



COOK COUNTY HEALTH & HOSPITALS SYSTEM

FY2019 Proposed Budget and Financial Plan
August, 2018

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COOK COUNTY HEALTH
& HOSPITALS SYSTEM
CC+HHS

FY2018 Accomplishments



FY2018 Major Accomplishments

- Transition of more than 200,000 new members into CountyCare.
- U.S. District Court dissolved the 2010 Consent Decree involving Cermak Health Services.
- Stroger Hospital re-designated as a Level III Perinatal Center.
- Stroger Hospital's Burn Unit reaccredited by the American Burn Association.
- U.S. News and World Report recognized Stroger Hospital with its highest rating for heart failure care in their annual Best Hospital ranking.
- CCHHS' hospitals and outpatient centers achieved Health Information Management Systems Society (HIMSS) Stage 7 in 2018. Only 6.4% of providers in the US have reached Stage 7.
- Stroger Hospital recertified as Advanced Primary Stroke Center by The Joint Commission.



FY2018 Major Accomplishments

- Notable capital equipment, clinical, revenue cycle and facility improvements investments* include;
 - \$17.9M in medical equipment
 - \$9.6M in Health Information Technology equipment and upgrades
 - \$8.7M for fixtures & buildouts of new professional office building
 - \$0.4M in safety and communications equipment at Cermak Health Services
 - \$8.7M in revenue cycle systems and technology upgrades

*Capital /equipment and facility improvement investment amounts represent full assets values already financed or in advanced planning stages for financing by end of FY2018 through leases and other mechanisms which typically requires a 3 to 5 year payment period



FY2019 Proposed Budget



FY2019 Proposed Budget Executive Summary

The FY2019 annual budget proposal moves CCHHS into the final year of Impact 2020.

The FY2019 budget:

- Reflects organizational focus on quality improvements, patient satisfaction and regulatory compliance;
- Continues the strategic development of service lines to grow and compete while meeting healthcare needs of Cook County residents;
- Continues efforts to build and integrate clinical and managed care capacity across all care settings; and
- Supports organizational capacity to improve clinical documentation, billing, coding, collections and other revenue cycle activities.



FY2019 Initiatives

Deliver High Quality Care

- Establish outpatient dialysis services at Provident
- Increase surgery services at Stroger and Provident
- Grow outpatient services by maximizing health center access
- Expand community-based dental services
- Invest in care coordination to improve patient outcomes and health
- Establish mental health services at Juvenile Temporary Detention Center and for court-involved youth

Grow to Serve and Compete

- Sustain and grow CountyCare membership by 3%
- Increase CountyCare members use of CCHHS services
- Opening of new/renovated facilities will increase capacity to drive volumes
- Expand services offered in community centers for women and children
- Continue building behavioral health services/capacity

Foster Fiscal Stewardship

- Sustain financial position including level tax allocation at \$101.9M
- Invest in care coordination to improve patient care and better control costs
- Continually improve billing and collection processes
- Conduct operational reviews for efficiencies
- Reduce overtime and registry usage
- Monitor critical contracts
- Prioritize strategic initiatives
- Build on success in securing grant resources



FY2019 Initiatives

Invest in Resources

- Replace aging capital equipment
- Improve employee engagement through training investments, leadership rounding, annual performance evaluation
- Partner with labor, developing shared vision for organizational success with a patient-centered focus

Leverage Valuable Assets

- Leverage systems such as Time and Attendance to improve management

Impact Social Determinants of Health

- Expand “Food as Medicine” and Women, Infants and Children (WIC) services at community health centers
- Supportive housing for medically-at-risk populations
- Expand evidence-based practices and innovations in addressing substance use disorders

Advocate for Patients

- Provide improved health care for the uninsured and justice-involved population
- Protect critical federal/state programs including the Affordable Care Act, 340B Drug Discount Program, Medicaid coverage and rates



FY2019 Proposed Budget

Revenue Drivers

- Increase in CountyCare membership to 345,000
- Increases due to initiatives in the following areas:
 - Dialysis services
 - Surgery at Provident and Stroger
 - New larger primary care clinics in the community
 - Professional Office Building on Central Campus
 - Specialists physicians in the community
 - Provident services
 - Care Coordination
- Professional and facility billing improvements



FY2019 Proposed Budget

Expense Drivers

- Increase in CountyCare membership
- Insourcing where costs can be reduced and quality enhanced
- Wage increases, driven by negotiated salary changes
- Mental health services at the Juvenile Temporary Detention Center
- Pharmacy and medical supplies usage and inflation
- Health Information Technology investments
- Investments in revenue cycle
- Moving from Oak Forest campus assumed by end of 1st quarter 2019



FY 2018 Volume

Visit Type	Monthly Average			Monthly Projection	Difference
	FY 2016	FY 2017	FY 2018 *	FY 2019	FY19 v. FY18
Surgical Cases	1,238	1,233	1,245	1,320	6%
Emergency Visits	12,901	12,074	12,037	12,750	6%
Primary Care Visits	18,436	18,482	18,144	19,051	5%
Specialty Care Visits	20,230	20,143	21,325	22,391	5%
Deliveries	83	98	81	90	11%



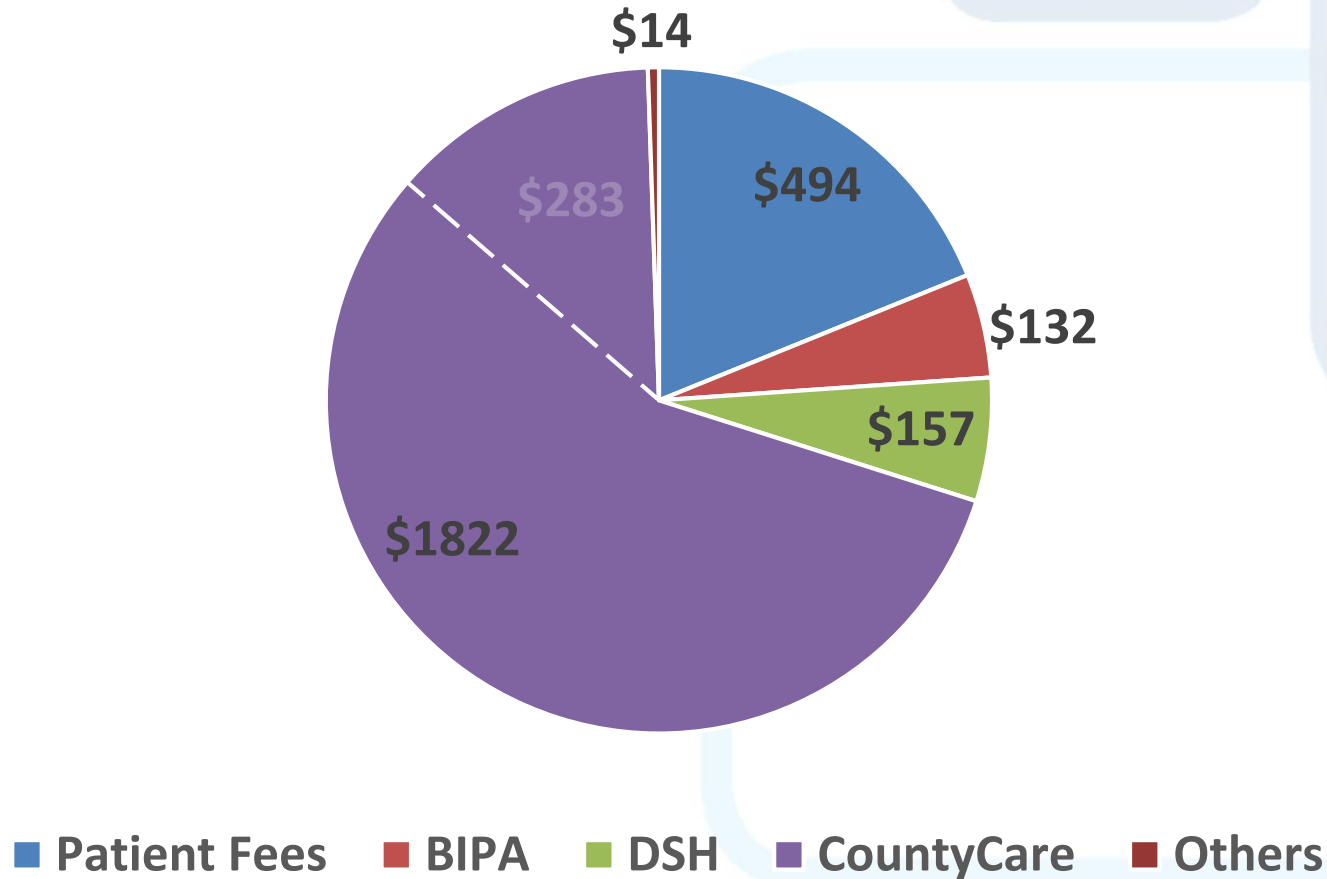
FY 2018 – 2019 Budget (in Millions)

	FY 2018 Adj. App.	FY 2018 Proj. YE	FY 2019 Proposed
Revenues			
CCHHS Revenue	\$2,478	\$2,479	\$2,619
Cook County Allocation	\$102	\$102	\$102
County Pension Contribution	\$129	\$129	\$129
Total Available Funds	\$2,708	\$2,709	\$2,849
Expenses			
Hospital-Based Services	\$909	\$924	\$1,023
CountyCare	\$1,531	\$1,531	\$1,572
Health Administration	\$79	\$76	\$68
Ambulatory Services	\$175	\$168	\$165
Correctional Health Services	\$119	\$115	\$125
Public Health Services	\$16	\$16	\$17
Total Expenditures	\$2,829	\$2,830	\$2,970
Accrual Basis Net Surplus/ (Deficit)	(\$120)	(\$120)	(\$120)
Non-Cash Expenditures			
Pension	\$86	\$86	\$86
Depreciation	\$34	\$34	\$34
Self Insurance	\$0	\$0	\$0
Cash Basis Net Surplus/ (Deficit)	(\$0)	\$0	(\$0)

FY2019 Proposed CountyCare Financial Summary (in millions)

	ACA Adult	FHP	SPD	MLTSS/LTSS /IMD	TOTAL
Projected 2019 Membership	82,000	222,000	31,000	10,000	345,000
Revenue (in millions)	\$517	\$505	\$511	\$288	\$1,822
Medical Expense (CCHHS)	137	25	117	0	279
Medical Expense (Network)	357	448	374	276	1,455
Administrative Expense	24	32	19	8	83
Total Expenses (in millions)	\$517	\$505	\$511	\$284	\$1,817
Profit/(Loss)	\$0	\$0	\$1	\$4	\$5
Total CCHHS Contribution	\$137	\$25	\$118	\$3.7	\$283

FY2019 Proposed External Revenue by Source (in millions)



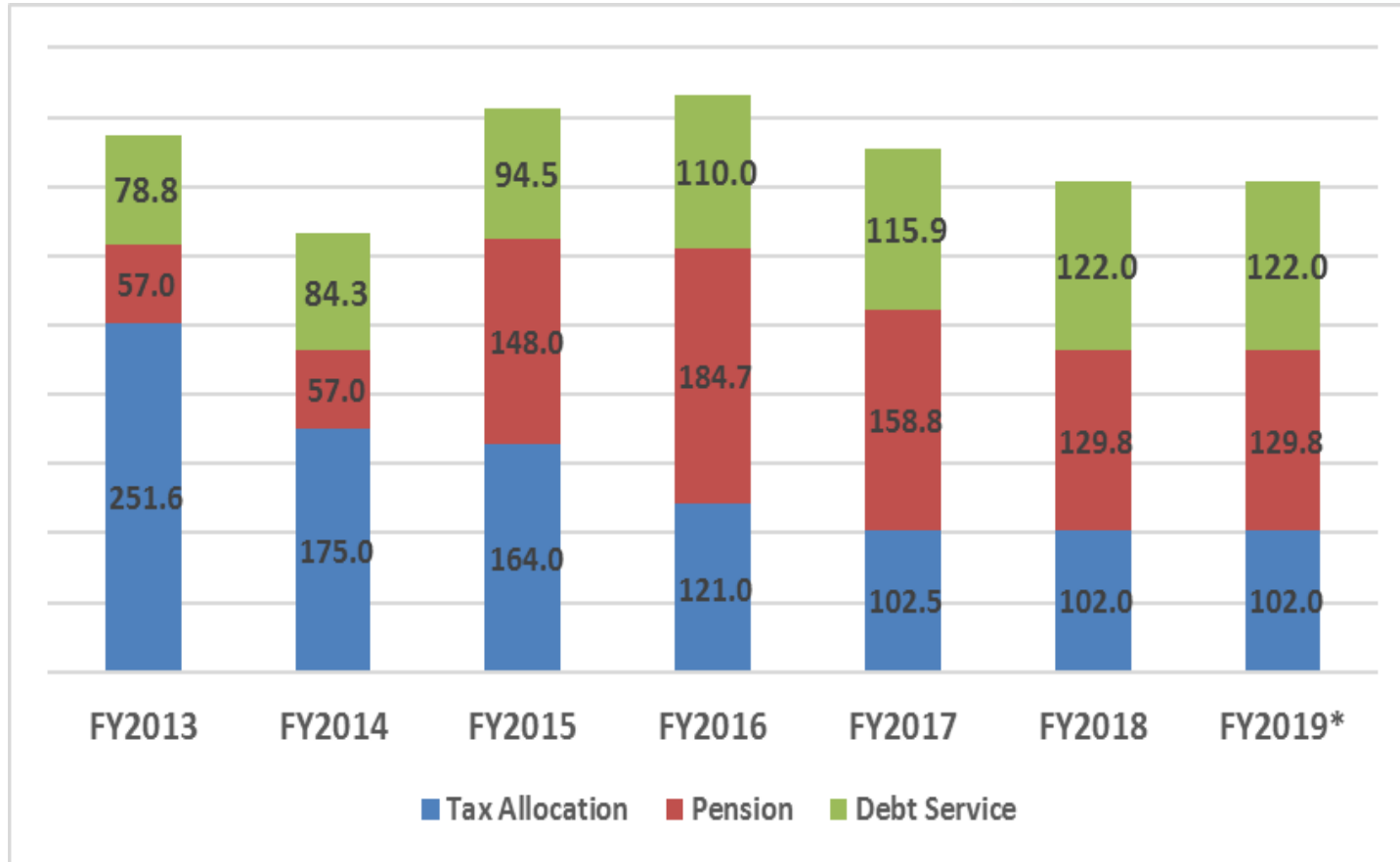
DSH: Disproportionate Share Hospital Payments

BIPA: Benefits Improvement and Protection Act Payments



COOK COUNTY HEALTH
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CCHHS

Cook County Pension, Debt Service & Operating Allocation (in millions)



The FY18 tax allocation toward CCHHS operations is \$102M.

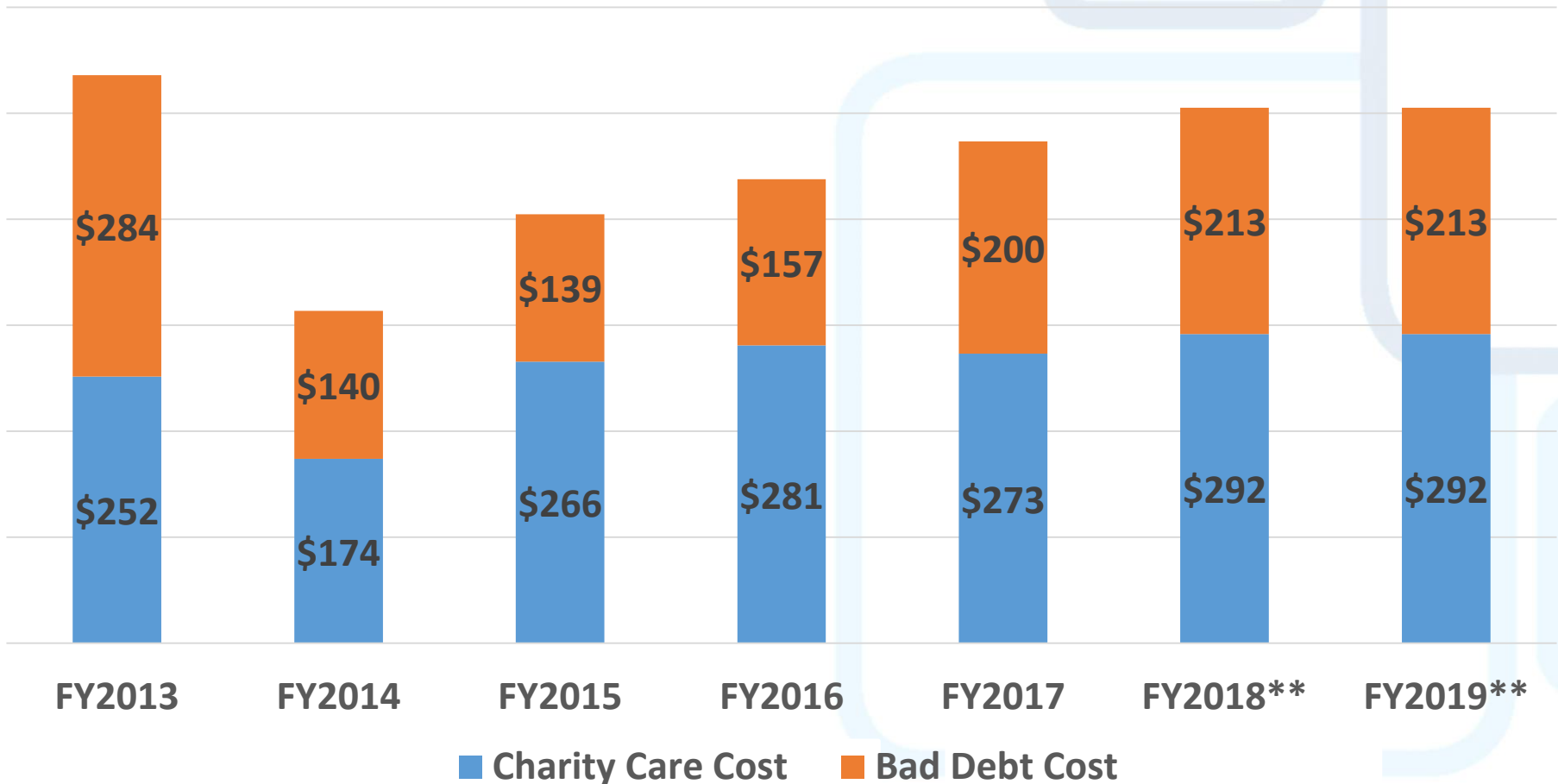
The CCHHS FY19 budget will anticipate a level tax allocation from the County of \$102M.

CCHHS does not anticipate requesting additional County taxpayer support for operating funds in FY2019

* Operating Tax Allocation, Pension and Debt Service assumed at FY2018 level; Pension includes statutory and legacy pension payments



CCHHS Uncompensated Care* (in millions)



* Uncompensated Care is Charity Care + Bad Debt at cost

** Projected



Full Time Equivalent Position Count

Health Fund	2018 Adopted	2019 Proposed	FY2019 vs FY2018	Percent Change
Ambulatory Services	968.0	916.3	-51.7	-5%
Correctional Health Services	686.0	697.0	11.0	2%
CountyCare and Integrated Care	179.0	449.3	270.3	151%
Health Administration	504.7	367.0	-137.7	-27%
Hospital-Based Services	4,447.0	4,605.3	158.3	4%
Public Health Services	110.0	103.0	-7.0	-6%
Grand Total	6,894.7	7,138.0	243.3	4%

FY2019 Proposed Budget

Key Take-Aways

The FY 2019 annual budget proposal aligns with Impact 2020, however, success will depend on:

- Growth in key volume indicators;
- Internal capture of CountyCare and other Managed Care business;
- Improvement in revenue cycle;
- Flexible staffing and management of overtime and registry utilization;
- CountyCare membership retention within the plan and state capitation rates.



FY 2019 – 2021 Projections



FY2019 – 2021 Budget Projections (in Millions)

	FY 2018 Proj. YE	FY 2019 Proposed	FY 2020 Projected	FY 2021 Projected
Revenues				
CCHHS Revenue	\$2,479	\$2,619	\$2,697	\$2,778
Cook County Allocation	\$102	\$102	\$102	\$102
County Pension Contribution	\$129	\$129	\$102	\$92
Total Available Funds	\$2,709	\$2,849	\$2,901	\$2,972
Expenses				
Hospital-Based Services	\$924	\$1,023	\$1,057	\$1,070
CountyCare	\$1,531	\$1,572	\$1,566	\$1,610
Health Administration	\$76	\$68	\$70	\$72
Ambulatory Services	\$168	\$165	\$180	\$190
Correctional Health Services	\$115	\$125	\$128	\$130
Public Health Services	\$16	\$17	\$18	\$19
Total Expenditures	\$2,830	\$2,970	\$3,019	\$3,090
Accrual Basis Net Surplus/ (Deficit)	(\$120)	(\$120)	(\$118)	(\$118)
Non-Cash Expenditures				
Pension	\$86	\$86	\$86	\$86
Depreciation	\$34	\$34	\$34	\$34
Self Insurance	\$0	\$0	\$0	\$0
Cash Basis Net Surplus/ (Deficit)	\$0	(\$0)	\$2	\$2

NOTE: Some numbers are rounded for display purposes and could result in small arithmetical differences.

Budget Calendar

June 19, 2018	President's FY2018/2019 Preliminary Budget Forecast Released
July 12, 2018	President's Preliminary Forecast Public Hearing
July 20, 2018	CCHHS Finance Committee Meeting –Budget Framework Introduced
July 23–25, 2018	Cook County Finance Committee Meeting –Mid-Year Budget Hearings
August 24, 2018	CCHHS Finance Committee Meeting –FY2019 Budget Request for Approval
August 28-29, 2018	CCHHS Budget Public Hearings
August 31, 2018	CCHHS Board Meeting –FY2019 Budget Request for Approval
September 12, 2018	Cook County Board Meeting –CCHHS FY2019 Proposed Preliminary Budget Introduced & Approved* (<i>for inclusion in Executive Budget Recommendation</i>)
October, 2018	President's FY2019 Executive Budget Recommendation Introduced
Oct/Nov, 2018	Cook County Public Hearings, Agency & Department Budget Review Meetings Proposed Amendments, Annual Appropriation Bill Adopted

