

# CCH YTD Financial Update – May 31, 2024



**Pamela Cassara, Chief Financial Officer**

**Scott Spencer, Associate Chief Financial Officer**

**Curtis Haley, Chief Revenue Officer**

**July 2024**



**COOK COUNTY  
HEALTH**

# Executive Summary: Statement of Financial Condition – May 31, 2024

- On an accrual basis, interim financials show that CCH ended May with a **\$179.3M favorable** variance to budget. On a cash basis, the County's preliminary cash report on revenues and expenses shows a **\$120.5M 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 financials at budget
  - Membership just over 430,000, which is 21.5% greater than budgeted

# Financial Results – May 31, 2024

Dollars in 000s	FY2024 Actual	FY2024 Budget	Variance	%	FY2023 Actual
<b>Revenue</b>					
Net Patient Service Revenue (1)	\$569,644	\$532,463	\$37,180	6.98%	\$587,471
Government Support (2)	\$190,627	\$185,711	\$4,916	2.65%	\$161,664
<b>Adjusted NPSR</b>	<b>\$760,271</b>	<b>\$718,174</b>	<b>\$42,096</b>	<b>5.86%</b>	<b>\$749,135</b>
CountyCare Capitation Revenue	\$1,676,052	\$1,362,637	\$313,415	23.00%	\$1,532,147
Other	\$36,239	\$11,000	\$25,239	229.45%	\$3,706
<b>Total Revenue</b>	<b>\$2,472,561</b>	<b>\$2,091,811</b>	<b>\$380,750</b>	<b>18.20%</b>	<b>\$2,284,988</b>
<b>Operating Expenses</b>					
Salaries & Benefits	\$382,634	\$432,762	\$50,128	11.58%	\$350,533
Overtime	\$26,757	\$22,817	(\$3,939)	-17.27%	\$24,687
Supplies & Pharmaceuticals	\$106,877	\$91,156	(\$15,720)	-17.25%	\$86,451
Purchased Services & Other	\$323,333	\$384,598	\$61,265	15.93%	\$310,833
Medical Claims Expense (1)	\$1,524,230	\$1,230,744	(\$293,486)	-23.85%	\$1,435,780
Insurance	\$14,945	\$15,180	\$235	1.55%	\$31,698
Utilities	\$6,514	\$6,942	\$428	6.17%	\$6,722
<b>Total Operating Expenses</b>	<b>\$2,385,289</b>	<b>\$2,184,200</b>	<b>(\$201,089)</b>	<b>-9.21%</b>	<b>\$2,246,703</b>
<b>Operating Margin</b>	<b>\$87,272</b>	<b>(\$92,389)</b>	<b>\$179,661</b>	<b>-194.46%</b>	<b>\$38,285</b>
<b>Non-Operating Revenue</b>	<b>\$97,669</b>	<b>\$97,998</b>	<b>(\$329)</b>	<b>-0.34%</b>	<b>\$71,649</b>
<b>Net Income (Loss)</b>	<b>\$184,941</b>	<b>\$5,609</b>	<b>\$179,332</b>	<b>3197.31%</b>	<b>\$109,934</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: May, 2024

### Key Revenue Indicators

Patient Activity <b>Stroger</b>	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual	May 2024 Actual	May 2023 Actual
Average Daily Census *	323	287	12.7%	295	267	323	306
Emergency Room Visits	45,339	40,647	11.5%	41,068	38,115	7,750	7,383
Surgeries	5,807	5,975	-2.8%	5,664	5,577	1,066	1,051

Patient Activity <b>Provident</b>	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual	May 2024 Actual	May 2023 Actual
Average Daily Census *	21	21	0.0%	20	10	18	18
Emergency Room Visits	13,024	12,910	0.9%	13,073	10,324	2,250	2,312
Surgeries	1,522	1,629	-6.6%	1,809	1,323	283	328

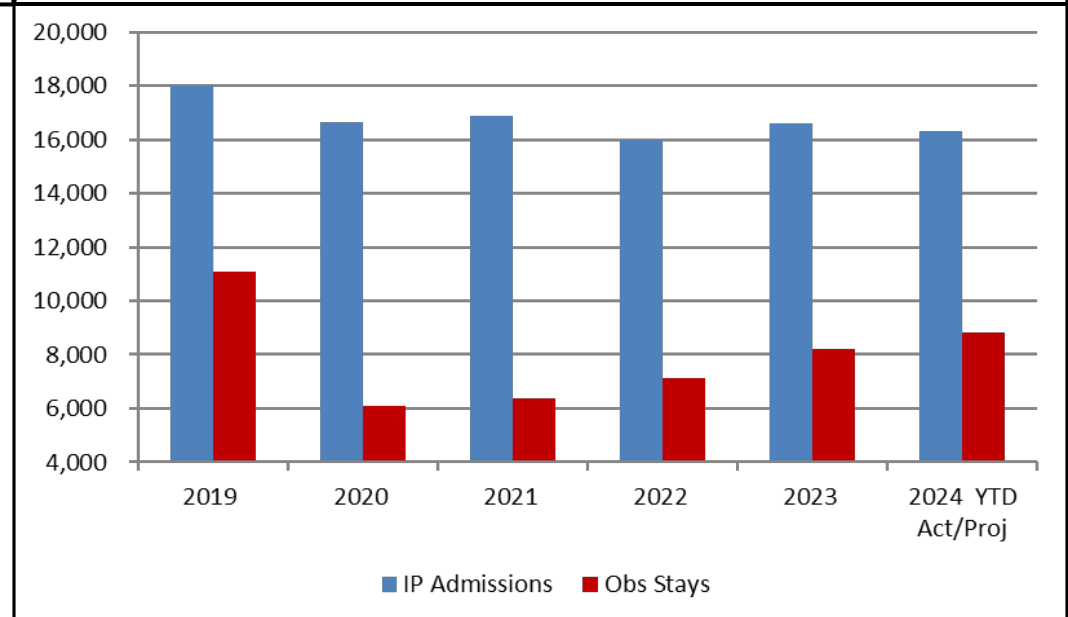
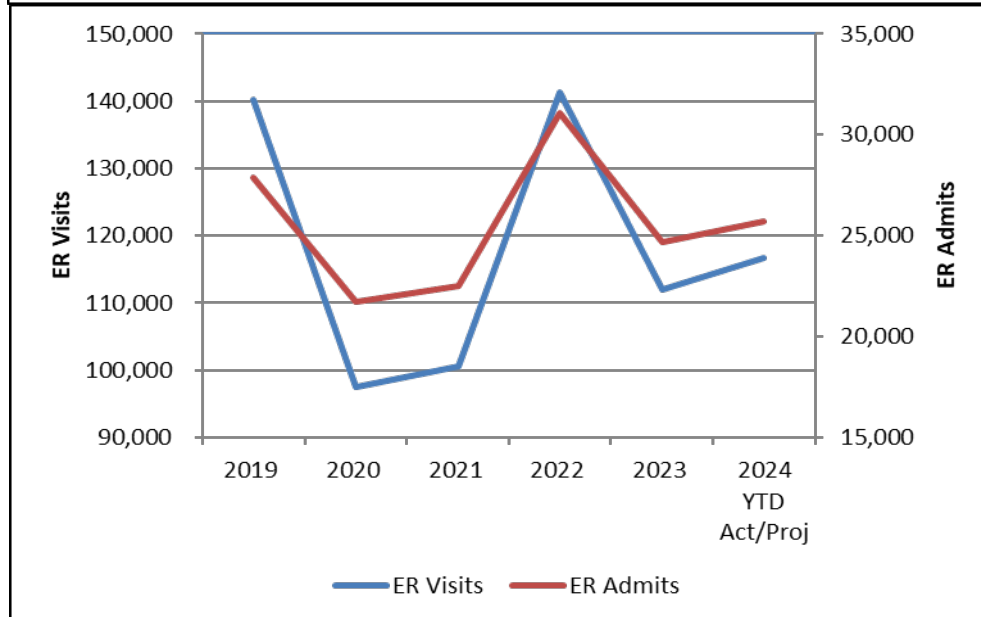
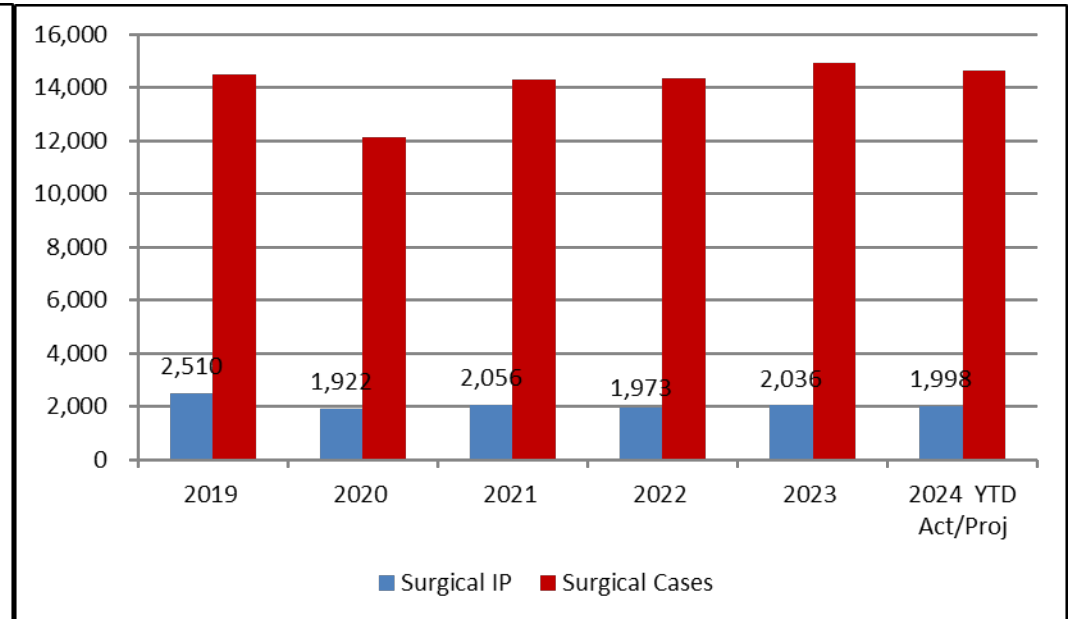
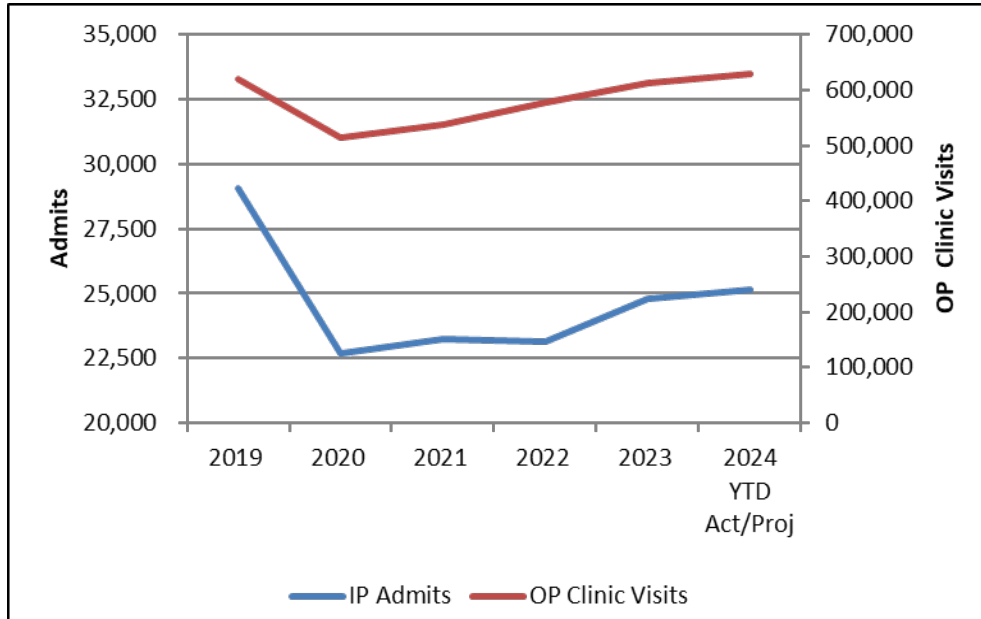
Patient Activity <b>ACHN</b>	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual	May 2024 Actual	May 2023 Actual
Primary Care Visits	121,202	117,822	2.9%	119,532	108,151	20,313	22,019
Specialty Care Visits	192,925	185,507	4.0%	188,960	179,187	33,177	34,437

CountyCare Membership	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual	May 2024 Actual	May 2023 Actual
Membership Count	435,326	376,761	15.5%	451,476	427,945	434,605	455,106

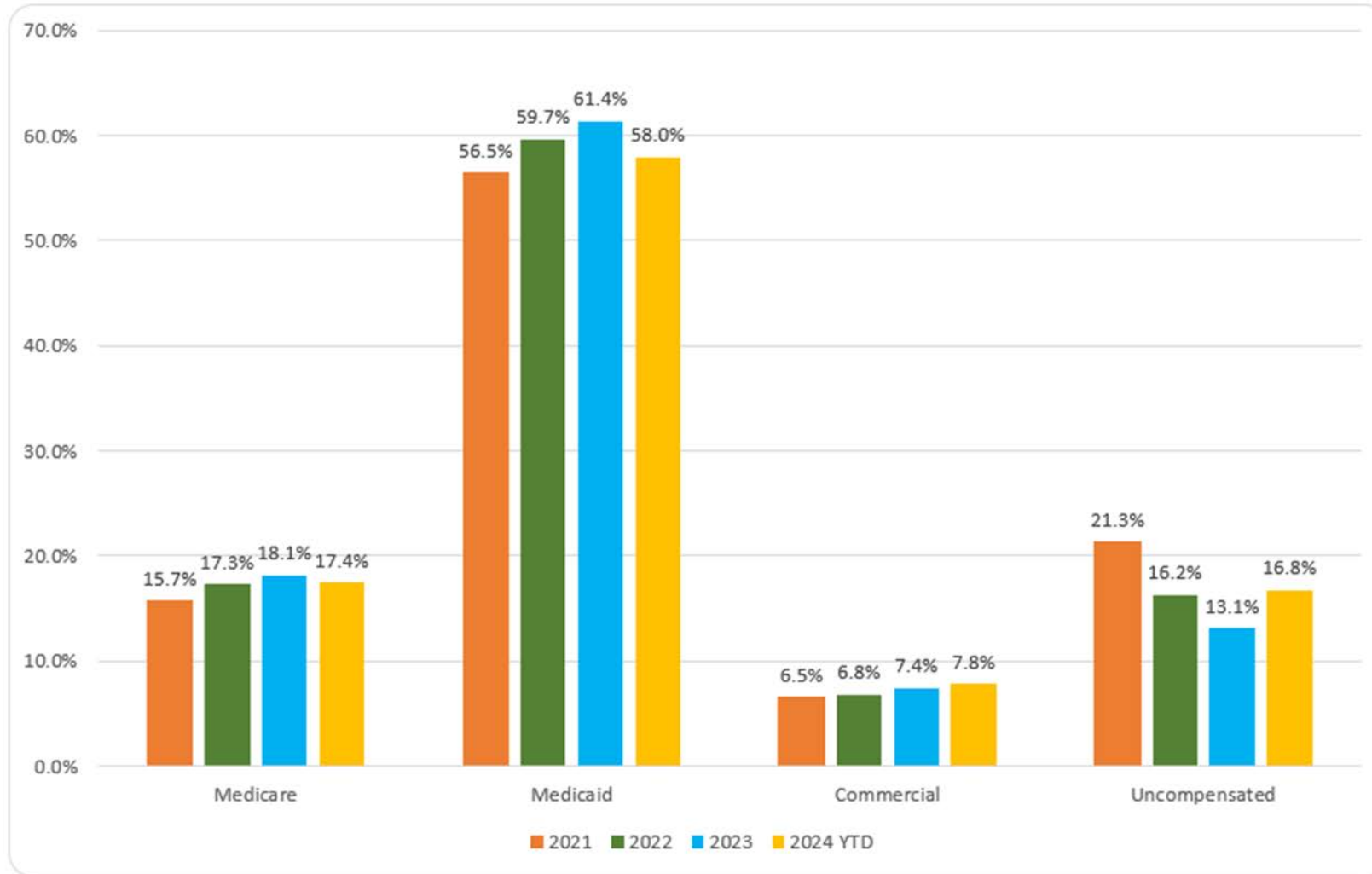
\* Includes IP + Observations

# Cook County Health

## Operating Trends



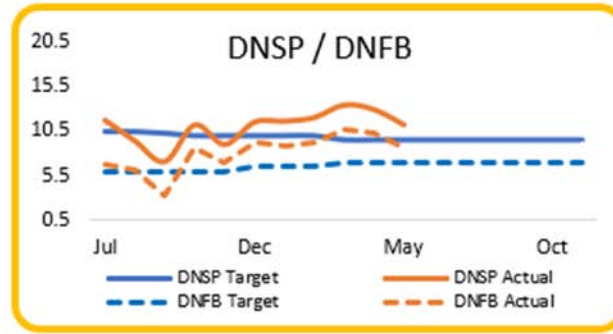
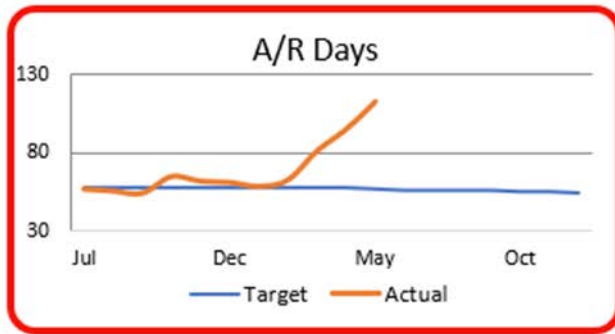
# YTD Payer Mix – YoY Comparison



## Commentary

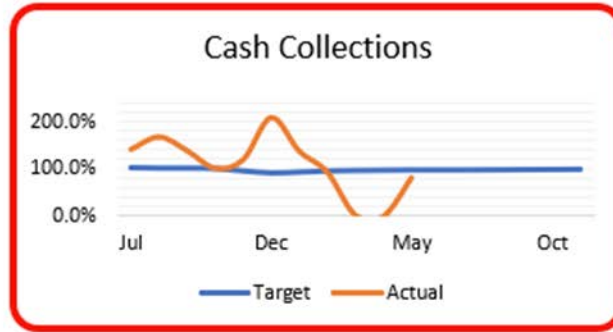
- Apr-May Change:
  - Medicare: -0.03%
  - Medicaid: -0.05%
  - Commercial: +0.02
  - Uncompensated: +0.06%
- Mar-Apr Change:
  - Medicare: +0.01%
  - Commercial: +0.01
  - Uncompensated: -0.01%
- Feb-Mar Change:
  - Medicare: -0.03%
  - Medicaid: -0.02%
  - Commercial: +0.02
  - Uncompensated: +0.02%

# Revenue Cycle KPI Trending



## 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.
- Have now resumed billing and begun to receive payments but the posting solution CCH uses to apply payments to the AR has not been reactivated by Change Health, therefore implementing a Cerner solution, HDX.
- \$69.4M in unposted cash as of 5/31/24.
- Anticipate full resolution by 8/31/24.

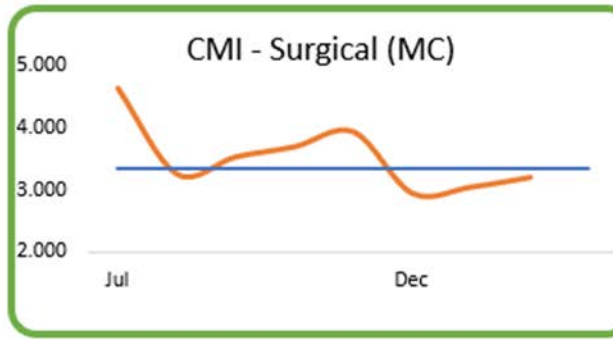
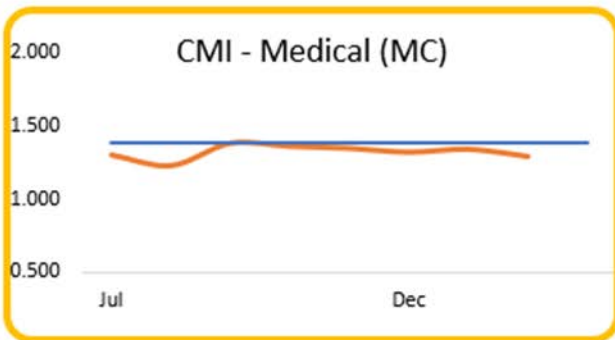


## Definitions:

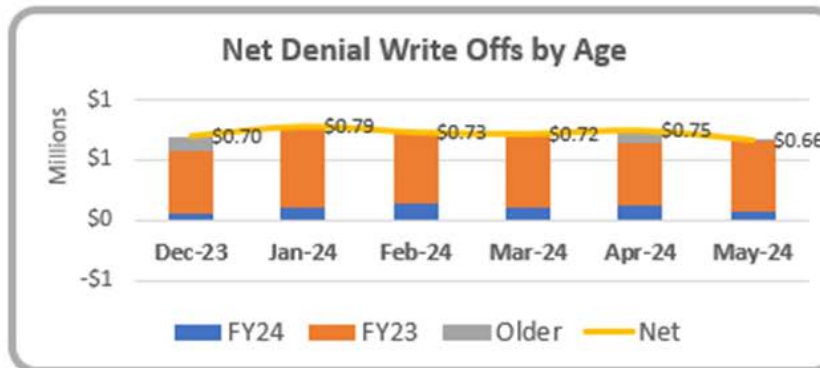
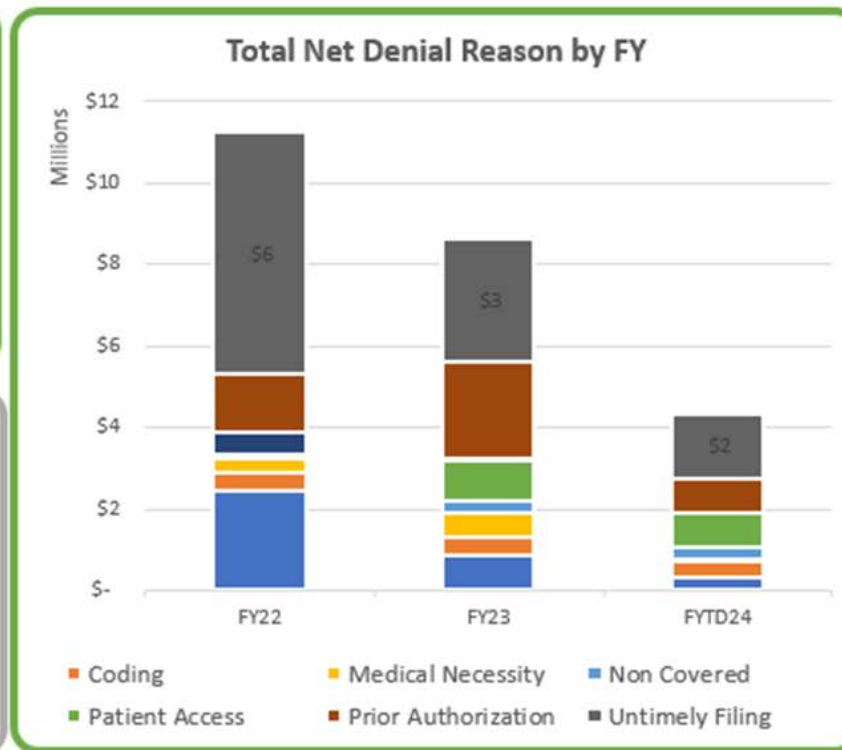
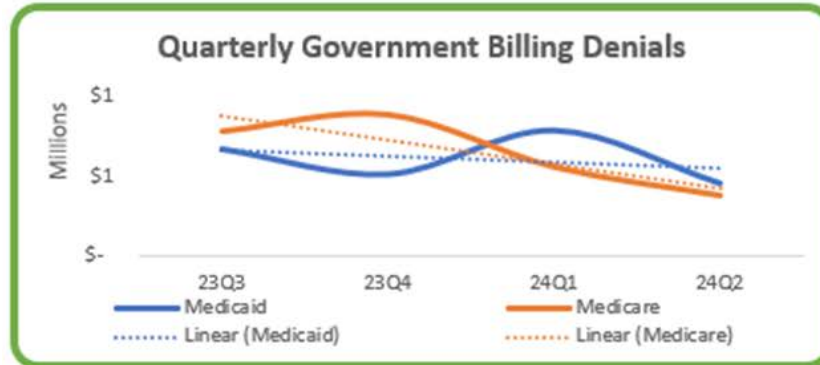
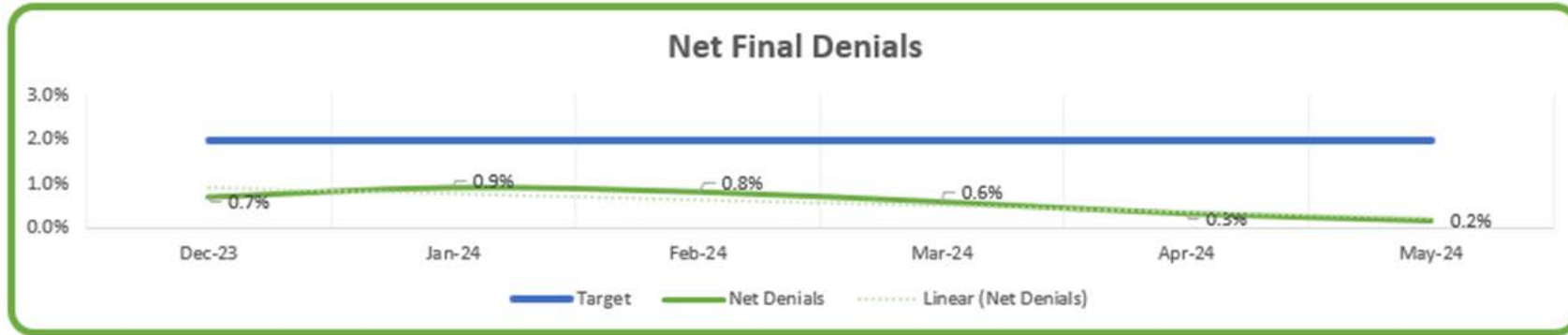
**DNSP: Discharged Not Submitted to Payer** - Gross dollars from initial 837 claims held by edits in claims processing tool that have not been sent to payer.

**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





# 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	\$ 146,582
Other Uncompensated Care	108,284	135,655	91,800	82,054
Cermak & JTDC Health Services	90,293	100,779	116,848	118,033
Department of Public Health	12,965	12,712	22,267	22,234
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>\$ 443,531</b>
% of Revenues *	36.9%	38.8%	30.3%	27.5%
% of Costs *	22.0%	23.1%	23.2%	25.7%

\* Excludes Health Plan Services

# Cook County Health

## Savings Initiatives: May 31, 2024

Current Activities in Progress	Budgeted FY24 Impact	YTD Achieved	Status
<b>Revenue Cycle:</b>			
Chargemaster Review/Changes	2,750,000	1,375,000	
Revenue Recovery	3,930,000	225,000	
Point of Service Collections	300,000	105,000	
<b>County Care:</b>			
Care Coordination Initiatives	3,000,000	1,500,000	
<b>Health System:</b>			
Vendor Contract Negotiations	2,020,000	1,010,000	
	<u>\$ 12,000,000</u>	<u>\$ 4,215,000</u>	35%
		Goal 6/12th	50%

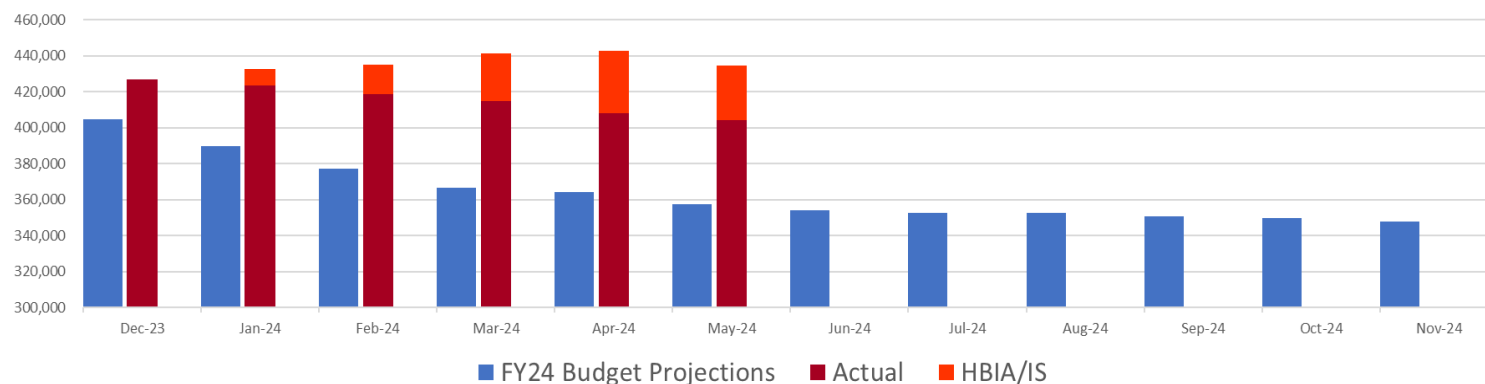
# Health Plan Services Financial Results – May 31, 2024

Dollars in 000s except PMPM amounts	FY2024 Actual	FY2024 Budget	Variance	%	Fy23 Actual
<b>Capitation Revenue</b>	\$1,676,634	\$1,365,442	\$311,191	22.79%	\$1,538,852
<b>Operating Expenses</b>					
Clinical - CCH	\$69,801	\$59,034	(\$10,767)	(18.24%)	\$61,626
Clinical - External	\$1,523,687	\$1,228,183	(\$295,504)	(24.06%)	\$1,400,655
Administrative	\$83,025	\$78,225	(\$4,800)	(6.14%)	\$74,729
Total Expenses	\$1,676,514	\$1,365,442	(\$311,071)	(22.78%)	\$1,537,011
Operating Gain (Loss)	\$120	\$0	\$120		\$1,842
<b>Activity Levels</b>					
Member Months	2,613,275	2,260,565	352,710	15.60%	2,715,624
Monthly Membership	434,605	357,691	76,914	21.50%	455,322
CCH CountyCare Member Months	214,809	N/A	N/A	N/A	250,490
CCH % CountyCare Member Months	8.22%	N/A	N/A	N/A	9.22%
<b>Operating Indicators</b>					
Revenue Per Member Per Month (PMPM)	\$641.58	\$604.03	\$37.56	6.22%	\$566.67
Clinical Cost PMPM	\$609.77	\$569.42	(\$40.34)	(7.09%)	\$538.47
Medical Loss Ratio (1)	93.9%	94.3%	0.38%	0.40%	94.1%
Administrative Cost Ratio	4.9%	5.7%	0.84%	14.60%	4.8%
Total FTEs	355	434	79		

## Commentary

- Total YTD member months are exceeding budget by 352,710 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 \$120k

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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