

# CCH YTD Financial Update – February 29, 2024

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**April 2024**



**COOK COUNTY  
HEALTH**

# Executive Summary: Statement of Financial Condition – February 29, 2024

- On an accrual basis, interim financials show that CCH ended February with a **\$125.5M favorable** variance to budget. On a cash basis, the County’s preliminary cash report on revenues and expenses shows a **\$36.5M 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 **\$1.4M favorable** variance to budget due to higher than budgeted membership
  - Membership just over 435,000, which is 15.4% greater than budgeted

# Financial Results – February 29, 2024

Dollars in 000s	FY2024 Actual	FY2024 Budget	Variance	%	FY2023 Actual
<b>Revenue</b>					
Net Patient Service Revenue (1)	\$337,085	\$293,668	\$43,417	14.78%	\$109,075
Government Support (2)	\$94,831	\$92,665	\$2,166	2.34%	\$88,503
<b>Adjusted NPSR</b>	<b>\$431,916</b>	<b>\$386,333</b>	<b>\$45,584</b>	<b>11.80%</b>	<b>\$197,579</b>
CountyCare Capitation Revenue	\$795,942	\$703,085	\$92,857	13.21%	\$751,454
Other	\$20,336	\$5,500	\$14,836	269.74%	\$3,786
<b>Total Revenue</b>	<b>\$1,248,194</b>	<b>\$1,094,918</b>	<b>\$153,276</b>	<b>14.00%</b>	<b>\$952,819</b>
<b>Operating Expenses</b>					
Salaries & Benefits	\$180,009	\$211,397	\$31,388	14.85%	\$173,185
Overtime	\$14,073	\$11,346	(\$2,727)	-24.03%	\$13,389
Supplies & Pharmaceuticals	\$42,557	\$37,312	(\$5,245)	-14.06%	\$47,086
Purchased Services & Other	\$177,384	\$220,207	\$42,823	19.45%	\$146,436
Medical Claims Expense (1)	\$757,840	\$664,393	(\$93,448)	-14.07%	\$737,689
Insurance	\$7,472	\$7,747	\$275	3.55%	\$15,876
Utilities	\$2,342	\$1,838	(\$504)	-27.41%	\$3,158
<b>Total Operating Expenses</b>	<b>\$1,181,678</b>	<b>\$1,154,239</b>	<b>(\$27,439)</b>	<b>-2.38%</b>	<b>\$1,136,819</b>
<b>Operating Margin</b>	<b>\$66,516</b>	<b>(\$59,321)</b>	<b>\$125,838</b>	<b>-212.13%</b>	<b>(\$184,000)</b>
<b>Non-Operating Revenue</b>	<b>\$39,133</b>	<b>\$39,426</b>	<b>(\$293)</b>	<b>-0.74%</b>	<b>\$34,968</b>
<b>Net Income (Loss)</b>	<b>\$105,649</b>	<b>(\$19,895)</b>	<b>\$125,544</b>	<b>-631.03%</b>	<b>(\$149,032)</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: February, 2024

### Key Revenue Indicators

Patient Activity <b>Stroger</b>	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Feb 2024 Actual	Feb 2023 Actual
Average Daily Census *	317	287	10.6%	297	278		295	276
Emergency Room Visits	22,673	20,212	12.2%	19,852	17,784		7,240	6,293
Surgeries	2,777	2,971	-6.5%	2,711	2,567		909	875

Patient Activity <b>Provident</b>	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Feb 2024 Actual	Feb 2023 Actual
Average Daily Census *	23	21	8.1%	21	9		25	18
Emergency Room Visits	6,316	6,420	-1.6%	6,396	5,040		2,142	1,938
Surgeries	737	810	-9.0%	822	540		259	283

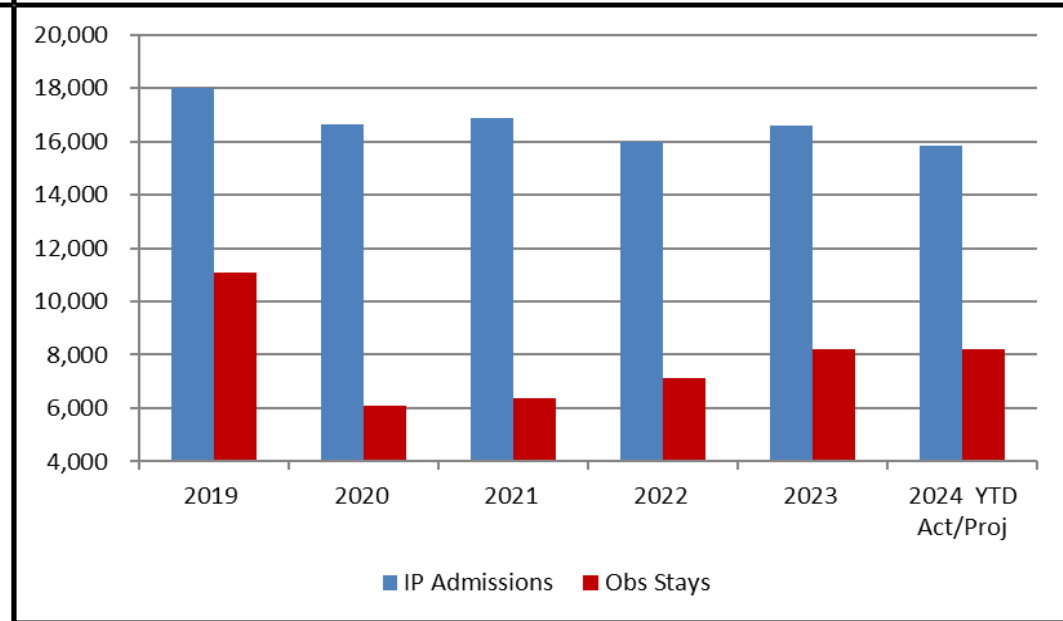
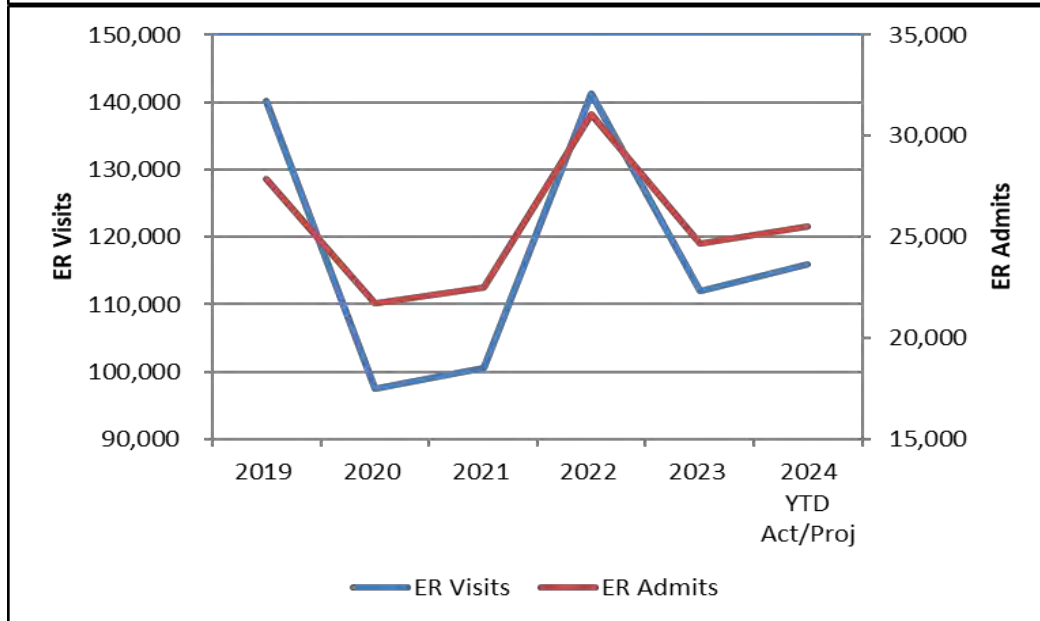
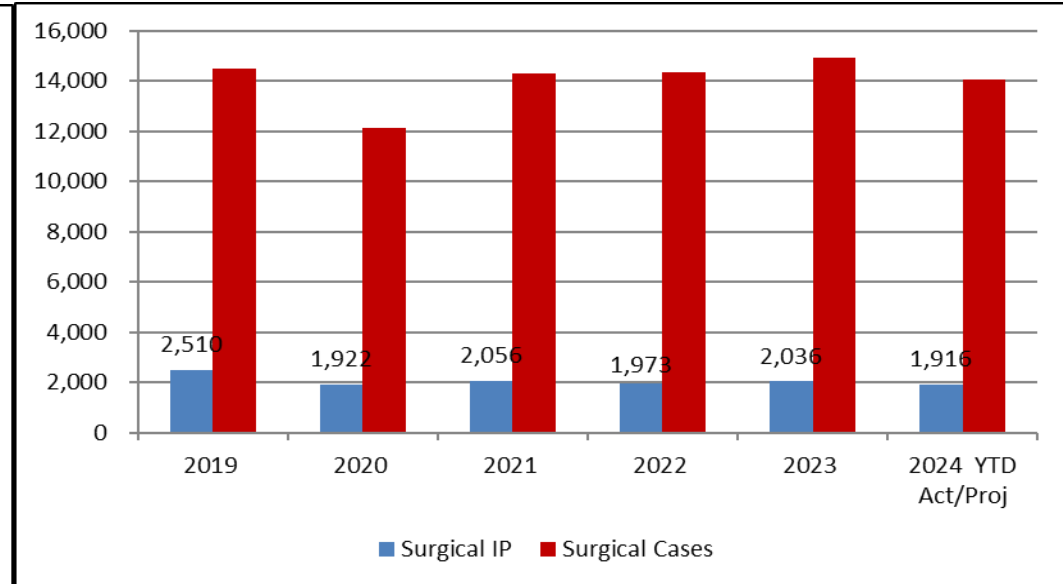
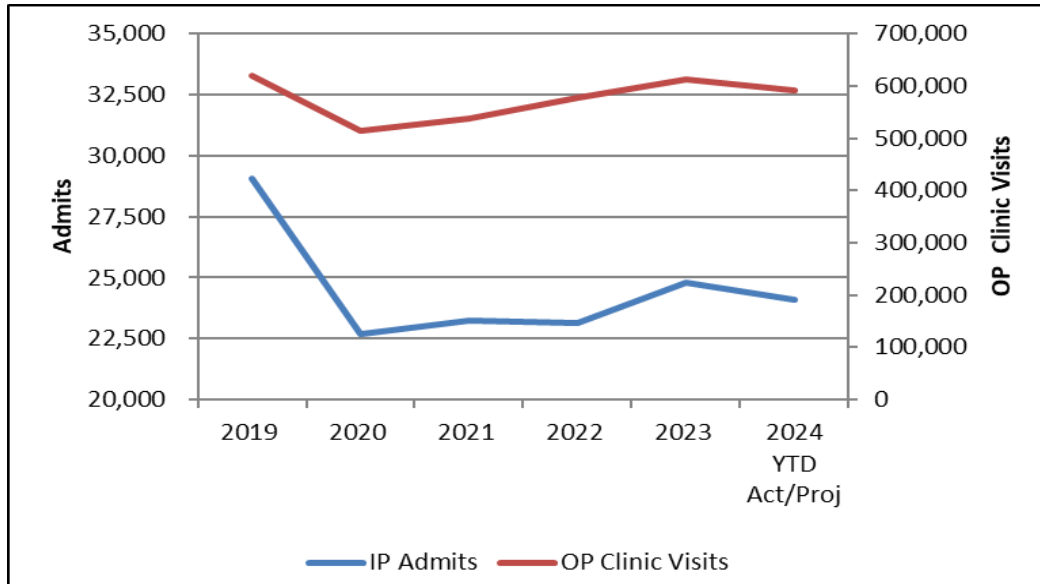
Patient Activity <b>ACHN</b>	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Feb 2024 Actual	Feb 2023 Actual
Primary Care Visits	56,978	58,589	-2.7%	55,879	49,757		18,127	18,011
Specialty Care Visits	90,672	92,247	-1.7%	88,416	81,135		29,481	28,181

<b>CountyCare</b> Membership	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Feb 2024 Actual	Feb 2023 Actual
Membership Count	431,431	390,615	10.4%	449,654	424,471		434,911	450,266

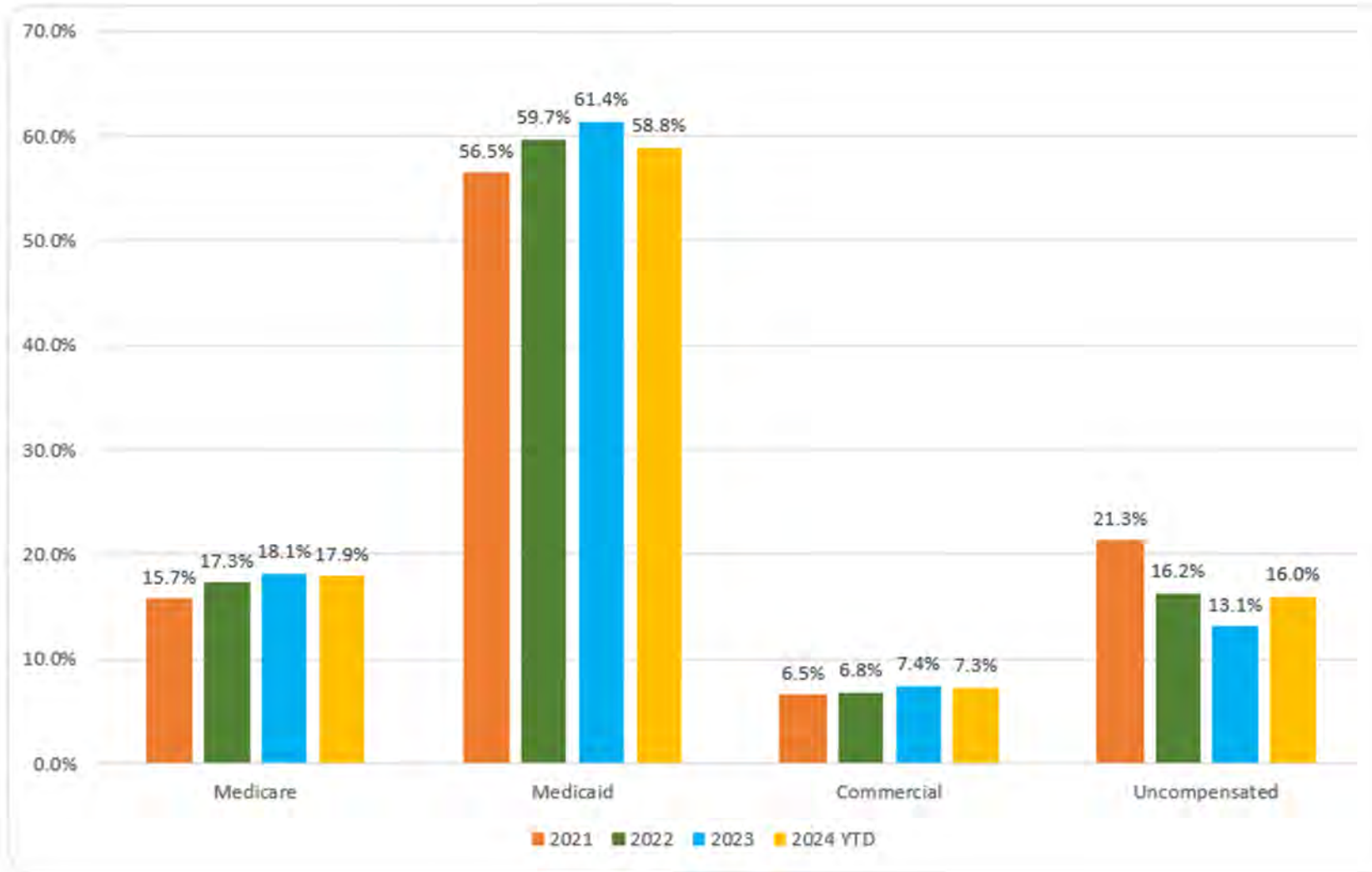
\* Includes IP + Observations

# Cook County Health

## Operating Trends



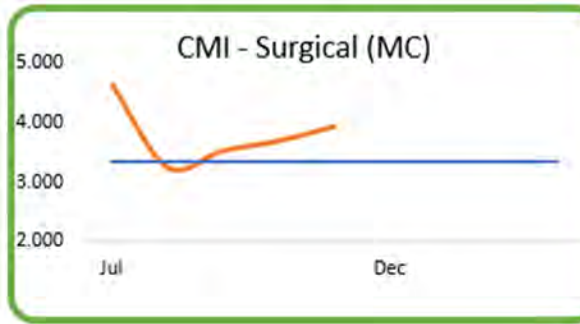
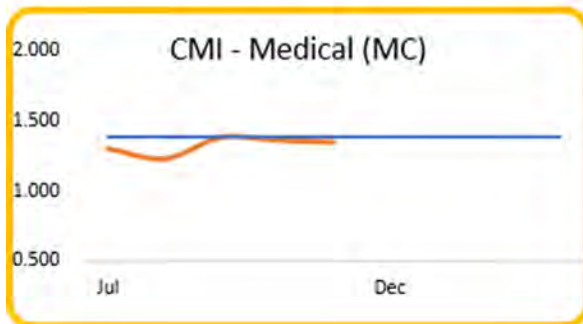
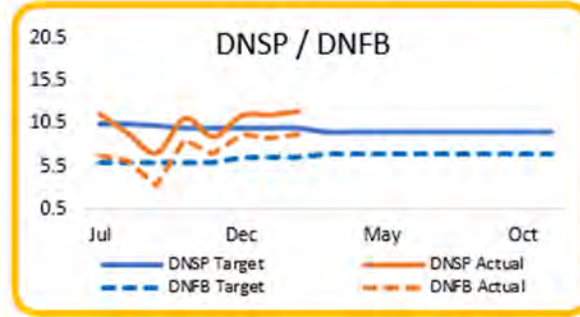
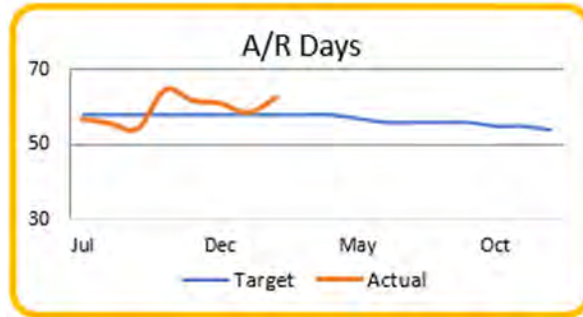
# YTD Payer Mix – YoY Comparison



## Commentary

- FY24 YTD reflects 3 months and should not necessarily be considered a trend.
- Jan-Feb Change:
  - Medicare: -0.04%
  - Medicaid: -0.08%
  - Commercial: +0.05%
  - Uncompensated: +0.07%
- Dec-Jan Change:
  - Medicare: -1.0%
  - Medicaid: -0.7%
  - Commercial: +1.3%
  - Uncompensated: +0.4%
- Nov-Dec Change:
  - Medicare: +1.2%
  - Medicaid: -1.1%
  - Commercial: -1.9%
  - Uncompensated: +1.8%

# Revenue Cycle KPI Trending



## Commentary:

KPIs off target due to the Change Healthcare cyber-attack that occurred on 2/21/24. This resulted in removing data connections with them that has held claim and payment file activities. We are working directly with Change Healthcare to align operational readiness and expect to begin reconnection efforts late March. Additionally, we're engaged with another vendor (Experian) that can support our claim submission and payment posting needs through our emergency contract process. We expect to have claim submission restarted by the end of March and the backlog completed by the end of April.

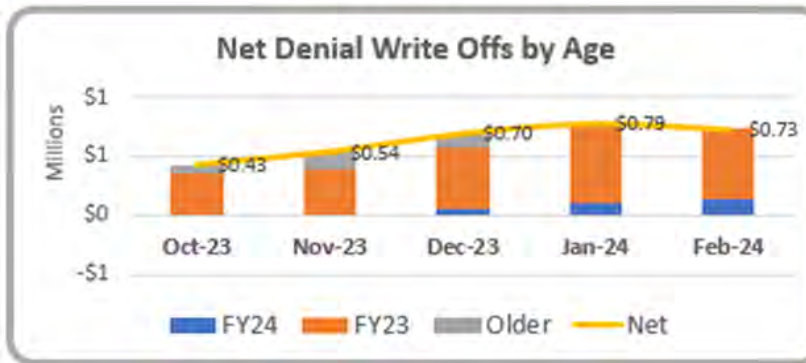
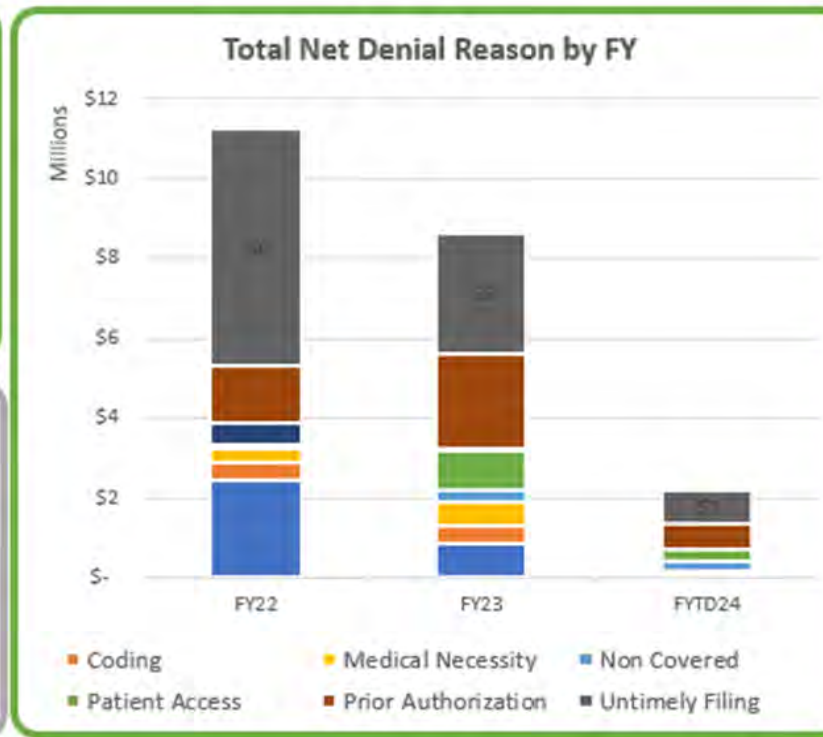
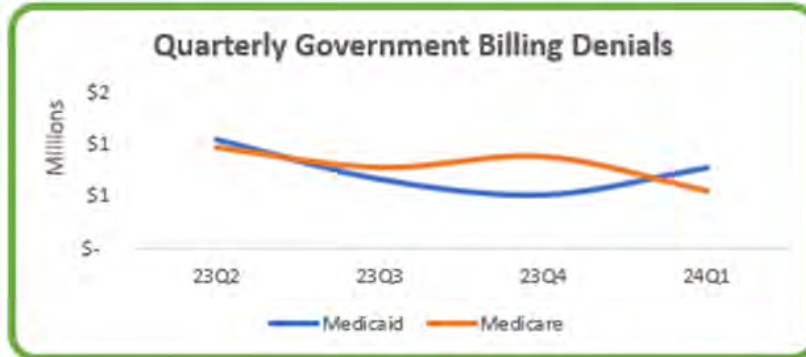
## Definitions:

**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	\$ 122,389
Other Uncompensated Care	108,284	135,655	91,800	91,800
Cermak & JTDC Health Services	90,293	100,779	116,848	115,439
Department of Public Health	12,965	12,712	22,267	21,134
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>\$ 422,361</b>
% of Revenues *	36.9%	38.8%	30.3%	26.2%
% of Costs *	22.0%	23.1%	23.2%	24.4%

\* Excludes Health Plan Services

# Cook County Health

## Savings Initiatives: February 29, 2024

Current Activities in Progress	Budgeted FY24 Impact	YTD Achieved	Status
<b>Revenue Cycle:</b>			
Chargemaster Review/Changes	2,750,000	690,000	
Revenue Recovery	3,930,000	-	
Point of Service Collections	300,000	20,000	
<b>County Care:</b>			
Care Coordination Initiatives	3,000,000	750,000	
<b>Health System:</b>			
Vendor Contract Negotiations	2,020,000	505,000	
	<u>\$ 12,000,000</u>	<u>\$ 1,965,000</u>	16%
		Goal 3/12th	25%

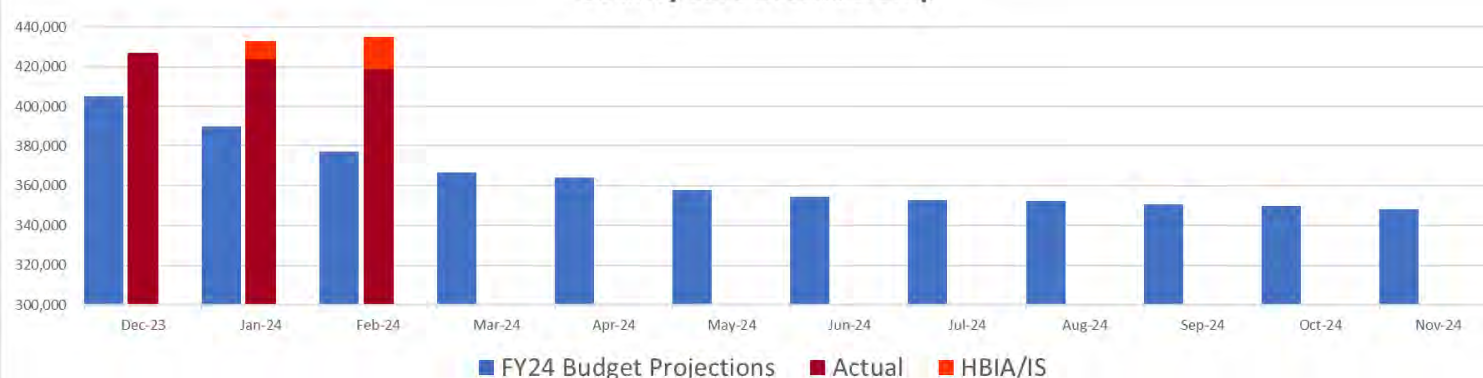
# Health Plan Services Financial Results – February 29, 2024

Dollars in 000s except PMPM amounts	FY2024 Actual	FY2024 Budget	Variance	%	Fy23 Actual
<b>Capitation Revenue</b>	\$801,399	\$705,835	\$95,563	13.54%	\$741,707
<b>Operating Expenses</b>					
Clinical - CCH	\$22,525	\$30,450	\$7,925	26.03%	\$25,827
Clinical - External	\$735,203	\$633,511	(\$101,693)	(16.05%)	\$666,955
Administrative	\$42,278	\$41,874	(\$404)	(0.97%)	\$37,843
Total Expenses	\$800,007	\$705,835	(\$94,172)	(13.34%)	\$730,625
Operating Gain (Loss)	\$1,392	\$0	\$1,392		\$11,082
<b>Activity Levels</b>					
Member Months	1,294,988	1,171,844	123,144	10.51%	1,350,214
Monthly Membership	435,168	377,244	57,924	15.35%	450,478
CCH CountyCare Member Months	73,308	N/A	N/A	N/A	125,224
CCH % CountyCare Member Months	5.66%	N/A	N/A	N/A	9.27%
<b>Operating Indicators</b>					
Revenue Per Member Per Month (PMPM)	\$618.85	\$602.33	\$16.52	2.74%	\$549.33
Clinical Cost PMPM	\$585.12	\$566.59	(\$18.53)	(3.27%)	\$513.09
Medical Loss Ratio (1)	93.8%	94.1%	0.29%	0.30%	92.5%
Administrative Cost Ratio	5.2%	5.9%	0.70%	11.80%	5.0%
Total FTEs	346	435	89		

## Commentary

- Total YTD member months are exceeding budget by 123,144 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 \$1.3M

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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