



COOK COUNTY HEALTH  
& HOSPITALS SYSTEM  
**CC+HS**

**Cook County Health & Hospitals System  
Monthly Report  
to the  
Cook County Board of Commissioners  
Finance Committee**

**January 2015**

## **Administrative Update**

The American Burn Association has verified the Stroger Burn Unit as a certified burn unit in the state of Illinois. This three year certification is indicative of the excellence in burn care provided at Stroger. The Burn unit sees approximately 300-350 burn and wound care patients annually and performs more than 120 major operations including skin grafting, treatment of flesh-eating bacteria and burn reconstruction surgeries.

Get IN Chicago has awarded the Stroger Trauma Unit more than \$280,000 in grant funds to implement The Healing Hurt People (HHP) model which draws on trauma-informed theoretical frameworks to engage therapeutically with individuals who have histories of traumatic life experiences. More than 300 youth in the high risk communities on the south and west sides of the Chicago will be served through the program which has three overarching goals:

- Reduce re-injury, retaliation, and criminal justice involvement among patients enrolled in the project.

- Increase patients' capacity to thrive emotionally, physically, and socially—building a strong future for themselves and their families.

- Integrate trauma-informed practice into our philosophy of care and core competencies, laying the groundwork for integration throughout CCHHS.

CCHHS is seeing an increase in influenza and influenza-like illness earlier than normal and has diagnosed close to 200 cases of Influenza A to date. Several initiatives implemented to increase vaccination in both the inpatient and outpatient settings have resulted in nearly 30,000 patients getting the vaccine through CCHHS. Thank you to those employees who complied with the policy.

## **Legislative Update**

### Local

Wednesday, December 17, 2014 the Cook County Committee on Legislation and Intergovernmental Relations approved the appointment of Dr. Erica Marsh to the Cook County Health and Hospitals System. The appointment was effective immediately upon approval by the Cook County Board. With the appointment of Dr. Marsh, one vacancy remains on the CCHHS Board.

### Federal

The Health Resources and Services Administration (HRSA), an agency of the U.S. Department of Health and Human Services, recently withdrew a proposed rule that would have established comprehensive 340B drug Pricing Program regulations for participating covered entities and manufacturers. It is expected HRSA will re-issue the proposed rule in the near future that will also address, among other things, patients to be served and dispute resolution guidelines.

The U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) recently issued a Final Rule pertaining to Medicaid disproportionate share hospital (DSH). The rule addresses the hospital-specific limitation on Medicaid (DSH) payments under the Social Security Act. The Rule became effective December 31, 2014.

Under this limitation, DSH payments to a hospital cannot exceed the uncompensated costs of furnishing hospital services by the hospital to individuals who are Medicaid-eligible or “have no health insurance (or other source of third party coverage) for the services furnished during the year.” This rule provides that, in auditing DSH payments, the calculation of uncompensated care for purposes of the hospital specific DSH limit will include the cost of each service furnished to an individual by that hospital for which the individual had no health insurance or other source of third party coverage.

Cindy Mann, Medicaid Director for the Centers for Medicare and Medicaid Services has stepped down. A replacement has not yet been named.

<b>Cook County Health Facilities</b>					
<b>Combining Income Statement of General Funds (Unaudited)</b>					
<b>(In Thousands)</b>					
<b>October 31, 2014</b>					
	<u>Acute Care</u>	<u>Dept of Public Health</u>	<u>Cermak</u>	<u>Intra-Activity Eliminations</u>	<u>Grand Total</u>
REVENUE:					
Net patient service revenue	1,312,088			(204,376)	1,107,711
Grant revenue		892			892
EHR incentive program revenue	2,927				2,927
Other revenue	1,684	1,769	2		3,455
Total Revenue:	1,316,699	2,661	2	(204,376)	1,114,986
OPERATING EXPENSES:					
Salaries and wages	424,018	9,750	37,995		471,762
Employee benefits	111,080	3,680	10,359		125,118
Supplies	214,092	233	905	(15,199)	200,032
Purchased svcs, rental & other	670,443	740	1,118	(189,178)	483,123
Insurance expense	24,288	498	1,968		26,754
Depreciation	30,542	18	221		30,781
Utilities	9,670	51	6		9,727
TOTAL OPERATING EXPENSES	1,484,133	14,970	52,572	(204,376)	1,347,298
GAIN (LOSS) FROM OPERATIONS	(167,434)	(12,309)	(52,570)		(232,312)
NONOPERATING REVENUE:					
Property taxes	22,677	1,274	10,303		34,254
Cigarette taxes	77,725	5,878	22,582		106,185
Other Tobacco Product taxes	3,210	242	939		4,391
Fire Arms taxes	382				382
Interest income	16	0	0		16
Retirement plan contribution	46,017	2,067	4,020		52,104
TOTAL NONOPERATING REVENUE	150,026	9,461	37,844		197,332
NET INCOME (LOSS)	(17,408)	(2,847)	(14,725)		(34,980)
Transfer (out) in					
Capital contributions	3,201				3,201
Change In net position	(14,207)	(2,847)	(14,725)		(31,779)
Net Position at beginning of year	421,099	145,261	(103,731)		462,628
Net Position at end of year	406,892	142,413	(118,456)		430,849

<b>CountyCare Income Statement</b>		
<b>FY 2014</b>		
	<b>YTD</b>	<b>YTD</b>
<b>Revenue</b>	<b>September-2014</b>	<b>October-2014</b>
PMPM	\$ 561,791,021	\$ 614,771,835
Admin	28,811,440	28,811,440
State Workers	3,626,538	3,691,639
Reserve for Settlement	(39,500,000)	(39,500,000)
<b>Total Revenue</b>	<b>\$ 554,728,999</b>	<b>\$ 607,774,914</b>
<b>Application Processing Costs</b>		
Hoyne Facility Expenses	\$ 249,923	\$ 240,864
AHS Application Assitance Fees	22,732,333	24,529,911
CEA Application Assitance Fees	1,500,093	1,589,490
State Workers Cost	7,253,073	7,383,275
<b>Total Application Processing Costs</b>	<b>\$ 31,735,422</b>	<b>\$ 33,743,540</b>
<b>Adminstrative Expenses</b>		
Salaries & Benefits	\$ 926,672	\$ 1,460,275
Stop Loss Insurance	4,116,690	4,116,690
Self Insurance	191,892	211,081
Pharmacy	5,516,811	5,702,852
PsychHealth ASO	4,224,033	4,550,208
AHS TPA Fees	14,381,470	15,909,098
IlliniCare TPA Fees	18,059,649	23,552,788
MHN Fees	4,209,437	4,834,100
Other	2,272,240	3,135,056
<b>Total Adminstrative Expenses</b>	<b>\$ 53,898,894</b>	<b>\$ 63,472,148</b>
<b>Clinical Expenses</b>		
Domestic Claims	\$ 171,105,958	\$ 165,040,469
Domestic Claims IBNR	24,900,000	24,137,291
Foreign Claims	116,215,506	156,470,823
Foreign Claims IBNR	57,016,169	43,016,169
Pharmacy	112,170,745	107,086,487
Domestic Pharmacy		15,198,683
MHN ASO	2,520,000	2,994,304
Behavioral Health	12,391,456	18,009,222
Optical	1,190,920	1,525,337
Transportation	345,504	469,914
Dental	-	645,772
<b>Total Clinical Expenses</b>	<b>\$ 497,856,258</b>	<b>\$ 534,594,471</b>
<b>Total Expenses</b>	<b>\$ 583,490,574</b>	<b>\$ 631,810,159</b>
<b>CountyCare Net Income</b>	<b>\$ (28,761,575)</b>	<b>\$ (24,035,245)</b>