

# CCH YTD Financial Update – January 31, 2022

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**Chief Financial Officer**

**March 2022**



**COOK COUNTY  
HEALTH**

# Executive Summary: Statement of Financial Condition – January 31, 2022

- On an accrual basis, interim financials show that CCH ended January with a \$24.4M positive variance to budget. On a cash basis, the County's preliminary cash report on revenues and expenses at January 31 shows a \$72.4M positive variance primarily due to the timing difference of CountyCare PMPM payments impacting the revenue and claims payments impacting expenses.
  - Revenue Commentary:
    - Higher than budgeted Inpatient volumes driving NPSR positive variance to budget
  - Expenditures:
    - Higher than budgeted volumes also driving higher Salaries & Wages and Purchased Services expense
    - Lower than budgeted County Care claims expense creating positive variance
  - CountyCare:
    - CountyCare is showing an operating gain of \$4.7M
    - Membership is over 420,000, which is greater than the 391,000 monthly average budgeted

# Financial Results – January 31, 2022

Dollars in 000s	FY2022 Actual	FY2022 Budget	Variance	%	FY2021 Actual (3)
<b>Revenue</b>					
Net Patient Service Revenue (1)	\$127,076	\$118,283	\$8,794	7.43%	\$83,599
Government Support (2)	\$65,970	\$65,970	\$0	0.00%	\$63,692
CountyCare Capitation Revenue	\$431,547	\$443,759	(\$12,212)	-2.75%	\$373,814
Other	\$2,494	\$2,757	(\$262)	-9.52%	\$9,767
CountyCare Elimination (1)	(\$17,662)	(\$20,325)	\$2,664	-13.11%	(\$14,383)
<b>Total Revenue</b>	<b>\$609,426</b>	<b>\$610,443</b>	<b>(\$1,017)</b>	<b>-0.17%</b>	<b>\$516,488</b>
<b>Operating Expenses</b>					
Salaries & Benefits	\$111,994	\$105,593	(\$6,402)	-6.06%	\$116,668
Overtime	\$8,284	\$6,490	(\$1,793)	-27.63%	\$8,394
Supplies & Pharmaceuticals	\$22,243	\$23,780	\$1,538	6.47%	\$24,299
Purchased Services & Other	\$96,298	\$63,437	(\$32,861)	-51.80%	\$52,142
Medical Claims Expense (1)	\$375,250	\$442,576	\$67,327	15.21%	\$354,596
Insurance	\$5,472	\$6,150	\$678	11.03%	\$5,311
Utilities	\$2,391	\$1,998	(\$393)	-19.66%	\$2,423
CountyCare Elimination (1)	(\$17,662)	(\$20,325)	(\$2,664)	13.11%	(\$14,383)
<b>Total Operating Expenses</b>	<b>\$604,270</b>	<b>\$629,700</b>	<b>\$25,430</b>	<b>4.04%</b>	<b>\$549,449</b>
<b>Operating Margin</b>	<b>\$5,156</b>	<b>(\$19,257)</b>	<b>\$24,413</b>	<b>126.78%</b>	<b>(\$32,961)</b>
<b>Non-Operating Revenue</b>	<b>\$22,951</b>	<b>\$22,951</b>	<b>(\$0)</b>	<b>0.00%</b>	<b>\$20,451</b>
<b>Net Income (Loss)</b>	<b>\$28,107</b>	<b>\$3,694</b>	<b>\$24,413</b>	<b>660.95%</b>	<b>(\$12,510)</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 FY22 budget.



# Cook County Health

## Volumes: January 31, 2022

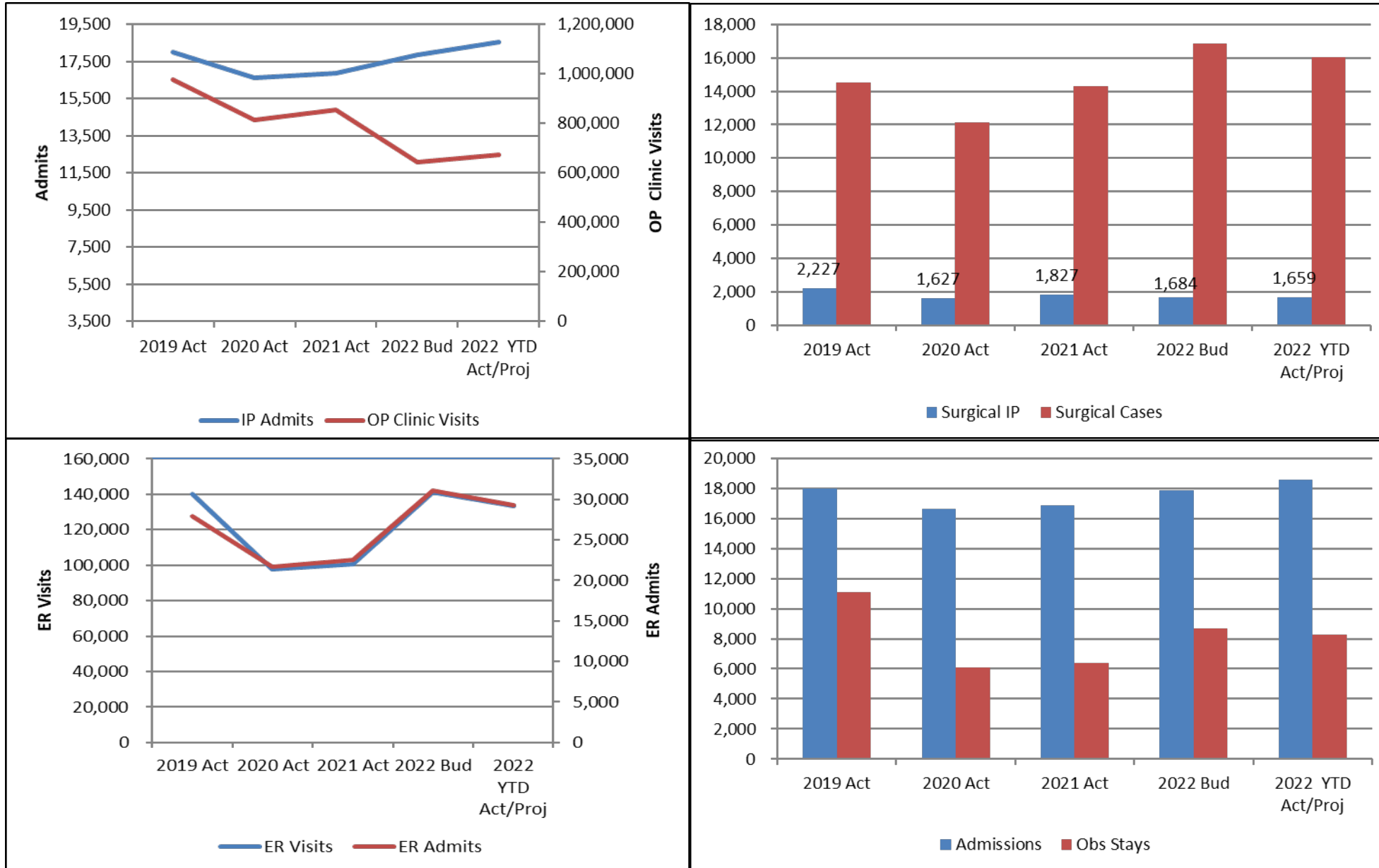
### Revenue Operating Indicators

Patient Activity	2022 YTD Actual	2022 YTD Budget	%	2021 YTD Actual	2020 YTD Actual		Jan 2022 Actual	Jan 2021 Actual
Admissions *	3,706	3,036	22.1%	3,508	4,911		1,726	1,683
Patient Days *	17,879	16,310	9.6%	15,539	18,706		8,916	7,452
Average Daily Census *	288	263	9.6%	251	302		288	240
Emergency Room Visits	16,021	23,988	-33.2%	14,404	23,473		7,392	7,185
Surgeries	2,042	2,860	-28.6%	2,064	2,471		990	976
Ambulatory Visits	137,481	109,352	25.7%	141,750	162,565		67,929	68,540

\* Includes IP + Observations

# Cook County Health

## Operating Trends





# Cook County Health

## 2022 Charitable & Public Program Expenditures

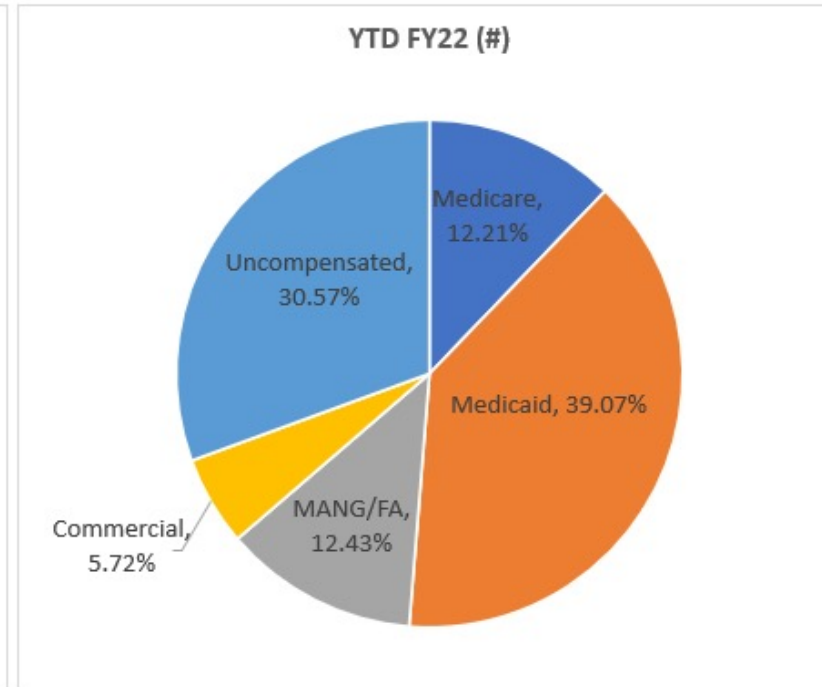
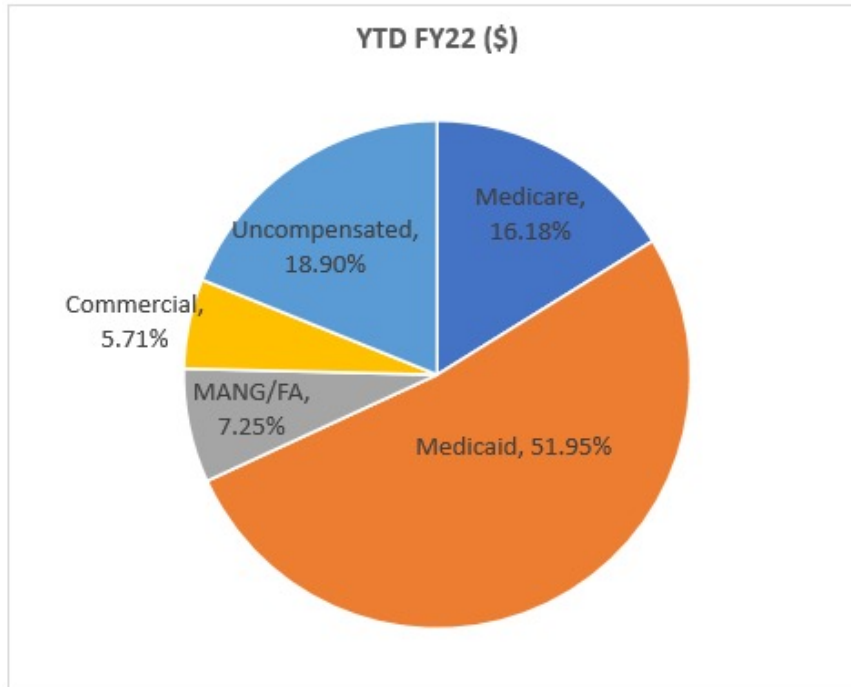
### Budget/Projection (\$000s)

	2020 Actual Net Benefit	2021 Actual Net Benefit	2022 Budget Net Benefit	2022 Actual/Proj Net Benefit
<b><u>Charitable Benefits and Community Programs</u></b>				
Traditional Charity Care	\$ 173,423	\$ 162,626	\$ 152,827	\$ 151,731
Other Uncompensated Care	121,634	100,894	109,162	122,313
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
<b>Totals</b>	<b>\$ 409,020</b>	<b>\$ 453,643</b>	<b>\$ 452,478</b>	<b>\$ 464,533</b>
 % of Revenues *	 37.0%	 38.6%	 36.3%	 37.2%
% of Costs *	27.3%	27.9%	36.3%	28.5%

\* Excludes Health Plan Services

# Payer Mix – YTD January 2022

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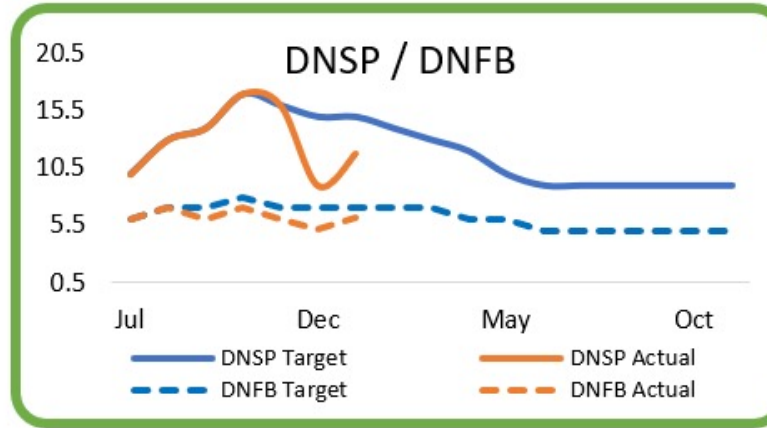
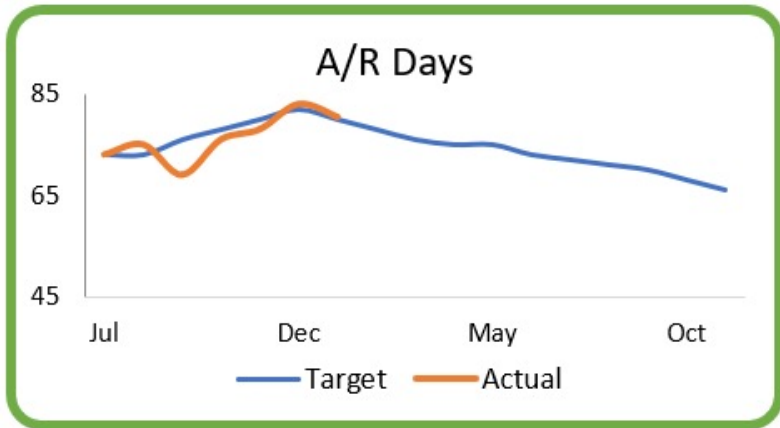
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## Commentary

- The YTD payer mix using total charges (\$) and total encounters (#).
- Continued reductions in Uncompensated care as we continue to align patients with coverages.
- Reduction in MANG/FA (Medicaid Pending/Financial Assistance) population is a result of improved managerial oversight and production in processing applications.

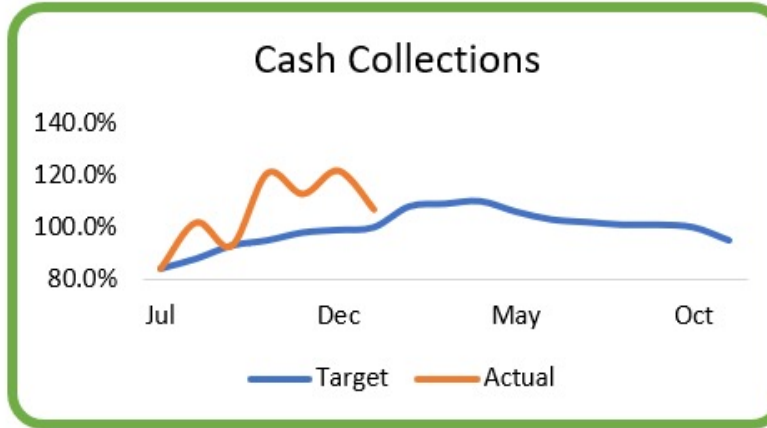
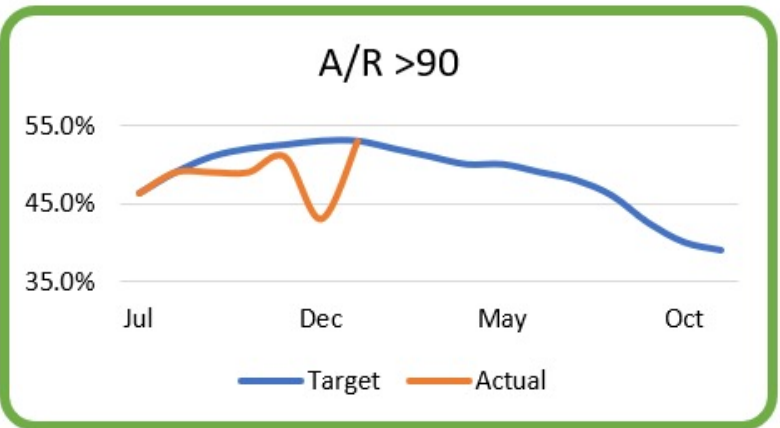


# Revenue Cycle KPI Trending



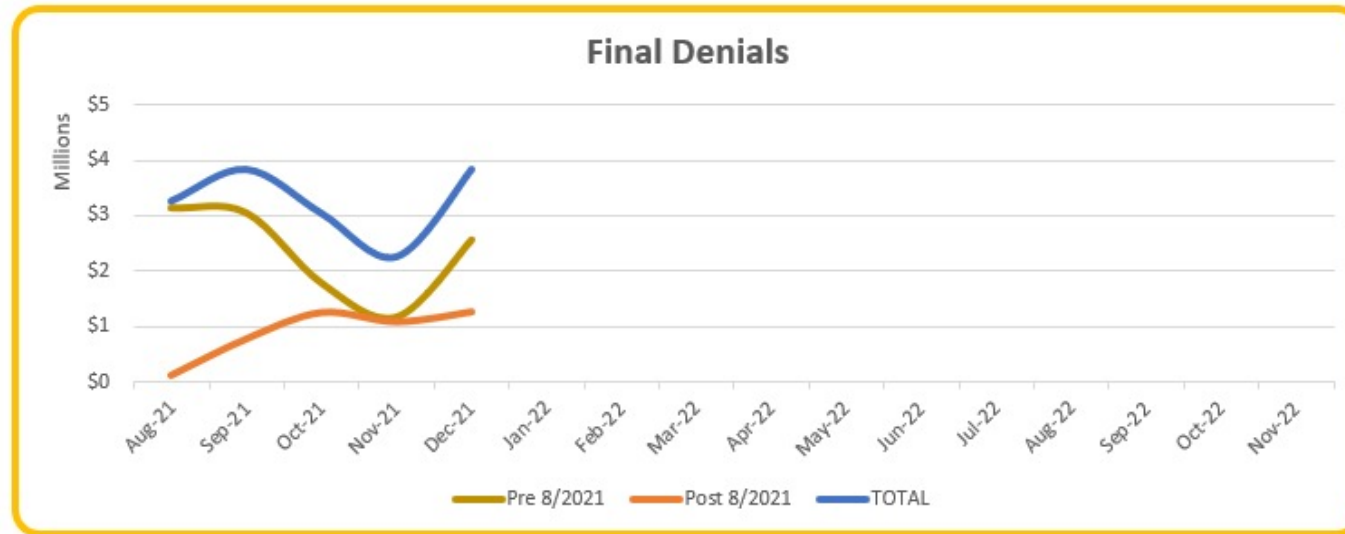
## Commentary

- 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 ahead of target.





# 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.
  - 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 is correcting system glitch.

	Dec-21	Jan-22
<b>Pre 8/2021</b>	\$ 2,550,324	\$ 2,304,395
Case Management	\$ 64,908	\$ 135,037
Coding	\$ 165,735	\$ 106,075
Contracting	\$ 924	\$ 839
Medical Necessity	\$ 306,463	\$ 122,121
Non Covered	\$ 252,230	\$ 195,488
Other	\$ 651	\$ 789
Patient Access	\$ 272,397	\$ 226,696
Prior Authorization	\$ 86,709	\$ 191,992
Untimely Filing	\$ 1,400,307	\$ 1,325,358
	\$ -	
<b>Post 8/2021</b>	\$ 1,276,257	\$ 2,150,696
Case Management	\$ 305,111	\$ 894,572
Coding	\$ 2,689	\$ 4,102
Contracting	\$ -	\$ 2,979
Medical Necessity	\$ 17,722	\$ 4,761
Non Covered	\$ 359,311	\$ 260,367
Other	\$ 2,726	\$ 2,001
Patient Access	\$ 127,830	\$ 21,996
Prior Authorization	\$ 423,432	\$ 856,448
Untimely Filing	\$ 37,437	\$ 103,470
<b>Total</b>	\$ 3,826,581	\$ 4,455,091
Case Management	\$ 370,018	\$ 1,029,609
Coding	\$ 168,424	\$ 110,177
Contracting	\$ 924	\$ 3,818
Medical Necessity	\$ 324,185	\$ 126,882
Non Covered	\$ 611,541	\$ 455,855
Patient Access	\$ 400,227	\$ 2,790
Other	\$ 3,377	\$ 248,692
Prior Authorization	\$ 510,141	\$ 1,048,440
Untimely Filing	\$ 1,437,744	\$ 1,428,828



# Cook County Health

## Savings Initiatives: January 31, 2022

Current Activities in Progress	Budgeted FY22 Impact	YTD Jan Achieved	Status
<b><u>Revenue Cycle:</u></b>			
Chargemaster Review/Changes	-	617,667	●
Payer Contracting Re-negotiation	-	106,667	●
Charge Capture Improvement	-	416,667	●
Vendor Contract Negotiations	-	41,667	●
<b><u>County Care:</u></b>			
Care Mgmt System In-Sourcing	-	-	●
Network Contract Savings	-	150,000	●
Vendor Contract Negotiations	12,500,000	2,333,333	●
<b><u>Health System:</u></b>			
Vendor Contract Negotiations	12,000,000	789,333	●
Property Lease Savings	675,000	112,500	●
Equipment Lease Savings	308,472	25,706	●
	<u>\$ 25,483,472</u>	<u>\$ 4,593,539</u>	18%
		2/12ths Goal	17%

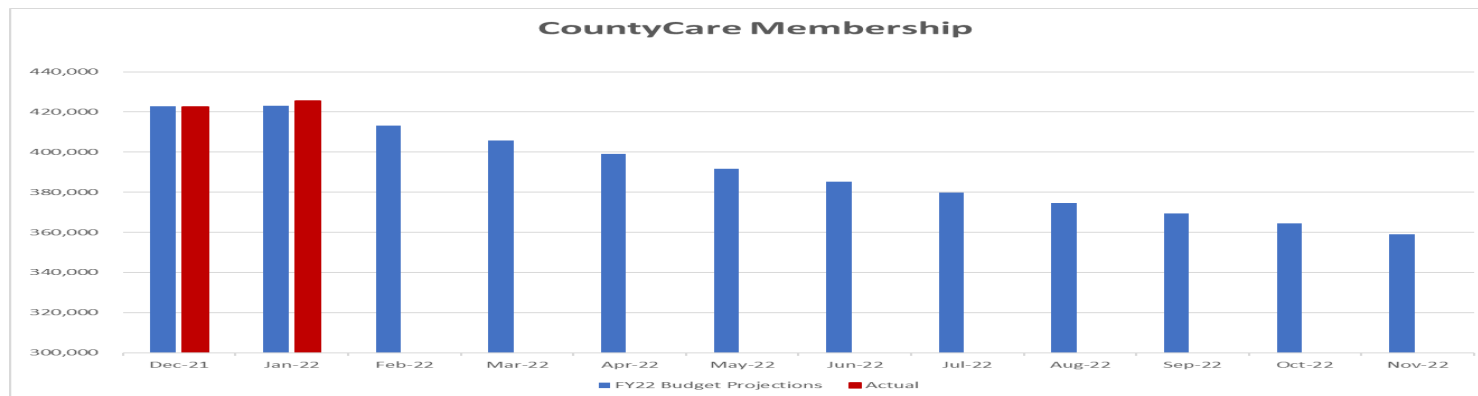


# Health Plan Services Financial Results – January 31, 2022

Dollars in 000s except PMPM amounts	FY2022 Actual	FY2022 Budget	Variance	%	Fy21 Actual
<b>Capitation Revenue</b>	\$431,547	\$449,832	(\$18,286)	(4.07%)	\$373,814
<b>Operating Expenses</b>					
Clinical - CCH	\$17,662	\$19,944	\$2,283	11.45%	\$14,383
Clinical - External	\$389,252	\$398,074	\$8,823	2.22%	\$340,212
Administrative	\$19,948	\$25,184	\$5,236	20.79%	\$19,023
Total Expenses	\$426,861	\$443,202	\$16,341	3.69%	\$373,618
Operating Gain (Loss)	\$4,685	\$6,630	(\$1,945)	(29.33%)	\$195
<b>Activity Levels</b>					
Member Months	848,023	846,012	2,011	0.24%	758,651
Monthly Membership	425,451	423,156	2,295	0.54%	380,433
CCH CountyCare Member Months	88,231	N/A	N/A	N/A	77,680
CCH % CountyCare Member Months	10.40%	N/A	N/A	N/A	10.24%
<b>Operating Indicators</b>					
Revenue Per Member Per Month (PMPM)	\$508.89	\$531.71	(\$22.82)	(4.29%)	\$492.73
Clinical Cost PMPM	\$479.84	\$494.10	\$14.27	2.89%	\$467.40
Medical Loss Ratio (1)	92.2%	93.40%	1.24%	1.33%	92.1%
Administrative Cost Ratio	4.4%	6.35%	1.95%	30.69%	4.7%

## Commentary

- Total YTD member months are exceeding budget by 2,011 members.
- CountyCare enrollment projected to exceed budget due to 50% auto-assignment change from CountyCare's top top-quality ranking among Medicaid MCOs as well as continued re-determination suspension.
- Revenue per member per month (PMPM) is lower than budget due to timing of CY 2022 rate adjustments from HFS.
- CountyCare's reimbursement to CCH for domestic spend is under budget.
- Operating Gain of \$4.7M consists of \$6.8M from CountyCare and a loss of \$(2.1)M from Medicare.



## Notes:

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



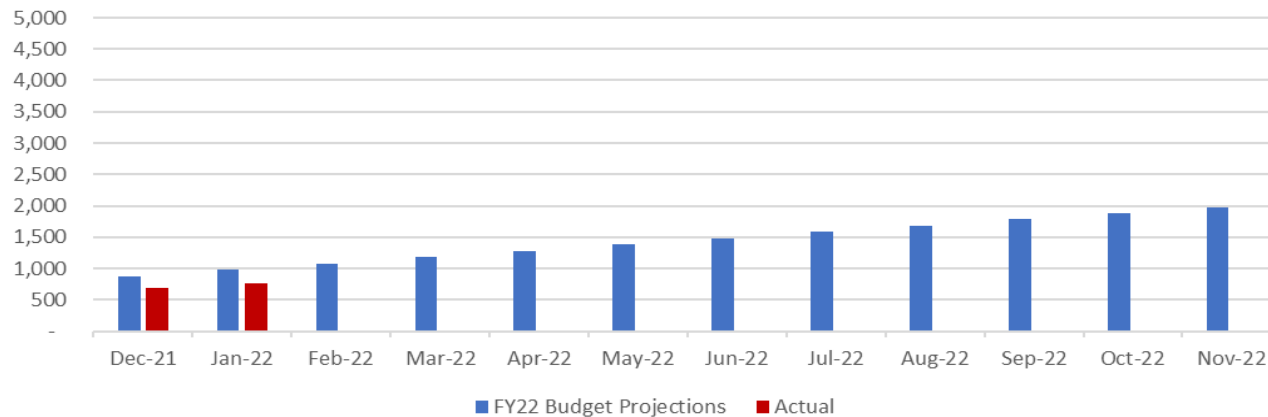
# Medicare Financial Results – January 31, 2022

Dollars in 000s except PMPM amounts	FY2022 Actual	FY2022 Budget	Variance	%
<b>Capitation Revenue (Total dollar amount)</b>	\$3,239	\$3,544	(\$304)	(8.59%)
<b>Operating Expenses</b>				
Clinical Expenses	\$2,710	\$3,915	\$1,205	30.78%
Administrative	\$2,675	\$993	(\$1,682)	(169.39%)
Total Expenses	\$5,384	\$4,907	(\$477)	(9.71%)
Operating Gain (Loss)	(\$2,145)	(\$1,364)	(\$781)	57.28%
<b>Activity Levels</b>				
Member Months	1,458	1,860	(402)	(21.61%)
Monthly Membership	769	980	(211)	(21.53%)
<b>Operating Indicators</b>				
Revenue Per Member Per Month (PMPM)	\$2,221.60	\$1,905.13	\$316.46	16.61%
Clinical Cost PMPM	\$1,858.43	\$2,104.63	\$246.20	11.70%

## Commentary

- Membership is lower than budget target by 402 members.
- Total operating loss is over budget by \$781K due to higher administrative cost.

MoreCare Membership



# Questions?



COOK COUNTY  
**HEALTH**