

# CCH YTD Financial Update – April 30, 2024

**Pamela Cassara, Chief Financial Officer**

**Scott Spencer, Associate Chief Financial Officer**

**Curtis Haley, Chief Revenue Officer**

**June 2024**



**COOK COUNTY  
HEALTH**

# Executive Summary: Statement of Financial Condition – April 30, 2024

- On an accrual basis, interim financials show that CCH ended April with a **\$121.9M favorable** variance to budget. On a cash basis, the County's preliminary cash report on revenues and expenses shows a **\$23.1M favorable** variance to budget. Differences in accrual versus cash basis are primarily due to the timing difference related to recording of revenues received and expenses paid.
  
- Revenue Commentary:
  - **Favorable** NPSR variance to Budget due to higher than budgeted volumes/revenues
  - **Favorable** capitation variance to Budget due to higher than budgeted CountyCare membership
- Expenditures:
  - CountyCare claims **unfavorable** variance to budget due to higher than budgeted membership
- CountyCare:
  - CountyCare **\$2.6M favorable** variance to budget due to higher than budgeted membership
  - Membership just over 442,000, which is 21.5% greater than budgeted

# Financial Results – April 30, 2024

Dollars in 000s	FY2024 Actual	FY2024 Budget	Variance	%	FY2023 Actual
<b>Revenue</b>					
Net Patient Service Revenue (1)	\$474,538	\$442,373	\$32,165	7.27%	\$435,762
Government Support (2)	\$158,695	\$154,632	\$4,063	2.63%	\$134,777
<b>Adjusted NPSR</b>	<b>\$633,233</b>	<b>\$597,005</b>	<b>\$36,228</b>	<b>6.07%</b>	<b>\$570,539</b>
CountyCare Capitation Revenue	\$1,357,983	\$1,145,903	\$212,080	18.51%	\$1,252,541
Other	\$29,834	\$9,167	\$20,668	225.47%	\$4,082
<b>Total Revenue</b>	<b>\$2,021,050</b>	<b>\$1,752,074</b>	<b>\$268,975</b>	<b>15.35%</b>	<b>\$1,827,162</b>
<b>Operating Expenses</b>					
Salaries & Benefits	\$311,550	\$359,224	\$47,675	13.27%	\$287,878
Overtime	\$22,722	\$18,952	(\$3,770)	-19.89%	\$20,335
Supplies & Pharmaceuticals	\$80,147	\$79,448	(\$698)	-0.88%	\$66,840
Purchased Services & Other	\$283,580	\$335,454	\$51,874	15.46%	\$254,155
Medical Claims Expense (1)	\$1,246,743	\$1,035,500	(\$211,243)	-20.40%	\$1,129,801
Insurance	\$12,454	\$12,702	\$249	1.96%	\$26,424
Utilities	\$5,423	\$5,718	\$294	5.15%	\$5,673
<b>Total Operating Expenses</b>	<b>\$1,962,619</b>	<b>\$1,847,000</b>	<b>(\$115,619)</b>	<b>-6.26%</b>	<b>\$1,791,106</b>
<b>Operating Margin</b>	<b>\$58,431</b>	<b>(\$94,925)</b>	<b>\$153,356</b>	<b>-161.55%</b>	<b>\$36,056</b>
<b>Non-Operating Revenue</b>	<b>\$65,382</b>	<b>\$96,784</b>	<b>(\$31,402)</b>	<b>-32.45%</b>	<b>\$59,340</b>
<b>Net Income (Loss)</b>	<b>\$123,812</b>	<b>\$1,858</b>	<b>\$121,954</b>	<b>6562.57%</b>	<b>\$95,396</b>

**Notes:**

- (1) CountyCare Elimination represents the elimination of intercompany activity – Patient Service Revenue and Medical Claims Expense for CountyCare patients receiving care at Cook County Health.
- (2) Government Support includes DSH, BIPA, & Graduate Medical Education payments.
- (3) Does not reflect Pension, OPEB, Depreciation/Amortization, or Investment Income.

Source: CCH unaudited financial statements and FY23 budget.



# Cook County Health

## Volumes: April, 2024

### Key Revenue Indicators

Patient Activity <b>Stroger</b>	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Apr 2024 Actual	Apr 2023 Actual
Average Daily Census *	323	287	12.7%	294	270		317	298
Emergency Room Visits	37,589	33,761	11.3%	37,602	30,944		7,415	6,661
Surgeries	4,797	4,963	-3.3%	4,665	4,605		1,022	901

Patient Activity <b>Provident</b>	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Apr 2024 Actual	Apr 2023 Actual
Average Daily Census *	22	21	2.9%	21	9		19	22
Emergency Room Visits	10,774	10,723	0.5%	10,761	8,454		2,245	2,178
Surgeries	1,240	1,353	-8.3%	1,482	1,074		271	318

Patient Activity <b>ACHN</b>	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Apr 2024 Actual	Apr 2023 Actual
Primary Care Visits	100,379	97,863	2.6%	97,512	89,795		22,096	19,574
Specialty Care Visits	158,324	154,082	2.8%	154,521	147,696		33,971	30,715

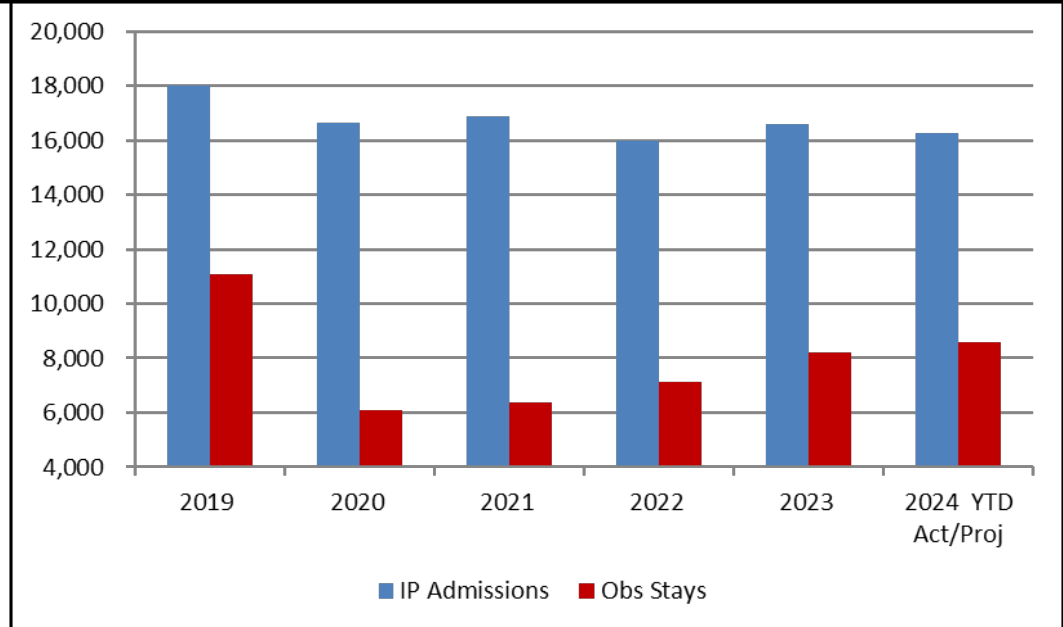
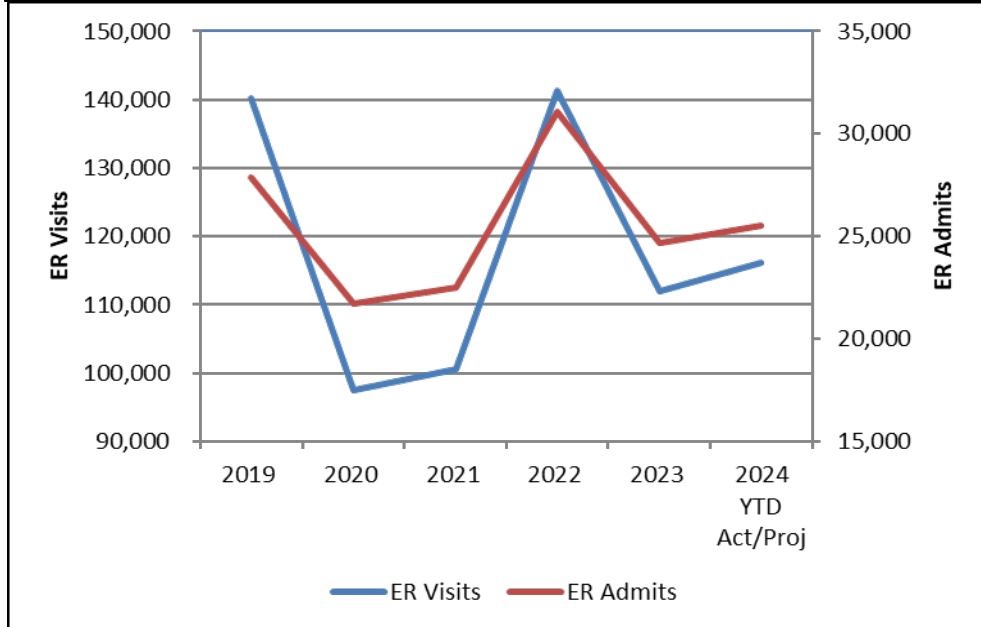
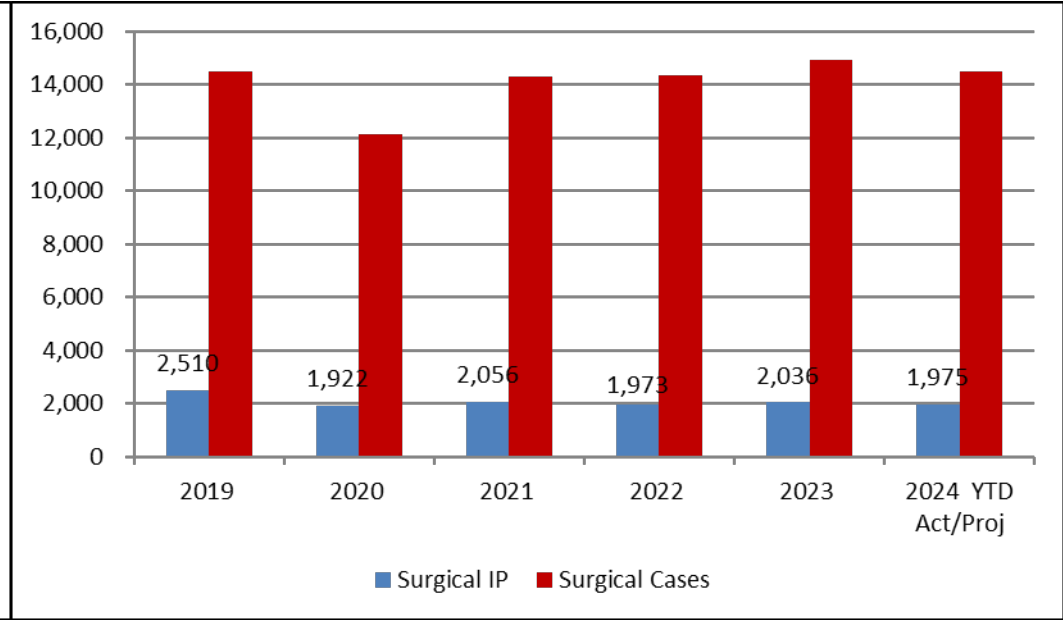
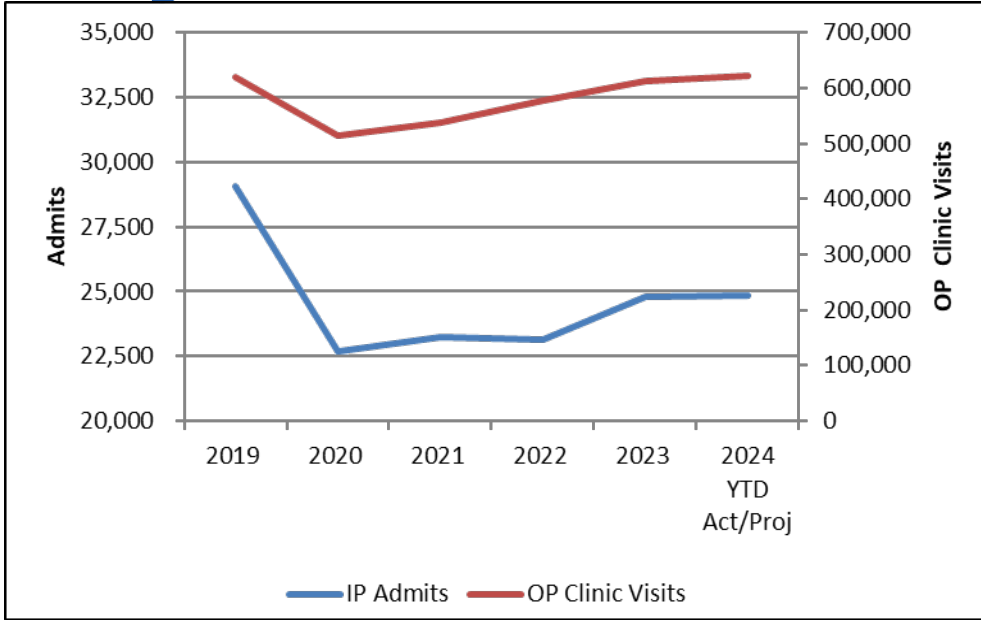
<b>CountyCare</b> Membership	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Apr 2024 Actual	Apr 2023 Actual
Membership Count	435,493	380,574	14.4%	450,750	426,776		442,503	452,951

\* Includes IP + Observations

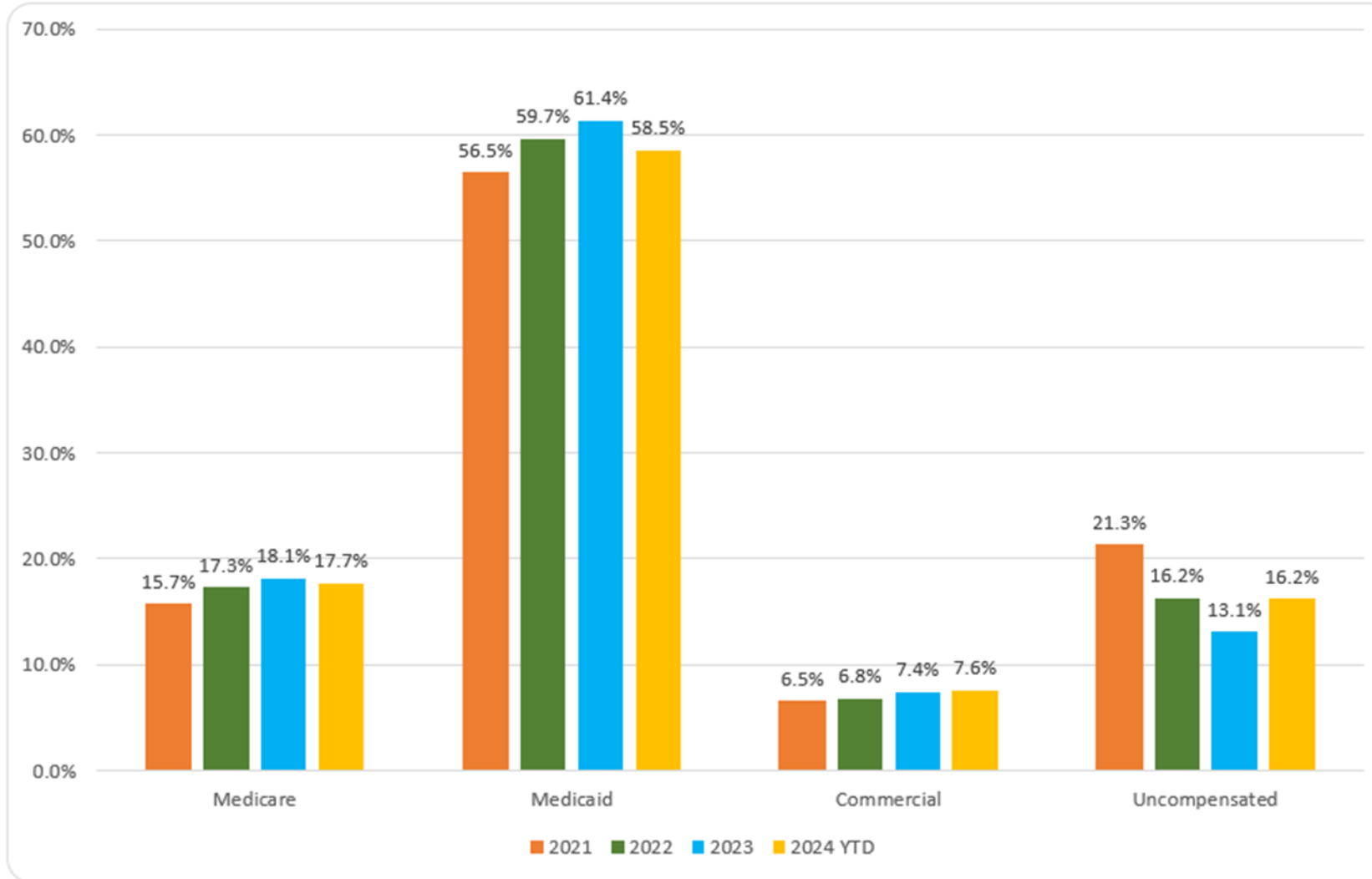


# Cook County Health

## Operating Trends



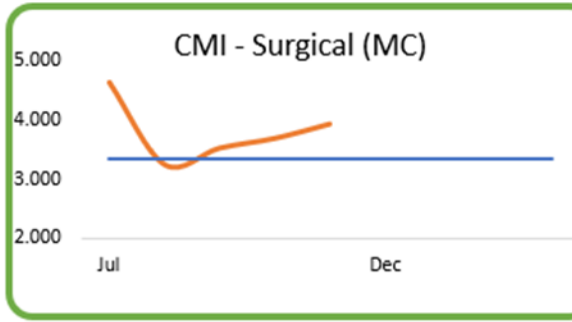
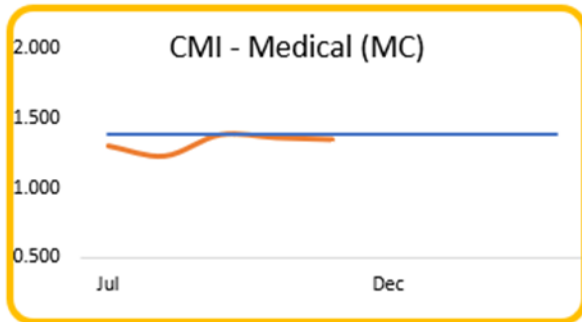
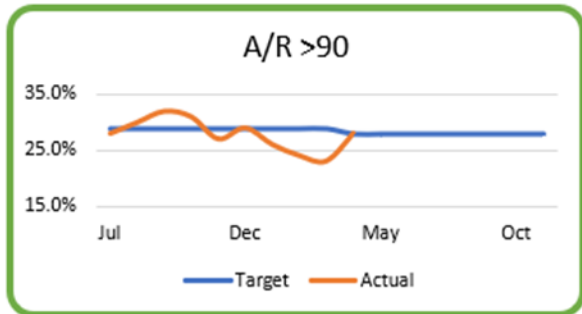
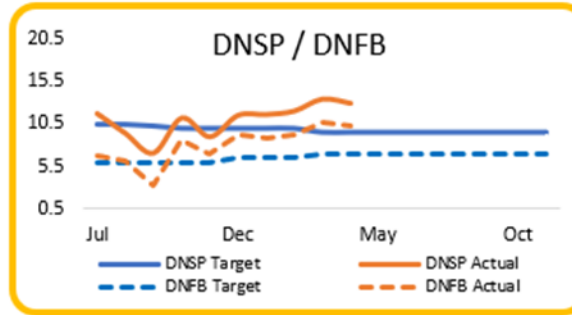
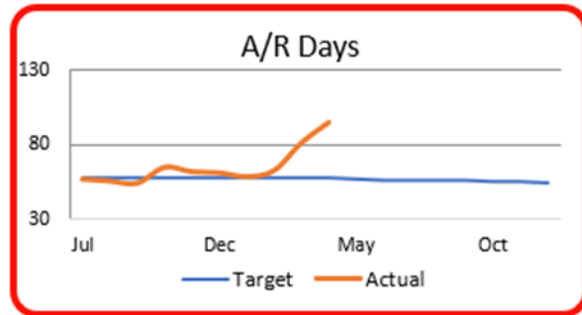
# YTD Payer Mix – YoY Comparison



## Commentary

- Mar-Apr Change:
  - Medicare: +0.01%
  - Medicaid: -0.01%
  - Commercial: +0.01
  - Uncompensated: -0.01%
- Feb-Mar Change:
  - Medicare: -0.03%
  - Medicaid: -0.02%
  - Commercial: +0.02
  - Uncompensated: +0.02%
- Jan-Feb Change:
  - Medicare: -0.04%
  - Medicaid: -0.08%
  - Commercial: +0.05
  - Uncompensated: +0.07%

# Revenue Cycle KPI Trending



## Commentary:

- AR and Cash metrics off target due to the Change Healthcare cyber-attack that occurred on 2/21/24.
- In April, resumed billing for all payers except Illinois Medicaid.
- Working with Experian to send our Illinois Medicaid claims through their solution (\$81M, 4/30/24).
- Have begun to receive payments/remits for billing efforts but the posting solution CCH uses to apply payments to the AR has not been reactivated by Change Health.
- \$70.5M in unposted cash as of 4/30/24.

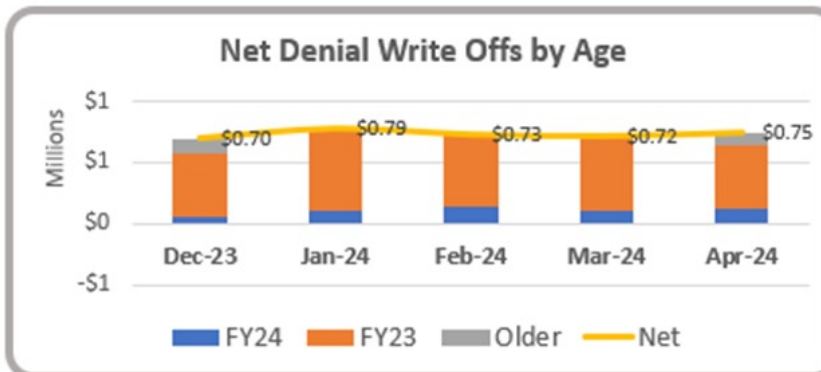
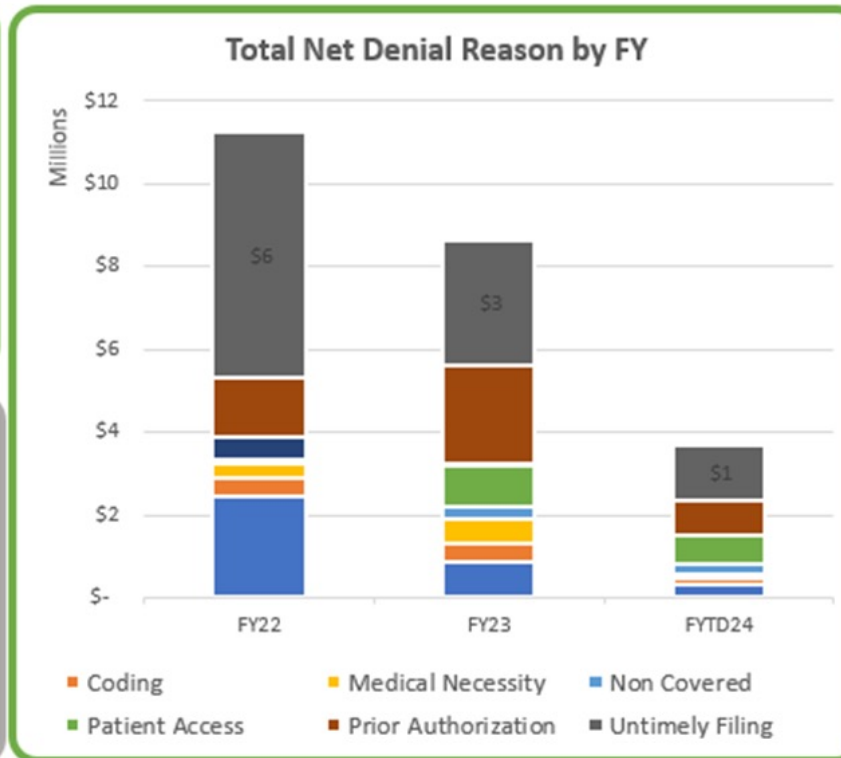
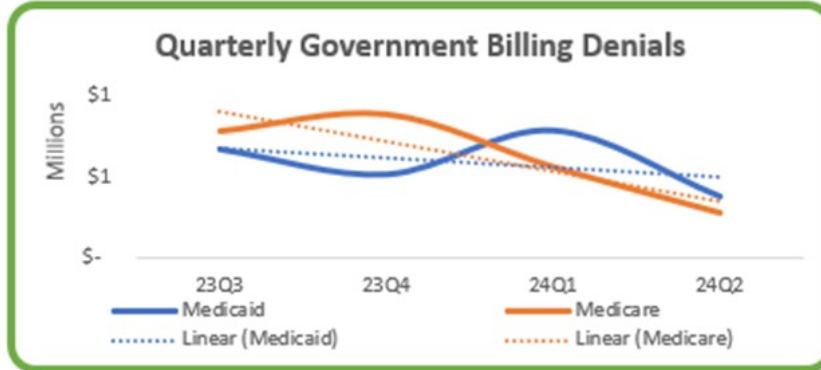
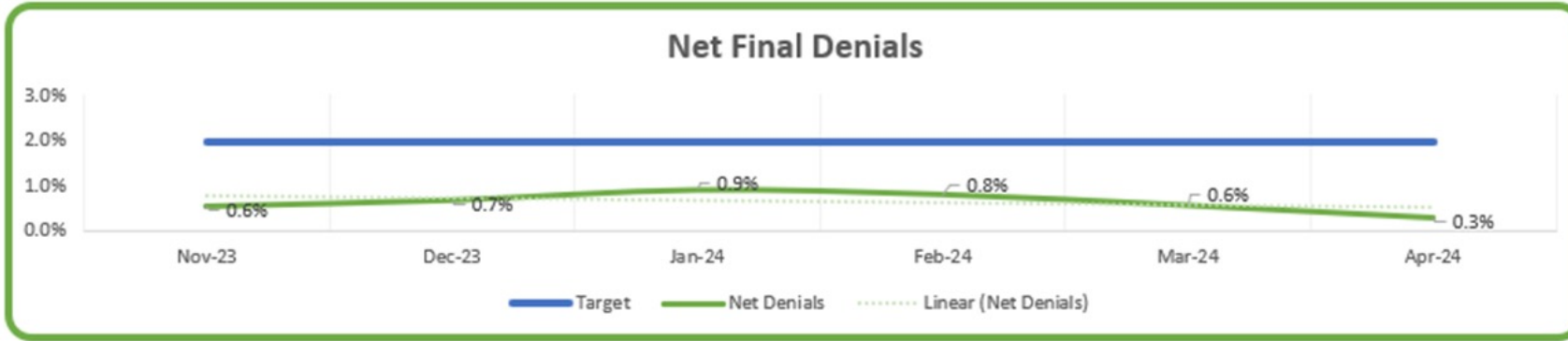
## Definitions:

**DNSP: Discharged Not Submitted to Payer** - Gross dollars from initial 837 claims held by edits in claims processing tool that have not been sent to payer.

**DNFB: Discharged Not Final Billed** - Gross dollars in A/R for all patient accounts (inpatient and outpatient accounts) discharged but not yet final billed for the reporting month. Refers to accounts in suspense (within bill hold days) and pending final billed status in the patient accounting system.

**CMI: Case Mix Index** - Represents the average diagnosis-related group (DRG) relative weight for that hospital. It is calculated by summing the DRG weights for all Medicare discharges and dividing by the number of discharges.

# Denial Focus & Trending





# Cook County Health

## 2024 Charitable & Public Program Expenditures






### Budget/Projection (\$000s)

	2022 Actual Net Benefit	2023 Actual Net Benefit	2024 Budget Net Benefit	2024 Act/Proj Net Benefit
<b><u>Charitable Benefits and Community Programs</u></b>				
Traditional Charity Care	\$ 122,499	\$ 105,040	\$ 112,011	\$ 139,298
Other Uncompensated Care	108,284	135,655	91,800	89,319
Cermak & JTDC Health Services	90,293	100,779	116,848	121,918
Department of Public Health	12,965	12,712	22,267	21,396
Other Public Programs & Community Services	66,321	66,321	71,600	71,600
<b>Totals</b>	<b>\$ 400,362</b>	<b>\$ 420,506</b>	<b>\$ 414,526</b>	<b>\$ 443,531</b>
% of Revenues *	36.9%	38.8%	30.3%	27.5%
% of Costs *	22.0%	23.1%	23.2%	25.7%

\* Excludes Health Plan Services

# Cook County Health

## Savings Initiatives: April 30, 2024

Current Activities in Progress	Budgeted FY24 Impact	YTD Achieved	Status
<b>Revenue Cycle:</b>			
Chargemaster Review/Changes	2,750,000	1,150,000	
Revenue Recovery	3,930,000	-	
Point of Service Collections	300,000	70,000	
<b>County Care:</b>			
Care Coordination Initiatives	3,000,000	1,250,000	
<b>Health System:</b>			
Vendor Contract Negotiations	2,020,000	841,667	
	<u>\$ 12,000,000</u>	<u>\$ 3,311,667</u>	28%
		Goal 5/12th	42%

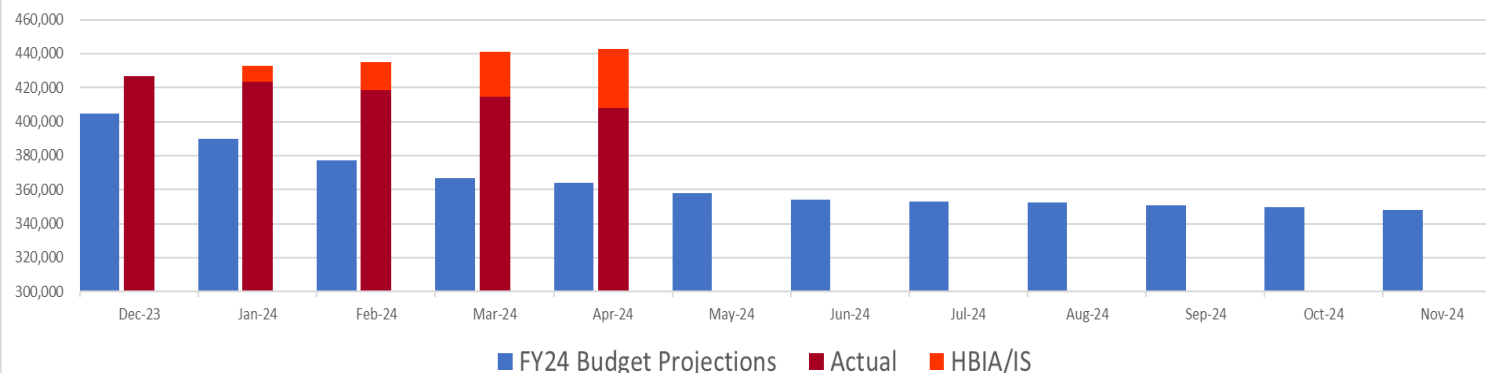
# Health Plan Services Financial Results – April 30, 2024

Dollars in 000s except PMPM amounts	FY2024 Actual	FY2024 Budget	Variance	%	Fy23 Actual
<b>Capitation Revenue</b>	\$1,366,623	\$1,148,175	\$218,448	19.03%	\$1,258,110
<b>Operating Expenses</b>					
Clinical - CCH	\$51,229	\$49,641	(\$1,588)	(3.20%)	\$50,673
Clinical - External	\$1,246,307	\$1,032,763	(\$213,544)	(20.68%)	\$1,128,249
Administrative	\$66,530	\$65,770	(\$760)	(1.16%)	\$63,582
Total Expenses	\$1,364,066	\$1,148,175	(\$215,891)	(18.80%)	\$1,242,503
Operating Gain (Loss)	\$2,556	\$0	\$2,556		\$15,607
<b>Activity Levels</b>					
Member Months	2,178,670	1,902,874	275,796	14.49%	2,260,302
Monthly Membership	442,503	364,184	78,319	21.51%	455,044
CCH CountyCare Member Months	144,903	N/A	N/A	N/A	208,970
CCH % CountyCare Member Months	6.65%	N/A	N/A	N/A	9.25%
<b>Operating Indicators</b>					
Revenue Per Member Per Month (PMPM)	\$627.27	\$603.39	\$23.88	3.96%	\$556.61
Clinical Cost PMPM	\$595.56	\$568.83	(\$26.74)	(4.70%)	\$521.58
Medical Loss Ratio (1)	93.9%	94.3%	0.41%	0.44%	92.0%
Administrative Cost Ratio	4.8%	5.7%	0.92%	15.97%	5.0%
Total FTEs	350	434	84		

## Commentary

- Total YTD member months are exceeding budget by 275,796 members.
- Revenue and claims expense are higher than budget due to higher than budgeted membership.
- CountyCare’s reimbursement to CCH for domestic spend is under budget.
- Operating Gain of \$2.5M

CountyCare Membership



## Notes:

- (1) Medical Loss Ratio is a measure of the percentage of premium that a health plan spends on medical claims.



# Questions?



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