



# COOK COUNTY HEALTH & HOSPITALS SYSTEM

CCHHS Finance Committee  
FY 2018 Proposed Budget and Financial Plan  
August 25, 2017

Dr. Jay Shannon, CEO  
Doug Elwell, Deputy CEO for Finance & Strategy  
Ekerete Akpan, CFO



COOK COUNTY HEALTH  
& HOSPITALS SYSTEM  
**CCHHS**

# FY 2017 ACCOMPLISHMENTS



COOK COUNTY HEALTH  
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# FY 2017 Accomplishments

## Deliver High Quality Care

- Increased mental health and substance abuse services
  - Prescription of Medication Assisted Treatment (MAT) and naloxone for eligible patients in Cook County Jail
  - Continued integration of behavioral health services into primary care
  - Assumed operations of City behavioral health center in Roseland
  - Established mental health screening in bond court
  - Expanded the Behavioral Health Consortium
- Deployed care coordination throughout the health system
- Continued improvement in care delivery to detainees
- Initiated system-wide patient safety initiative
- Successful Joint Commission Stroger Hospital extension survey which included most of ACHN
- Achieved 92% compliance with influenza vaccination campaign
- Completed NCQA certification process for CountyCare
- Recertified as Level 1 Trauma Center (Stroger)
- Stroger Hospital recognized by US News & World Report as a high performing cardiac care hospital



# FY 2017 Accomplishments

## Grow to Serve and Compete

- Capital projects:
  - Stroger Hospital Women & Children's Center (4<sup>th</sup> Floor)
  - Imaging Department upgrades
  - Same-day surgery
  - Lab automation
  - Pharmacy consolidation and expansion
  - Central Campus clinic/department relocations
  - Health Information Management/Release of Records
  - Hospital Police
  - Progress toward new Central Campus Health Center, Provident Regional Outpatient Center, Vista Health Center, Logan Square Health Center, Cicero
- Awarded new MCO contract with State of Illinois
- Launched/Sustained CCHHS and CountyCare marketing campaigns
- Increased volumes in surgery, mammograms and obstetrics



# FY 2017 Accomplishments

## Foster Fiscal Stewardship

- Increased revenue from MCO contracts
- Launched extensive internal billing and coding efforts
- Leveraged technology solutions to improve care quality and efficiency
  - Clairvia
  - Vizient
  - e-Consult
  - Time & Attendance
  - Enterprise Resource Planning (ERP)
  - CommonWell Health Alliance, CareConnect and HUB
  - Texture (Care Management)
  - Advisory Board



# FY 2017 Accomplishments

## Invest in Resources

- Completed assessment of clinical equipment system-wide
- Exceeded staff participation goal in the CCHHS Culture of Safety survey
- Extended hours at community health centers
- Progress toward substantial compliance in employment plan

## Leverage Valuable Assets

- Established Innovation Center to leverage skills of Institutional Review Board, Clinical Research Unit and Business Intelligence
  - Established research collaborative on gun violence



# FY 2017 Accomplishments

## Impact Social Determinants of Health

- Established new/expanded programs to address social determinants of health:
  - CountyCare housing initiative
  - Farmer's Markets
  - GCFD Fresh Truck locations
- Obtained \$4 million in grant funding to address social determinants of health, expand behavioral health services and more

## Advocate for Patients

- Commenced coordinated health program for uninsured CCHHS patients
- Formed board and staff workgroup to inform staff training and strengthen communication of historical mission of inclusiveness for all patients
- Positioned CCHHS as national thought leader on health care reform



# FY 2018 PROPOSED BUDGET



COOK COUNTY HEALTH  
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# FY 2018 Proposed Budget

- Continues transformation toward a patient-centered health system
- Supports continued efforts in care management and behavioral health
- Strengthens critical business functions (billing, coding, denial management)
- Assumes CountyCare membership at 225,000 representing most of the year-over-year growth
- FTE count flat year-over-year



# FY 2017 – 2018 Budget (\$, in Millions)

	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed
<b><u>Revenues</u></b>			
Revenue	1,480	1,399	1,943
Cook County Allocation	112	105	110
Cook County Pension Contribution	45	125	125
<b>Total Available Funds</b>	<b>1,637</b>	<b>1,629</b>	<b>2,178</b>
<b><u>Expenses</u></b>			
Hospital-Based Services	890	944	976
CountyCare External Expenses	557	654	1,013
Health Administration	139	81	92
Ambulatory Services	142	150	190
Correctional Health	104	108	129
Public Health	17	15	18
<b>Total Expenditures</b>	<b>1,849</b>	<b>1,952</b>	<b>2,417</b>
<b>Net Surplus/ (Deficit)</b>	<b>(213)</b>	<b>(324)</b>	<b>(239)</b>
<b><u>Non-Cash Expenditures</u></b>			
Pension	175	196	196
Depreciation	28	28	28
Self-Insurance Reserve	15	15	15

# FY 2018 Budget Drivers

- Improve the patient experience, reliability, and safety culture
- Maximize patient benefit of CCHHS staffing and facilities
- Sustain financial position
- Sustain and grow CountyCare membership and improve CCHHS capture within CountyCare



# FY 2018 Volume

Visit Type	Monthly Average			Monthly Projection	Difference
	FY 2015	FY 2016	FY 2017*	FY 2018	FY18 v. FY17
<b>Surgical Cases</b>	1,135	1,238	1,176	1,294	10%
<b>Emergency Visits</b>	12,432	12,901	12,611	12,611	0%
<b>Primary Care Visits</b>	17,159	18,436	18,223	20,045	10%
<b>Specialty Care Visits</b>	20,135	20,230	19,800	21,780	10%
<b>Deliveries</b>	72	83	85	93	10%

\*based on first 8 months of FY2017



# FY 2018 Revenue Assumptions

- Increased revenues related to clinical activity by CCHHS providers
  - CountyCare
    - Growth in membership related to RFP impact
    - Tighter network
    - Rates remain flat
  - Greater alignment with FQHC partners
  - Non-CountyCare MCOs
    - Sub-Capitation
  - Medicare and commercial contracts
  - Aggressive denial management strategy
  - Billing & Coding
- Disproportionate Share Hospital (DSH) and Benefits Improvement and Protection Act (BIPA) stable



# FY 2018 Major Expense Assumptions

## Salaries & Benefits

- In FY2018, personnel costs increase per Collective Bargaining Agreements
- Continued transformation and realignment of workforce to improve patient experience, enhance care coordination and reduce denials of payments
- FTE realignment will result in progressive decline in overtime expenses

## Other Costs

- Increasing uncompensated care
- Capital and other expenses related to new/improved facilities
- Pharmacy expense increases



# Controlling Expenses

- Contract monitoring
- Project management reviews
- Insourcing/Outsourcing
- Overtime and agency expenses
- Prioritize strategic initiatives



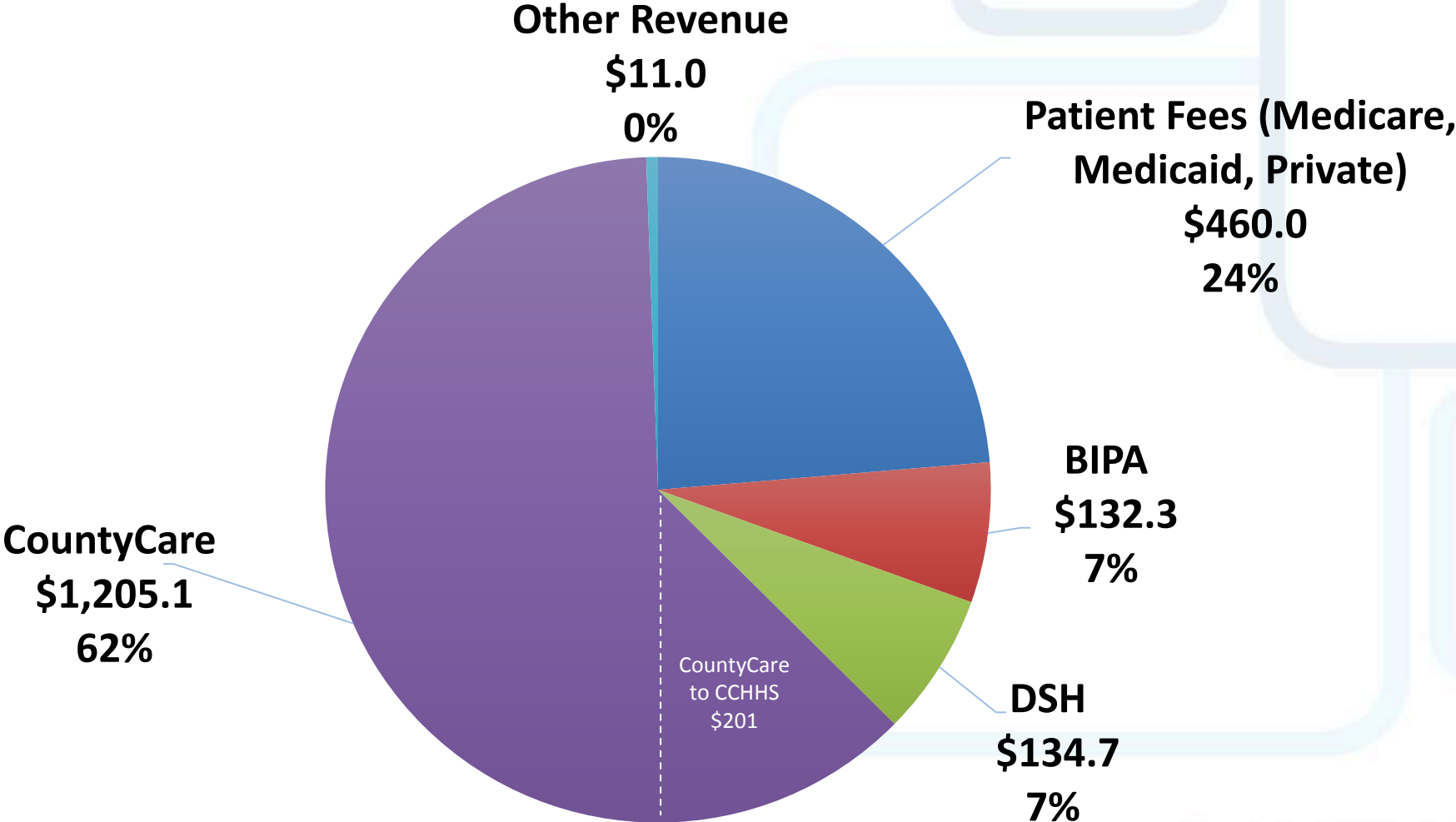
# Critical Success Factors

- Affordable Care Act
- Medicaid membership
- Managed Care Organization Contract Approval
- Medicaid rates
- Patient experience
- Pilot projects
- Partnerships with labor
- Improved productivity
- Strategic partnerships
- Larger healthcare environment

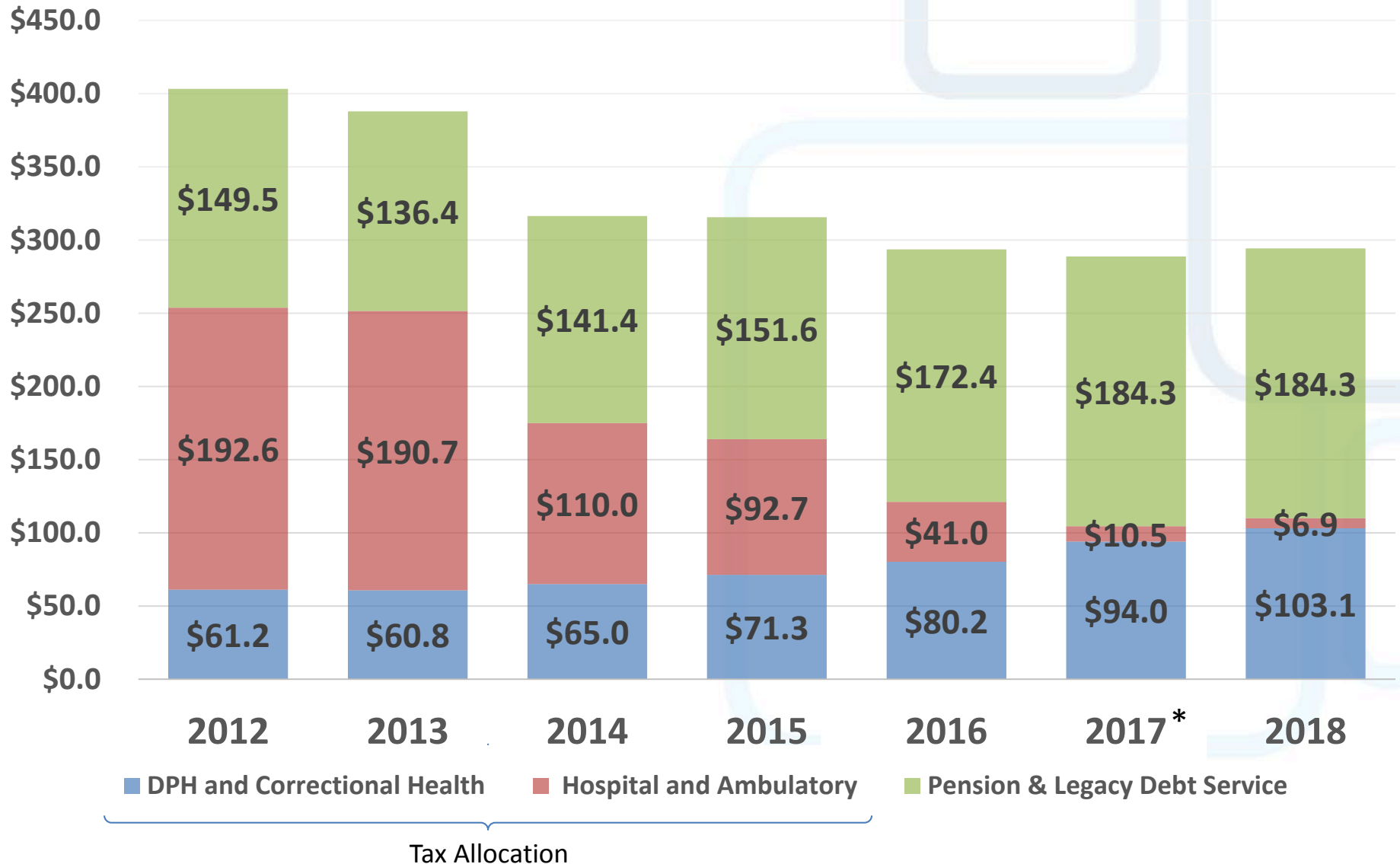




# FY 2018 Revenue by Source (in millions)

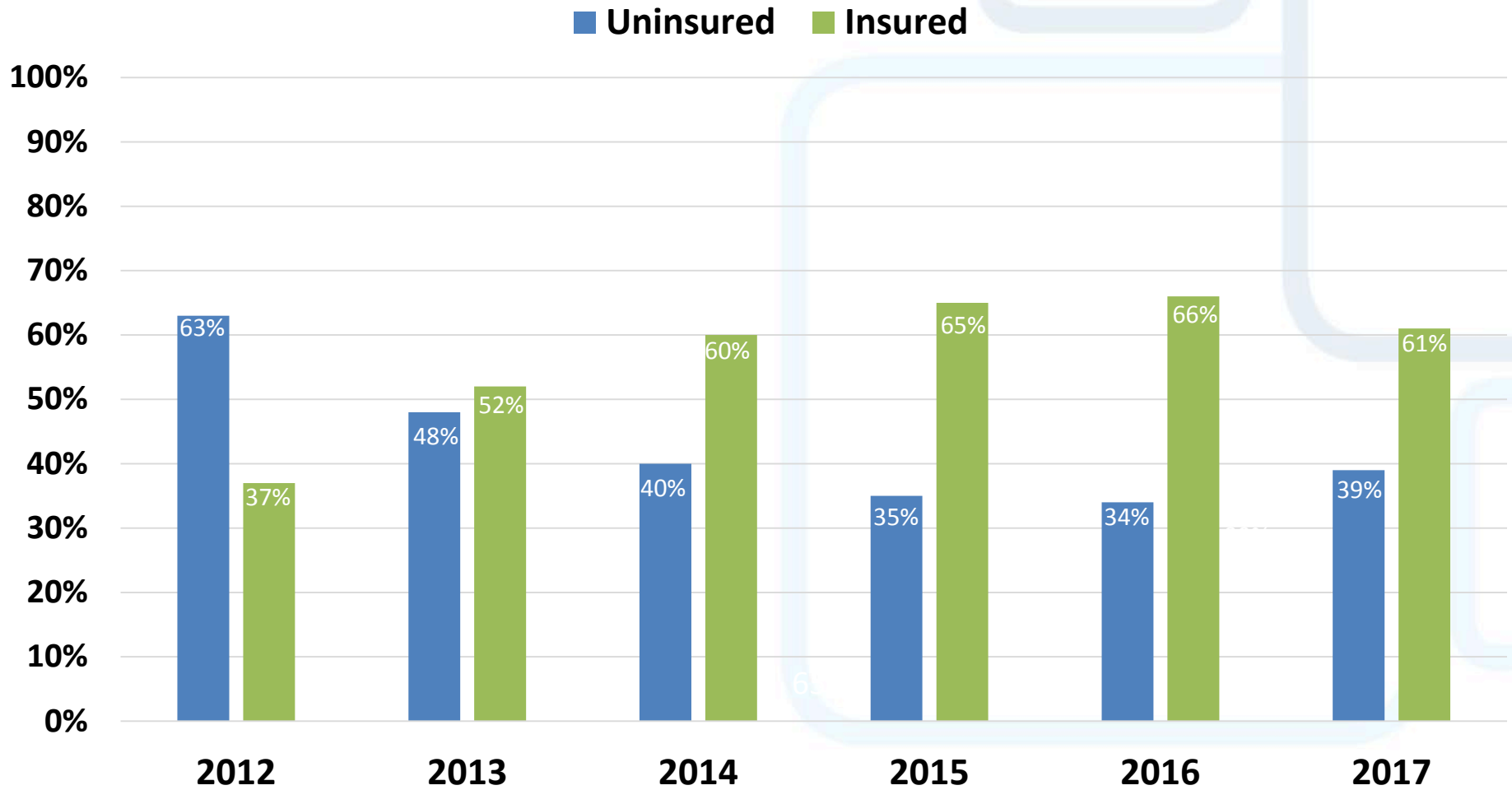


# Cook County Support to CCHHS

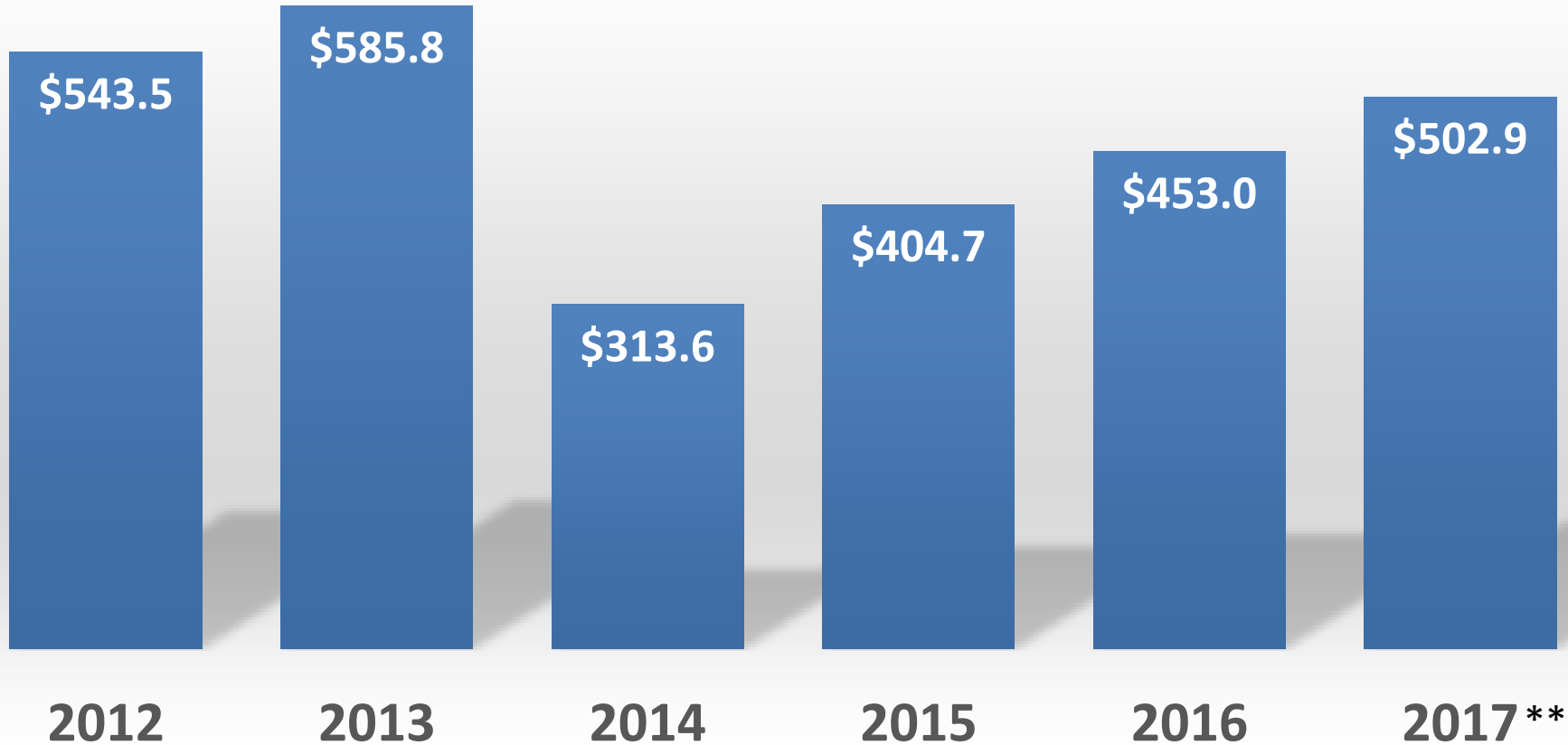


\* \$7M reduction in July

# Insurance Status by Unique Patients



# CCHHS Uncompensated Care\*



\* Charity Care + Bad Debt

\*\* FY2017 projected to increase 11% over FY2016 Actuals



# FY 2018 Proposed CountyCare Financial Summary

	ACA Adult	FHP	SPD	TOTAL
<b>Membership</b>	<b>75,000</b>	<b>135,000</b>	<b>15,000</b>	<b>225,000</b>
<b>Revenue (in millions)</b>	<b>\$530</b>	<b>\$376</b>	<b>\$299</b>	<b>\$1,205</b>
<b>Medical Expense (CCHHS)</b>	<b>96</b>	<b>32</b>	<b>66</b>	<b>194</b>
<b>Medical Expense (Network)</b>	<b>414</b>	<b>310</b>	<b>227</b>	<b>951</b>
<b>Administrative Expense</b>	<b>18</b>	<b>32</b>	<b>4</b>	<b>53</b>
<b>Total Expenses (in millions)</b>	<b>\$528</b>	<b>\$374</b>	<b>\$297</b>	<b>\$1,198</b>
<b>Profit/(Loss)</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>7</b>
<b>Total CCHHS Contribution</b>	<b>\$98</b>	<b>\$34</b>	<b>\$69</b>	<b>\$201</b>



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# FY2018 FTE Count

## Full Time Equivalent Position Count

	FY 2017 Adopted	FY 2018 Proposed	Difference
<b>Ambulatory Services</b>	<b>1,016</b>	<b>1,056</b>	<b>4%</b>
ACHN	859	918	6%
CORE Center	78	76	-3%
Oak Forest	79	62	-27%
<b>Correctional Health</b>	<b>674</b>	<b>702</b>	<b>4%</b>
Cermak	636	669	5%
JTDC	38	33	-15%
<b>CountyCare</b>	<b>98</b>	<b>120</b>	<b>18%</b>
<b>Health System Administration</b>	<b>494</b>	<b>510</b>	<b>3%</b>
<b>Public Health</b>	<b>120</b>	<b>108</b>	<b>-11%</b>
<b>Hospital-Based Services</b>	<b>4,463</b>	<b>4,360</b>	<b>-2%</b>
Stroger Hospital	4,121	4,023	-2%
Provident Hospital	342	337	-1%
<b>CCHHS Total</b>	<b>6,865</b>	<b>6,856</b>	<b>-0.1%</b>

# FY 2018 – 2020 PROJECTIONS





# FY2017 – 2020 Accrual Basis Financial Projections

## (in Millions)

	FY 2017 Projected	FY 2018 Proposed	FY 2019 Proposed	FY 2020 Proposed
<b><u>Revenues</u></b>				
Revenue	1,399	1,943	2,000	2,040
Cook County Allocation	105	110	110	110
Cook County Pension Contribution	125	125	125	125
<b>Total Available Funds</b>	<b>1,629</b>	<b>2,178</b>	<b>2,235</b>	<b>2,275</b>
<b><u>Expenses</u></b>				
Hospital-Based Services	944	976	976	1,003
CountyCare External Expenses	654	1,013	1,010	1,000
Health Administration	81	92	92	92
Ambulatory Services	150	190	200	210
Correctional Health	108	129	130	130
Public Health	15	18	21	24
<b>Total Expenditures</b>	<b>1,952</b>	<b>2,417</b>	<b>2,429</b>	<b>2,459</b>
<b>Net Surplus/ (Deficit)</b>	<b>(324)</b>	<b>(239)</b>	<b>(194)</b>	<b>(184)</b>
<b>Non-Cash Expenditures</b>				
Pension	196	196	196	196
Depreciation	28	28	28	28
Self-Insurance Reserve	15	15	15	15

# Environmental Factors

- Potential for significant modification to the ACA
- MCO Contract Approval
- CountyCare membership
- Medicaid rates
- Patient experience
- Partnerships with labor
- Improved productivity
- Strategic partnerships
- Larger healthcare environment



# Questions?



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Finance Committee I August 25, 2017