

CCH YTD Financial Update – March 31, 2024



Pamela Cassara, Chief Financial Officer

Scott Spencer, Associate Chief Financial Officer

Curtis Haley, Chief Revenue Officer

May 2024



**COOK COUNTY
HEALTH**

Executive Summary: Statement of Financial Condition – March 31, 2024

- On an accrual basis, interim financials show that CCH ended March with a **\$110.5M favorable** variance to budget. On a cash basis, the County’s preliminary cash report on revenues and expenses shows a **\$33.2M 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 **\$1.9M favorable** variance to budget due to higher than budgeted membership
 - Membership just over 441,000, which is 20.3% greater than budgeted

Financial Results – March 31, 2024

Dollars in 000s	FY2024 Actual	FY2024 Budget	Variance	%	FY2023 Actual
Revenue					
Net Patient Service Revenue (1)	\$395,954	\$353,983	\$41,971	11.86%	\$328,675
Government Support (2)	\$126,763	\$123,744	\$3,019	2.44%	\$107,890
Adjusted NPSR	\$522,717	\$477,727	\$44,990	9.42%	\$436,565
CountyCare Capitation Revenue	\$1,081,427	\$925,325	\$156,102	16.87%	\$986,857
Other	\$24,307	\$7,333	\$16,974	231.46%	\$4,518
Total Revenue	\$1,628,451	\$1,410,386	\$218,066	15.46%	\$1,427,941
Operating Expenses					
Salaries & Benefits	\$257,029	\$285,562	\$28,533	9.99%	\$231,606
Overtime	\$18,407	\$15,212	(\$3,195)	-21.00%	\$16,754
Supplies & Pharmaceuticals	\$58,575	\$69,064	\$10,489	15.19%	\$57,554
Purchased Services & Other	\$224,534	\$287,471	\$62,936	21.89%	\$202,176
Medical Claims Expense (1)	\$999,853	\$836,320	(\$163,533)	-19.55%	\$891,196
Insurance	\$9,963	\$10,225	\$262	2.56%	\$21,150
Utilities	\$4,249	\$3,739	(\$510)	-13.63%	\$4,226
Total Operating Expenses	\$1,572,610	\$1,507,593	(\$65,018)	-4.31%	\$1,424,661
Operating Margin	\$55,841	(\$97,207)	\$153,048	-157.45%	\$3,280
Non-Operating Revenue	\$52,225	\$94,733	(\$42,508)	-44.87%	\$46,925
Net Income (Loss)	\$108,066	(\$2,474)	\$110,540	-4468.17%	\$50,206

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: March, 2024

Key Revenue Indicators

Patient Activity Stroger	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Mar 2024 Actual	Mar 2023 Actual
Average Daily Census *	322	287	12.3%	294	273		325	294
Emergency Room Visits	30,174	27,098	11.4%	27,024	24,458		7,501	7,172
Surgeries	3,775	3,983	-5.2%	3,764	3,628		998	1,053

Patient Activity Provident	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Mar 2024 Actual	Mar 2023 Actual
Average Daily Census *	22	21	4.8%	20	9		21	20
Emergency Room Visits	8,529	8,607	-0.9%	8,583	6,723		2,213	2,187
Surgeries	969	1,086	-10.8%	1,164	807		232	342

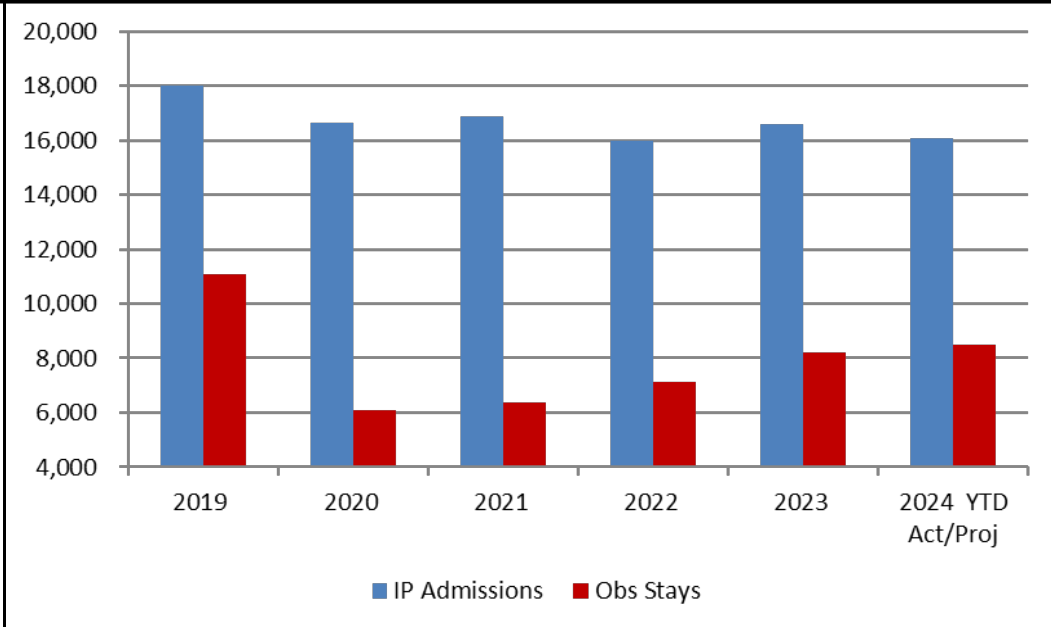
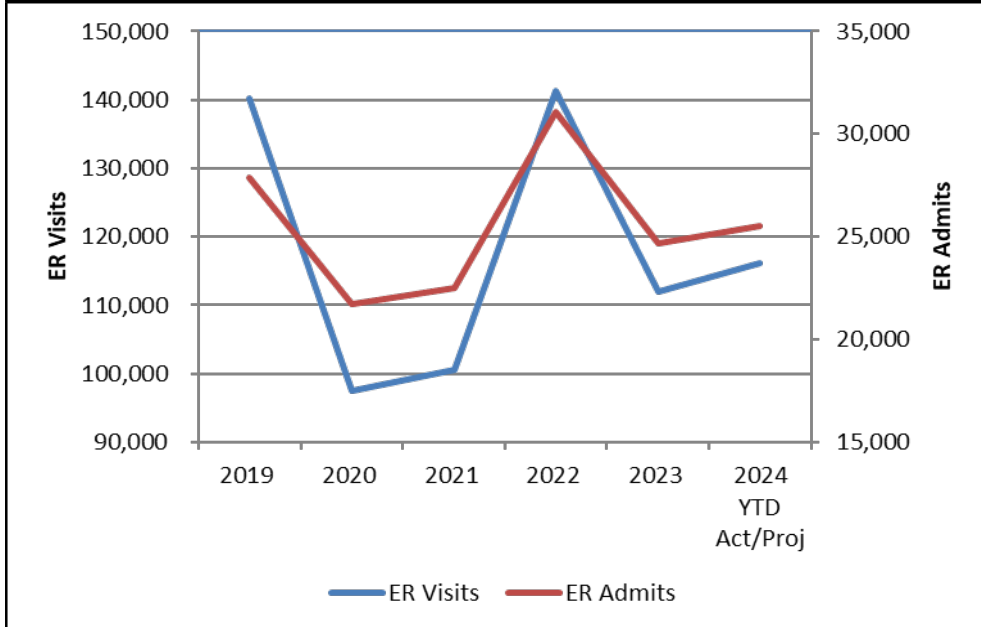
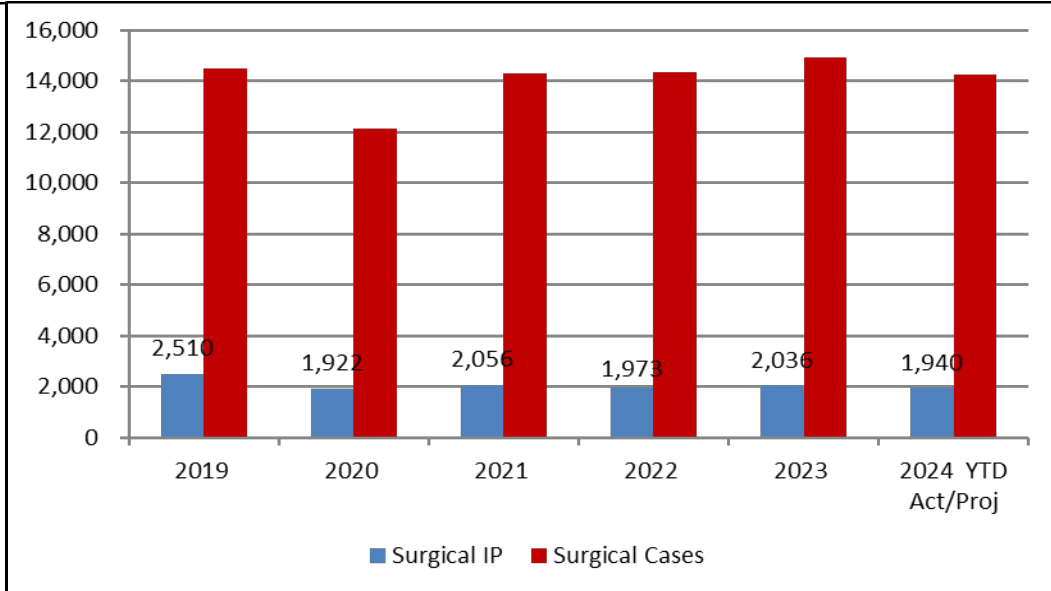
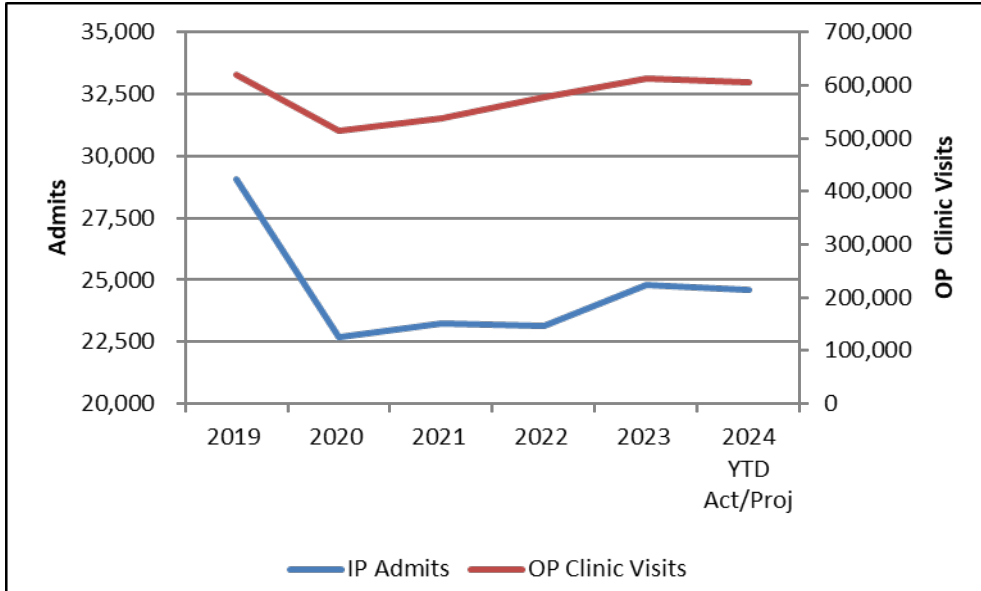
Patient Activity ACHN	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Mar 2024 Actual	Mar 2023 Actual
Primary Care Visits	78,094	78,548	-0.6%	77,937	70,711		20,098	22,057
Specialty Care Visits	123,739	123,671	0.1%	123,804	116,094		32,082	35,385

CountyCare Membership	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Mar 2024 Actual	Mar 2023 Actual
Membership Count	433,868	384,673	12.8%	450,200	425,608		441,179	451,837

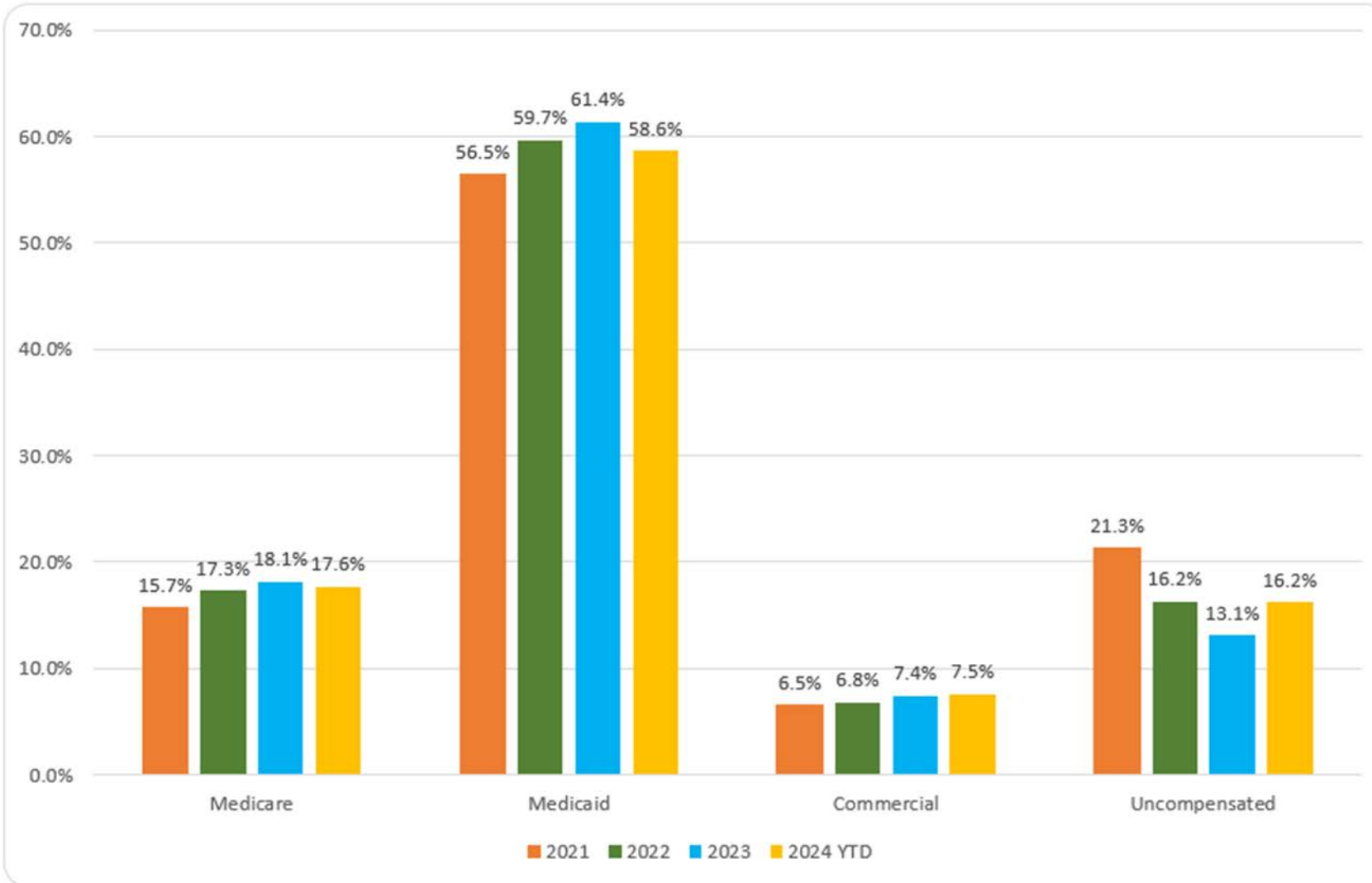
* Includes IP + Observations

Cook County Health

Operating Trends



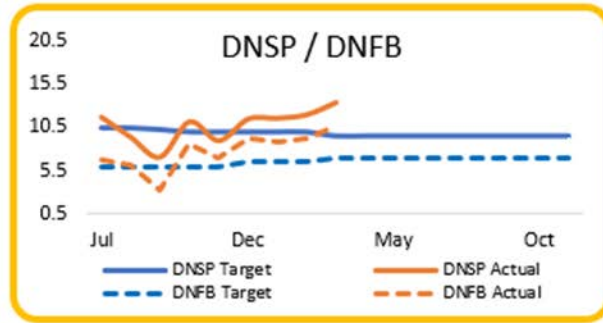
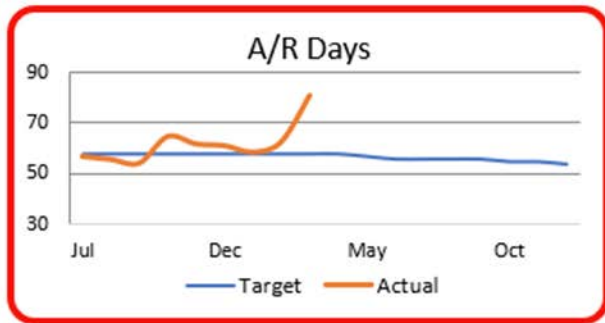
YTD Payer Mix – YoY Comparison



Commentary

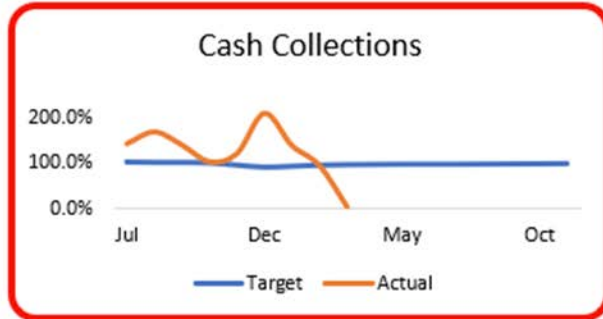
- Feb-Mar Change:
 - Medicare: -0.03%
 - Medicaid: -0.02%
 - Commercial: +0.02%
 - Uncompensated: +0.02%
- Jan-Feb Change:
 - Medicare: -0.04%
 - Medicaid: -0.08%
 - Commercial: +0.05%
 - Uncompensated: +0.07%
- Dec-Jan Change:
 - Medicare: -1.0%
 - Medicaid: -0.7%
 - Commercial: +1.3%
 - Uncompensated: +0.4%

Revenue Cycle KPI Trending



Commentary:

KPI metrics off target due to the Change Healthcare cyber-attack that occurred on 2/21/24. This forced CCH to hold medical claim submission until April resulting in \$192M in delayed billing/pending AR. We continue to work with Change Health to get back online and are implementing another clearinghouse solution (Experian) to mitigate any future claim submission risks. We expect to be aligned back to performance targets by the end of June.

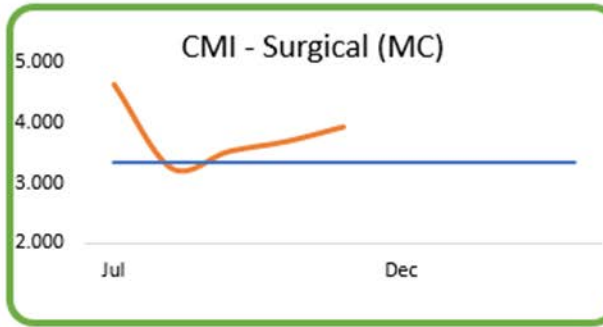
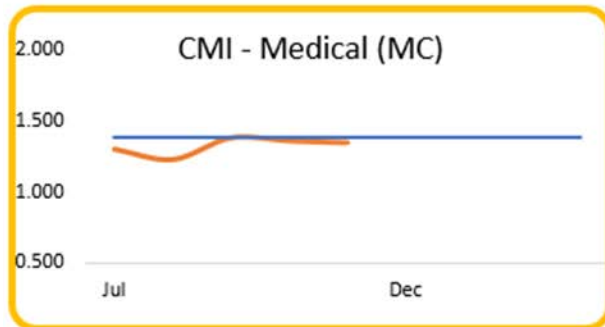


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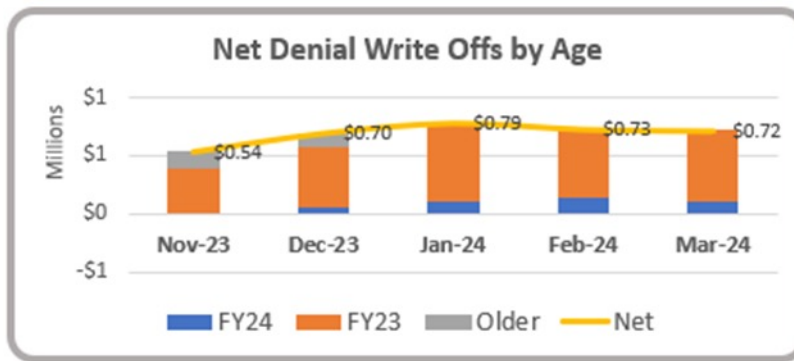
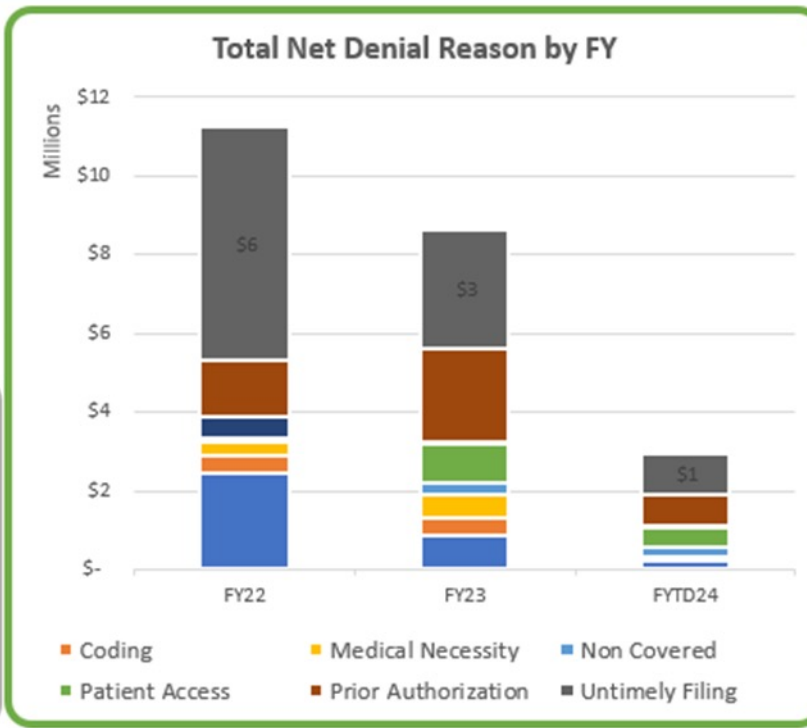
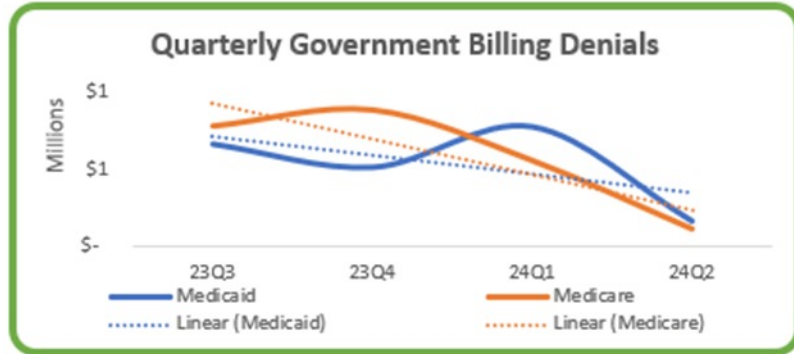
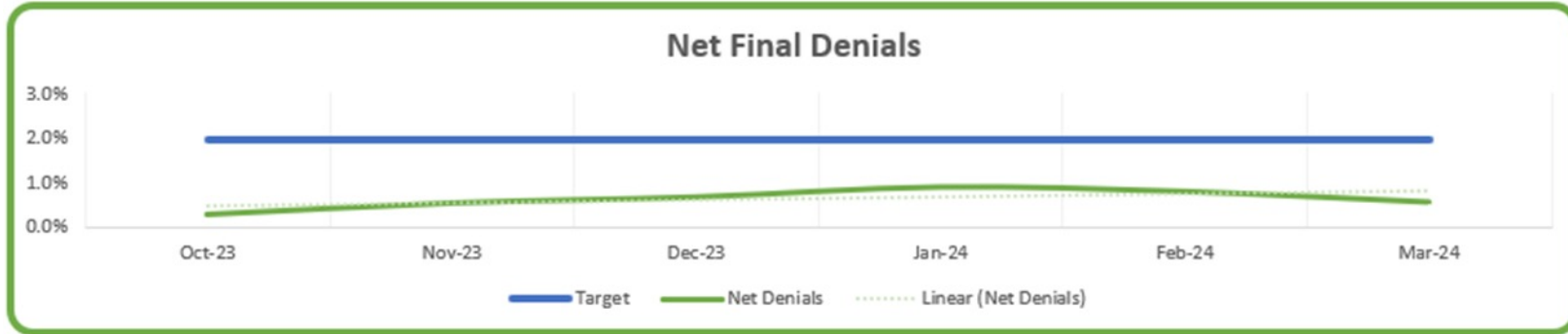
DNSP: Discharged Not Submitted to Payer - Gross dollars from initial 837 claims held by edits in claims processing tool that have not been sent to payer.

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
<u>Charitable Benefits and Community Programs</u>				
Traditional Charity Care	\$ 122,499	\$ 105,040	\$ 112,011	\$ 131,971
Other Uncompensated Care	108,284	135,655	91,800	85,143
Cermak & JTDC Health Services	90,293	100,779	116,848	121,678
Department of Public Health	12,965	12,712	22,267	21,469
Other Public Programs & Community Services	66,321	66,321	71,600	71,600
Totals	\$ 400,362	\$ 420,506	\$ 414,526	\$ 400,493
% of Revenues *	36.9%	38.8%	30.3%	24.8%
% of Costs *	22.0%	23.1%	23.2%	23.2%

* Excludes Health Plan Services

Cook County Health

Savings Initiatives: March 31, 2024

Current Activities in Progress	Budgeted FY24 Impact	YTD Achieved	Status
<u>Revenue Cycle:</u>			
Chargemaster Review/Changes	2,750,000	920,000	
Revenue Recovery	3,930,000	-	
Point of Service Collections	300,000	35,000	
<u>County Care:</u>			
Care Coordination Initiatives	3,000,000	1,000,000	
<u>Health System:</u>			
Vendor Contract Negotiations	2,020,000	673,333	
	<u>\$ 12,000,000</u>	<u>\$ 2,628,333</u>	22%
		Goal 4/12th	33%

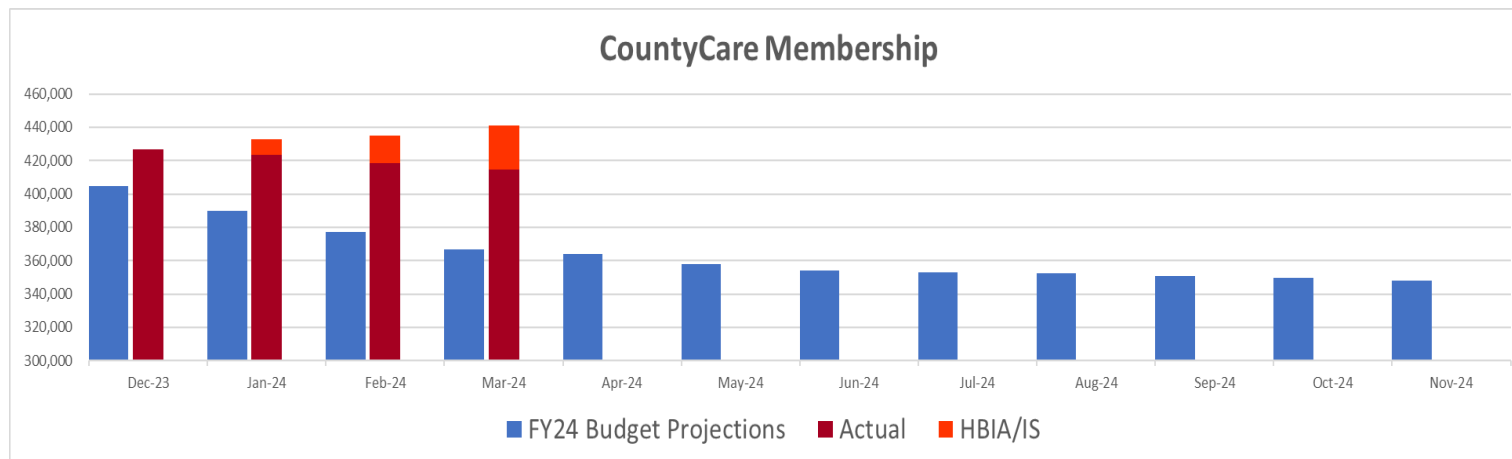


Health Plan Services Financial Results – March 31, 2024

Dollars in 000s except PMPM amounts	FY2024 Actual	FY2024 Budget	Variance	%	Fy23 Actual
Capitation Revenue	\$1,088,505	\$927,063	\$161,442	17.41%	\$991,426
Operating Expenses					
Clinical - CCH	\$31,997	\$40,082	\$8,085	20.17%	\$42,066
Clinical - External	\$999,572	\$833,887	(\$165,685)	(19.87%)	\$889,273
Administrative	\$55,030	\$53,094	(\$1,936)	(3.65%)	\$50,512
Total Expenses	\$1,086,599	\$927,063	(\$159,536)	(17.21%)	\$981,851
Operating Gain (Loss)	\$1,906	\$0	\$1,906		\$9,575
Activity Levels					
Member Months	1,736,167	1,538,690	197,477	12.83%	1,802,429
Monthly Membership	441,179	366,845	74,334	20.26%	452,215
CCH CountyCare Member Months	144,903	N/A	N/A	N/A	167,213
CCH % CountyCare Member Months	8.35%	N/A	N/A	N/A	9.28%
Operating Indicators					
Revenue Per Member Per Month (PMPM)	\$626.96	\$602.50	\$24.46	4.06%	\$550.05
Clinical Cost PMPM	\$594.16	\$568.00	(\$26.17)	(4.61%)	\$516.71
Medical Loss Ratio (1)	94.0%	94.3%	0.28%	0.29%	92.6%
Administrative Cost Ratio	5.0%	5.7%	0.71%	12.45%	5.0%
Total FTEs	349	435	86		

Commentary

- Total YTD member months are exceeding budget by 197,477 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 \$1.9M



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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