



Fact Sheet CCHHS Proposed FY15 Preliminary Budget

The proposed FY15 budget is \$1.5 billion and allows CCHHS to:

- Maintain its mission as a safety net
- Improve financial stability in a changing marketplace
- Expansion of CountyCare to new populations
- Improve operational effectiveness and patient experience
- Invest in foundational clinical operations to improve services
- Fulfill Department of Justice requirements at Cermak Health Services

Initiatives in FY15 designed to improve the patient experience, produce efficiencies (both in staff time and money) and position CCHHS as a provider of choice:

- Develop call center for improved patient experience
- Improve patient access through a centralized scheduling process
- Optimize staffing levels across organization to meet service needs within a competitive market
- Improve supply chain systems and processes
- Develop standardized data and reporting capabilities
- Maximize utilization of the CCHHS mail order pharmacy for CountyCare members
- Improve network utilization within CountyCare
- Capital investment
 - Major focus for FY13/14 capital included MRI, IR suite, Cath labs
 - FY15 capital addresses high volume direct patient care needs (eg exam tables, wheelchairs, etc)

The position count for FY15 remains the same. Hiring is a continued organizational priority.

A concerted hiring effort has been underway to better manage the vacancy rate System-wide. These efforts will continue and will require the focus and commitment by all involved.

Department	FY 2013 Budgeted	FY 2014 Budgeted	FY 2015 Proposed	Variance	Percent Variance
Hospital Based Services	4,286	4,264	4,495	231	5%
Stroger Hospital	3,903	3,906	4,109	203	5%
Provident Hospital	383	358	386	29	8%
CountyCare	247	266	30	(236)	89%
Health Administration	608	647	402	(245)	(38%)
Ambulatory Services	834	805	1,042	237	29%
ACHN	652	620	856	236	38%
CORE	66	70	75	5	7%
Oak Forest	116	115	111	(4)	(3%)
Correctional Health	538	616	652	36	6%
Cermak	502	579	615	36	6%
JTDC Health	36	37	37	0	0%
Public Health	155	148	125	(23)	(16%)
Total	6,668	6,745	6,745	0	0%

The proposed FY15 preliminary budget increases by 9% from FY14 year-end estimate

Many of the variances are the result of the **realignment of staff and supplies** into the appropriate departments. For example, pharmacy has historically been budgeted in the Health Administration line. For FY15, pharmacy staff and appropriate supplies have been re-allocated to hospital based services (including the mail-order pharmacy) and Cermak. Additionally, positions previously budgeted in CountyCare are being moved into ACHN while a number of positions in Public Health are being reassigned to allow for improved coordination and delivery of services.

Expenditures

Department	FY13 Actual	FY14 Year End Est.	FY15 Proposed	Variance FY14 Est. To FY15 Proposed	Percent Variance FY14 Est. To FY15 Proposed
Hospital Based Services	\$461M	\$500M	\$578M	\$78M	16%
Stroger Hospital	\$416M	\$453M	\$525M	\$72M	16%
Provident Hospital	\$45M	\$47M	\$53M	\$6M	13%
CountyCare	\$103M	\$495M	\$567M	\$72M	14%
Benefits & Insurance	\$101M	\$105M	\$119M	\$14M	13%
Health Administration	\$170M	\$181M	\$119M	(\$62M)	(34%)
Ambulatory Services	\$70M	\$70M	\$82M	\$12M	17%
ACHN	\$48M	\$47M	\$59M	\$12M	26%
CORE	\$11M	\$12M	\$12M	\$0	0%
Oak Forest	\$11M	\$11M	\$11M	\$0	0%
Correctional Health	\$44M	\$45M	\$60M	\$15M	33%
Cermak	\$41M	\$42M	\$56M	\$14M	33%
JTDC Health	\$3M	\$3M	\$4M	\$1M	33%
Public Health	\$12M	\$13M	\$11M	(\$2M)	(15%)
Total Expenditures	\$952M	\$1,409M	\$1,536M	\$126M*	9%

**Numbers have been rounded. Actual variance is (\$1,409.1 – \$1,535.5 = \$126.4M)*

The role of CountyCare

In 2012, more than half the patients CCHHS served were uninsured. As a result of the Affordable Care Act (and CountyCare), more than half of the patients we are serving today are insured.

CountyCare is a health plan and is a department within CCHHS. It is not a stand-alone entity. It has allowed us to continue serving the patients we have long cared for without any reimbursement.

CountyCare is contributing significantly to the financial health of the System. As a provider, CCHHS is reimbursed for care provided to CountyCare members – people who previously were uninsured. **In FY15, CountyCare is expected to reimburse CCHHS for \$348M for care provided to CountyCare members.**

To control costs, the state of Illinois is requiring that nearly 100% of Medicaid recipients enroll in a managed care health plan this year. This impacts nearly every Medicaid recipient we serve and every CountyCare member.

In FY15, CountyCare will expand to include families, seniors and persons with disabilities. We project CountyCare membership to be approximately 150,000 in FY15.

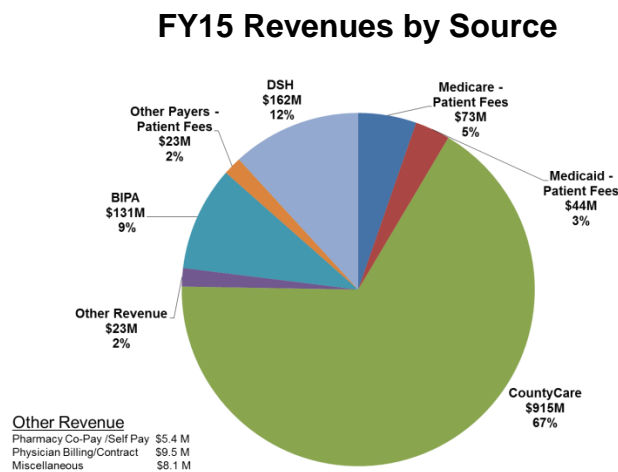
What is Managed Care?

The goal of managed care is to control costs through care management and utilization, early detection and control of chronic illnesses, etc. Managed care entities (like CountyCare) are at risk for any costs above the established payment rate making it really important to 'manage care'. It is similar to a traditional HMO where care is coordinated and managed through referrals, etc.

Why the change from a Fee-For-Service model to a Per Member Per Month (PMPM) model?

The idea behind the Affordable Care Act is to provide increased access to care and, over time, to reduce costs. The state's move to managed care eliminates the fee-for-service model that CCHHS has traditionally operated under and moves all managed care entities into a PMPM model. It is important to understand that the federal government is paying 100% of the 'rate' and not 100% of the 'costs'. CCHHS must cover any costs above the established PMPM.

You will see this shift from a FFS model to a PMPM model in the pie chart below where Medicaid Patient Fees represent just 3% of our anticipated revenues for FY15 while CountyCare (managed care) revenues account for 67% of our revenues.



The proposed Cook County Health Fund Allocation for FY15 is \$164M

The Cook County health fund allocation assists CCHHS in offsetting a portion of the costs for mandated and mission-related services that we cannot bill for (Cermak, JTDC, Public Health and uncompensated care).

Cook County Health Fund Allocation History

