

Revenue Cycle Transformation Plan

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Chief Revenue Officer

October 2024



COOK COUNTY
HEALTH

Executive Summary

This year's revenue cycle performance and transformation plan progress has slowed due to a few items. First and most impactful is the Change Health cyber-attack that occurred in February 2024. This attack forced us to hold all our medical claims from late February to the beginning of May and our remittance posting operations from February to June. The other item that delayed progress was throughput delays in completing new vendor contracts. In summary, we are working closely with our partners to navigate through these items and expect to continue improvements in the coming months.

Annual CDM Pricing Review

- A CDM pricing update is scheduled to go live at the beginning of FY25 with an expected reimbursement improvement of \$3.07M.

Revenue Cycle Key Initiatives

- The financial resilience targets are off target but improving while we continue to recover from the Change Health impact.
- The growth, innovation, transformation items are on target and progressing as expected.

Denial Reduction Initiatives

- Progress in reducing denials continues with projected reductions expected in the three major denial reasons of prior auth, patient access and untimely filing.

CCH Annual Pricing Review FY25

	STRATEGIC INCREASE	NET REIMBURSEMENT IMPACT	CONTRACTUAL ALLOWANCE IMPACT	CHARITY IMPACT	BAD DEBT IMPACT
ROOM AND BOARD	1%	\$ 283,702	\$ 2,960,862	\$ 623,955	\$ 291,179
SURGERY	16%	\$ 1,462,208	\$ 33,254,859	\$ 6,676,359	\$ 3,115,634
EMERGENCY DEPT	32%	\$ 1,061,808	\$ 27,275,912	\$ 5,449,562	\$ 2,543,129
CARD CATH PROC	23%	\$ 258,294	\$ 5,180,174	\$ 1,045,859	\$ 488,068
	4%	\$ 3,066,011	\$ 68,671,806	\$ 13,795,734	\$ 6,438,009

Commentary

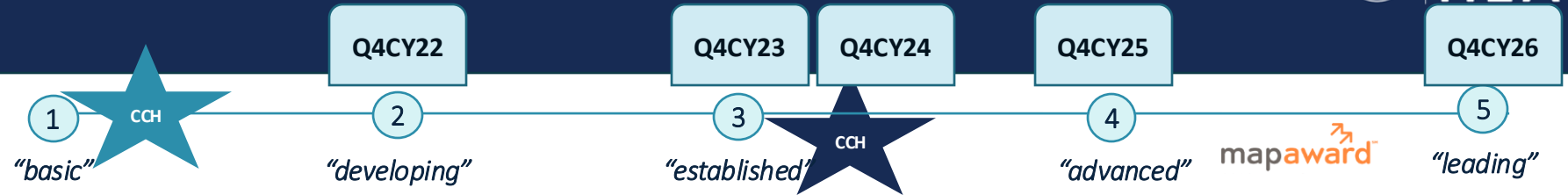
Current state, CCH's pricing is approximately 24% below the market with a 4% annual price increase cap from our payer contracts.

- Strategic Price Increase Target, focus on R & B (~1 % % below market) surgery rate (~16% below market) ED (~32% below market) and Cardiac Cath Procedures (~23% below market) realignment.

- Effective Date: 12/01/2024 with an annual review thereafter.

CCH R&B RATES COMPARED TO AREA HOSPITALS									
R&B TYPE	CCH	U of I	LOYOLA	MT SINAI	RUSH	NMH	AVERAGE		NEW PRICE
PRIVATE ROOM	\$3,177	\$2,991	\$3,929	\$4,279	\$2,120	\$2,674	\$3,199		\$3,177
SEMI-PVT	\$3,158	\$2,991	\$3,929	\$4,279	\$2,120	\$2,674	\$3,199		\$3,158
NICU LEVEL 1	\$2,583	\$5,047	\$2,218	\$2,252	\$1,331	\$2,783	\$2,726		\$2,712
NICU LEVEL 2	\$3,750	\$5,696	\$3,929	\$4,546	\$2,766	\$7,038	\$4,595		\$4,594
NICU LEVEL 3	\$5,612	\$6,175	\$5,026	\$5,194	\$4,620	\$8,550	\$5,913		\$5,893
NICU LEVEL 4	\$7,504	\$6,586	\$7,192	\$7,991	\$6,014	\$11,190	\$7,795		\$7,804
INTENSIVE CARE	\$5,906	\$6,586	\$6,879	\$6,155	\$4,370	\$5,994	\$5,997		\$6,024
INTERMEDIATE CARE	\$4,394	\$4,044	\$6,314	\$4,322	\$2,682	\$4,906	\$4,454		\$4,473
OBSERVATION PER HOUR	\$127	\$134	\$164	\$117	\$88	\$139	\$128		\$127
SURGERY TIME BASED LEVELS									
SURGERY BASIC LVL 1 - 1st hr	\$6,314	\$10,175	\$4,066	\$7,478	\$5,397	\$9,364	\$7,296		\$7,230
SURGERY INTER LVL 2 - 1st hr	\$8,551	\$10,175	\$4,244	\$7,478	\$7,361	\$18,848	\$9,621		\$9,492
SURGERY COMPL LVL 3 - 1st hr	\$10,172	\$16,713	\$6,968	\$7,478	\$7,852	\$23,496	\$12,501		\$12,308
EMERGENCY DEPT									
ER LEVEL 1	\$225	\$267	\$454		\$400		\$374		\$225
ER LEVEL 2	\$417	\$758	\$791	\$726	\$875	\$930	\$816		\$417
ER LEVEL 3	\$733	\$976	\$1,328	\$1,254	\$2,050	\$1,639	\$1,449		\$733
ER LEVEL 4	\$1,140	\$1,879	\$2,231	\$2,014	\$3,050	\$3,075	\$2,450		\$1,482
ER LEVEL 5	\$1,637	\$3,060	\$3,374	\$3,560	\$3,750	\$4,297	\$3,608		\$2,128
ER CRITICAL CARE 30-74 MIN	\$2,293	\$2,526	\$3,920	\$4,452	\$4,100	\$4,412	\$3,882		\$3,898
TRAUMA TEAM ACTIVATION	\$3,386			\$8,565			\$8,565		\$8,533
CARDIAC CATH PROCEDURES									
CCL PROCEDURES	\$12,937	\$22,493	\$20,274	\$11,908	\$14,181	\$17,734	\$16,807		\$15,913

Revenue Cycle Maturity



- 1 Process
- 2 Policies & Procedures
- 3 Technology
- 4 People & Organization
- 5 Performance Management

Level	Q4CY22	Q4CY23	Q4CY24	Q4CY25	Q4CY26
1 Process	<ul style="list-style-type: none"> Non-standard RCM processes. Local process ownership. No concept of end-to-end RCM process chain. 	<ul style="list-style-type: none"> 85% or more enterprise-wide standard processes for acute and professional services. Local and some global (enterprise) process ownership. Some optimization of end-to-end RCM process. 	<ul style="list-style-type: none"> 85% or more enterprise-wide standard processes for acute and professional services. Local and some global (enterprise) process ownership. Some optimization of end-to-end RCM process. 	<ul style="list-style-type: none"> 100% enterprise standard; optimized. Enterprise process owners for acute and professional services. Fully optimized end-to-end RCM process; innovation. 	<ul style="list-style-type: none"> 100% enterprise standard; optimized. Enterprise process owners for acute and professional services. Fully optimized end-to-end RCM process; innovation.
2 Policies & Procedures	<ul style="list-style-type: none"> Undefined and non-standard policies. Knowledge exists but no policy documentation. 	<ul style="list-style-type: none"> Written P&Ps are documented for acute and professional services. Understood, readily available and adhered to. 	<ul style="list-style-type: none"> Written P&Ps are documented for acute and professional services. Understood, readily available and adhered to. 	<ul style="list-style-type: none"> End-to-end RCM P&Ps are uniform across the institution for acute and professional services. Updated with changing business environment. Understood and followed. 	<ul style="list-style-type: none"> End-to-end RCM P&Ps are uniform across the institution for acute and professional services. Updated with changing business environment. Understood and followed.
3 Technology	<ul style="list-style-type: none"> IT and business not fully aligned. Multiple fragmented platforms/tools. Limited, ineffective automation. 	<ul style="list-style-type: none"> IT and RCM/business share accountability for acute and professional services. 80-85% platform standardized and automated. Business defines and validates requirements. 	<ul style="list-style-type: none"> IT and RCM/business share accountability for acute and professional services. 80-85% platform standardized and automated. Business defines and validates requirements. 	<ul style="list-style-type: none"> RCM/Business leads IT with joint accountability for acute and professional services. 100% platform standardization. Technology is a competitive advantage. 	<ul style="list-style-type: none"> RCM/Business leads IT with joint accountability for acute and professional services. 100% platform standardization. Technology is a competitive advantage.
4 People & Organization	<ul style="list-style-type: none"> Divisional autonomy. No centralized RCM organization. 60-80% FTE focused on transactional activities. 	<ul style="list-style-type: none"> Centralized RCM organization for acute and professional services. Initial service levels with business. 40-60% FTE focused on transactional activities; rest strategic and analytical 	<ul style="list-style-type: none"> Centralized RCM organization for acute and professional services. Initial service levels with business. 40-60% FTE focused on transactional activities; rest strategic and analytical 	<ul style="list-style-type: none"> Centralized and optimized RCM organization for acute and professional services. FTE focus is heavily strategic and analytical. RCM function creates future leaders. 	<ul style="list-style-type: none"> Centralized and optimized RCM organization for acute and professional services. FTE focus is heavily strategic and analytical. RCM function creates future leaders.
5 Performance Management	<ul style="list-style-type: none"> Locally driven KPI measures. Information rather than insight. Limited analytical capability. Vendor provided utilization and performance monitoring with minimal validation. 	<ul style="list-style-type: none"> Enterprise-wide KPI measurement and reporting for acute and professional services; but variance in local adoption/execution. Some analytical insights into revenue enhancement. Basic vendor utilization and performance monitoring. 	<ul style="list-style-type: none"> Enterprise-wide KPI measurement and reporting for acute and professional services; but variance in local adoption/execution. Some analytical insights into revenue enhancement. Basic vendor utilization and performance monitoring. 	<ul style="list-style-type: none"> Consistent enterprise-wide KPI measures & dashboards. Leading analytics into revenue enhancements. Frequent and clear vendor utilization and performance monitoring. 	<ul style="list-style-type: none"> Consistent enterprise-wide KPI measures & dashboards. Leading analytics into revenue enhancements. Frequent and clear vendor utilization and performance monitoring.

FY24 RC Key Initiatives Progress

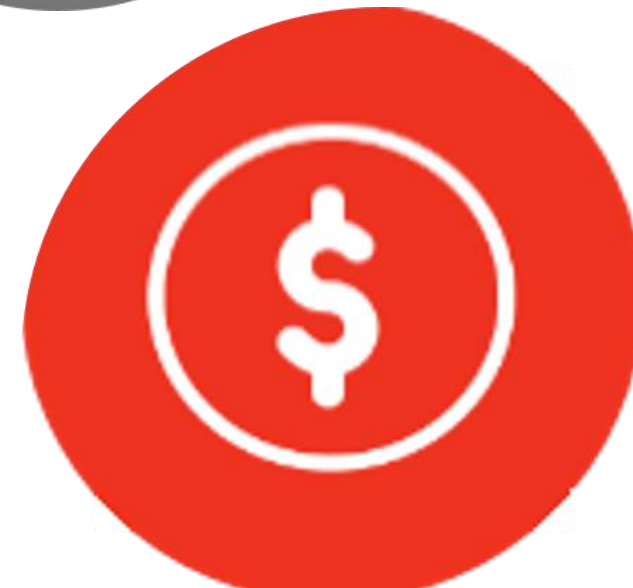
FISCAL RESILIENCE

- Patient Financial Services Improvements
 - AR > 90: FY23 29% FY24 58%
 - AR Days: FY23 61.7 FY24 102.3
- Pre-Patient Access / Patient Access Improvements
 - POS Collections: FY23 11.2% FY24 33.2%
 - Create System Standard Operating Procedures



GROWTH, INNOVATION & TRANSFORMATION

- Recruitment
 - Create Revenue Cycle Systems Team – Director role posted.
 - Redesign Financial Assistance Team – Leadership roles posted.
- Training & Quality Improvements
 - Improve production and quality visibility to front end teams
 - Create automated quality reviews against SOP



Denial Reduction Initiatives

	FY23 Improvement	FY24 Focus	FY24 Improvement
UNTIMELY FILING	FY22: \$25.8M FY23: \$14.8M \$11.0M	<ul style="list-style-type: none"> Contract and implement real-time claim statusing and eligibility. Integrate with Workers Comp/Liability partner Integrate with international AR partner 	FY23: \$14.8M FY24: \$14.1M* \$0.7M
PRIOR AUTHORIZATION	FY22: \$11.2M FY23: \$10.9M \$0.3M	<ul style="list-style-type: none"> Update union MOAs to reflect production and quality standards. Create Standard Operating Procedures. 	FY23: \$10.9M FY24: \$6.7M* \$4.2M
PATIENT ACCESS	FY22: \$5.4M FY23: \$4.7M \$0.7M	<ul style="list-style-type: none"> Create Standard Operating Procedures (ACHN) Align ACHN to OKR Initiatives and action items. 	FY23: \$4.7M FY24: \$4.5M* \$0.2M

**annualized*

