Fiscal Year 2027 Budget

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July 31, 2026

Revised 8/10/26

COOK COUNTY HEALTH

- FY26 Accomplishments & FY27 Key Initiatives
- Trends & Budget Drivers
- FY27 Health Fund Budget
- Department Overview

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FY26 Accomplishments & FY27 Key Initiatives

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2026 Accomplishments

- Stroger Hospital has been recognized by Blue Cross of Illinois as a Center of Distinction for Bariatric Surgery, by the American College of Surgeon's Committee on the level 1 trauma designation, and by the American Heart Association for the Stroke Program.
- Full accreditation of Cermak's Opioid Treatment Program
- **Awarded "Provider of the Year" for Wellness West, earning $100K for achieving improved hypertension/behavioral health outcomes**
- **CCDPH launched Healthy Beginnings, a public health nursing program focused on improving maternal/child health in suburban Cook County**
- The CAHPS survey concluded with increased scores which will likely place CountyCare in the 90th percentile/5-star rating
- **CCH/City Colleges were jointly awarded a $5M grant to establish a workforce pipeline for hard-to-fill positions**
- Sponsored the first Healthcare Career Expo, 8 schools/200 students
- 50 graduates from the 18-month Frontline Leadership Program
- Trained 23.4% of CCH employees on trauma-informed principles
- Expanded nephrology specialty clinic services into health centers and pain and urology procedure services at Provident

- **Improved utilization of Advanced Practice Provider resources has resulted in additional specialty appointment availability**
- **The Clinical AI Agent has enhanced clinical documentation and improved provider satisfaction**
- **Provident surgery volume increased by 45% in Q1 compared to FY 2025**
- **Improved show rates in 2026 for primary care and specialty clinics**
- **CCH has improved various value-based care metrics to achieving 75% of the metrics from prior years achievement of 20%**
- Completed major radiology replacements
- **Renegotiated increase in Medicaid encounter reimbursement rate**
- **Launched the Medicaid Impact Workgroup and developed a Medicaid Facts microsite**
- **Hosted 150 redetermination events to help members attain/retain Medicaid coverage, with over 7,400 participants; texted CCH patients in managed care plans about redetermination**
- **CountyCare awarded a new HealthChoice Illinois contract and achieved the highest Medicaid market share in Cook County with 35.2% as of May 2026**

2027 Key Initiatives

- Continue to improve quality ratings and metrics
- Increase patient and member satisfaction scores
- CCDPH to expand the chronic disease prevention programming to reduce inequitable health disparities
- Leverage technology to improve patient access and care through technology solutions and expanded telehealth options
- **Realignment of Provident services to increase capacity**
- **Focus on maximizing clinical productivity, capacity utilization and internal referrals**
- **Enter additional value-based care contracts to drive higher quality outcomes and to yield positive financial impact**
- CountyCare to optimize care management workflows and implement new condition management programs to improve health outcomes
- **Further improve processes to reduce time to hire, continue to reduce the vacancy rate and reduce reliance on agency**
- Advance retention programs and career progression opportunities
- Implement pathway programs to help build a future CCH workforce

- **Implement process improvement initiatives including surgical optimization, throughput improvements, and procurement processes**
- Invest in technology to drive operational excellence/financial performance
- Continue facility modernization projects (e.g. mail order pharmacy facility, next phase of radiology equipment, and wayfinding)
- **Increase utilization of CCH services by CountyCare members**
- **Cermak to continue to work with the state to implemented the 1115 waiver for re-entry**
- Renegotiating/buying out leases on capital equipment
- **CountyCare to support its members through Medicaid changes (e.g., work requirements) with targeted communications, community partnerships, and in person assistance**
- **Continue facilitating the Medicaid Impact Workgroup to drive retention goals**
- **Continued focus on revenue cycle optimization through denial reduction, increased claims, and improved billing technology**

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Trends & Budget Drivers

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Federal Funding Cuts & Impact to CCH

Federal cuts will have a significant negative impact on CCH's revenue and expenses, while increasing demand for services by those in need

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Federal Policy & Medicaid Eligibility Changes*

Effective January 2026	*Effective October 2026*	*Effective January 2027*
Federal ACA tax credits reduced for consumers buying commercial coverage on insurance marketplace.	Certain non-citizen adults, including refugees, asylum seekers, and victims of trafficking and domestic violence will no longer be eligible for Medicaid.	Medicaid work requirements and increased renewal (rede) implemented for ACA adults.
92,000 individuals in IL dropped marketplace coverage	***10,000 individuals in IL will lose Medicaid***	***400,000 individuals in IL will lose Medicaid***

Impact to CCH

FY 2027

- $138M in patient revenue

+ $100M in charity care costs

Compounding Effects on Health Care Ecosystem as Individuals Lose Health Insurance

- ↑ **Uninsured patients**
- ↑ **Demand for care at CCH**
- ↑ **Charity care costs**
- ↓ **Cuts to other social service programs negatively impact community health**
- ↓ **Access to care as other safety nets reduce services/close**

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Payer Mix and Charity Care

Federal policy changes and cuts already impacting CCH's payer mix and charity care costs

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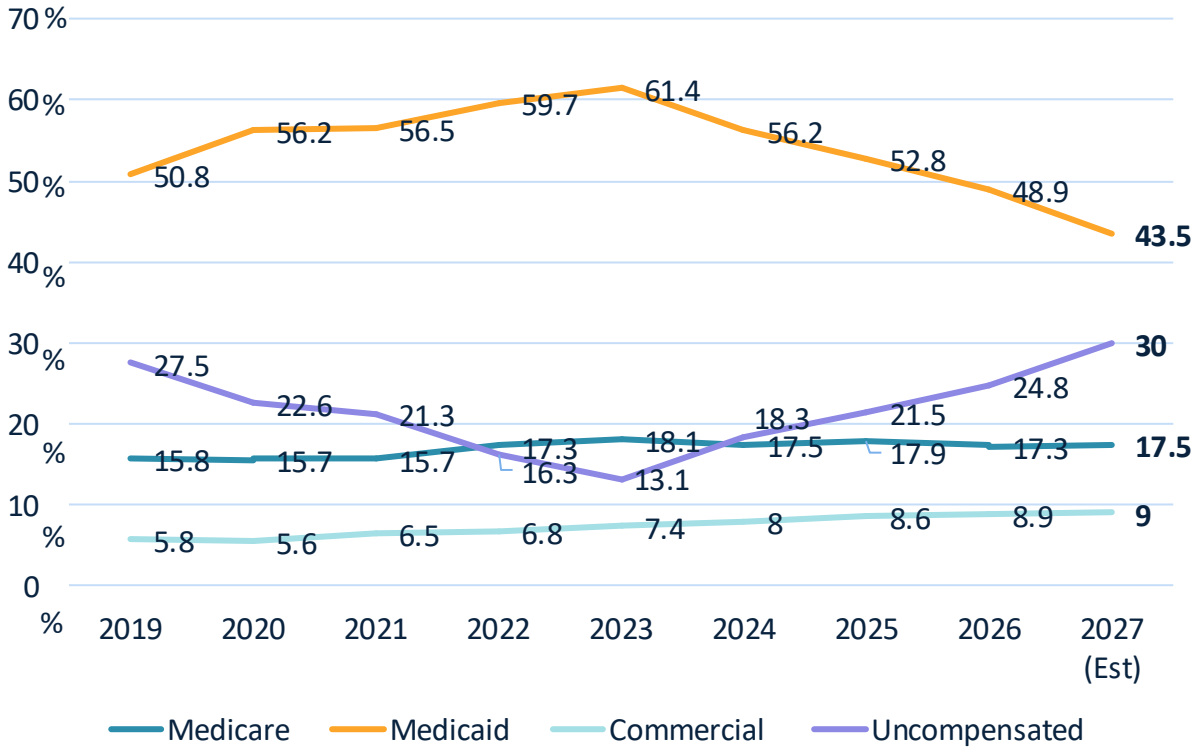
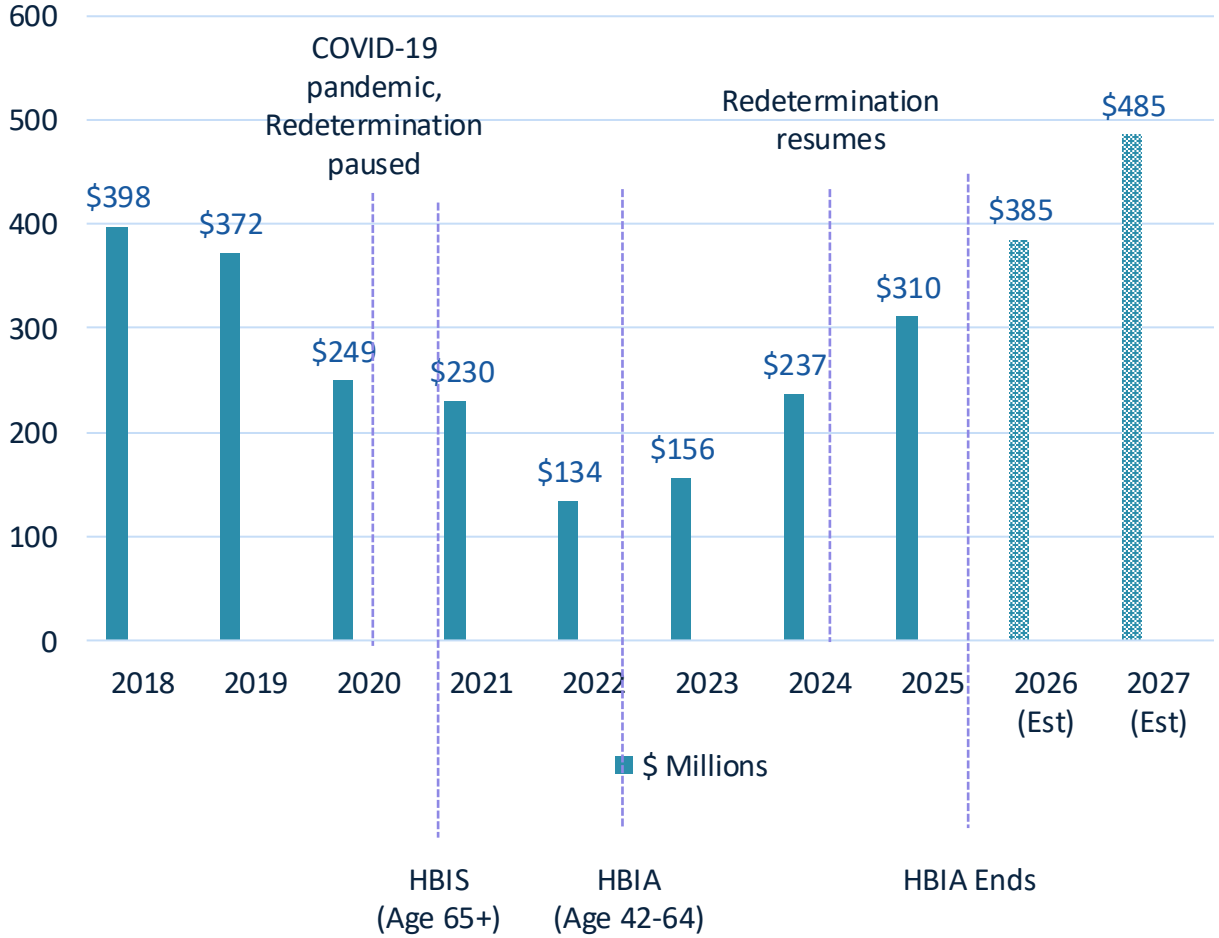
Cook County Health Payer Mix



Cook County Health Charity Care (IDPH Profiles)



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CCH's Commitment to Hiring

Employed staff increased and agency costs decreased since 2024, saving $216M in agency expense through 2027.

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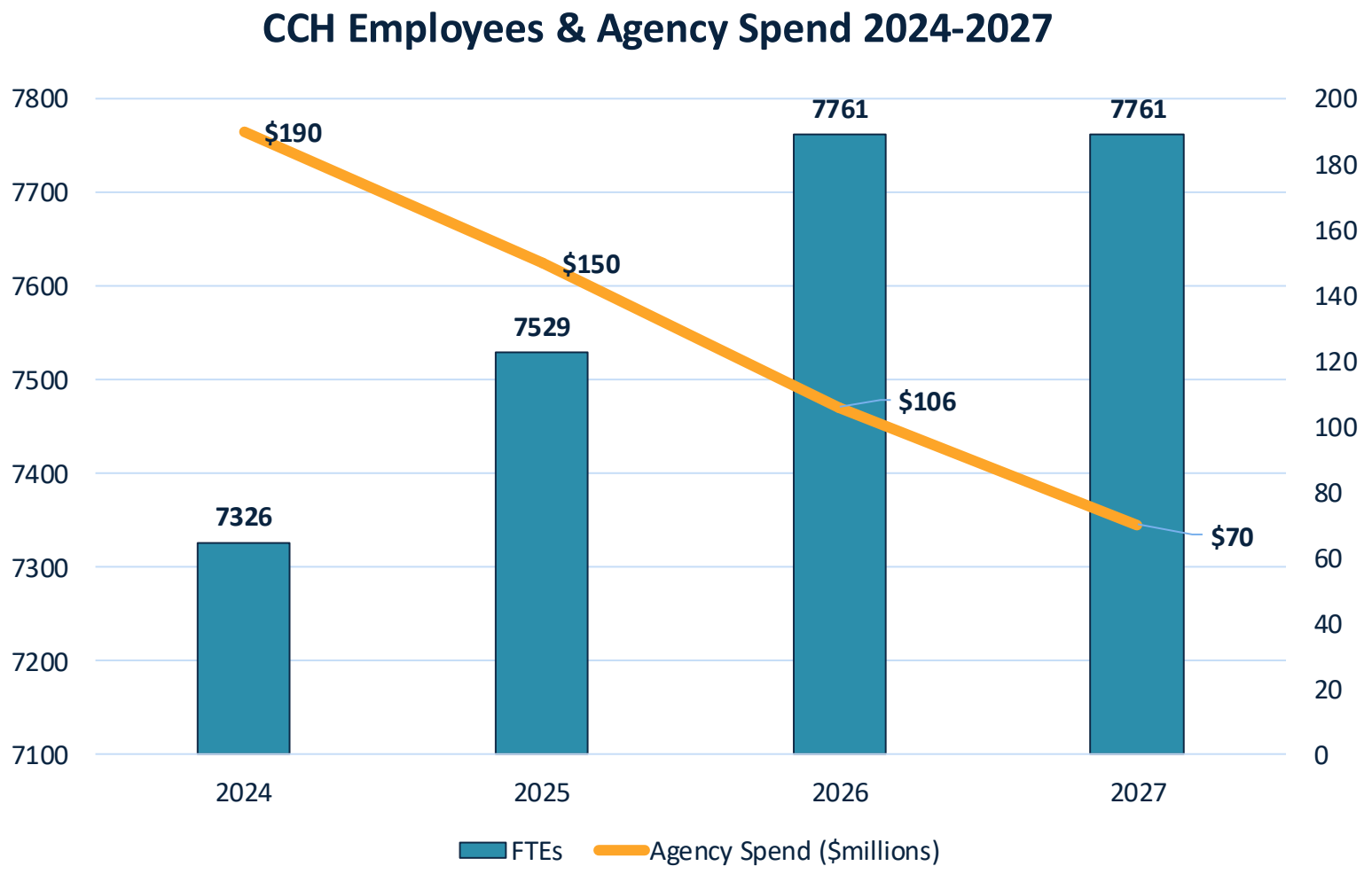

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Key Revenue & Expense Drivers

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Revenue Drivers

- Volumes largely budgeted to be flat

- Per-member-per-month rate increase of 6% for CountyCare members
- Revenue Cycle improvements
- Various other rate increases (Medicaid encounter rate, Medicare inpatient rate, wage index)
- Growth in domestic claims (CountyCare members receiving care at CCH)
- Proposed increase in County tax allocation

- Reduced reimbursement as number of uninsured patients increases due to federal Medicaid changes
- Directed payments decrease

Expense Drivers

- 10% expense reduction carryover from FY26 and additional 5% in FY27
- Reductions to agency due to hiring initiatives and utilization
- Reductions to professional and purchased services
- Reduction in medical supplies driven by optimization efforts

- Natural salary and benefits progression based on cost-of-living increases
- Pharmaceutical expense driven by increased utilization, charity care, fuel, and tariffs
- Increase in number of uninsured patients seeking care at CCH

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Expense Elimination Efforts

$217M in expenses removed from health system budget between FY2025-FY2026

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FY2025 $5.146B → FY2026 $5.143B

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Expense Elimination Efforts

FY2027 budget proposed to be $439M less than FY2026

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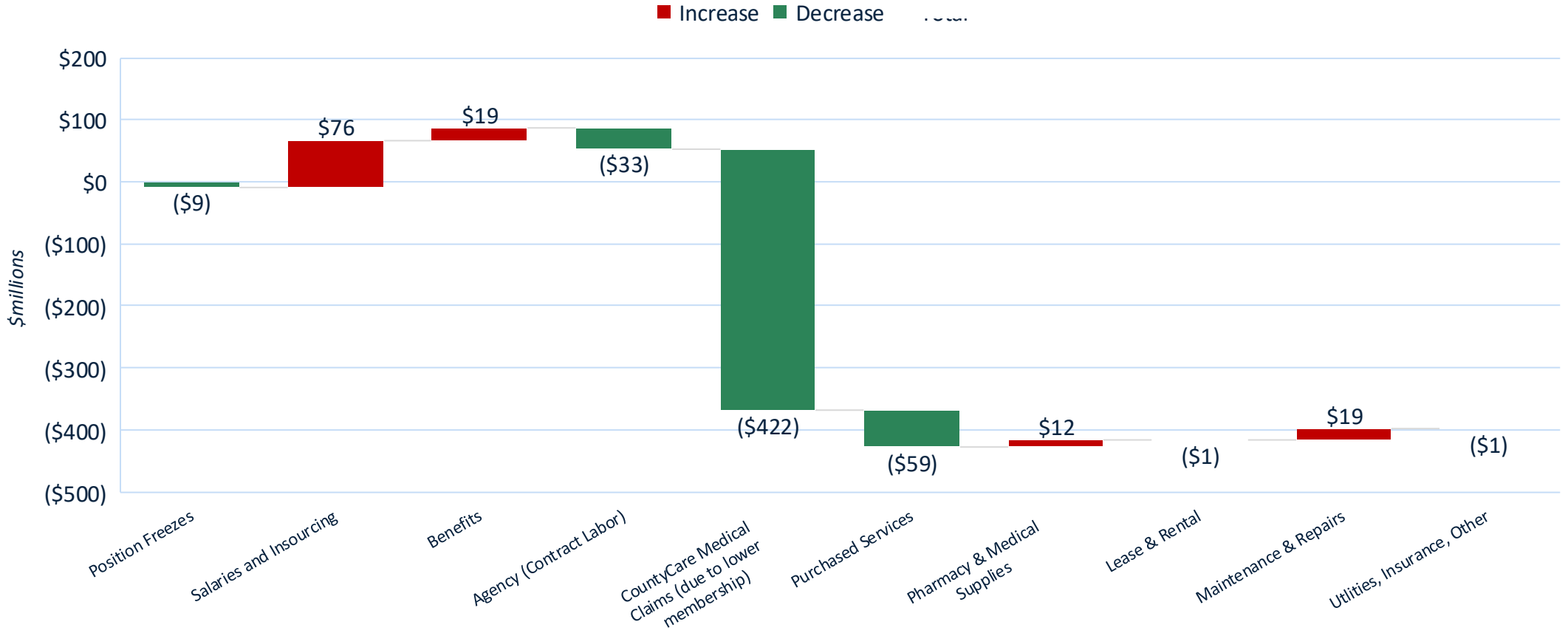
FY2026 $5.143B → FY2027 $4.706B



Cook County Health has exhaustively pursued cost cutting measures in anticipation of the impact of federal funding cuts.

Further cuts will directly impact patient access, programs and services, and jobs.

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FY2027 Health Fund Budget

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FY27 Health Fund Revenue & Expenses

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Revenues (in millions)	FY2026 Budget	FY2026 Projected	FY2027 Proposed Budget	Budget Variance (FY26 v FY27)
CCH Net Patient Revenues	$581	$488	$570	$(11)
DSH/BIPA/GME/Directed Payments	$837	$825	$765	$(72)
Health Plan Services	$3,500	$3,605	$3,095	$(405)
Tax Allocation	$168	$168	$208	$40
Other	$57	$ 373	$69	$12
Total	**$5,143**	**$5,459**	**$4,706**	**($436)**

Expenses (in millions)	FY2026 Budget	FY2026 Projected	FY2027 Proposed Budget	Budget Variance (FY26 v FY27)
Salary & Benefits	$980	$963	$1,066	$86
Medical Claims	$3,234	$3,626	$2,812	($422)
Medical, Pharmaceuticals, Other Supplies	$215	$233	$227	$12
Purchased Services	$336	$326	$278	($59)
Contract Labor	$104	$109	$70	($33)
Maintenance & Repairs	$171	$155	$153	($19)
Utilities, Insurance, Other	$66	$56	$65	-$1
Lease & Rental	$36	$34	$35	($1)
Total	**$5,143**	**$5,501**	**$4,706**	**($436)**

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$40M Increase in Tax Allocation Aligns with Increase in Uninsured Patients Due to Federal Cuts

CCH continues to be significantly less reliant on County funding than pre-ACA

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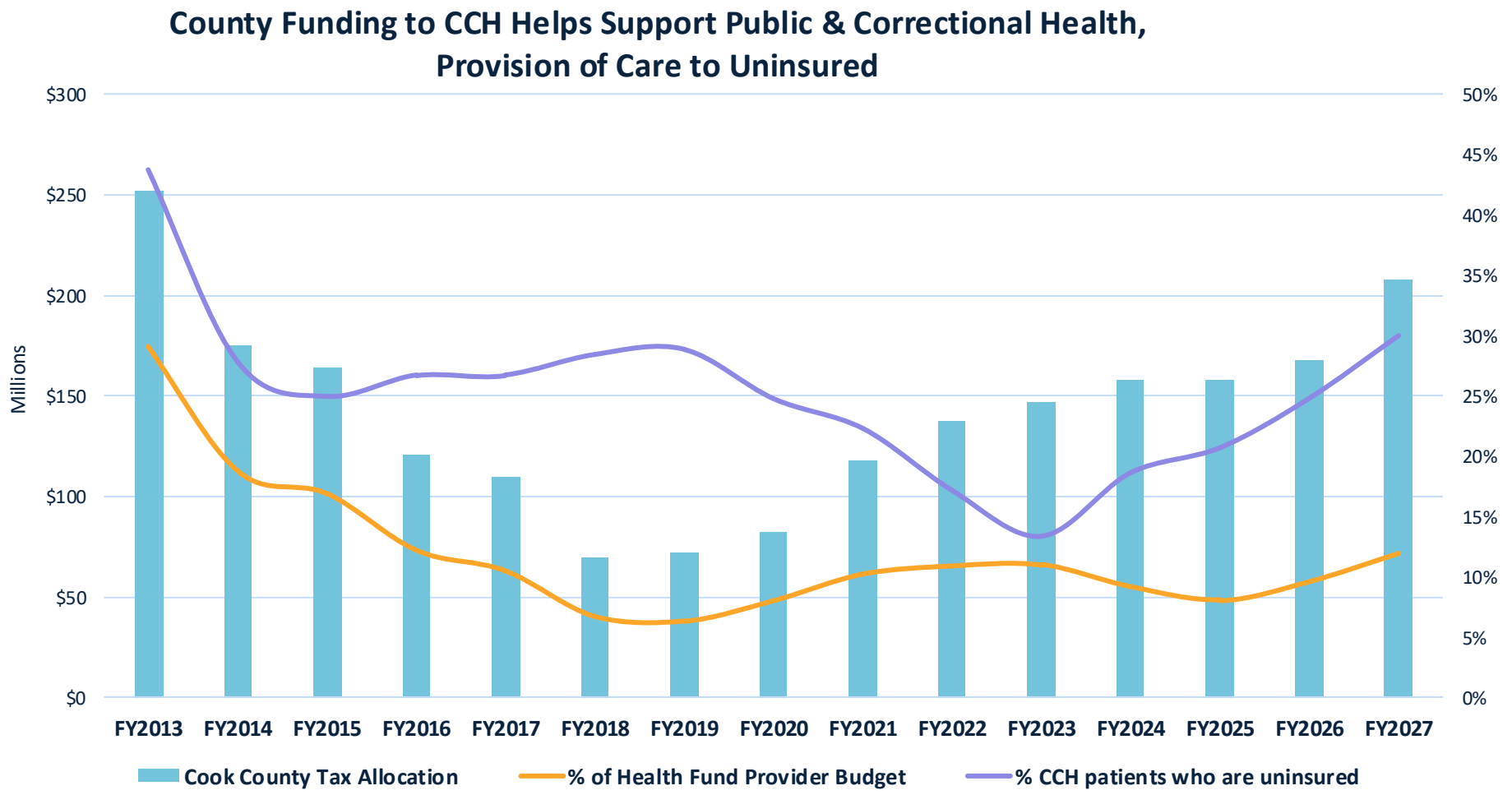

Note: The tax allocation supports CCH's essential but unreimbursable services, including the provision of charity care, correctional health care services at the Cook County Jail and Juvenile Temporary Detention Center, and the Cook County Department of Public Health.

The graph above shows the tax allocation as a proportion of CCH's healthcare provider budget, not including health plan services' (CountyCare) operating budget.

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Alternatives to Closing the FY2027 Budget Gap

Without additional County funding, cuts to patient care services and layoffs would be necessary

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To achieve a balanced budget without $40M in additional County funding, difficult decisions would need to be made, including service cuts and layoffs.

Alternative Program & Service Reductions	Cost	FTEs
Community health center and several specialty clinical service lines	$24M	104
Housing, food, research and behavioral health programs	$14M	50
Grants and scholarships	$2M	0
Total	**$40M**	**154**

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Department Overview

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Stroger Hospital

In millions	FY2026 Budget	FY2027 Proposed Budget	Variance	FY2026 FTEs	FY2027 FTEs Proposed	Variance
Stroger	$1,112	$1,134	$22	4,482	4,428	-54

A Closer Look :

- Additional 5% expense reduction plan which includes 10% reductions from FY2026
- Continued focus on reducing agency utilization, including 35% reduction in nursing agency costs
- Installation of Mail Order Pharmacy robot at new central fill location in Countryside
- Capital equipment investment for new/replacement of interventional radiology equipment, MRI, CT, bed and stretcher replacement, and hospital-wide replacement of patient monitor systems
- Cost savings initiatives including insourcing oncology nurses and advanced practice providers, plant operations HVAC repairs, and facilities management project managers
- Position variance due to 50 FY25 frozen PIDs repurposed for CountyCare insourcing. 12 positions were added to plant operations for HVAC maintenance and 9 for oncology insourcing

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Provident Hospital

In millions	FY2026 Budget	FY2027 Proposed Budget	Variance	FY2026 FTEs	FY2027 FTEs Proposed	Variance
Provident	$92	$78	$(14)	420	390	-30

A Closer Look:

- Additional 5% expense reduction plan which includes 10% reductions from FY2026
- Focus on expanding and maximizing capacity of outpatient services provided at Provident
- Over 40% reduction of agency use, including 50+% nursing agency
- Projecting lower average daily inpatient census
- Continued facility infrastructure and facility investments including to HVAC system, elevators, ambulance bays, interior, and hospital paging system
- Position variance due to repurposing of PIDs for insourcing across CCH

Outpatient (ACHN/CORE)

In millions	FY2026 Budget	FY2027 Proposed Budget	Variance	FY2026 FTEs	FY2027 FTEs Proposed	Variance
ACHN/CORE Outpatient Services	$198	$202	$4	964	957	-7

A Closer Look:

- Additional 5% expense reduction plan which includes 10% reductions from FY2026
- Increase patient visit volumes across ACHN by improving access, optimizing provider schedules, expanding services, and making better use of available clinic capacity
- Reduction of agency use by 37% and medical consultation services by 31%
- Position variance due to positions moving between sites

Correctional Health

In millions	FY2026 Budget	FY2027 Proposed Budget	Variance	FY2026 FTEs	FY2027 FTEs Proposed	Variance
Cermak	$100	$111	$11	587	572	-15
JTDC	$11	$12	$1	63	63	0

A Closer Look:

- Additional 5% expense reduction plan which includes 10% reductions from FY2026
- Finalize implementation of telehealth service phasing maximizing the use of technology to provide efficient, effective, and safe services
- Position variance due repurposing of PIDs for insourcing

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Public Health

In millions	FY2026 Budget	FY2027 Proposed Budget	Variance	FY2026 FTEs	FY2027 FTEs Proposed	Variance
Public Health	$29	$29	$0	167	168	1

A Closer Look:

- Continued funding of ARPA and Grant positions as well as community immunization programs
- Continued focus on strategic priorities including community immunization, chronic disease prevention, and community behavioral health as well as the Healthy Beginnings programs
- Sustained focus on public education and prevention communications initiatives
- Proposal to increase environmental service permit and inspection fees
- Two positions were added from PCC, 1 position moved for a net add of 1.

Health Administration

In millions	FY2026 Budget	FY2027 Proposed Budget	Variance	FY2026 FTEs	FY2027 FTEs Proposed	Variance
Health Administration	$162	$136	$(26)	654	697	43

A Closer Look:

- Continued revenue cycle optimization to manage denial reductions, increase claims submissions, and utilization of improved billing technology and electronic medical records system
- Reductions to professional services through insourcing revenue cycle functions, contract consolidations, and deferral or cancellation of non-essential projects
- Systemwide belt-tightening to non-essentials including travel, conferences, food, advertising/promotional products, office supplies/printing/reproduction services
- Reduction of agency use by 48%
- Position variance due largely to the Position Control Committee as well as insourcing IT, business intelligence and plant operations positions

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Health Plan Services: CountyCare

In millions	FY2026 Budget	FY2027 Proposed Budget	Variance	FY2026 FTEs	FY2027 FTEs Proposed	Variance
Health Plan Services	$3,400	$2,968	$(432)	424	487	63

A Closer Look:

- CountyCare receives per-member-per-month (PMPM) capitation revenue from State to fund members' healthcare claims and administrative costs
- Projected membership and revenue will decrease as Medicaid enrollment drops due to federal funding cuts, resulting in significant variance from 2026
- Average monthly membership is projected at 328,915
- Medical Loss Ratio is 93.8%: CountyCare spends approximately 94¢ of every $1 to pay for members' healthcare claims
- Position variance due to insourcing care coordination

Note: *MLR (Medical Loss Ratio) measures the percentage of PMPM capitation revenue used to pay member healthcare claims.
*FY27 proposed budget of $2.9B includes elimination for CCH claims of $127M

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FY2027 Proposed Health Plan Services Financial Summary

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	ACA Adult	FHP	SPD	MLTSS/ LTSS/IMD	SNC	HBIS/IC	TOTAL
Projected 2027 Membership	69,768	200,759	30,834	1,285	8,756	17,513	328,915
CountyCare Capitation Revenue	$700	$920	$1,152	$81	$144	$98	$3,095
Medical Expense (CCH)	$32	$36	$46	$.15	$2	$11	$127
Medical Expense (Network)	$627	$844	$1,038	$75	$142	$84	$2,810
Administrative Expense	$40	$41	$67	$5	$1	$4	$158
Total CountyCare Expenses	$699	$921	$1,151	$80	$145	$99	$3,095
Health Plan Net Income (Loss)	**$1**	**($1)**	**$1**	**$1**	**($1)**	**($1)**	**$0**
Total CCH Contribution	**$32**	**$35**	**$47**	**$1**	**$2**	**$10**	**$127**

NOTE: Some numbers are rounded to nearest million for display purposes and could result in small arithmetical differences.
ACA – Affordable Care Act, **FHP** – Family Health Program, **SPD** – Seniors and Persons with Disabilities , **MLTSS** – Medicaid and Long-Term Services and Supports, **LTSS** - Long Term Services and Supports, **IMD** – Institution for Mental Disease, **SNC** – Special Needs Children, **HBIS** – Health Benefits for Immigrant Seniors, **HBIC** – Health Benefits for Immigrant Children

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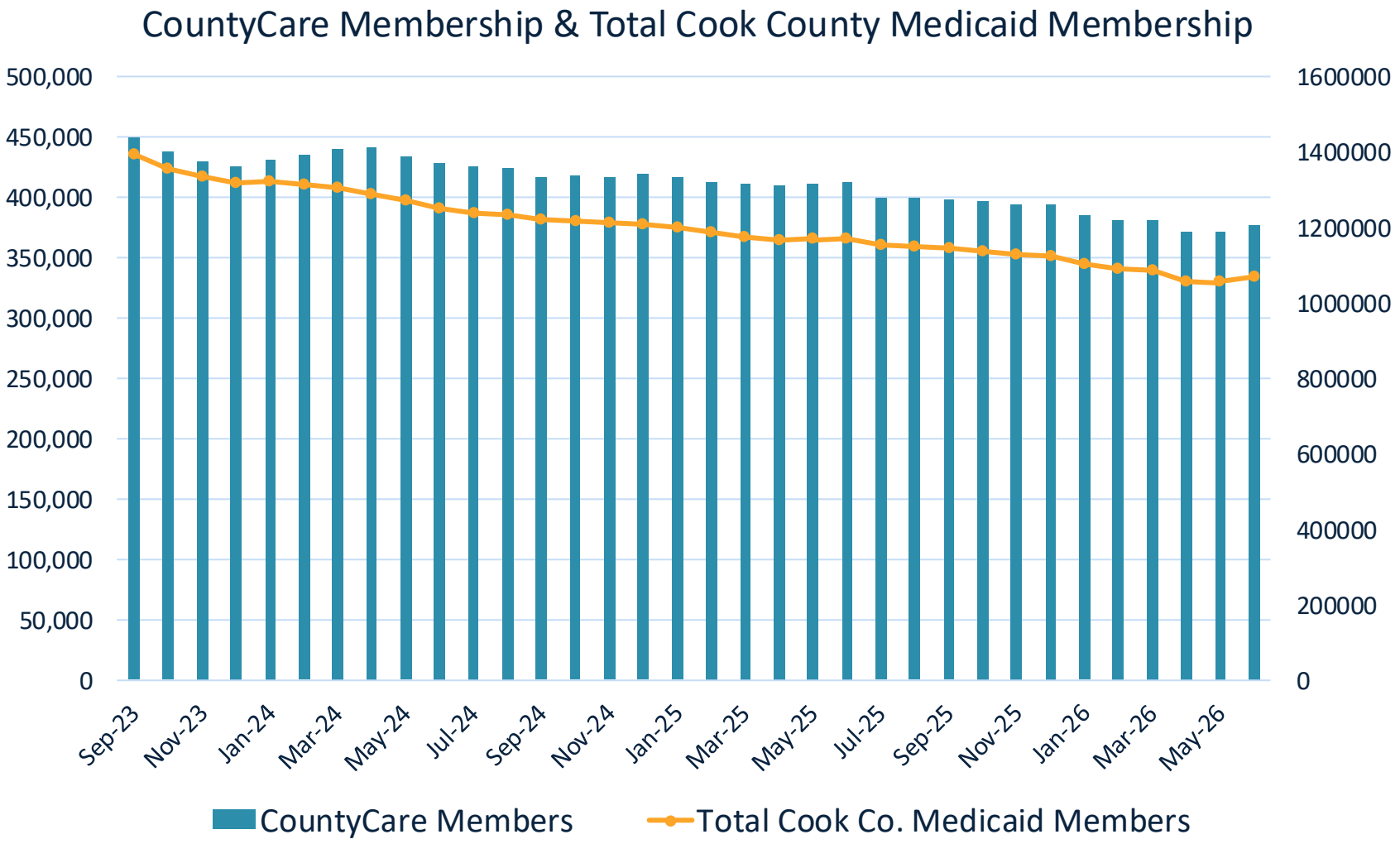
CountyCare Membership 2023-2026



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Medicaid enrollment in Cook County declined by 23% between Sept. 2023 and June 2026.

At the same time, CountyCare membership declined 16%, a smaller decrease than the overall market.

CountyCare has the largest market share at 35.3%, a 6.6 lead over nearest competitor, Blue Cross Blue Shield.

Humana will join Medicaid market in 2027, increasing competition.

FY2027 Budget Key Takeaways

- **Proposed FY2027 budget: $4.7 billion**
- **Federal Medicaid cuts fundamentally reshaping the health system's financial outlook**
- **Operational efficiencies alone cannot offset federal cuts**
- **Demand for uncompensated care will continue to grow**
- **Additional funding is essential to preserving access to care**
- **Budget protects Cook County Health's mission**

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Thank you.

Questions?

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