## FY2020-FY2021 Budget

<table>
<thead>
<tr>
<th>In millions</th>
<th>FY2020 Adjusted Appropriation</th>
<th>FY2021 Proposed Budget</th>
<th>Variance</th>
<th>FY2020 FTEs</th>
<th>FY2021 FTEs</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>CountyCare</td>
<td>$1,760</td>
<td>$2,226</td>
<td>$465</td>
<td>182</td>
<td>356</td>
<td>174</td>
</tr>
<tr>
<td>Correctional and Public Health*</td>
<td>$99</td>
<td>$120</td>
<td>$21</td>
<td>755</td>
<td>1,212</td>
<td>457</td>
</tr>
<tr>
<td>CCH Provider**</td>
<td>$965</td>
<td>$1,032</td>
<td>$66</td>
<td>5,664</td>
<td>5,541</td>
<td>(123)</td>
</tr>
</tbody>
</table>

*Public Health includes Contact Tracing Grant, which expires June 30, 2021 and 374 FTE’s
**CCH Provider includes Integrated Care Management (ICM), predominately Care Coordination
Closing the FY21 Deficit - Total

<table>
<thead>
<tr>
<th>Start</th>
<th>Exp. Reductions</th>
<th>Domestic Spend</th>
<th>Tax Allocation</th>
<th>Rate Increase</th>
<th>Directed Payments</th>
<th>Newly Eligible</th>
<th>Revenue Cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$10.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$10.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$180</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$160</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$140</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$120</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$60</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$187.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Increase | Decrease

- Start: ($187.0)
- Exp. Reductions: $55.0
- Domestic Spend: $35.0
- Tax Allocation: $30.0
- Rate Increase: $26.0
- Directed Payments: $21.0
- Newly Eligible: $10.0
- Revenue Cycle: $10.0
FY2021 Proposed Budget

CCH Provider
Stroger, Provident, Outpatient (ACHN)
Closing the FY21 Deficit - Expense

<table>
<thead>
<tr>
<th>Service</th>
<th>Increase</th>
<th>Decrease</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td></td>
<td>($55.0)</td>
<td></td>
</tr>
<tr>
<td>Non Union</td>
<td>$10.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency</td>
<td>$10.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stroger</td>
<td>$17.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provident</td>
<td>$6.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outpatient</td>
<td>$5.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oak Forest</td>
<td>$5.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Increase and Decrease values in dollars.
## Budget by Department: Stroger

<table>
<thead>
<tr>
<th></th>
<th>FY2020 Budget</th>
<th>FY2021 Proposed Budget</th>
<th>Variance</th>
<th>FY2020 FTEs</th>
<th>FY2021 FTEs</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stroger</td>
<td>$671</td>
<td>$751</td>
<td>$80</td>
<td>4,189</td>
<td>4,352</td>
<td>163</td>
</tr>
<tr>
<td>Stroger Integrated Care Management</td>
<td>0</td>
<td>$28.5</td>
<td>$28.5</td>
<td>0</td>
<td>125</td>
<td>125</td>
</tr>
</tbody>
</table>

### Commentary
- FTEs increase due to transfer of Integrated Care Management (ICM) from County Care by 125 and non personnel
  - Call Center, ACHN Care Coordination, Inpatient Care Coordination, Medicaid application assistance, transportation
- Shift of Physical Therapy from Provident to Stroger
- Suspension of inpatient pediatrics due to low volume
- Consolidation of sleep lab services at Provident
- Additional positions to reduce agency, contractor and overtime costs
- Turnover correction compared to FY2020
CCH System RN/LPN Agency (Excluding COVID-19 Agency Hours)

Not including COVID-19 related hours,
From Sept’19 to Jul’20, ~79% reduction in agency dollars equating to **$566K** in monthly savings or ~$6.8M annually
## Budget by Department: Provident

<table>
<thead>
<tr>
<th>In millions</th>
<th>FY2020 Budget</th>
<th>FY2021 Proposed Budget</th>
<th>Variance</th>
<th>FY2020 FTEs</th>
<th>FY2021 FTEs</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provident</td>
<td>$56</td>
<td>$60</td>
<td>$4</td>
<td>401</td>
<td>375</td>
<td>(26)</td>
</tr>
</tbody>
</table>

**Expense Drivers:**

- Near South and Woodlawn Consolidation into Sengstacke (Provident)
- Conversion of Emergency Department to Standby Emergency Department
- Staffing to inpatient volumes
- Certificate of Need (CON) received in 2019 for new Provident construction
Provident Hospital Outpatient Services FY2021

Services:

- Outpatient Primary Care (Behavioral Health, Family Medicine, Gynecology, Internal Medicine, Prenatal Care)
- Mammography
- Lifestyle Center
- Breast Clinic
- Bariatrics
- General Medicine
- Pathology Services
- Outpatient Specialty Clinic (Addiction Medicine, Cardiology, Colorectal Surgery, Diabetes & Endocrinology, Gastroenterology)
- Diagnostic Imaging
- Cardiac and Pulmonary Diagnostics
- Pharmacy
- Social Services
- Neurology
- Ophthalmology
- Optometry
- Podiatry
- Psychology/Psychiatry
- Pulmonary
- Renal
- Sleep Medicine
- Urology
# Budget by Department: Outpatient (ACHN)

<table>
<thead>
<tr>
<th>In millions</th>
<th>FY2020 Budget</th>
<th>FY2021 Proposed Budget</th>
<th>Variance</th>
<th>FY2020 FTEs</th>
<th>FY2021 FTEs</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACHN</td>
<td>$83</td>
<td>$76</td>
<td>($7)</td>
<td>401</td>
<td>313</td>
<td>(88)</td>
</tr>
</tbody>
</table>

**Expenditure Drivers:**
- Consolidation of Near South and Woodlawn Clinics into Sengstacke (Provident)
  - Unique patients 9,000
- Morton East Health School-Based Program and Child Advocacy Center health services program support
- FY2020 final year of Access to Care grant
Transitioning of Service - Oak Forest

✓ Oak Forest Clinic
  • Building E **closed May 26, 2020.**
  • Blue Island Center **opened June 8, 2020.**

✓ Revenue Cycle
  • Building H **closed June, 2020.**
  • 600 Holiday Plaza in Matteson **opened June 15, 2020.**

Cook County Dept. of Public Heath
  • Phase 1- **September, 2020** staff at Bridgeview will move to central campus
  • Phase 2- **October, 2020** staff at Oak Forest will move to central campus

Pharmacy Services
  • Phase 1- **October, 2020** outpatient pharmacy will relocate to Blue Island
  • Phase 2- **Nov 30, 2020** expect contract in place and fully operational for mail order pharmacy
Reductions in Force

- Holding vacancies reduced the need for more layoffs

<table>
<thead>
<tr>
<th>Department</th>
<th>Union Layoffs</th>
<th>Non-Union Layoffs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correctional Health</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Bureau of Health/Administration</td>
<td>1</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Provident</td>
<td>13</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>ACHN</td>
<td>6</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Public Health</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Managed Care</td>
<td>0</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Stroger</td>
<td>47</td>
<td>22</td>
<td>69</td>
</tr>
<tr>
<td>Oak Forest</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>70</strong></td>
<td><strong>60</strong></td>
<td><strong>130</strong></td>
</tr>
</tbody>
</table>

*Includes full year of savings from 46 non-union layoffs in June, 2020
## Budget by Department: CCH Provider

<table>
<thead>
<tr>
<th>In millions</th>
<th>FY2020 Budget</th>
<th>FY2021 Proposed Budget</th>
<th>Variance</th>
<th>FY2020 FTEs</th>
<th>FY2021 FTEs*</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$44</td>
<td>$48</td>
<td>$5</td>
<td>328</td>
<td>305</td>
<td>(23)</td>
</tr>
<tr>
<td>Provident</td>
<td>$56</td>
<td>$60</td>
<td>$4</td>
<td>401</td>
<td>375</td>
<td>(26)</td>
</tr>
<tr>
<td>ACHN</td>
<td>$82</td>
<td>$76</td>
<td>($6)</td>
<td>401</td>
<td>313</td>
<td>(88)</td>
</tr>
<tr>
<td>CORE</td>
<td>$23</td>
<td>$25</td>
<td>$2</td>
<td>71</td>
<td>71</td>
<td>0</td>
</tr>
<tr>
<td>Stroger</td>
<td>$671</td>
<td>$751</td>
<td>$80</td>
<td>4,189</td>
<td>4,352</td>
<td>163</td>
</tr>
<tr>
<td>Stroger: ICM</td>
<td>0</td>
<td>$28.5</td>
<td>$28.5</td>
<td>0</td>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td>Managed Care: ICM</td>
<td>$43</td>
<td>$0</td>
<td>($43)</td>
<td>225</td>
<td>0</td>
<td>(225)</td>
</tr>
<tr>
<td>Oak Forest</td>
<td>$7</td>
<td>$0</td>
<td>($7)</td>
<td>49</td>
<td>0</td>
<td>(49)</td>
</tr>
<tr>
<td>Fixed Charges</td>
<td>$39</td>
<td>$41</td>
<td>$2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$965</strong></td>
<td><strong>$1,031</strong></td>
<td><strong>$63</strong></td>
<td><strong>5,664</strong></td>
<td><strong>5,541</strong></td>
<td><strong>(123)</strong></td>
</tr>
</tbody>
</table>

* Reflects transfers from ACHN to Provident and Provident to Stroger.
FY2021 Proposed Budget

Mandated Services: Correctional and Public Health
## Correctional Health

<table>
<thead>
<tr>
<th></th>
<th>In millions</th>
<th>FY2020 Budget</th>
<th>FY2021 Proposed Budget</th>
<th>Variance</th>
<th>FY2020 FTEs</th>
<th>FY2021 FTEs</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cermak</td>
<td></td>
<td>$81</td>
<td>$96</td>
<td>$15</td>
<td>575</td>
<td>667</td>
<td>92</td>
</tr>
<tr>
<td>JTDC</td>
<td></td>
<td>$7</td>
<td>$8</td>
<td>$1</td>
<td>62</td>
<td>60</td>
<td>(2)</td>
</tr>
</tbody>
</table>

Increase drivers:
- COVID-19 Distancing Requirements new positions
  - Increase from 7 locations to staff to 13 locations to staff
  - Vaccine availability and effectiveness of vaccine will impact next 2 years
- Reduced turnover from 15% to 5%
# Public Health

<table>
<thead>
<tr>
<th>In millions</th>
<th>FY2020 Budget</th>
<th>FY2021 Proposed Budget</th>
<th>Variance</th>
<th>FY2020 Budgeted Positions</th>
<th>FY2021 Proposed Positions</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Fund</td>
<td>$10</td>
<td>$15</td>
<td>$5</td>
<td>118</td>
<td>111</td>
<td>(7)</td>
</tr>
<tr>
<td>Lead Fund</td>
<td>$3</td>
<td>$3.3</td>
<td>.3</td>
<td>17</td>
<td>18</td>
<td>1</td>
</tr>
<tr>
<td>Other Grants</td>
<td>$8</td>
<td>$9.5</td>
<td>$1.5</td>
<td>41</td>
<td>47</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>$21</td>
<td>$27.8</td>
<td>$7.5</td>
<td>176</td>
<td>176</td>
<td>0</td>
</tr>
<tr>
<td>Contact Tracing</td>
<td>$19.6</td>
<td>$20.4</td>
<td>.8</td>
<td>374</td>
<td>374</td>
<td>0</td>
</tr>
</tbody>
</table>

*Contact Tracing Grant is projected to conclude May 31, 2021*
Tax Allocation and Full Cost of Correctional/Public Health

Department of Justice compliance

- Correctional Health Direct Costs
- Public Health Direct Costs
- Correctional/Public Health Indirect Costs
- Correctional Costs at CCH
- Total Tax Support
FY2021 Proposed Budget

Health Plan Services
## FY2021 Proposed Health Plan Services Financial Summary

*(in millions)*

<table>
<thead>
<tr>
<th></th>
<th>ACA Adult</th>
<th>FHP</th>
<th>SPD</th>
<th>MLTSS/LTSS/IMD</th>
<th>SNC</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>CountyCare Projected 2021 Membership</td>
<td>88,567</td>
<td>224,346</td>
<td>29,766</td>
<td>6,314</td>
<td>7,350</td>
<td>356,343</td>
</tr>
<tr>
<td><strong>CountyCare Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Expense (CCH)</td>
<td>$604</td>
<td>$682</td>
<td>$649</td>
<td>$199</td>
<td>$51</td>
<td>$2,185</td>
</tr>
<tr>
<td>Medical Expense (Network)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$534</td>
<td>$551</td>
<td>$551</td>
<td>$166</td>
<td>$44</td>
<td>$1,846</td>
</tr>
<tr>
<td>Administrative Expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$31</td>
<td>$34</td>
<td>$42</td>
<td>$20</td>
<td>$3</td>
<td>$130</td>
</tr>
<tr>
<td><strong>Total CountyCare Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$626</td>
<td>$682</td>
<td>$630</td>
<td>$193</td>
<td>$49</td>
<td>$2,180</td>
</tr>
<tr>
<td><strong>CountyCare Profit/(Loss)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$(22)</td>
<td>$0</td>
<td>$19</td>
<td>$6</td>
<td>$2</td>
<td>$5</td>
</tr>
<tr>
<td><strong>Medicare Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$35</td>
<td></td>
</tr>
<tr>
<td><strong>Medicare Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$45</td>
<td></td>
</tr>
<tr>
<td><strong>Health Plan Services Profit/(Loss)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$(5)</td>
</tr>
<tr>
<td><strong>Total CCH Contribution</strong></td>
<td>$39</td>
<td>$97</td>
<td>$56</td>
<td>$13</td>
<td>$4</td>
<td>$199</td>
</tr>
</tbody>
</table>

**NOTE:** Some numbers are rounded to nearest million for display purposes and could result in small arithmetical differences.

ACA – Affordable Care Act, FHP – Family Health Program, SPD – Seniors and Persons with Disabilities, MLTSS – Medicaid and Long Term Services and Supports, LTSS - Long Term Services and Supports, IMD – Institution for Mental Disease, SNC – Special Needs Children
Membership Trends: CountyCare

Assumption on economic improvement and resumption of State redetermination process
FY2021 Proposed Budget
Revenue Projections
Closing the FY21 Deficit - Revenue Drivers

- Revenue Drivers
  - Start: $(133.0)
  - Domestic Spend: $35.0
  - Tax Allocation: $30.0
  - Rate Increase: $26.0
  - Directed Payments: $22.0
  - Revenue Cycle: $10.0
  - Newly Eligible: $10.0

Legend:
- Increase
- Decrease
FY2021 Proposed Revenue by Source

**County Care**

- $2.2 billion
- $1.9B
- $34.8M
- $133M
- $135M

**Other**

- $1.1 billion
- $16.5M
- $354M
- $112.7M
- $204M
- $105M
- $158.6M
- $132M
- $73.5M
- $133M

* MCO = Managed Care Organization

GME: Graduate Medical Education Payments
BIPA: Benefits Improvement and Protection Act Payments
DSH: Disproportionate Share Hospital Payments
Charity Care in Cook County 2018: Each slice represents the amount of charity care provided by every hospital in Cook County required to report to the state of Illinois. Source: 2018 IDPH Hospital Profiles.
Cost of Direct Access Program (in millions)

August Membership: 20,516

* Program started in late 2017.
** Projections based on current trends and reduction of newly eligible 65 and older population.
System Payor Mix By Charges

- Medicare (Includes MC): 41%
- Medicaid Managed Care: 16%
- County Care: 12%
- Commercial/HMO: 12%
- Self-Pay/Charity: 14%
- Other: 4%
Major Revenue Changes

New Directed Payments Overview

• Effective 1/1/20 State paying for difference between Fee For Service and Encounter Rates for Managed Care Organizations

• Determined and paid quarterly based on activity

• FY20 – First 3 Quarters are known and started receiving

• FY21 – Quarterly average estimated to decline $11.8 for comprehensive model (IP, OP and Clinics)

Amending Cost Reports

• Amendments to cost reports to result in a 15% increase in rates

Newly Eligible Population

• Undocumented patients over 65 eligible for Medicaid reimbursement
## Revenue Cycle Improvements: Completed

<table>
<thead>
<tr>
<th>Improvement</th>
<th>Implementation</th>
<th>FY2021 Budget</th>
<th>Full Implementation/FY2019 Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Eliminate Out-Of-Network Scheduling</td>
<td>Completed August 1, 2020</td>
<td>$1</td>
<td>$5</td>
</tr>
<tr>
<td>✓ Online bill payment</td>
<td>Completed August 3, 2020</td>
<td>$.5</td>
<td>$1</td>
</tr>
<tr>
<td>✓ Medical Necessity Denials</td>
<td>Completed</td>
<td>$.5</td>
<td>$.5</td>
</tr>
<tr>
<td></td>
<td>Eliminated denials for Medicare patients-$ .5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ Prior Authorization (Sleep, Rehab, Radiology, Pain, Cardiology, Oncology)</td>
<td>Completed August 3, 2020</td>
<td>$3.5</td>
<td>$7</td>
</tr>
<tr>
<td></td>
<td>Improving patient scheduling: Sleep, Rehab, and Pain-$1.5-3.0 Radiology, Cardiology, and Oncology (Phase1)-$2.0-4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed Total</td>
<td></td>
<td>$5.5</td>
<td>$13.5</td>
</tr>
</tbody>
</table>
## Revenue Cycle Improvements: In Process

<table>
<thead>
<tr>
<th>Improvement</th>
<th>Implementation</th>
<th>FY2021 Budget</th>
<th>Full Implementation/ FY2019 Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Charge master review</td>
<td>Target by September 1, 2020</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>• Prior Authorization Phase 2</td>
<td>Target by November 1, 2020: Improving patient scheduling oncology clinics-$0.5-1.0 Contacting payer prior to inpatient procedures-$1-1.5</td>
<td>$1.5</td>
<td>$2.5</td>
</tr>
<tr>
<td>• Coding Initiative (CDI)</td>
<td>Ongoing. Target to increase Case Mix Index for better reimbursement: Improving inpatient physician documentation- $.5-5.0</td>
<td>$.5</td>
<td>$5.0</td>
</tr>
<tr>
<td>• Denial Management: Case Management, HIM, Timely Filing, Premium Eligibility</td>
<td>Target by November 1, 2020 Decreasing length of stay-$0.5-3.0 Decreasing the backlog in discharge not final bill (DNFB), discharge not final coded (DNFC), premium eligibility (insurance verification) and address checking -$1.5-13.0 Eliminate untimely filing penalties-$0.5-3.0</td>
<td>$2.5</td>
<td>$19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$4.5</strong></td>
<td><strong>$26.5</strong></td>
</tr>
</tbody>
</table>
Cook County Pension, Debt Service & Operating Allocation (in $ millions)

FY2015: $315.6
FY2016: $379.5
FY2017: $412.1
FY2018: $365.9
FY2019: $389.1
FY2020: $399.7
FY2021: $411.7

Operating Tax Allocation
Pension
Debt Service
Historic Operating Results

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>FY14</th>
<th>FY19(1)</th>
<th>FY14/19 Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Gain (Loss)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCH Health Providers/Bureau</td>
<td>($61.4)</td>
<td>($134.5)</td>
<td>($73.1) (119.1%)</td>
</tr>
<tr>
<td>Public &amp; Correctional Health</td>
<td>($57.1)</td>
<td>($97.5)</td>
<td>($40.4) (70.8%)</td>
</tr>
<tr>
<td>CountyCare</td>
<td>($31.2)</td>
<td>($76.5)</td>
<td>($45.3) (145.2%)</td>
</tr>
<tr>
<td><strong>Total Operating Gain (Loss)</strong></td>
<td><strong>($149.7)</strong></td>
<td><strong>($308.5)</strong></td>
<td><strong>($158.8) (106.1%)</strong></td>
</tr>
</tbody>
</table>

Operating margin declined $158.8M, or 106.1%, between FY14 to FY19

Selected factors were the primary contributors to the decline in operating margin

- The loss of “reimbursable patients” – patients with Medicare, Medicaid, CountyCare and Commercial insurance coverage
- The additional costs incurred in caring for the growth in charity care patients
- A growth in bad debts caused by a deterioration in the revenue cycle performance and an increase in the level of “underinsured”
- CCH Health Providers & Bureau’s operating costs – with consideration to inflation and increased patient acuity – increasing greater than expected during a period of declining patient volume
- The State of Illinois’ reduction in rates paid to CountyCare, which was not fully offset by a reduction in medical costs for CountyCare’s enrolled members
- Cermak Health’s increased operating costs – driven by DOJ Consent Decree, programmatic expansion (Boot Camp) and reallocation of costs in areas such as IT and pharmacy

Notes:
(1) FY19 audited financials.
(2) Restricted Purpose Accounts, representing resources whose use has been limited by donors or grantors, are excluded from the analysis
(3) An additional insurance provision of $18.9M was recorded in FY19 but it was not allocated to the CCH Operating Accounts; the resulting FY19 Operating Loss considering this unallocated insurance provision is $327.4M. There was no similar unallocated insurance provision in FY14.
## Historic Operating Results – Cook County Support

Cook County financial support has become increasingly important over the FY14 to FY19 period

### Cook County CCH Operating Support

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY19 (1)</th>
<th>Comments/Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cook County Operating Tax Support</td>
<td>$169.6</td>
<td>$70.7</td>
<td>FY14 represents property taxes of $37.3, cigarette taxes of $126.7 and other tobacco products taxes of $5.6M; FY19 represents property taxes</td>
</tr>
<tr>
<td>CCH Operating Margin (2) (1)</td>
<td>$(149.7)</td>
<td>$(327.4)</td>
<td></td>
</tr>
<tr>
<td>Excess (Deficit) of Tax Support</td>
<td>$19.9</td>
<td>$(256.7)</td>
<td></td>
</tr>
</tbody>
</table>

### Cook County Financial Support

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY19 (1)</th>
<th>Comments/Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Tax Support</td>
<td>$169.6</td>
<td>$70.7</td>
<td>Represents the construction and acquisition of capital assets used in the operation of CCH</td>
</tr>
<tr>
<td>Capital Asset Contributions</td>
<td>$6.5</td>
<td>$25.4</td>
<td></td>
</tr>
<tr>
<td>Contributed Services</td>
<td>$9.0</td>
<td>$23.7</td>
<td>Services include purchasing, data and payroll processing</td>
</tr>
<tr>
<td>Pension</td>
<td>Other Postemployment Benefits (4)</td>
<td>$58.1</td>
<td>$179.0</td>
</tr>
<tr>
<td>Cook County Financial Support</td>
<td>$243.2</td>
<td>$298</td>
<td></td>
</tr>
</tbody>
</table>

### Notes:

1. FY19 audited financials.
2. Restricted Purpose Accounts, representing resources whose use has been limited by donors or grantors, are excluded from the analysis.
3. An additional insurance provision of $18.9M was recorded in FY19 but it was not allocated to the CCH Operating Accounts; the resulting FY19 Operating Loss considering this unallocated insurance provision is $327.4M. There was no similar unallocated insurance provision in FY14.
4. Separate information related to Cook County’s funding of CCH’s Other Postemployment Benefits was not available in FY14.

- FY19 deficit highlights the need to focus on improving financial performance
- Significant change in financial requirements in support of operations since FY14
- Since FY14 the annual financial support provided to CCH from Cook County has increased by 20.6%
- Shift in support from CCH’s operations to funding Pension and Other Postemployment Benefits
**Cook County Health Mandate Cost Analysis**

The growing cost of certain “mandates” has increased operating losses from FY15 to FY19

- CCH has certain mandates that are increasing in cost
- CCH’s mandate is to “deliver health services with dignity and respect regardless of a patient’s ability to pay”, resulting in Uncompensated Care cost (see Note 2)
- CCH’s other mandates include providing health services to the detainees at Cook County Jail and the Juvenile Temporary Detention Center (collectively “Correctional Health”) and to operate a Public Health Department

**Notes:**

1. Source: CCH audited financial statements
2. CCH, in support of its mandate to deliver health services with dignity and respect regardless of a patient’s ability to pay, receives government support in the form of Disproportionate Share (DSH) payments and Medicare, Medicaid and SCHIP Benefit Improvement and Protection Act (BIPA) payments to offset Uncompensated Care costs. Annual amounts received increased from $282.0M in FY12 to $318.1M in FY19. The Uncompensated Care cost in the chart above is presented net of the DSH and BIPA payments.
Cook County Operating Tax Support

Cook County’s per capita health system tax support is lower than other government sponsors

Note:
(1) Source: Audited financial statements of each government sponsored safety net provider (FY19)

- Government sponsored safety net providers analyzed include Jackson Health (Miami Dade County, FL), NYH&HS (New York, NY), LA County (Los Angeles County, CA), Grady Memorial (Fulton & DeKalb Counties, GA) and Parkland Health (Dallas County, TX)
- CCH and Parkland are the only two health systems that support correctional health; CCH is the only health system that also has a public health department
Appendix
FY2021 Budget Calendar

• June 26, 2020  President’s FY2020/2021 Preliminary Budget Forecast Released
• July 16, 2020  President’s Preliminary Forecast Public Hearing
• July 21, 2020  Cook County Finance Committee Meeting – Mid Year Budget Hearings
• July 23, 2020  CCH Finance Committee – FY2021 Budget Framework Introduced
• July 31, 2020  CCH Full Board – FY2021 Budget Framework Discussion

• August 28, 2020  CCH Board Meeting – FY2020 Proposed Budget Introduced
• September 1, 2020  Public Hearing 9:00 a.m.
• September 9, 2020  Public Hearing 6:00 p.m.
• September 11, 2020  CCH Board Meeting – FY2020 Budget Request for Approval
• September 24, 2020  Cook County Board Meeting – CCH FY2020 Proposed Budget Introduced & Approved (for inclusion in the Executive Budget Recommendation)
• October, 2020  President’s FY2020 Executive Budget Recommendation Introduced
• Oct/November, 2020  Cook County Public Hearings, Agency & Department Budget Review Meetings, Proposed Amendments, Annual Appropriation Bill Adopted
## Provident and South Side Hospital Profiles

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Licensed Beds</th>
<th>Peak Census</th>
<th>Average Daily Census</th>
<th>Total Charity Care Expenses (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provident</td>
<td>85</td>
<td>17</td>
<td>12</td>
<td>$23.00</td>
</tr>
<tr>
<td>Roseland</td>
<td>134</td>
<td>n/a</td>
<td>51</td>
<td>$.65</td>
</tr>
<tr>
<td>South Shore</td>
<td>137</td>
<td>137</td>
<td>59</td>
<td>$.46</td>
</tr>
<tr>
<td>St. Bernard</td>
<td>202</td>
<td>196</td>
<td>88</td>
<td>$4.78</td>
</tr>
<tr>
<td>Trinity</td>
<td>205</td>
<td>140</td>
<td>95</td>
<td>$4.19</td>
</tr>
<tr>
<td>Jackson Park</td>
<td>256</td>
<td>124</td>
<td>76</td>
<td>$3.55</td>
</tr>
<tr>
<td>Mercy</td>
<td>402</td>
<td>189</td>
<td>170</td>
<td>$4.35</td>
</tr>
<tr>
<td>U of Chicago</td>
<td>811</td>
<td>667</td>
<td>564</td>
<td>$18.24</td>
</tr>
</tbody>
</table>
# FY21 Health Fund

<table>
<thead>
<tr>
<th>In millions</th>
<th>FY2020 Budget</th>
<th>FY2021 Proposed Budget</th>
<th>Variance</th>
<th>FY2020 Budgeted FTEs</th>
<th>FY2021 Proposed FTEs</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed Care*</td>
<td>$1,800</td>
<td>$2,225</td>
<td>$425</td>
<td>407</td>
<td>356</td>
<td>(51)</td>
</tr>
<tr>
<td>Hospitals (Stroger/Provident)</td>
<td>$727</td>
<td>$843</td>
<td>$116</td>
<td>4,590</td>
<td>4,852</td>
<td>262</td>
</tr>
<tr>
<td>Correctional Health</td>
<td>$89</td>
<td>$104</td>
<td>$15</td>
<td>637</td>
<td>727</td>
<td>90</td>
</tr>
<tr>
<td>Health Administration</td>
<td>$44</td>
<td>$49</td>
<td>$5</td>
<td>328</td>
<td>305</td>
<td>(23)</td>
</tr>
<tr>
<td>Ambulatory Service***</td>
<td>$114</td>
<td>$101</td>
<td>($13)</td>
<td>521</td>
<td>384</td>
<td>(137)</td>
</tr>
<tr>
<td>Public Health</td>
<td>$10</td>
<td>$15</td>
<td>$5</td>
<td>118</td>
<td>111</td>
<td>(7)</td>
</tr>
<tr>
<td>Administration</td>
<td>$39</td>
<td>$40</td>
<td>($1)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,824</strong></td>
<td><strong>$3,377</strong></td>
<td><strong>$549</strong></td>
<td><strong>6,601</strong></td>
<td><strong>6,735</strong></td>
<td><strong>134</strong></td>
</tr>
</tbody>
</table>

*Managed Care in FY2020, includes Integrated Care
**Does not include grants, including contact tracing
***Ambulatory service includes ACHN, CORE, Oak Forest