

CCH YTD Financial Update – September 30, 2024

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November, 2024



COOK COUNTY
HEALTH

Executive Summary: Statement of Financial Condition

September 30, 2024



- On an accrual basis, interim financials show that CCH ended September with a **\$66.8M favorable** variance to budget. On a cash basis, the County's preliminary cash report on revenues and expenses shows a **\$105.2 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:
 - **Unfavorable** NPSR variance to Budget due to decreases in collection rates associated with ChangeHealth cyber attack
 - **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 \$14.0M **unfavorable** to budget due to true up of IBNR reserves related to newly covered high-cost drugs
 - Membership remains over 417,000 which is 19.0% greater than budgeted

Financial Results – September 30, 2024



Dollars in 000s	FY2024 Actual	FY2024 Budget	Variance	%	FY2023 Actual
Revenue					
Net Patient Service Revenue (1)	\$860,910	\$885,588	(\$24,678)	-2.79%	\$957,230
Government Support (2)	\$318,343	\$309,645	\$8,698	2.81%	\$331,466
Adjusted NPSR	\$1,179,253	\$1,195,233	(\$15,979)	-1.34%	\$1,288,696
CountyCare Capitation Revenue	\$2,833,627	\$2,216,938	\$616,689	27.82%	\$2,581,529
Other	\$46,169	\$18,333	\$27,836	151.83%	\$5,488
Total Revenue	\$4,059,049	\$3,430,504	\$628,545	18.32%	\$3,875,713
Operating Expenses					
Salaries & Benefits	\$633,479	\$728,789	\$95,309	13.08%	\$594,552
Overtime	\$45,640	\$38,029	(\$7,611)	-20.01%	\$41,666
Supplies & Pharmaceuticals	\$193,931	\$142,677	(\$51,255)	-35.92%	\$138,195
Purchased Services & Other	\$578,450	\$580,696	\$2,245	0.39%	\$504,988
Medical Claims Expense (1)	\$2,605,835	\$2,000,723	(\$605,112)	-30.24%	\$2,405,312
Insurance	\$24,908	\$27,972	\$3,064	10.95%	\$13,607
Utilities	\$12,237	\$13,089	\$852	6.51%	\$10,801
Total Operating Expenses	\$4,094,481	\$3,531,975	(\$562,506)	-15.93%	\$3,709,119
Operating Margin	(\$35,432)	(\$101,471)	\$66,039	-65.08%	\$166,594
Non-Operating Revenue	\$157,079	\$156,333	\$746	0.48%	\$120,381
Net Income (Loss)	\$121,647	\$54,862	\$66,785	121.73%	\$286,975

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.



Key Volume and Revenue Indicators

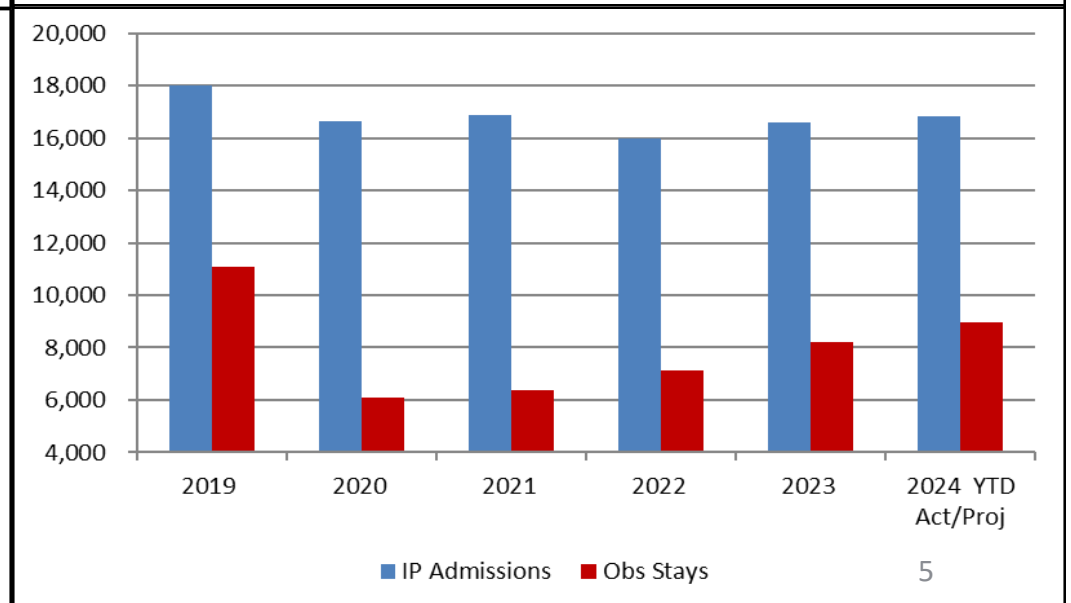
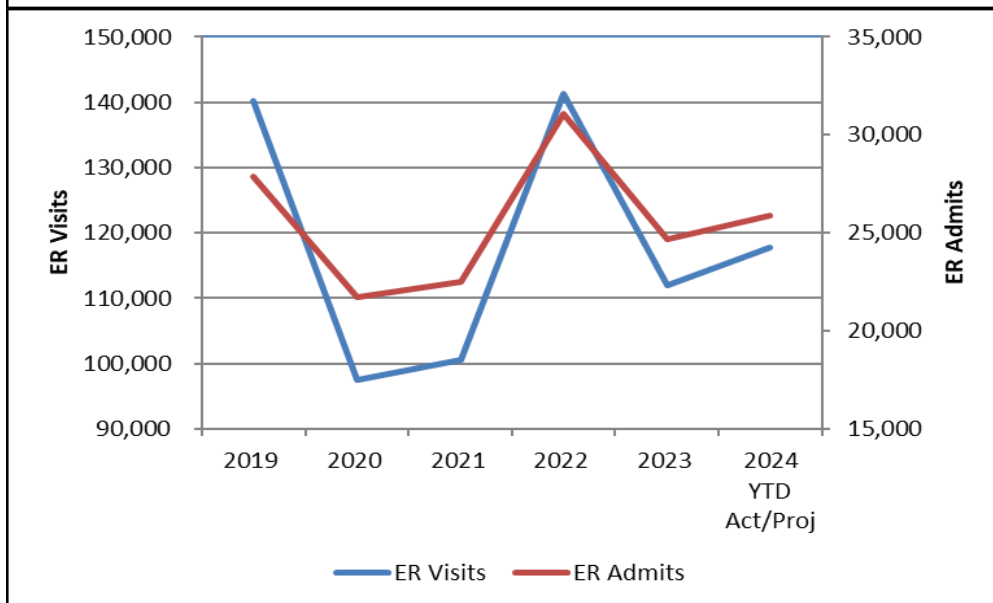
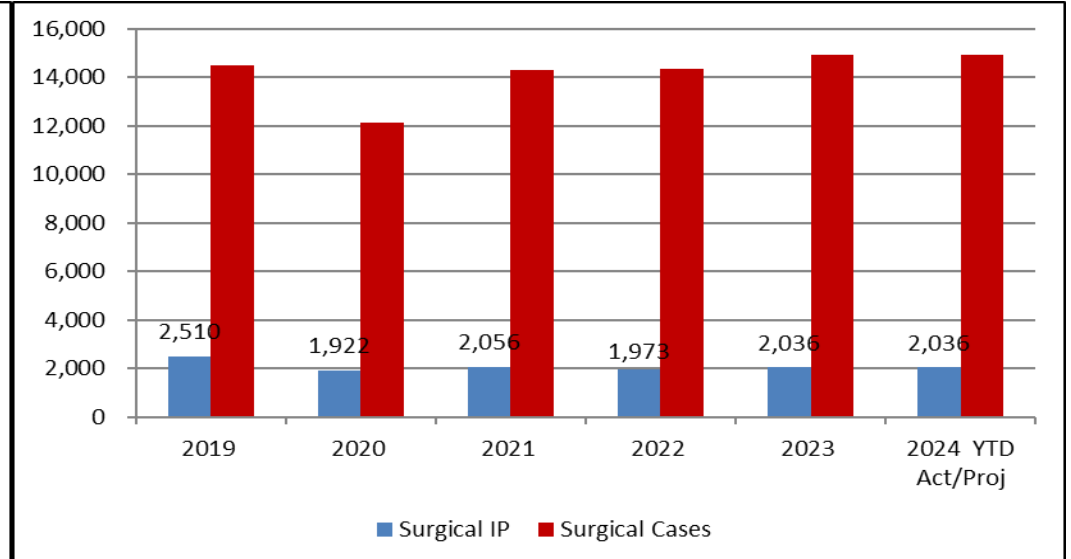
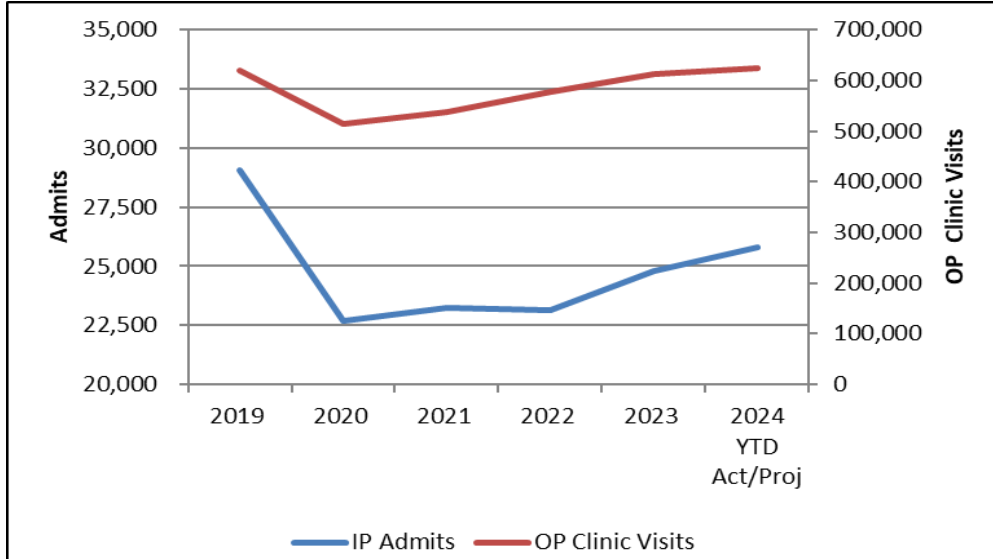
Patient Activity Stroger	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Sep 2024 Actual	Sep 2023 Actual
Average Daily Census *	325	287	13.1%	302	273		321	312
Emergency Room Visits	76,041	67,560	12.6%	70,515	65,653		7,824	7,458
Surgeries	9,893	9,530	3.8%	9,529	9,400		1,010	866

Patient Activity Provident	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Sep 2024 Actual	Sep 2023 Actual
Average Daily Census *	21	21	0.0%	20	11		19	22
Emergency Room Visits	22,043	21,516	2.4%	21,950	18,100		2,323	1,995
Surgeries	2,558	2,707	-5.5%	2,932	2,484		262	237

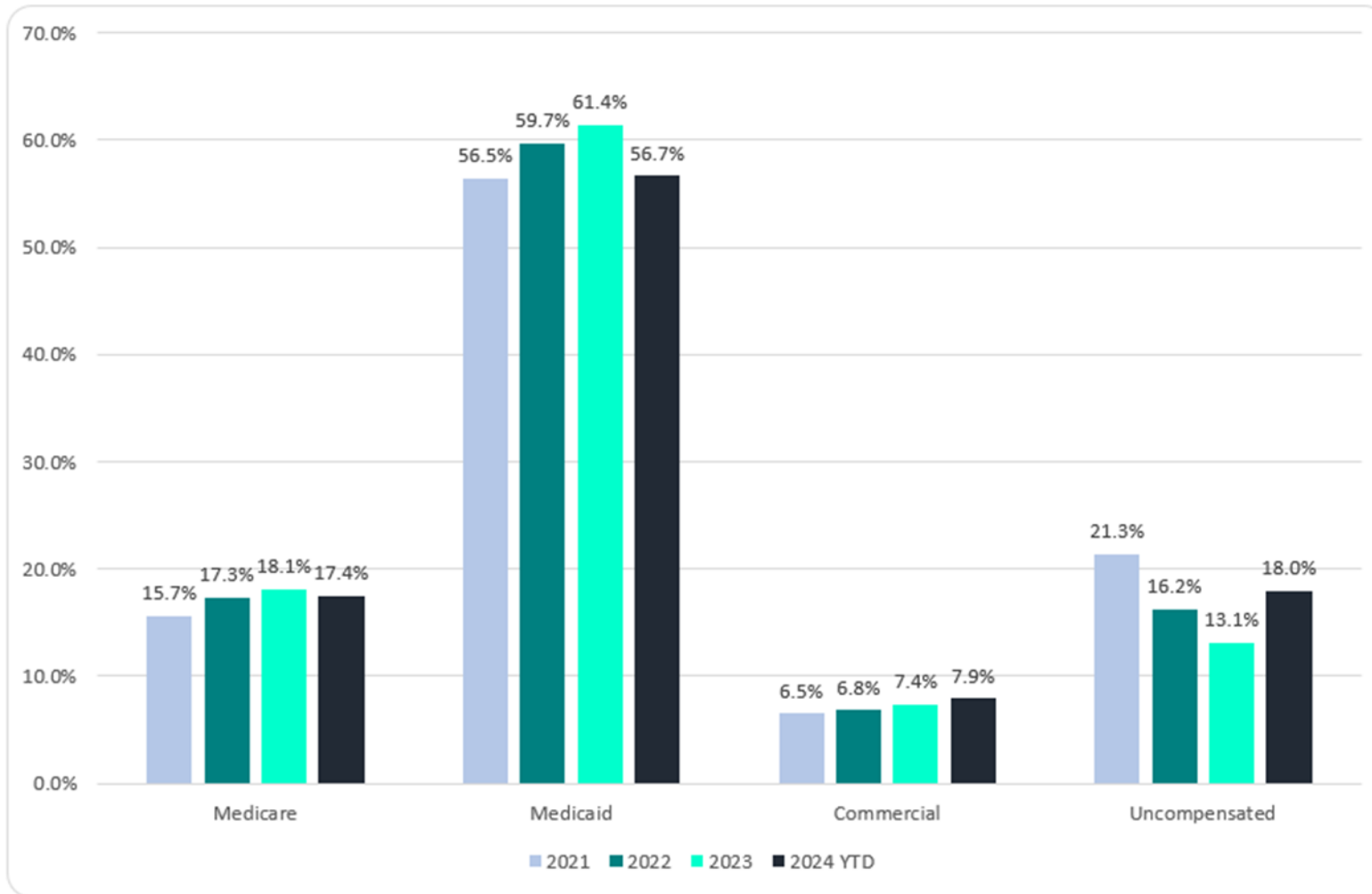
Patient Activity ACHN	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Sep 2024 Actual	Sep 2023 Actual
Primary Care Visits	198,241	195,833	1.2%	196,281	180,915		18,925	17,517
Specialty Care Visits	321,117	308,333	4.1%	315,089	304,381		30,619	30,742

CountyCare Membership	2024 YTD Actual	2024 YTD Budget	%	2023 YTD Actual	2022 YTD Actual		Sep 2024 Actual	Sep 2023 Actual
Membership Count	430,891	367,083	17.4%	452,459	430,933		417,316	450,169

Operating Trends



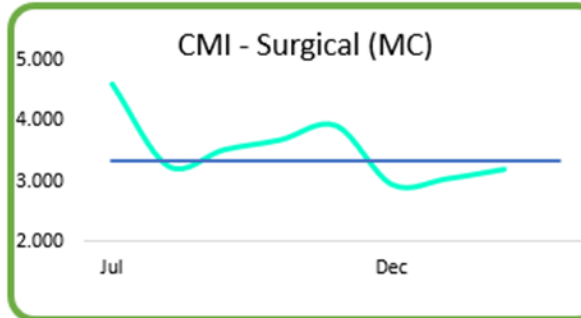
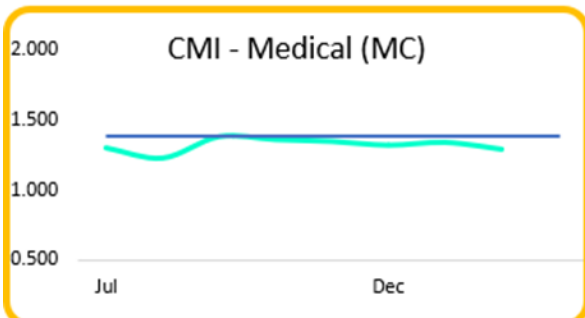
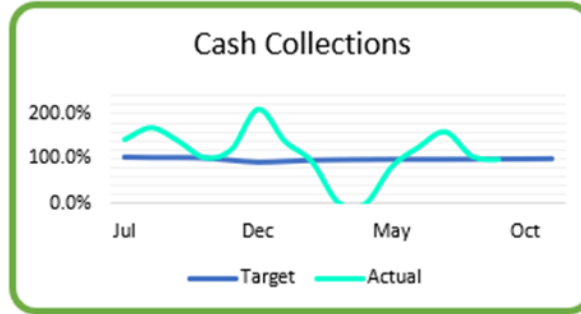
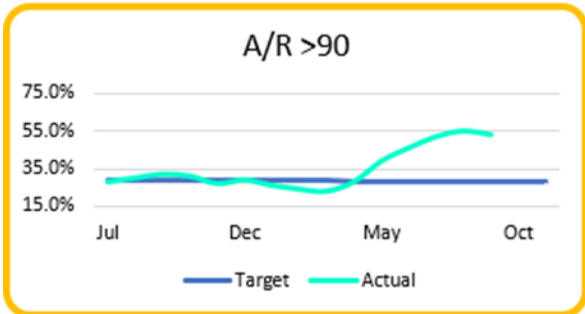
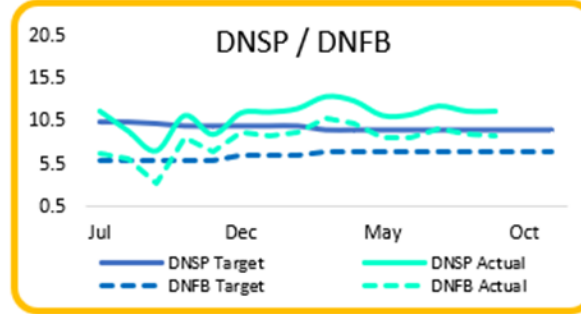
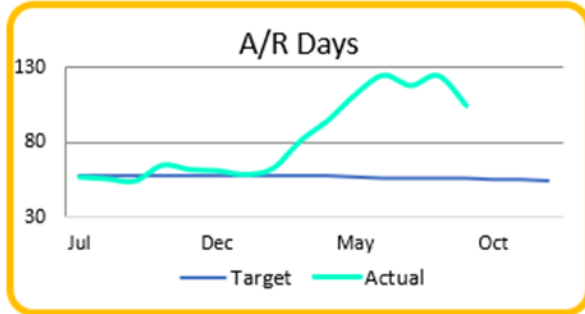
Revenue Cycle - Payor Mix



Commentary

- Aug-Sep Change:
 - Medicare: +0.00%
 - Medicaid: -0.01%
 - Commercial: +0.00%
 - Uncompensated: +0.01%
- Jul-Aug Change:
 - Medicare: -0.01%
 - Medicaid: -0.09%
 - Commercial: +0.01
 - Uncompensated: +0.09
- Jun-Jul Change:
 - Medicare: -0.01%
 - Medicaid: -0.07%
 - Commercial: +0.01
 - Uncompensated: +0.07

Revenue Cycle - Key Performance Indicators



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.
- As of August, 100% of our PFS operations are back up.
- Still working on finalizing posting scripting and claim scrubbing routines for a few payers and expect to be fully functional by FYE.
- \$67M in unposted cash at 9/30/24.

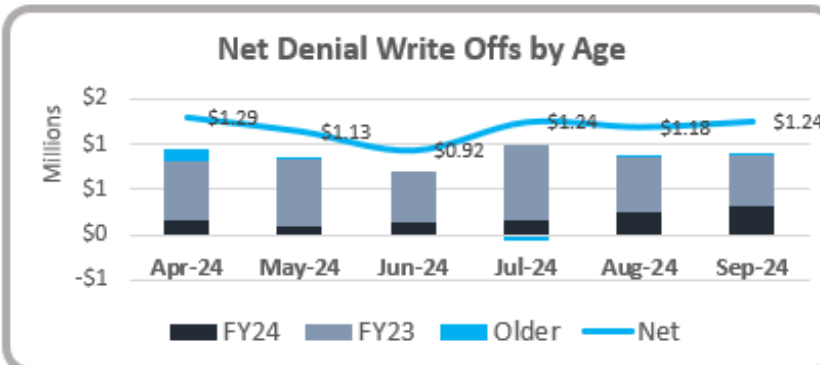
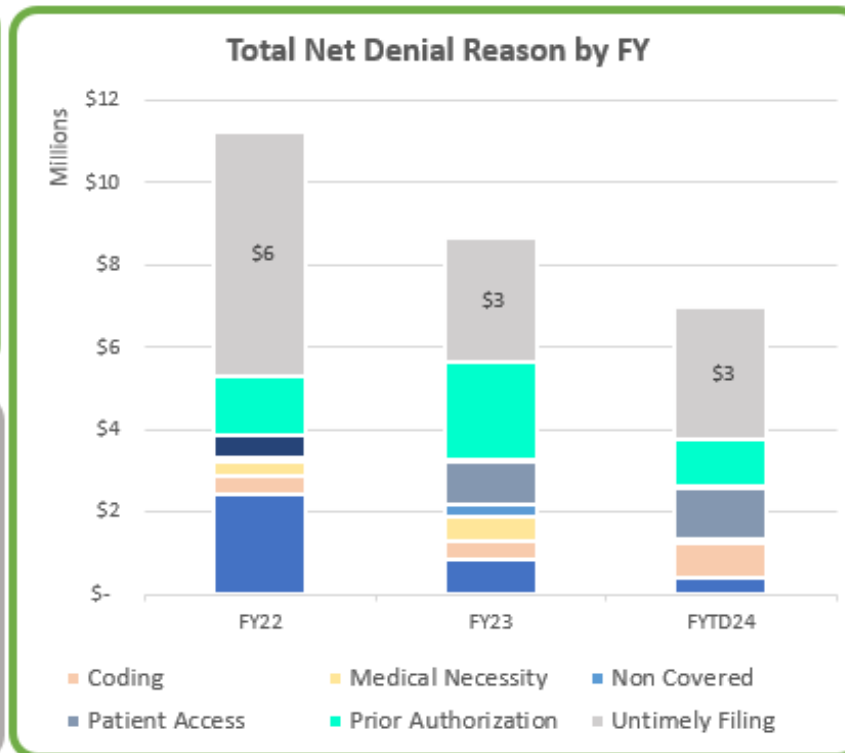
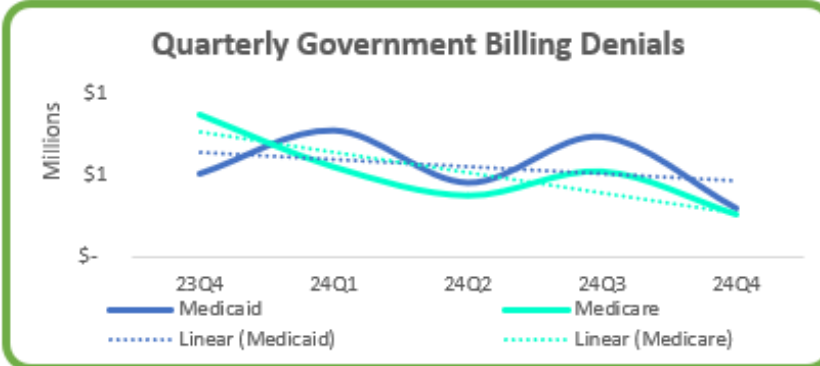
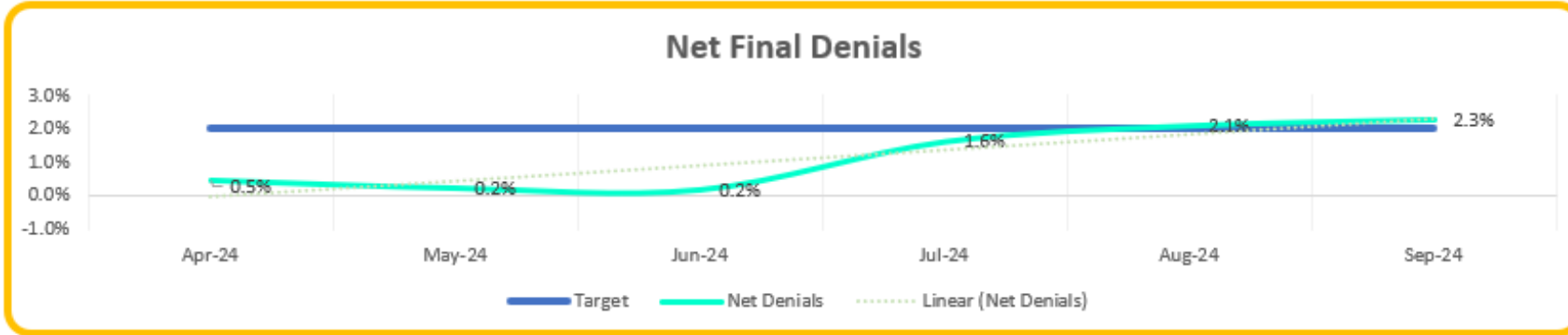
Definitions:

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








Charitable & Public Program Expenditures

	2022	2023	2024	2024
	Actual Net	Actual Net	Budget Net	Act/Proj Net
	Benefit	Benefit	Benefit	Benefit
<u>Charitable Benefits and Community Programs</u>				
Traditional Charity Care	\$ 122,499	\$ 105,040	\$ 112,011	\$ 183,699
Other Uncompensated Care	108,284	135,655	91,800	19,164
Cermak & JTDC Health Services	90,293	100,779	116,848	116,847
Department of Public Health	12,965	12,712	22,267	22,878
Other Public Programs & Community Services	66,321	66,321	71,600	71,600
Totals	\$ 400,362	\$ 420,506	\$ 414,526	\$ 414,188
% of Revenues *	36.9%	38.8%	30.3%	25.6%
% of Costs *	22.0%	23.1%	23.2%	24.0%

* Excludes Health Plan Services

Savings Initiatives: September 30, 2024

Current Activities in Progress	Budgeted FY24 Impact	YTD Achieved	Status
Revenue Cycle:			
Chargemaster Review/Changes	2,750,000	2,291,667	
Revenue Recovery	3,930,000	2,925,000	
Point of Service Collections	300,000	245,000	
County Care:			
Care Coordination Initiatives	3,000,000	2,500,000	
Health System:			
Vendor Contract Negotiations	2,020,000	2,083,333	
	<u>\$ 12,000,000</u>	<u>\$ 10,045,000</u>	84%
		Goal 10/12ths	83%

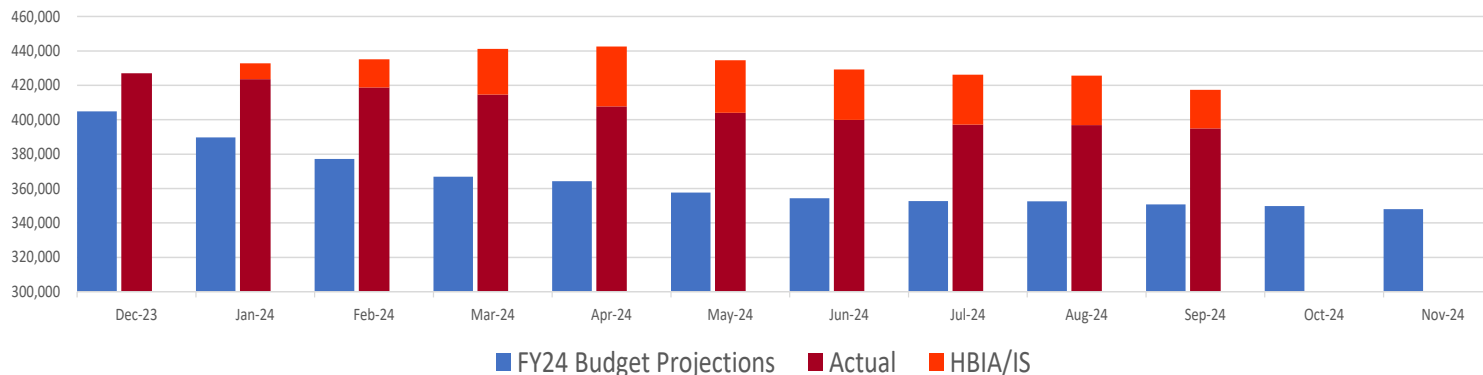
CountyCare – September 30, 2024

Dollars in 000s except PMPM amounts	FY2024 Actual	FY2024 Budget	Variance	%	Fy23 Actual
Capitation Revenue	\$2,850,610	\$2,220,384	\$630,227	28.38%	\$2,596,955
Operating Expenses					
Clinical - CCH	\$113,796	\$96,059	(\$17,737)	(18.46%)	\$99,629
Clinical - External	\$2,604,767	\$1,998,473	(\$606,294)	(30.34%)	\$2,404,533
Administrative	\$146,017	\$125,852	(\$20,165)	(16.02%)	\$130,696
Total Expenses	\$2,864,579	\$2,220,384	(\$644,196)	(29.01%)	\$2,634,858
Operating Gain (Loss)	(\$13,969)	\$0	(\$13,969)		(\$37,903)
Activity Levels					
Member Months	4,311,512	3,670,828	640,684	17.45%	4,532,648
Monthly Membership	417,316	350,749	66,567	18.98%	451,090
CCH CountyCare Member Months	345,127	N/A	N/A	N/A	416,232
CCH % CountyCare Member Months	8.00%	N/A	N/A	N/A	9.18%
Operating Indicators					
Revenue Per Member Per Month (PMPM)	\$661.16	\$604.87	\$56.29	9.31%	\$572.94
Clinical Cost PMPM	\$630.54	\$570.59	(\$59.95)	(10.51%)	\$552.47
Medical Loss Ratio (1)	94.4%	94.3%	(0.09%)	(0.09%)	95.5%
Administrative Cost Ratio	5.1%	5.7%	0.60%	10.52%	5.0%
Total FTEs	369	434	65		

Commentary

- Total YTD member months are exceeding budget by 640,684 members.
- Revenue and claims expense are higher than budget due to higher than budgeted membership.
- CountyCare’s reimbursement to CCH for domestic spend is exceeding budget.
- Operating Loss of \$14.0M
- Net loss attributed to the increased costs of newly covered high-cost drugs, as the state has not yet incorporated these expenses in the rates paid to health plans.

CountyCare Membership



Notes:

- (1) Medical Loss Ratio is a measure of the percentage of premium that a health plan spends on medical claims.

Questions?



COOK COUNTY
HEALTH