

CCH YTD Financial Update – October 31, 2024

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December, 2024



COOK COUNTY
HEALTH

Executive Summary: Statement of Financial Condition

October 31, 2024



- On an accrual basis, interim financials show that CCH ended October with a **\$16.9M favorable** variance to budget. On a cash basis, the County's preliminary cash report on revenues and expenses shows a **\$179.9 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:
 - **Unfavorable** NPSR variance to Budget due to decreases in collection rates associated with ChangeHealth cyber attack and increase in charity care
 - **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 financials \$11.7M **unfavorable** to budget due to true up of IBNR reserves related to newly covered high-cost drugs
 - Membership remains over 417,000 which is 19.5% greater than budgeted

Financial Results – October 31, 2024



Dollars in 000s	FY2024 Actual	FY2024 Budget	Variance	%	FY2023 Actual
Revenue					
Net Patient Service Revenue (1)	\$922,306	\$974,925	(\$52,620)	-5.40%	\$1,066,039
Government Support (2)	\$350,275	\$340,724	\$9,551	2.80%	\$364,579
Adjusted NPSR	\$1,272,581	\$1,315,649	(\$43,068)	-3.27%	\$1,430,618
CountyCare Capitation Revenue	\$3,097,152	\$2,428,530	\$668,622	27.53%	\$2,840,245
Other	\$51,893	\$20,166	\$31,726	157.32%	\$5,652
Total Revenue	\$4,421,625	\$3,764,345	\$657,280	17.46%	\$4,276,514
Operating Expenses					
Salaries & Benefits	\$698,482	\$803,326	\$104,844	13.05%	\$661,308
Overtime	\$51,373	\$41,894	(\$9,478)	-22.62%	\$46,755
Supplies & Pharmaceuticals	\$217,639	\$153,436	(\$64,202)	-41.84%	\$152,200
Purchased Services & Other	\$651,151	\$636,985	(\$14,166)	-2.22%	\$509,403
Medical Claims Expense (1)	\$2,840,285	\$2,191,093	(\$649,192)	-29.63%	\$2,647,368
Insurance	\$27,398	\$30,292	\$2,894	9.55%	\$14,967
Utilities	\$11,311	\$14,258	\$2,947	20.67%	\$11,881
Total Operating Expenses	\$4,497,638	\$3,871,285	(\$626,353)	-16.18%	\$4,043,882
Operating Margin	(\$76,013)	(\$106,940)	\$30,927	-28.92%	\$232,632
Non-Operating Revenue	\$143,159	\$157,184	(\$14,026)	-8.92%	\$132,690
Net Income (Loss)	\$67,146	\$50,245	\$16,901	33.64%	\$365,322

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.



Key Volume and Revenue Indicators

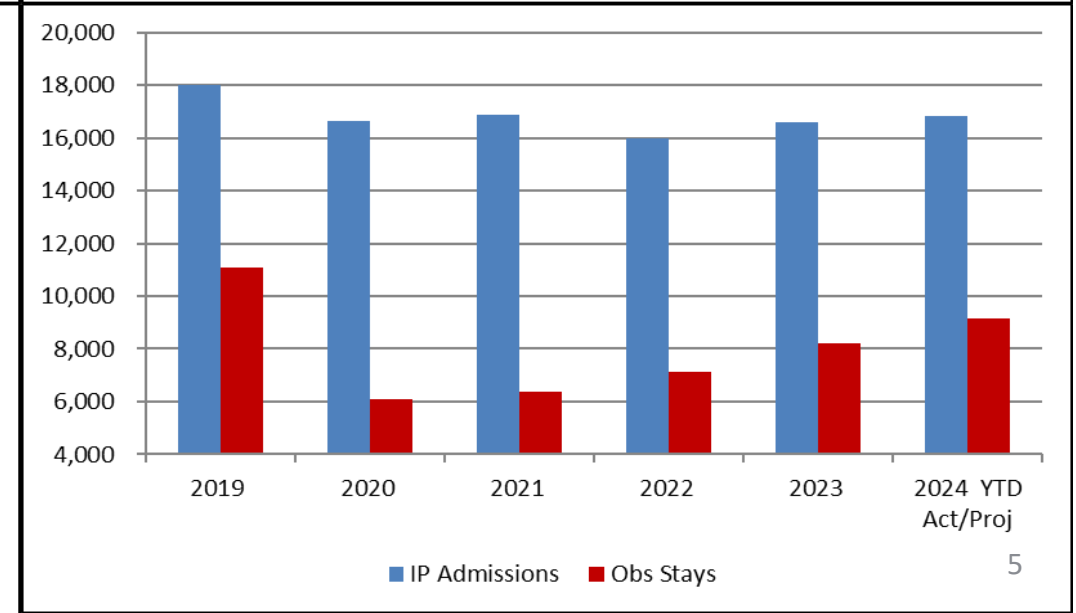
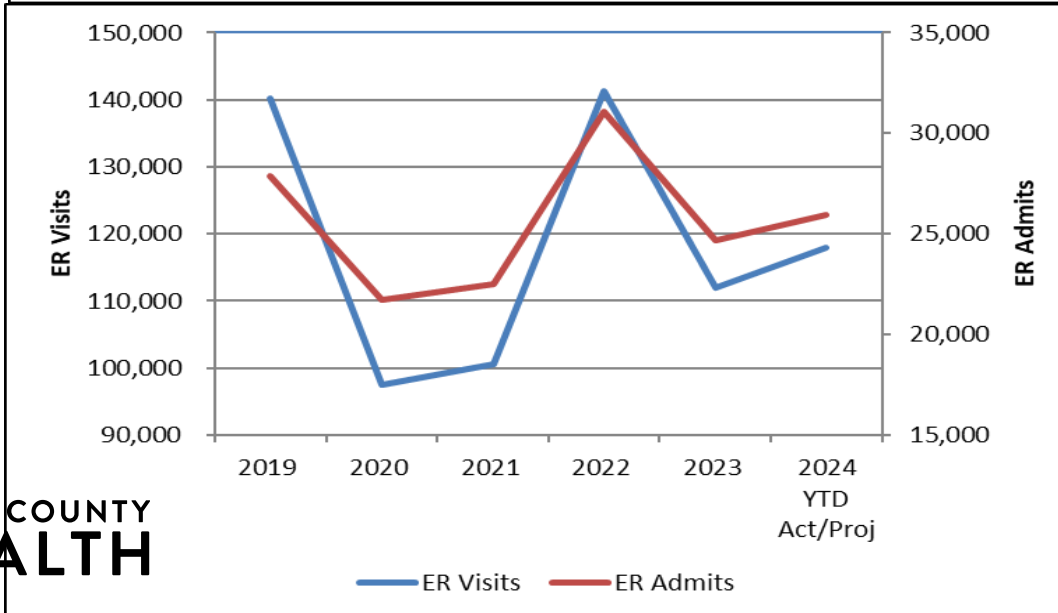
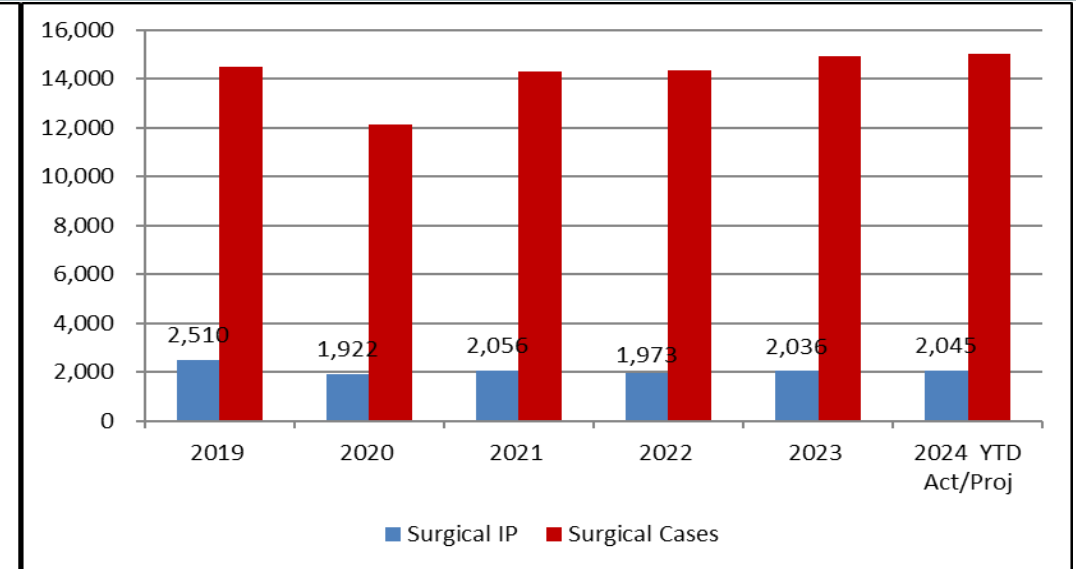
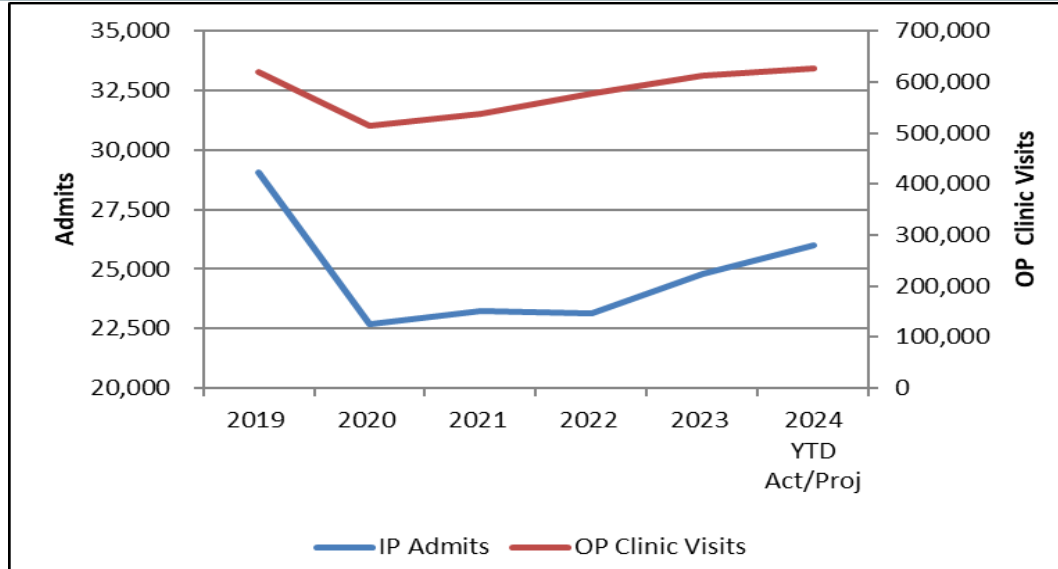
Patient Activity Stroger	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Oct 2024 Actual	Oct 2023 Actual
Average Daily Census *	323	287	12.5%	303	276		306	320
Emergency Room Visits	83,840	74,427	12.6%	78,405	72,583		7,799	7,890
Surgeries	10,929	10,499	4.1%	10,494	10,311		1,036	965

Patient Activity Provident	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Oct 2024 Actual	Oct 2023 Actual
Average Daily Census *	20	21	0.0%	20	11		16	22
Emergency Room Visits	24,348	23,703	2.7%	24,130	20,128		2,305	2,180
Surgeries	2,826	2,983	-5.3%	3,205	2,760		268	273

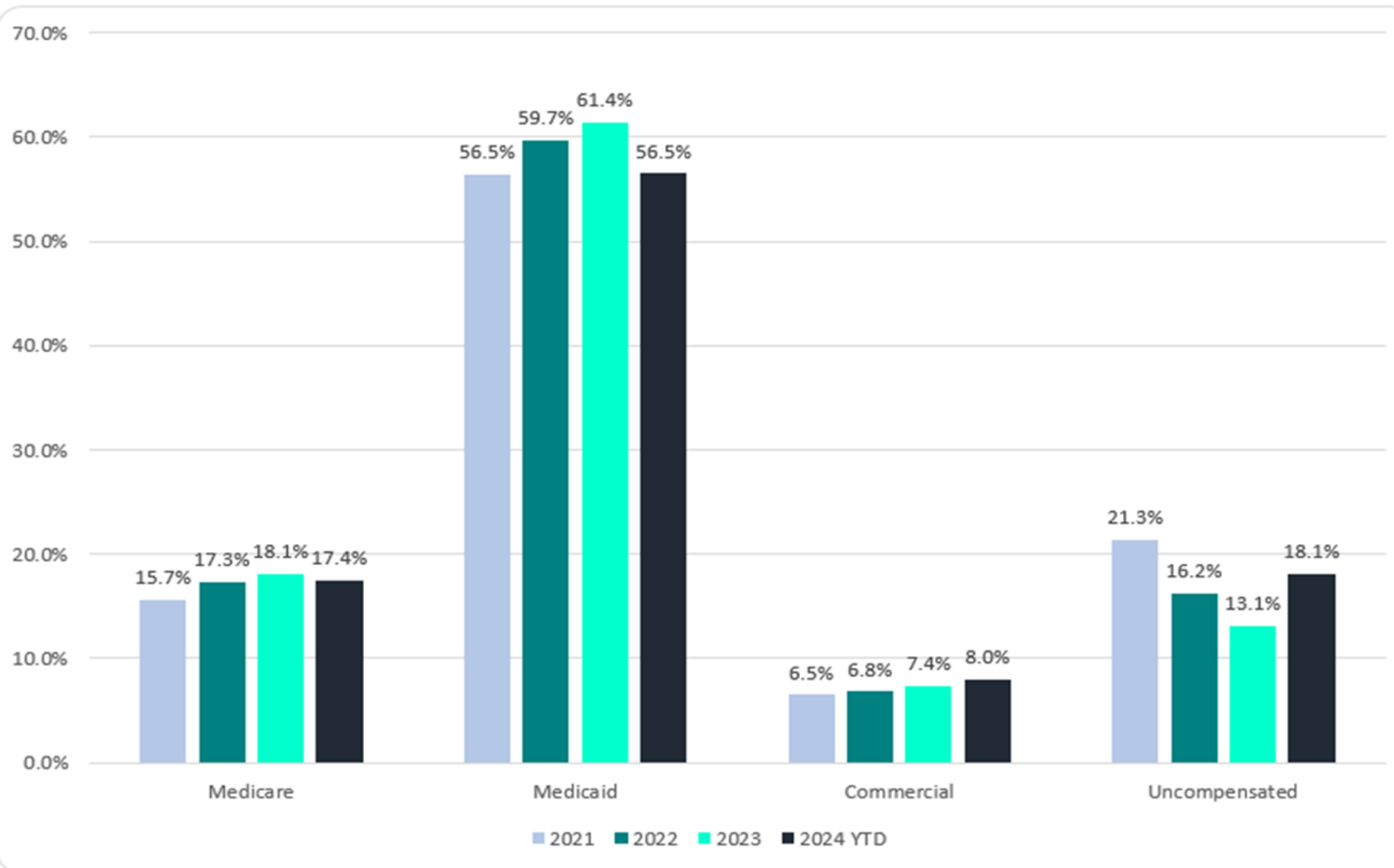
Patient Activity ACHN	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Oct 2024 Actual	Oct 2023 Actual
Primary Care Visits	219,202	215,738	1.6%	215,835	199,864		20,401	19,523
Specialty Care Visits	356,051	339,672	4.8%	348,677	334,793		33,999	33,585

CountyCare Membership	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Oct 2024 Actual	Oct 2023 Actual
Membership Count	429,711	365,512	17.6%	451,149	431,607		417,978	438,084

Operating Trends



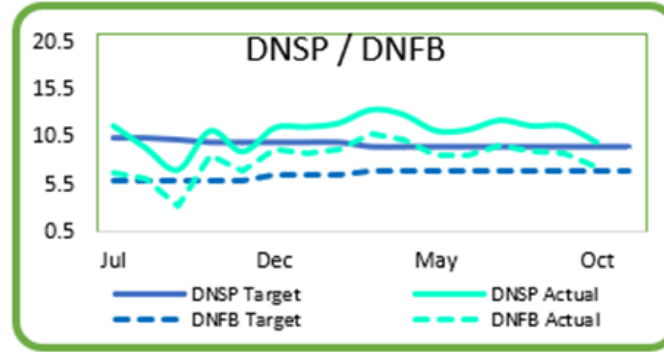
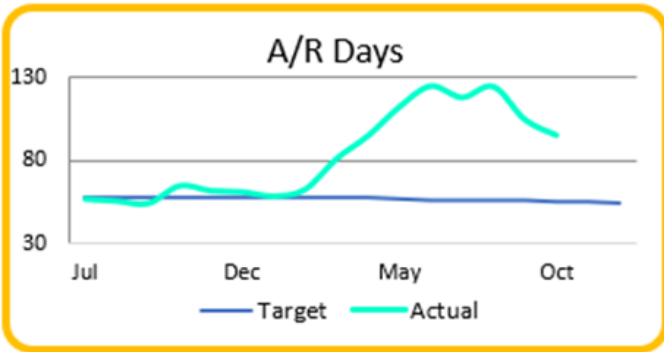
Revenue Cycle - Payor Mix



Commentary

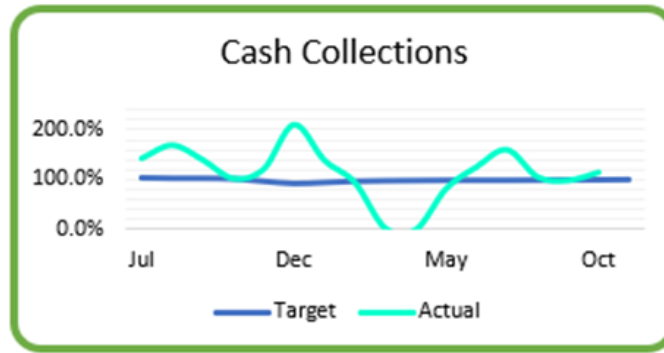
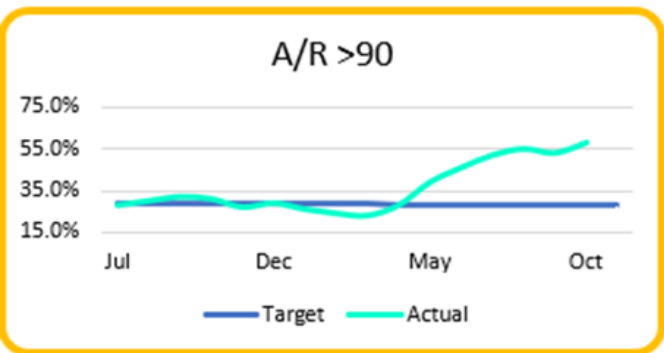
- Sep-Oct Change:
 - Medicare: -0.00%
 - Medicaid: -0.02%
 - Commercial: +0.01%
 - Uncompensated: +0.01%
- Aug-Sep Change:
 - Medicare: +0.00%
 - Medicaid: -0.01%
 - Commercial: +0.00%
 - Uncompensated: +0.01%
- Jul-Aug Change:
 - Medicare: -0.01%
 - Medicaid: -0.09%
 - Commercial: +0.01
 - Uncompensated: +0.09

Revenue Cycle - Key Performance Indicators



Commentary:

- AR and Cash metrics off target due to the Change Healthcare cyber-attack that occurred on 2/21/24.
- Billing delayed approximately 8 weeks.
- 100% of our PFS operations were operational as of August.
- Still working on finalizing posting scripting and claim scrubbing routines for a few payers and expect to be fully functional by FYE.
- \$49.2M in unposted cash at 10/31/24.

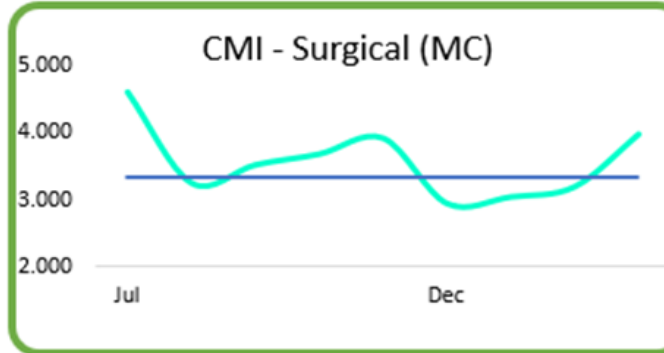
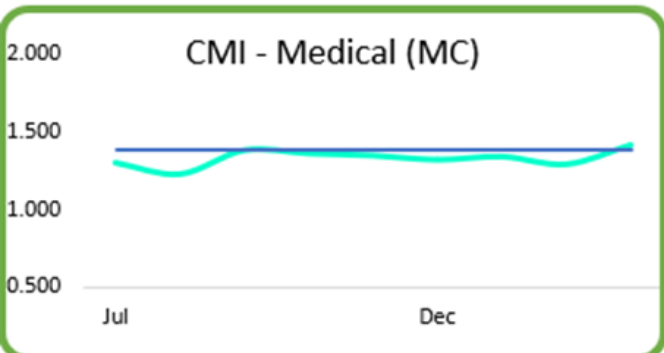


Definitions:

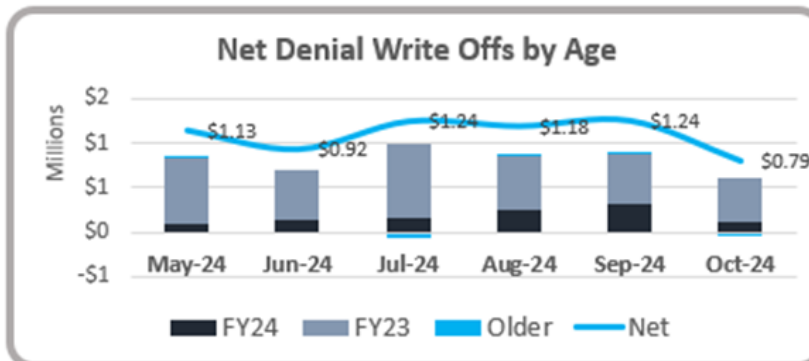
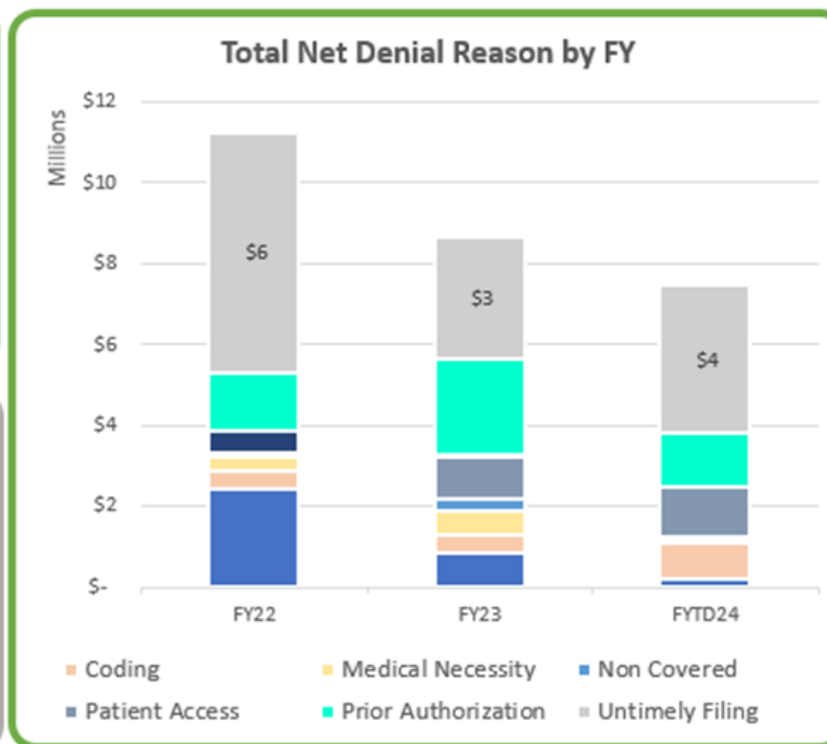
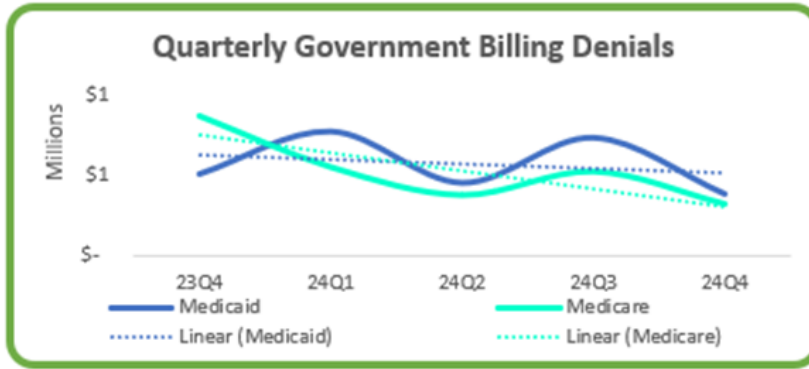
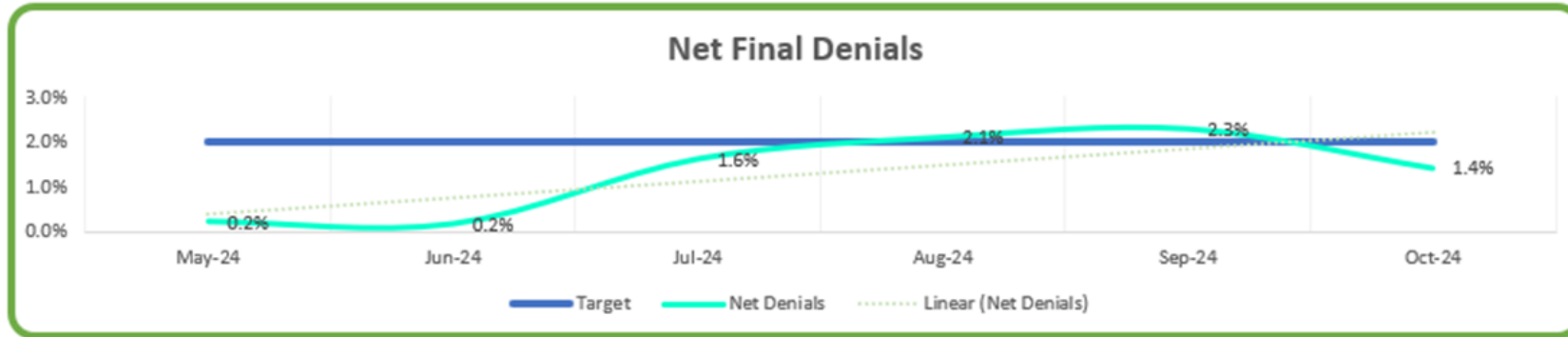
DNSP: Discharged Not Submitted to Payer - Gross dollars from initial 837 claims held by edits in claims processing tool that have not been sent to payer.

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








Charitable & Public Program Expenditures

	2022 Actual Net Benefit	2023 Actual Net Benefit	2024 Budget Net Benefit	2024 Act/Proj Net Benefit
<u>Charitable Benefits and Community Programs</u>				
Traditional Charity Care	\$ 122,499	\$ 105,040	\$ 112,011	\$ 193,327
Other Uncompensated Care	108,284	135,655	91,800	78,247
Cermak & JTDC Health Services	90,293	100,779	116,848	117,566
Department of Public Health	12,965	12,712	22,267	23,318
Other Public Programs & Community Services	66,321	66,321	71,600	71,600
Totals	\$ 400,362	\$ 420,506	\$ 414,526	\$ 484,058
% of Revenues *	36.9%	38.8%	30.3%	30.0%
% of Costs *	22.0%	23.1%	23.2%	28.0%

* Excludes Health Plan Services

Savings Initiatives: October 31, 2024

Current Activities in Progress	Budgeted FY24 Impact	YTD Achieved	Status
Revenue Cycle:			
Chargemaster Review/Changes	2,750,000	2,520,833	
Revenue Recovery	3,930,000	3,275,000	
Point of Service Collections	300,000	275,000	
County Care:			
Care Coordination Initiatives	3,000,000	2,750,000	
Health System:			
Vendor Contract Negotiations	2,020,000	2,251,667	
	<u>\$ 12,000,000</u>	<u>\$ 11,072,500</u>	92%
		Goal 11/12ths	92%

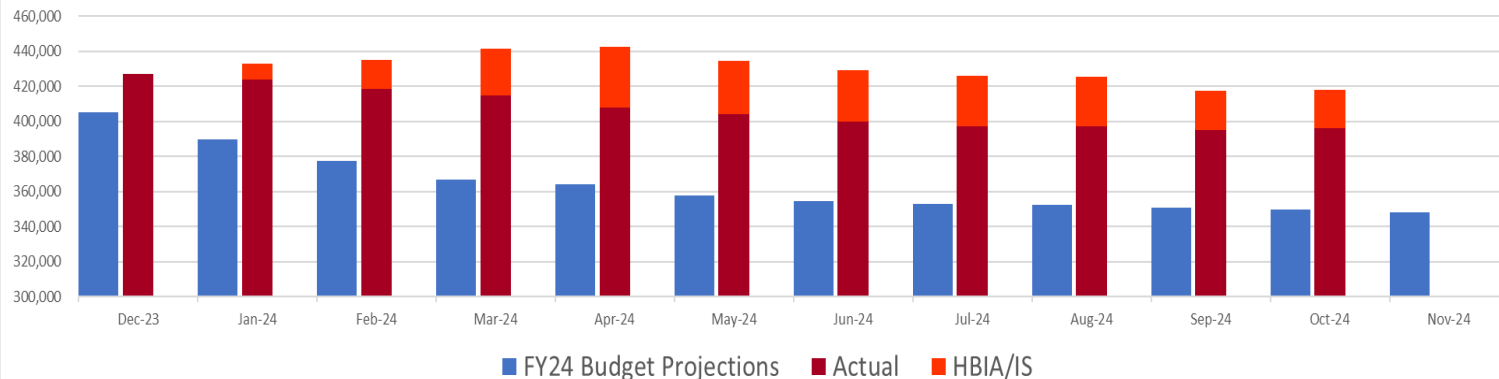
CountyCare – October 31, 2024

Dollars in 000s except PMPM amounts	FY2024 Actual	FY2024 Budget	Variance	%	Fy23 Actual
Capitation Revenue	\$3,115,857	\$2,432,559	\$683,298	28.09%	\$2,857,490
Operating Expenses					
Clinical - CCH	\$127,342	\$105,228	(\$22,114)	(21.02%)	\$109,921
Clinical - External	\$2,839,061	\$2,189,242	(\$649,820)	(29.68%)	\$2,646,491
Administrative	\$161,107	\$138,089	(\$23,018)	(16.67%)	\$145,119
Total Expenses	\$3,127,510	\$2,432,559	(\$694,951)	(28.57%)	\$2,901,530
Operating Gain (Loss)	(\$11,653)	\$0	(\$11,653)		-\$44,040
Activity Levels					
Member Months	4,729,490	4,020,638	708,852	17.63%	4,972,184
Monthly Membership	417,978	349,810	68,168	19.49%	439,536
CCH CountyCare Member Months	377,352	N/A	N/A	N/A	455,432
CCH % CountyCare Member Months	7.98%	N/A	N/A	N/A	9.16%
Operating Indicators					
Revenue Per Member Per Month (PMPM)	\$658.81	\$605.02	\$53.80	8.89%	\$574.70
Clinical Cost PMPM	\$627.21	\$570.67	(\$56.54)	(9.91%)	\$554.37
Medical Loss Ratio (1)	94.3%	94.3%	0.05%	0.05%	95.5%
Administrative Cost Ratio	5.1%	5.7%	0.56%	9.80%	5.0%
Total FTEs	373	434	61		

Commentary

- Total YTD member months are exceeding budget by 708,852 members.
- Revenue and claims expense are higher than budget due to higher than budgeted membership.
- CountyCare’s reimbursement to CCH for domestic spend is exceeding budget.
- Operating Loss of \$11.6M
- Net loss attributed to the increased costs of newly covered high-cost drugs, as the state has not yet incorporated these expenses in the rates paid to health plans.

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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