



CCH YTD Financial Update – February 28, 2022

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Chief Financial Officer

April 2022



**COOK COUNTY
HEALTH**

Executive Summary: Statement of Financial Condition – February 28, 2022

- On an accrual basis, interim financials show that CCH ended February with a \$16.5M positive variance to budget. On a cash basis, the County's preliminary cash report on revenues and expenses at February 28 shows a \$157.0M positive variance primarily due to the timing difference of CountyCare PMPM payments impacting the revenue and claims payments impacting expenses.
 - Revenue Commentary:
 - Lower than budgeted NPSR due to lower OP Volumes
 - County Care PMPM rates not yet adjusted
 - Expenditures:
 - Negative variance to Budget in Purchased Services expense from high Agency costs partially offset by Salaries & Wages under budget due to positions not yet hired
 - Lower than budgeted County Care claims expense creating positive variance
 - CountyCare:
 - CountyCare is showing an operating gain of \$15.4M
 - Membership is over 426,000, which is greater than the 391,000 monthly average budgeted

Financial Results – February 28, 2022

Dollars in 000s	FY2022 Actual	FY2022 Budget	Variance	%	FY2021 Actual (3)
Revenue					
Net Patient Service Revenue (1)	\$161,818	\$171,783	(\$9,965)	-5.80%	\$133,794
Government Support (2)	\$100,420	\$98,585	\$1,835	1.86%	\$95,538
CountyCare Capitation Revenue	\$670,550	\$673,670	(\$3,120)	-0.46%	\$611,197
Other	\$3,789	\$4,001	(\$213)	-5.31%	\$11,683
CountyCare Elimination (1)	(\$26,218)	(\$29,504)	\$3,287	-11.14%	(\$29,184)
Total Revenue	\$910,359	\$918,536	(\$8,177)	-0.89%	\$823,028
Operating Expenses					
Salaries & Benefits	\$161,298	\$197,865	\$36,568	18.48%	\$167,791
Overtime	\$12,157	\$9,744	(\$2,413)	-24.76%	\$12,389
Supplies & Pharmaceuticals	\$34,241	\$37,180	\$2,940	7.91%	\$37,355
Purchased Services & Other	\$153,774	\$60,723	(\$93,051)	-153.24%	\$88,060
Medical Claims Expense (1)	\$575,720	\$659,194	\$83,474	12.66%	\$581,267
Insurance	\$8,208	\$9,225	\$1,017	11.03%	\$7,966
Utilities	\$3,496	\$2,917	(\$579)	-19.84%	\$3,654
CountyCare Elimination (1)	(\$26,218)	(\$29,504)	(\$3,287)	11.14%	(\$29,184)
Total Operating Expenses	\$922,675	\$947,344	\$24,670	2.60%	\$869,297
Operating Margin	(\$12,316)	(\$28,809)	\$16,493	57.25%	(\$46,269)
Non-Operating Revenue	\$34,426	\$34,426	\$0	0.00%	\$30,676
Net Income (Loss)	\$22,110	\$5,617	\$16,493	293.59%	(\$15,593)

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 FY22 budget.



Cook County Health

Volumes: February 28, 2022

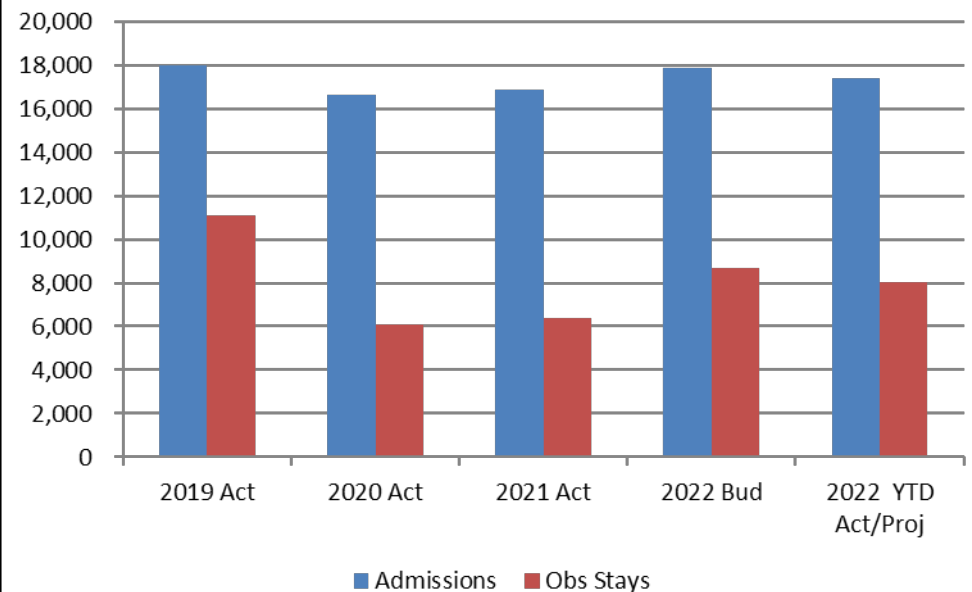
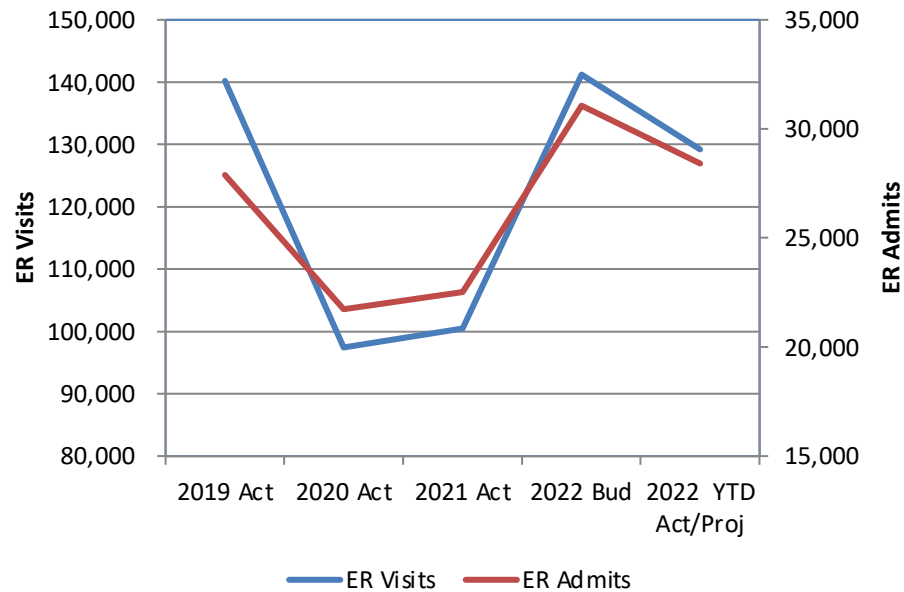
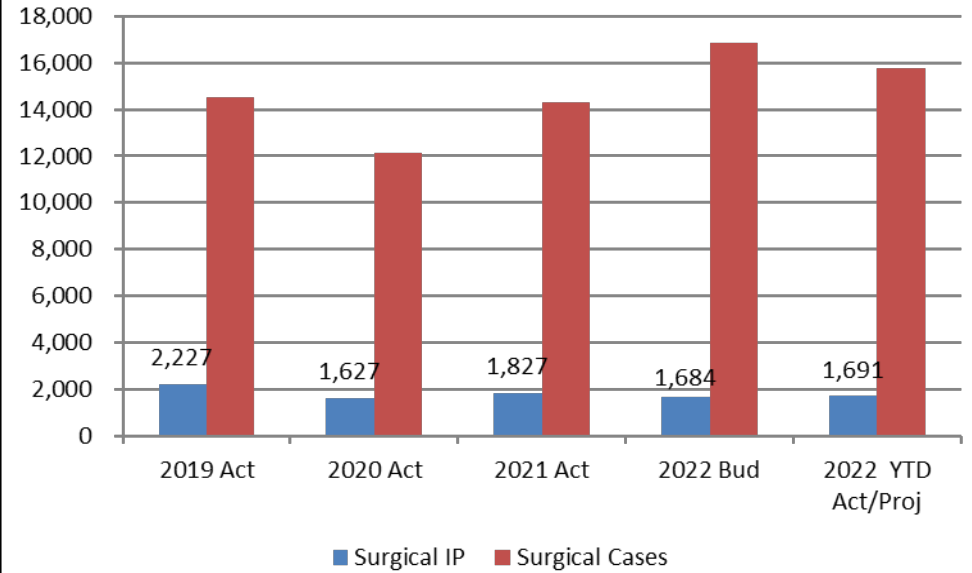
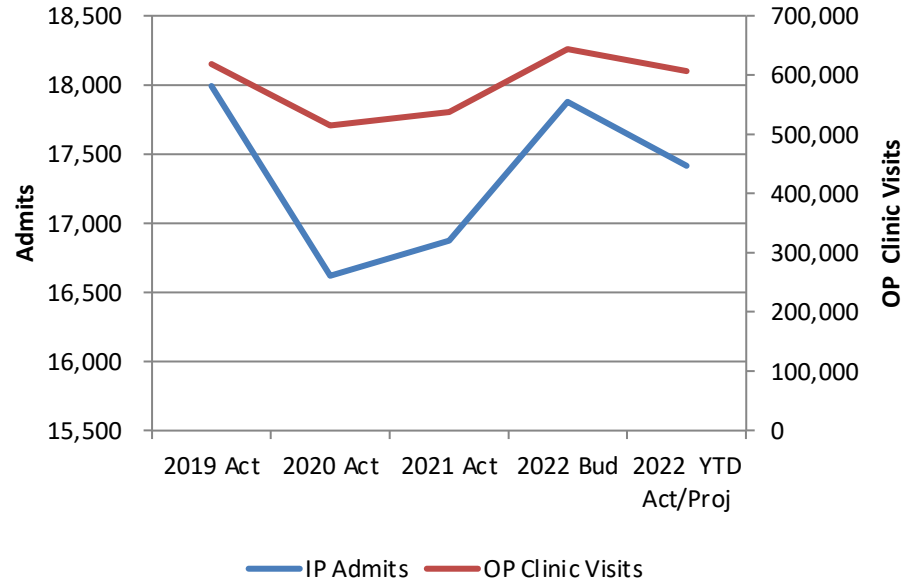
Revenue Operating Indicators

Patient Activity	2022 YTD Actual	2022 YTD Budget	%	2021 YTD Actual	2020 YTD Actual		Feb 2022 Actual	Feb 2021 Actual
Admissions *	5,436	5,451	-0.3%	5,030	7,201		1,730	1,522
Patient Days *	26,064	28,890	-9.8%	22,388	28,448		7,643	6,475
Average Daily Census *	290	321	-9.7%	249	316		273	231
Emergency Room Visits	22,818	34,821	-34.5%	20,813	34,124		6,799	6,409
Surgeries	3,092	4,152	-25.5%	3,011	3,567		1,050	947
Ambulatory Clinic Visits	121,200	158,736	-23.6%	127,995	148,960		37,873	39,796

* Includes IP + Observations

Cook County Health

Operating Trends



Cook County Health

2022 Charitable & Public Program Expenditures

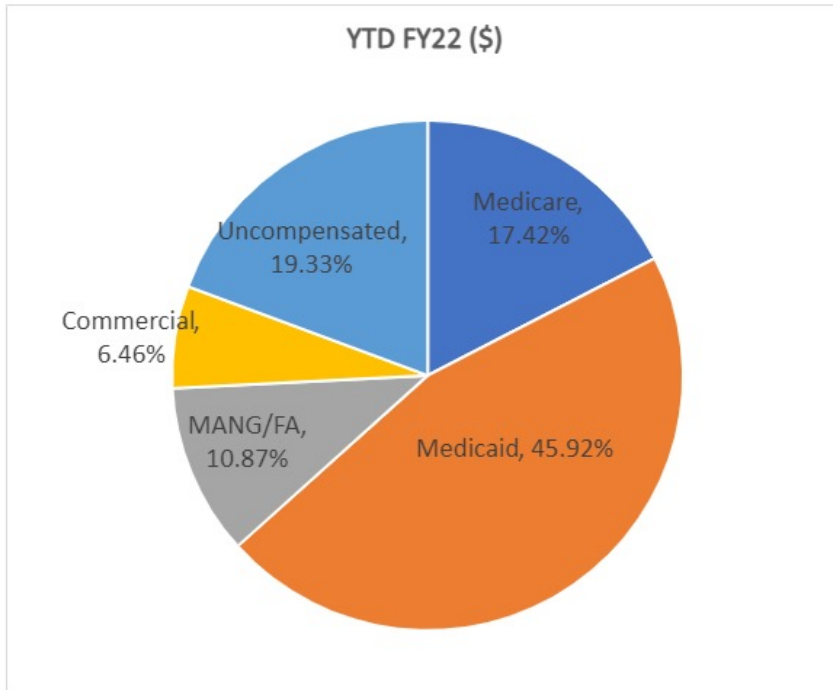
Budget/Projection (\$000s)

	2020 Actual Net Benefit	2021 Actual Net Benefit	2022 Budget Net Benefit	2022 Actual/Proj Net Benefit
<u>Charitable Benefits and Community Programs</u>				
Traditional Charity Care	\$ 173,423	\$ 162,626	\$ 152,827	\$ 175,845
Other Uncompensated Care	121,634	100,894	109,162	138,624
Cermak & JTDC Health Services	88,722	104,465	106,405	106,405
Department of Public Health	10,235	16,908	17,763	17,763
Other Public Programs & Community Services	15,006	68,750	66,321	66,321
Totals	\$ 409,020	\$ 453,643	\$ 452,478	\$ 504,958
% of Revenues *	37.0%	38.6%	36.3%	36.5%
% of Costs *	27.3%	27.9%	36.3%	25.8%

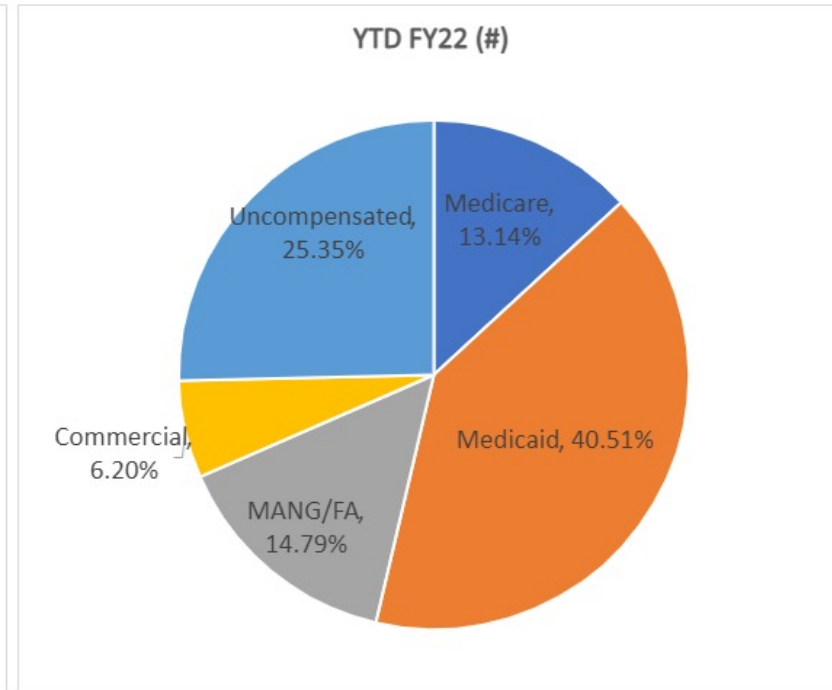
* Excludes Health Plan Services

Payer Mix – YTD February 2022

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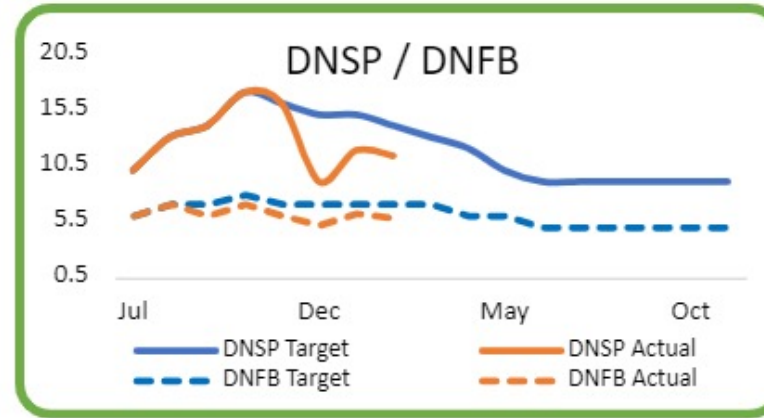
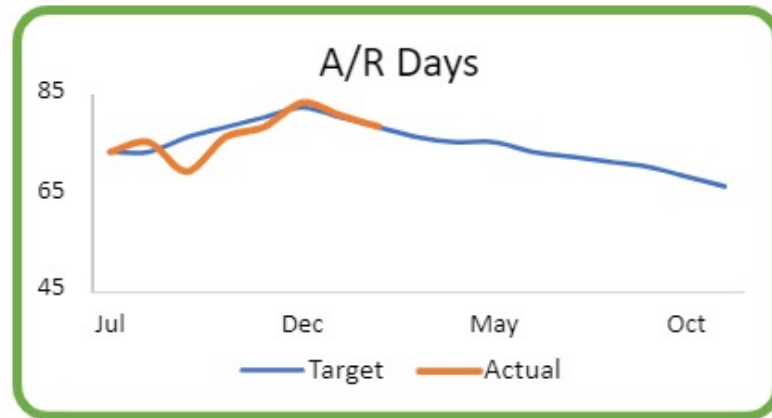


Commentary

- The YTD payer mix using total charges (\$) and total encounters (#).
- Reduction in MANG/FA population is a result of improved managerial oversight and production in processing applications.
- Slight increase in Medicare & Commercial (approx. 2%) mix on both \$ and # as we identify existing and new coverage options.



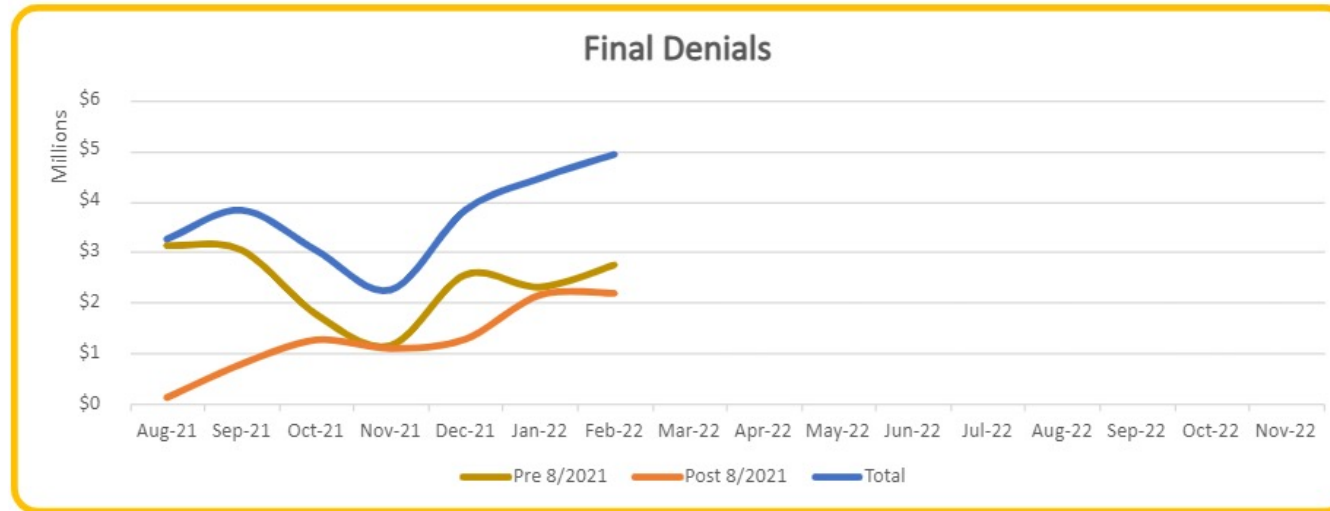
Revenue Cycle KPI Trending



Commentary

- A/R Days is expected to begin to decline early summer as we ramp up additional support and optimize back-end operations.
- DNSP / DNFB are ahead of the improvement schedule.
- A/R Days is trending inline with the improvement schedule.
- Cash Collections is trending ahead of schedule.

Denial Trending



Commentary

- Final denial data is broken out into two date of service period:
 - Pre 8/2021: Largest reason is untimely filing, directly caused by the staffing shortage in PFS. The pending Guidehouse contract will allow us to provide additional support. The contract is expected to be executed by the end of March
 - Post 8/2021: Largest reason in prior auth, directly related to a training issue in scheduling and a workflow glitch not routing claims to workqueue for auth review. Training is complete and Cerner has corrected system glitch.

	Jan-22	Feb-22
Pre 8/2021	\$2,304,395	\$2,743,740
Case Management	\$ 135,037	\$ 251,200
Coding	\$ 106,075	\$ 24,715
Contracting	\$ 839	\$ 483
Medical Necessity	\$ 122,121	\$ 261,493
Non Covered	\$ 195,488	\$ 73,154
Other	\$ 789	\$ 610
Patient Access	\$ 226,696	\$ 85,176
Prior Authorization	\$ 191,992	\$ 102,667
Untimely Filing	\$1,325,358	\$1,944,242
Post 8/2021	\$2,150,696	\$2,183,565
Case Management	\$ 894,572	\$ 812,437
Coding	\$ 4,102	\$ 3,206
Contracting	\$ 2,979	\$ 3,355
Medical Necessity	\$ 4,761	\$ 1,919
Non Covered	\$ 260,367	\$ 477,755
Other	\$ 2,001	\$ 884
Patient Access	\$ 21,996	\$ 103,810
Prior Authorization	\$ 856,448	\$ 700,614
Untimely Filing	\$ 103,470	\$ 79,585
Total	\$4,455,091	\$4,927,305
Case Management	\$1,029,609	\$1,063,637
Coding	\$ 110,177	\$ 27,921
Contracting	\$ 3,818	\$ 3,838
Medical Necessity	\$ 126,882	\$ 263,412
Non Covered	\$ 455,855	\$ 550,909
Patient Access	\$ 2,790	\$ 1,494
Other	\$ 248,692	\$ 188,986
Prior Authorization	\$1,048,440	\$ 803,281
Untimely Filing	\$1,428,828	\$2,023,827



Cook County Health

Savings Initiatives: February 28, 2022

Current Activities in Progress	Budgeted FY22 Impact	YTD Feb Achieved	Status
<u>Revenue Cycle:</u>			
Chargemaster Review/Changes	-	926,500	●
Payer Contracting Re-negotiation	-	160,000	●
Charge Capture Improvement	-	625,000	●
Vendor Contract Negotiations	-	62,500	●
<u>County Care:</u>			
Care Mgmt System In-Sourcing	-	83,333	●
Network Contract Savings	-	225,000	●
Vendor Contract Negotiations	12,500,000	3,000,000	●
<u>Health System:</u>			
Vendor Contract Negotiations	12,000,000	1,184,000	●
Property Lease Savings	675,000	168,750	●
Equipment Lease Savings	308,472	51,412	●
	<u>\$ 25,483,472</u>	<u>\$ 6,486,495</u>	25%
		3/12ths Goal	25%

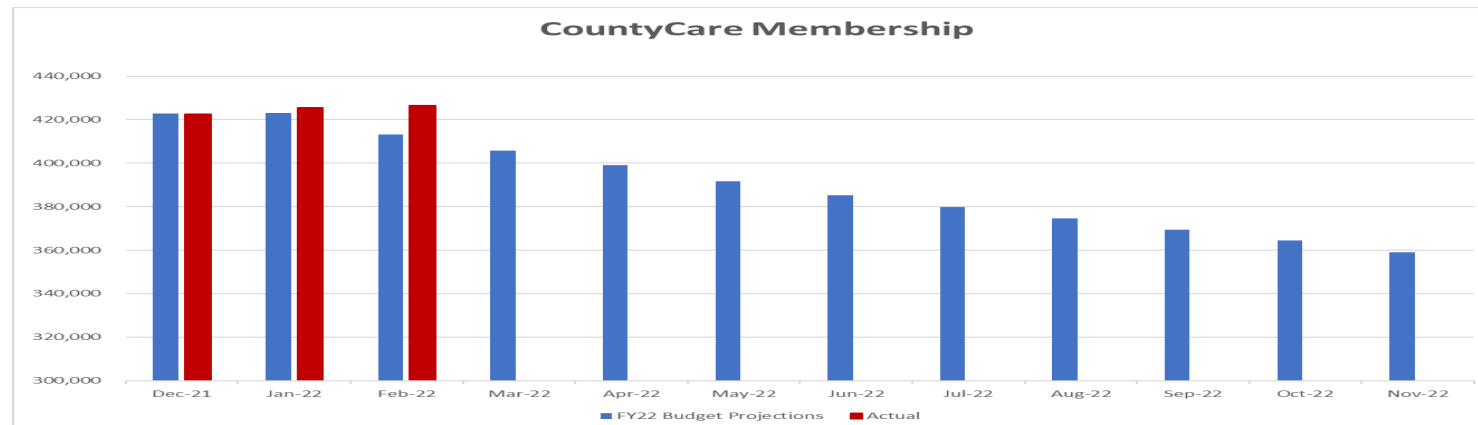


Health Plan Services Financial Results – February 28, 2022

Dollars in 000s except PMPM amounts	FY2022 Actual	FY2022 Budget	Variance	%	Fy21 Actual
Capitation Revenue	\$670,550	\$673,670	(\$3,120)	(0.46%)	\$611,197
Operating Expenses					
Clinical - CCH	\$26,218	\$29,686	\$3,468	11.68%	\$29,184
Clinical - External	\$598,075	\$598,386	\$311	0.05%	\$552,083
Administrative	\$30,846	\$38,974	\$8,128	20.85%	\$28,782
Total Expenses	\$655,139	\$667,046	\$11,907	1.79%	\$610,048
Operating Gain (Loss)	\$15,411	\$6,624	\$8,787	97.00%	\$1,149
Activity Levels					
Member Months	1,274,511	1,259,247	15,264	1.21%	1,145,158
Monthly Membership	426,488	413,236	13,252	3.21%	386,507
CCH CountyCare Member Months	132,862	N/A	N/A	N/A	117,608
CCH % CountyCare Member Months	10.42%	N/A	N/A	N/A	10.27%
Operating Indicators					
Revenue Per Member Per Month (PMPM)	\$526.12	\$535.93	(\$9.81)	(1.83%)	\$533.72
Clinical Cost PMPM	\$489.83	\$498.77	\$8.94	1.79%	\$507.59
Medical Loss Ratio (1)	91.1%	92.9%	1.78%	1.92%	92.7%
Administrative Cost Ratio	4.5%	5.6%	1.07%	19.14%	4.4%

Commentary

- Total YTD member months are exceeding budget by 15,264 members.
- CountyCare enrollment projected to exceed budget due to 50% auto-assignment as well as continued re-determination suspension.
- Revenue per member per month (PMPM) is lower than budget due to population mix.
- CountyCare's reimbursement to CCH for domestic spend is under budget.
- Operating Gain of \$15.4M consists of \$17.3M from CountyCare and a loss of \$(1.9)M from Medicare.



Notes:

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

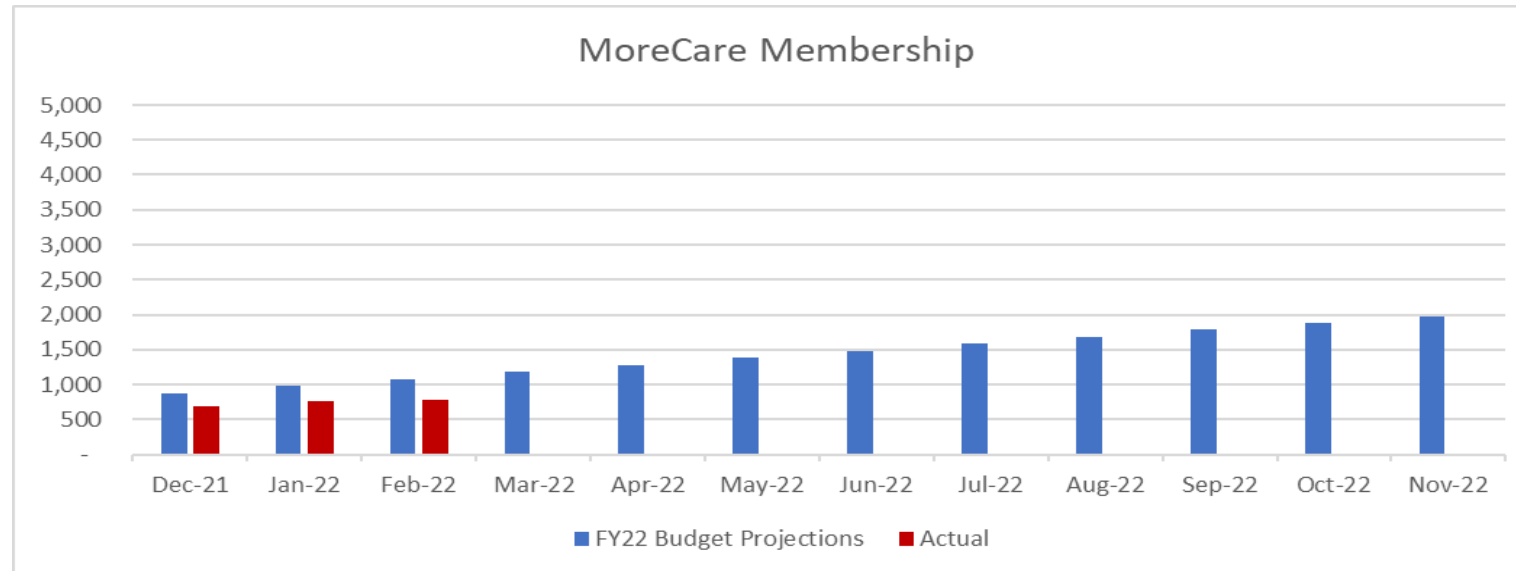


Medicare Financial Results – February 28, 2022

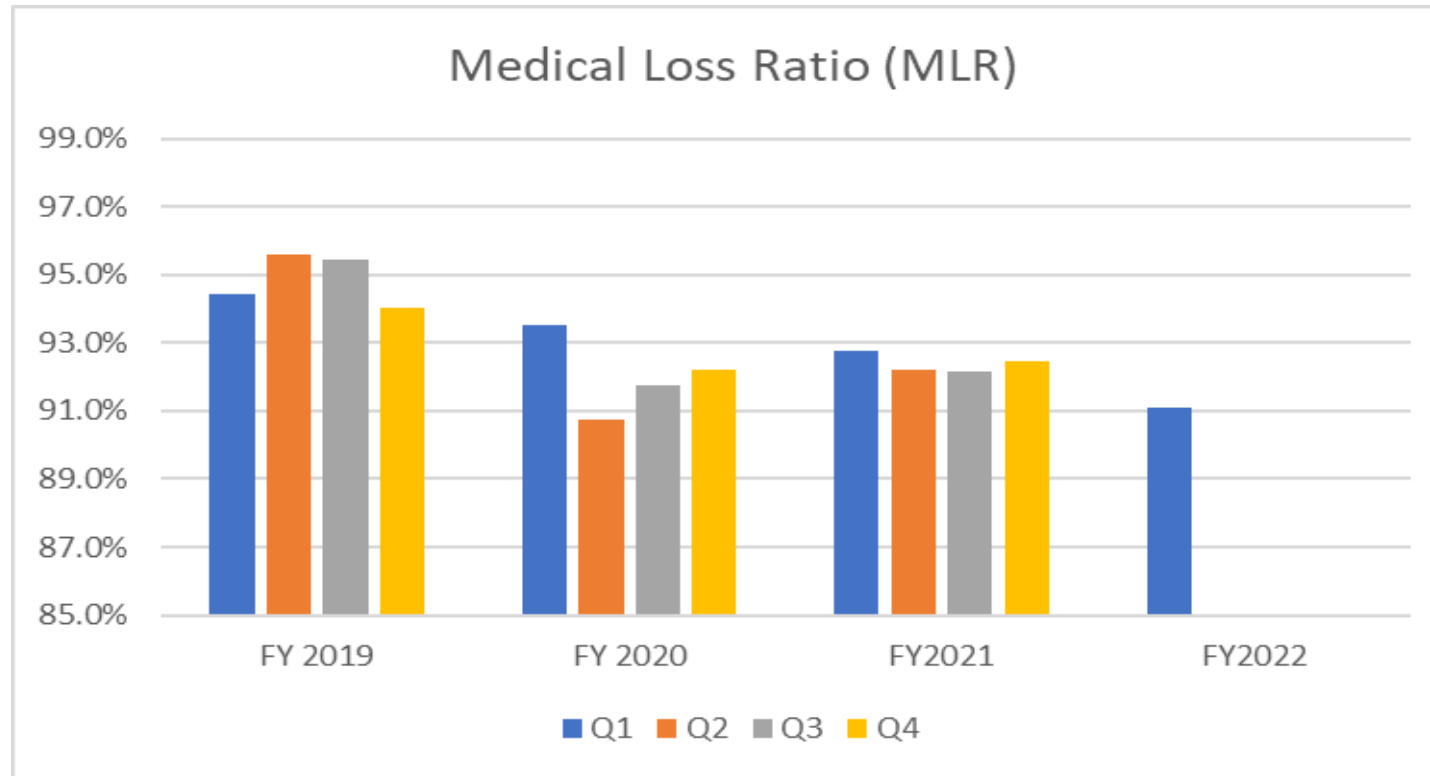
Dollars in 000s except PMPM amounts	FY2022 Actual	FY2022 Budget	Variance	%
Capitation Revenue (Total dollar amount)	\$4,803	\$5,315	(\$512)	(9.63%)
Operating Expenses				
Clinical Expenses	\$4,131	\$5,872	\$1,741	29.65%
Administrative	\$2,605	\$1,489	(\$1,116)	(74.91%)
Total Expenses	\$6,736	\$7,361	\$626	8.50%
Operating Gain (Loss)	(\$1,932)	(\$2,046)	\$114	5.56%
Activity Levels				
Member Months	2,243	2,940	(697)	(23.71%)
Monthly Membership	785	1,080	(295)	(27.31%)
Operating Indicators				
Revenue Per Member Per Month (PMPM)	\$2,141.51	\$1,807.93	\$333.58	18.45%
Clinical Cost PMPM	\$1,841.66	\$1,997.25	\$155.59	7.79%

Commentary

- Membership is lower than budget target by 697 members.
- Total operating loss is better than budget by \$114K.



CountyCare Medical Loss Ratio



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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