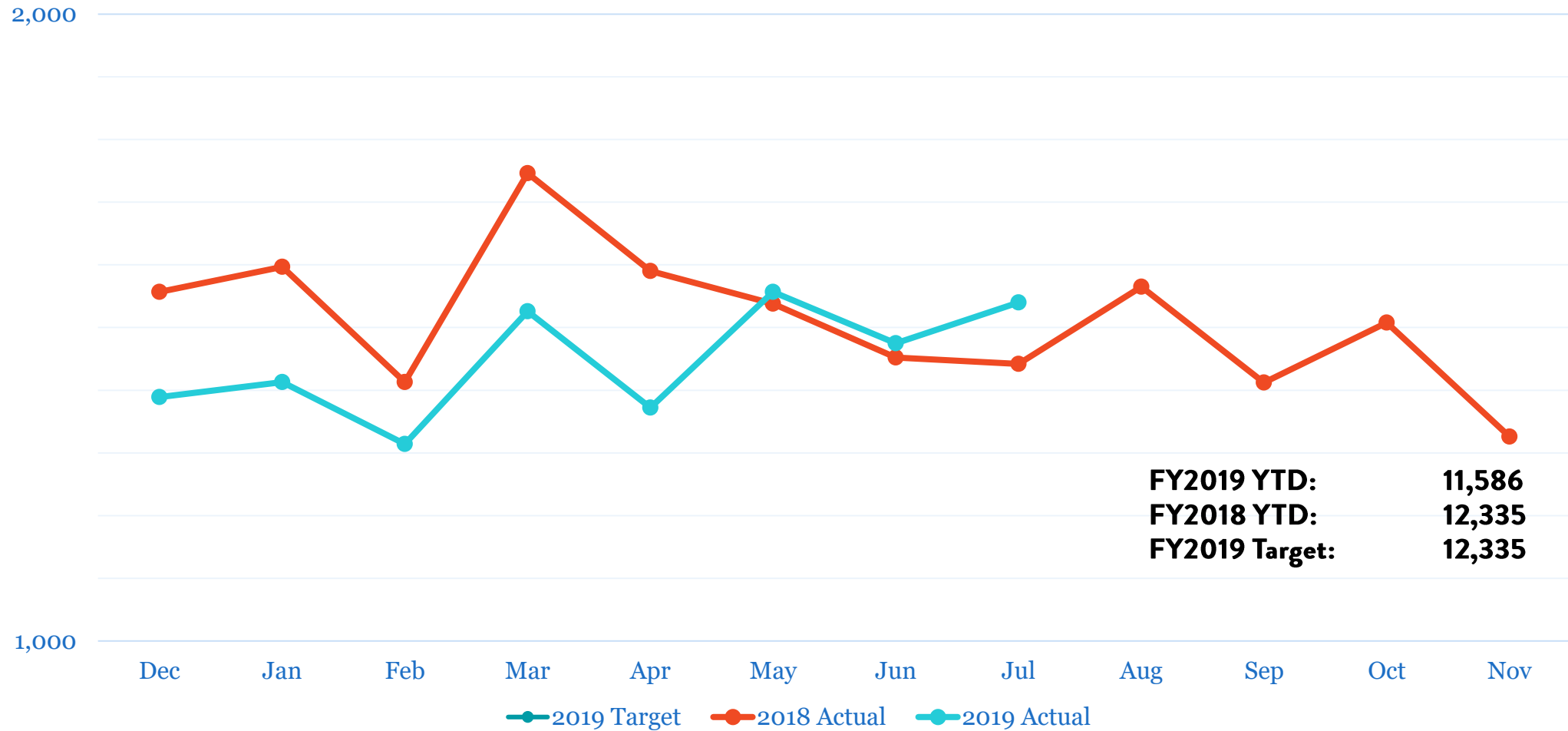
FY2019 YTD: 158,891
FY2018 YTD: 144,536
FY2019 Target: 151,763

Specialty Care Provider Visits



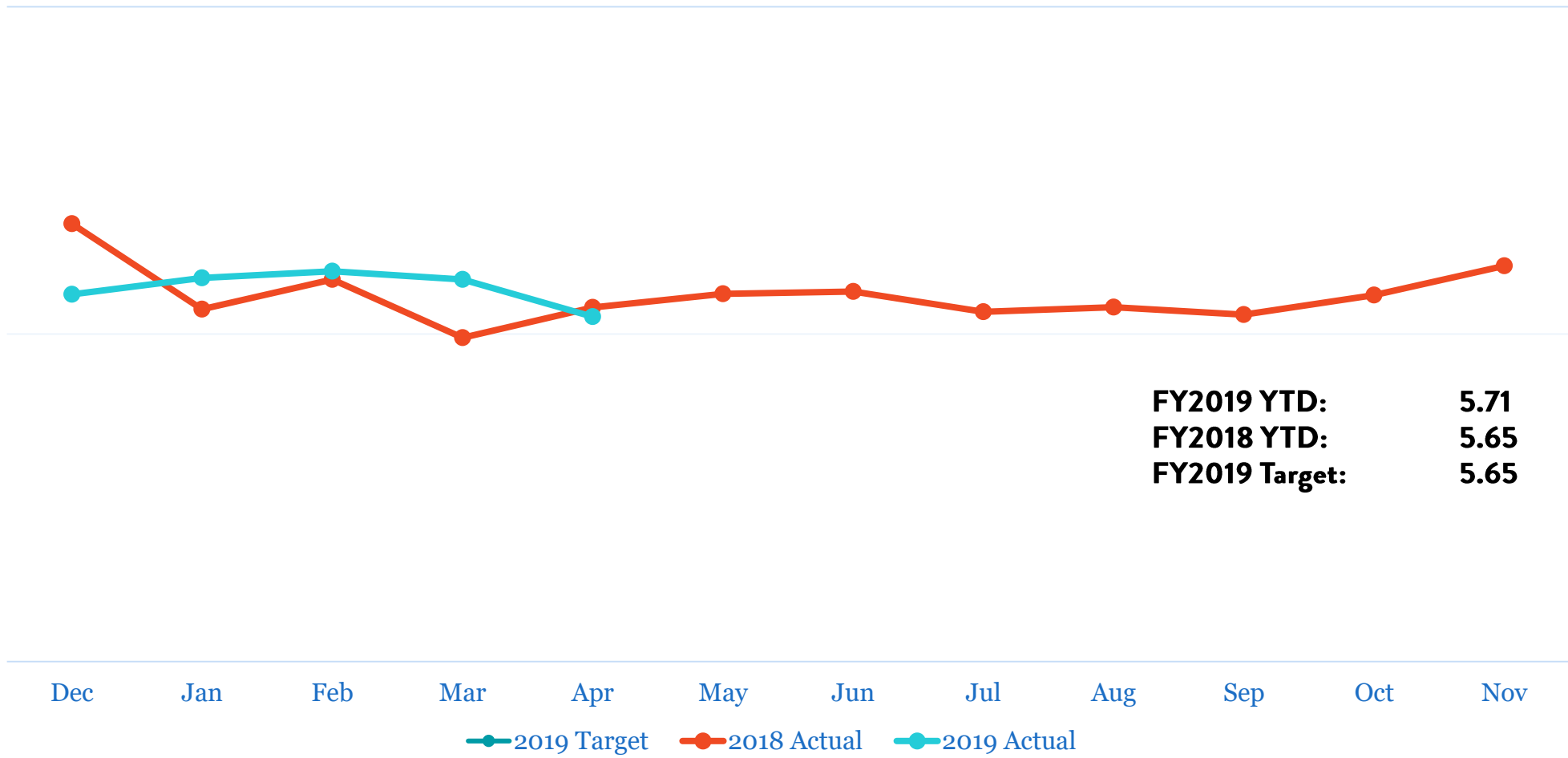
FY2019 YTD: 232,380
FY2018 YTD: 221,267
FY2019 Target: 232,330

Total Inpatient Discharges



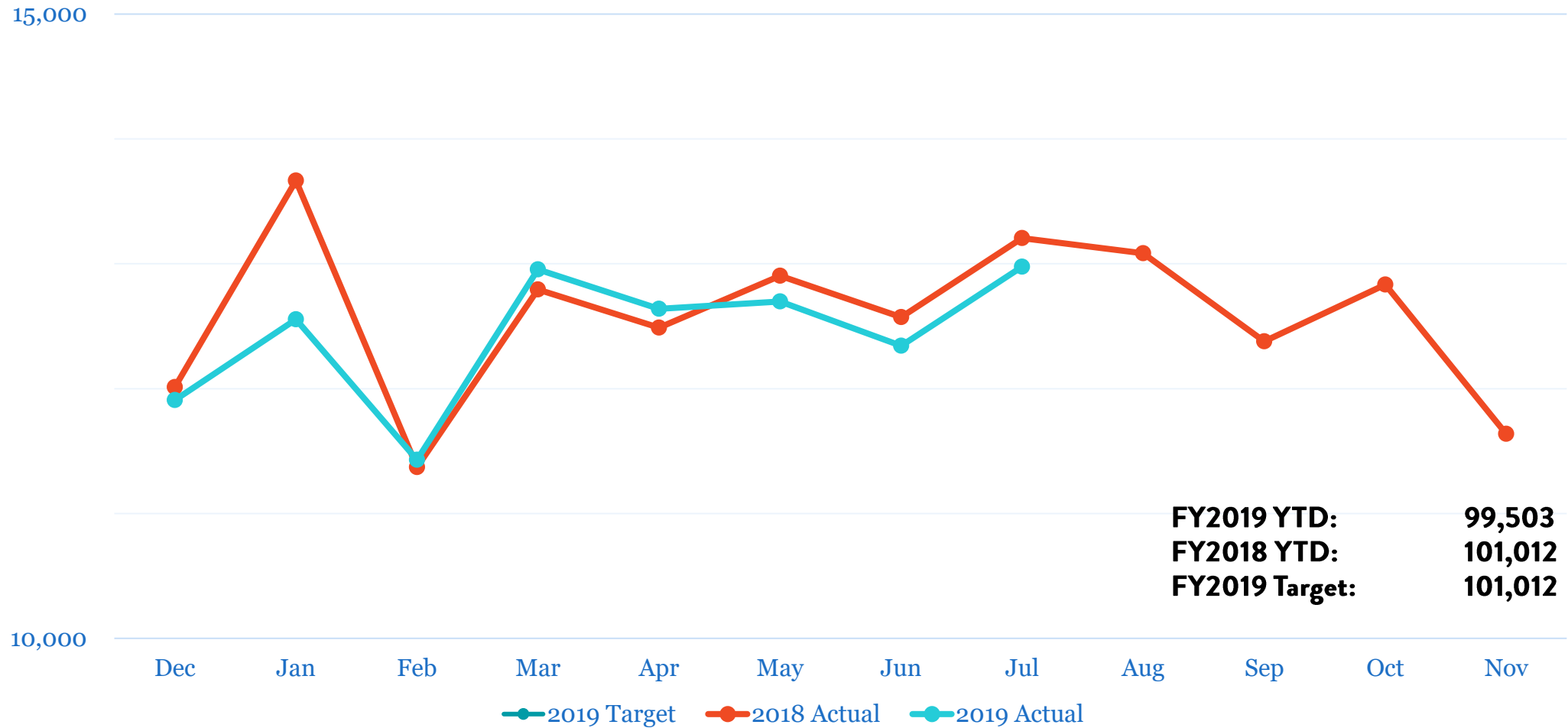
Average Length of Stay

10



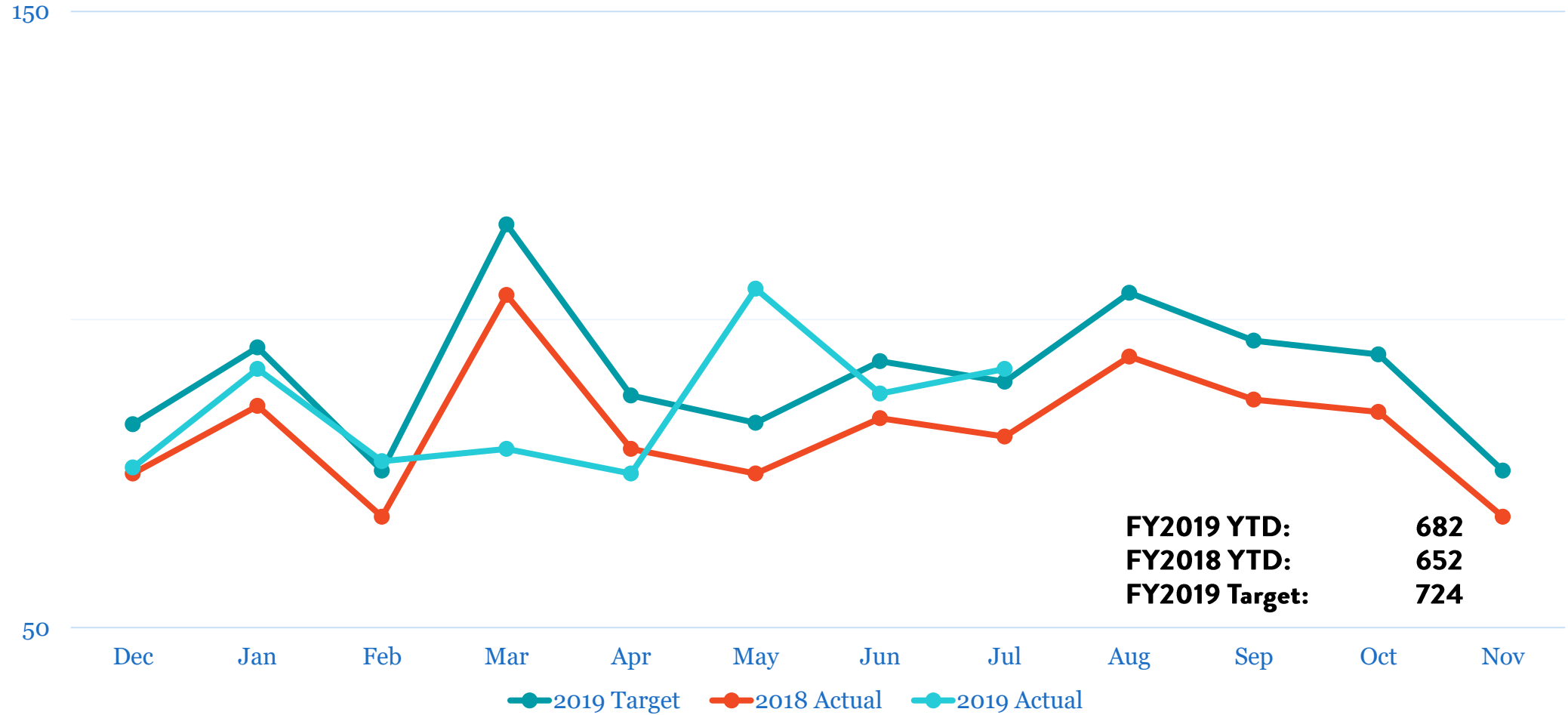
FY2019 YTD: 5.71
FY2018 YTD: 5.65
FY2019 Target: 5.65

Total Emergency Room Visits

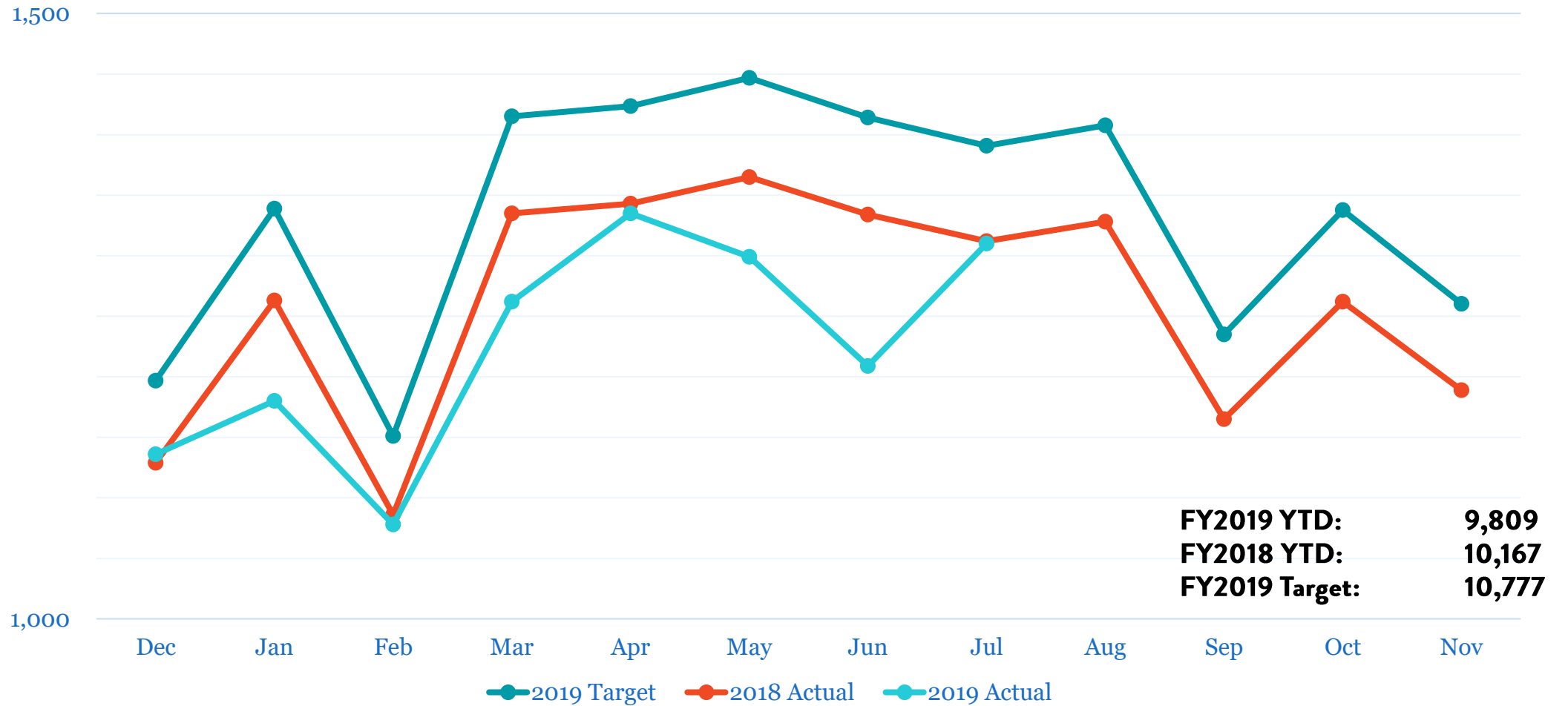


FY2019 YTD: 99,503
FY2018 YTD: 101,012
FY2019 Target: 101,012

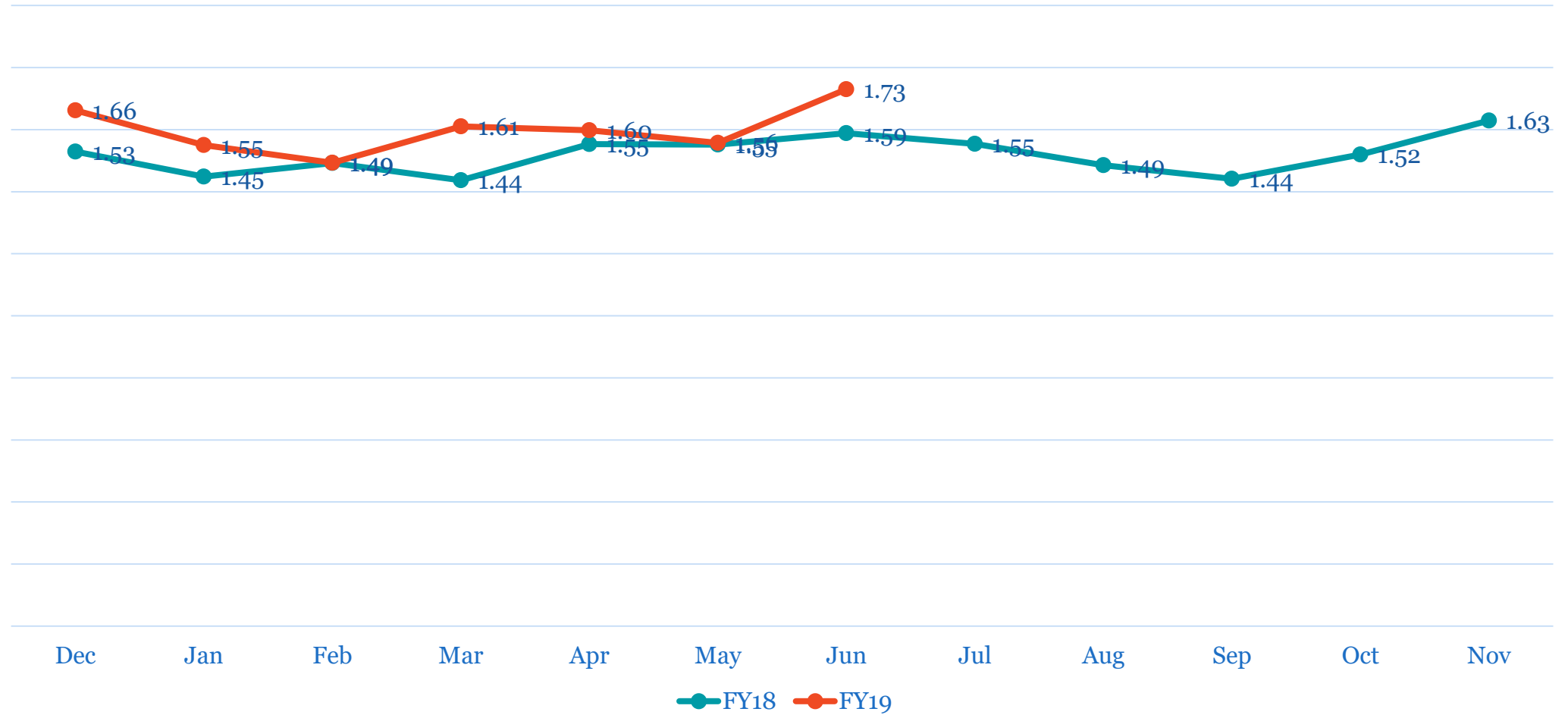
Total Deliveries



Total Surgical Cases



Case Mix Index



Questions?



COOK COUNTY
HEALTH