

COOK COUNTY HEALTH & HOSPITALS SYSTEM



Updated Version # 2

Monthly Report

to the

Cook County Board of Commissioners

**November 18, 2015
(October 2015 Financials)**

**Preliminary
Pending CCHHS Board Approval**



COOK COUNTY HEALTH
& HOSPITALS SYSTEM
CCHHS

Administrative Update

- CCHHS is proud to host our 2nd annual holiday food drive benefiting the Greater Chicago Food Depository (GCFD). Starting the week of November 9th, CCHHS began collecting non-perishable items to contribute to GCFD during the holiday season. Collection bins and boxes are located at the CCHHS Administration Building on the central campus, Provident Hospital, Oak Forest Health Center, and at the Logan Square Health Center. Online contributions can be made at <http://www.myfooddrive.org/#cchhs2015>. In 2014, CCHHS's efforts resulted in over 23,000 meals for children, veterans, and families throughout Cook County. Employees are encouraged to help us meet this year's fundraising goals of \$10,000 and collecting at least 40 boxes of food.
- More than 4,000 CCHHS employees have complied with CCHHS' Influenza Policy. CCHHS, like many healthcare institutions, CCHHS has a Mandatory Influenza Vaccination Policy in place for employees, contractors, students and volunteers. The policy allows exemptions for medical and/or religious reasons. Documented compliance with the policy is required by December 1st of each year. Failure to comply with the policy will subject employees to discipline.

The Centers for Disease Control (CDC) recommends that all US healthcare workers receive an annual influenza vaccination. Influenza can be a serious disease that can lead to hospitalizations and sometimes death. Anyone can get the flu, including those who are otherwise healthy. By getting vaccinated, healthcare providers can help protect themselves, their families at home, and their patients.

- CCHHS turns away as many as 300 patients every day from the Stroger parking garage. Providing patients and their families with accessible parking is critical if we are to improve the patient experience. It is likely that over time, all employees currently parking on the Central Campus during normal business hours will be relocated to offsite facilities.

To ensure that our patients will have the necessary parking they deserve, CCHHS is making improvements to a parking lot at 13th & Hastings which will include fencing, security and a reliable shuttle service. The new lot is expected to open in early 2016 and CCHHS will be asking for volunteers to relocate to the new parking lot. By volunteering to relocate employees could save as much as \$840 every year on parking. All Central Campus employees who routinely work Monday-Friday between 5am and 6pm are being asked to take a survey regarding parking and transportation.

- CountyCare continues to be the largest Medicaid managed care plan serving Medicaid enrollees in Cook County.



Legislative Update

State

- Illinois is now in its 20th week without a comprehensive state budget in place. The Governor and four legislative leaders are scheduled to meet in person on November 18th. These leaders have not met together since May.

Federal

- The Bi-Partisan Budget Act of 2015 mapped out a two year budget plan that was negotiated by Congress and the President prior to former Speaker Boehner's retirement. This deal helped avert a government shutdown on October 1, 2015, the beginning of the 2016 Federal Fiscal Year, and it extended the debt limit through March 2017. The deal resulted in an overall increase in discretionary spending by roughly \$80 billion divided equally between defense and discretionary domestic programs. The only Medicaid provision in the agreement would require "manufacturers of generic drugs to join manufacturers of single-source or innovator drugs in paying rebates to state Medicaid programs for price increases over inflation."

The broad budget deal did not include specific appropriations levels for discretionary programs. Therefore under the agreement, Senate and House Committees on Appropriations are currently working on appropriations legislation that must to be finalized by December 11, 2015— when the Continuing Resolution (CR) that currently funds the government expires. If there is no agreement by that time and/or riders are attached to these discretionary funding bill that are unacceptable to the President, it is possible that Washington could see another government shutdown.

- While major cuts to entitlements, including the Patient Protection and Affordable Care Act (ACA), are not part of the 2 year budget agreement, there are efforts underway in Congress to reduce them. The House of Representatives recently passed budget reconciliation legislation. While Medicaid expansion was not repealed in reconciliation legislation passed by the House, there were a number of other ACA provisions that were repealed including: the individual mandate, employer mandate, Cadillac tax and the medical device tax. This bill would also prohibit the flow of federal funds to Planned Parenthood for one year. The Senate has not yet taken up this package and it is unclear whether there are enough Republican votes to pass such legislation. Even if this measure were to pass the Senate in the House version's current form, it would be vetoed by the President and there are not enough votes to override a veto in either the House or the Senate.
- Although the 2 year Bi-partisan Budget Act contains no Medicaid reductions and the House passed reconciliation bill focuses only on drug rebates—and Planned Parenthood— there are discussions under way in Congress about how to approach Medicaid. House Committee on Energy & Commerce Chairman Upton (R-MI) recently created a Medicaid Task Force to work on "strengthening and sustaining the critical program for the nation's most vulnerable citizens." Currently, only Republicans are serving on the Task Force. Additionally, much of the debate currently in the Senate is centered on whether to repeal or cutback on Medicaid expansion as part of a reconciliation package.

Protection of Medicaid remains a key priority for CCHHS at both the State and Federal level.



Financials – CCHHS October 2015

Cook County Health Facilities
Combining Income Statement of General Funds (Unaudited)
(In Thousands)
Fiscal Year to Date October 31, 2015

	<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	1,424,203				1,424,203
CCHHS claim revenue	144,550			(144,550)	
EHR incentive program revenue	4,538				4,538
Other revenue	6,348	948	0		7,297
Total Revenue:	1,579,639	948	0	(144,550)	1,436,038
OPERATING EXPENSES:					
Salaries and wages	465,665	8,034	45,564		519,263
Employee benefits	116,025	2,966	10,948		129,939
Supplies	182,243	46	7,951	(14,963)	175,278
Purchased svcs, rental & other	874,392	774	1,533	(129,587)	747,111
Claim expense	10,500				10,500
Insurance expense	16,963	342	1,369		18,674
Depreciation	27,784	15	221		28,019
Utilities	9,720	141	2		9,863
TOTAL OPERATING EXPENSES	1,703,292	12,317	67,587	(144,550)	1,638,647
GAIN (LOSS) FROM OPERATIONS	(123,653)	(11,369)	(67,587)		(202,609)
NONOPERATING REVENUE	134,831	4,675	65,281		204,787
NET INCOME (LOSS)	11,179	(6,695)	(2,306)		2,178



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Financials - CountyCare Income Statement October 2015

YTD Member Months	310,119	826,671	1,346,976	1,516,810	1,685,720
Revenue	YTD 1 st Quarter-2015	YTD 2 nd Quarter-2015	YTD 3 rd Quarter-2015	YTD September-2015	YTD October-2015
FMPM	\$ 158,557,089	\$ 417,547,277	\$ 670,743,914	\$ 748,457,964	\$ 838,107,268
Administrative Reimbursement	-	1,578,461	3,063,878	3,063,878	3,063,878
State Workers	470,044	1,188,547	1,633,262	1,895,104	2,064,690
Assessment Tax from Cash Advance	10,000	10,000	10,000	10,000	10,000
Total Revenue	\$ 159,037,133	\$ 420,324,285	\$ 675,451,054	\$ 753,426,946	\$ 843,245,836
Application Processing Costs					
Hoyne Facility Expenses	\$ 67,688	\$ 138,543	\$ 206,734	\$ 228,410	\$ 266,203
Application Assistance Fees	3,835,699	6,889,918	8,875,012	8,879,280	8,879,910
State Workers Cost	940,089	2,377,097	3,266,529	3,790,213	4,129,384
Total Application Processing Costs	\$ 4,843,476	\$ 9,405,559	\$ 12,348,274	\$ 12,897,903	\$ 13,275,498
Administrative Expenses					
Salaries & Benefits	\$ 516,925	\$ 1,095,516	\$ 1,614,141	\$ 1,783,829	\$ 2,051,451
Stop Loss Insurance	530,541	1,737,908	2,135,989	2,235,510	2,335,030
Self Insurance	96,864	193,729	290,593	322,881	355,169
Pharmacy Benefits Manager (PBM)	1,605,704	3,488,391	6,523,205	7,156,519	7,708,475
TPA Fees	15,126,618	37,365,170	63,790,087	64,925,146	71,346,628
Dental TPA Fee		582,066	955,443	1,074,172	1,192,240
Care Management Analytics	1,247,591	3,033,401	5,046,066	5,638,690	6,845,554
Other	120,552	1,813,991	2,919,748	3,795,811	3,875,467
Total Administrative Expenses	\$ 19,244,794	\$ 49,310,171	\$ 83,275,272	\$ 86,932,559	\$ 95,710,015
Clinical Expenses					
CCHHS Claims	\$ 52,840,141	\$ 81,032,463	\$ 114,145,324	\$ 122,339,312	\$ 129,587,292
Non-CCHHS Claims	43,700,515	104,770,198	178,848,409	205,091,806	239,246,474
Non-CCHHS Claims IBNR & MLR Reserve	294,421	71,622,778	100,054,271	115,279,156	130,545,999
Pharmacy	27,201,257	62,873,839	105,795,662	120,578,525	132,470,487
Domestic Pharmacy	2,906,927	7,197,678	11,882,323	13,422,539	14,962,754
Care Management	3,218,927	8,240,049	17,544,675	19,696,519	21,787,874
Behavioral Health	4,236,848	11,020,761	23,382,677	25,970,203	28,389,174
Optical	959,392	2,034,614	5,260,456	5,523,988	6,108,960
Transportation	764,435	2,356,531	3,566,418	3,866,418	3,915,684
Dental	197,148	3,766,275	9,652,114	10,320,679	11,321,822
Total Clinical Expenses	\$ 136,320,010	\$ 354,915,185	\$ 570,132,327	\$ 642,089,144	\$ 718,336,520
Medical Loss Ratio (MLR)	86.0%	85.0%	85.0%	85.8%	85.7%
Total Expenses	\$ 160,408,280	\$ 413,630,915	\$ 665,755,874	\$ 741,919,607	\$ 827,322,032
CountyCare Net Income	\$ (1,371,148)	\$ 6,693,370	\$ 9,695,180	\$ 11,507,339	\$ 15,923,803



Metrics – Finance

Key Measures	2013	2014	2015 [#]	Change From Prior Period	FYTD'15 Budget or Goal	% To Budget or Goal
Days in Patient Accounts Receivable (Net)*	48	37	38	2.7% ↑	49.8	-23.7%
Days Cash on Hand	50	96	57	-40.6% ↓	197.6	-71.2%
Days Expense in Accounts and Claims Payable	36	42	68	61.9% ↑	63.4	7.3%
Overtime as Percentage of Gross Salary	8.2%	8.3%	7.1%	-14.5% ↓	5.0%	42.0%
CareLink/Charity Write-offs (at cost)	\$251,524,764	\$173,942,176	\$217,064,230	24.8%		
Bad Debt Expense (at cost)	\$309,691,828	\$168,427,323	\$185,902,126	10.4%		
Inpatient Days (monthly average)	9,225	8,752	8,422	-3.8% ↑	8,315	1.3%
Outpatient Clinic Registrations (monthly average)	80,989	78,021	77,431	-0.8% ↓	85,824	-9.8%
Emergency Room Visits (monthly average)	14,261	12,887	12,420	-3.6% ↓	12,887	-3.6%

[#] Data through Sept 2015

[^] This represents direct charity care write-offs to gross accounts receivable

^{*} Data above does not include CountyCare information

Source: CCHHS finance



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Metrics – Human Resources

Human Resources Metrics Summary

Gladys Lopez, Chief of Human Resources

DATA THROUGH: 09/30/15

Net New: 240

December 1, 2014 - September 30, 2015

VACANCIES FILLED

	Quarter 1	Quarter 2	Quarter 3	Quarter 4 ¹	FY14 TOTAL	FY15 TOTAL	VARIANCE	
CCHHS External	167	162	266	105	371	700	329	▲ 89%
CCHHS Internal	88	120	140	37	249	385	136	▲ 55%
Total CCHHS:	255	282	406	142	620	1085	465	▲ 75%
Nursing External	47	55	75	16	132	193	61	▲ 46%
Nursing Internal	24	65	59	11	96	159	63	▲ 66%
Total Nursing:	71	120	134	27	228	352	124	▲ 54%

SEPARATIONS

CCHHS Separations	206	97	114	43	359	460	101	▲ 28%
Total Net New CCHHS:	(39)	65	152	62	12	240	228	▲ 1900%
Nursing Separations	60	22	21	10	106	113	7	▲ 7%
Total Net New Nursing:	(13)	33	54	6	26	80	54	▲ 208%

TURNOVER

CCHHS FTEs	6095	6287	6272	6340	6105	6340	235	▲ 4%
Total CCHHS Turnover:	3.4%	1.5%	1.8%	0.7%	5.9%	7.3%	1.4%	▲ 23%
CCHHS New Hire FTEs	167	162	266	105	371	700	329	▲ 89%
CCHHS New Hire Separations	7	16	11	11	15	45	30	▲ 200%
Total FY15 New Hire Turnover:	4%	9%	3%	3%	4.0%	6.4%	2.4%	▲ 59%

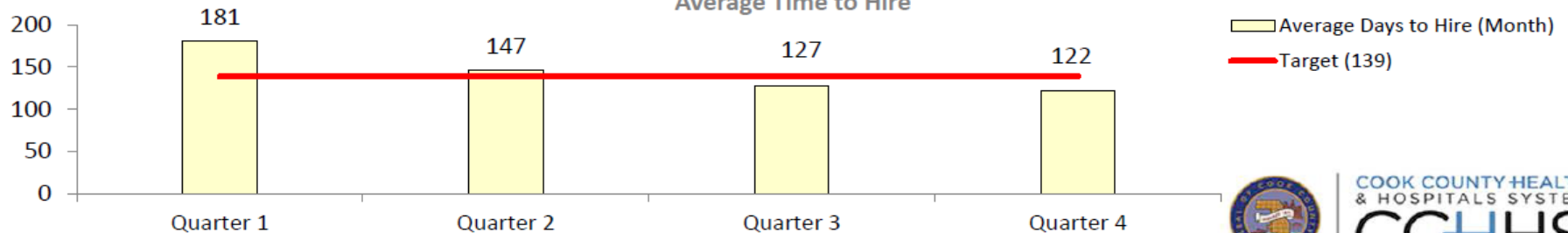
OPEN VACANCIES

Total CCHHS Vacant Positions:	1,066	1,048	997	804	--	804	804	
Total RTHs in HR (In Process):	734	844	704	466	864	466	466	

AVERAGE TIME TO HIRE

	Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY14 TOTAL	FY15 TOTAL	VARIANCE
Average Days to Hire (Month):	139	181	147	127	122	203	142	-61 ▲ 2%

Average Time to Hire



¹ Data thru 09/30/15



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Metrics – Managed Care

Key Measures	Jul'15	Aug'15	Sep'15	Oct'15	% Change From Prior Month	Trend	FYTD'15 Budget or Goal	% to Budget/Goal
Monthly Membership	172,873	170,834	169,802	168,749	-0.6%	--	158,349	106.6%
ACA	82,058	79,454	78,058	76,910	-1.5%	▼	78,119	98.5%
FHP	87,949	88,333	88,553	88,538	0.0%	--	74,506	118.8%
SPD	2,866	3,047	3,191	3,301	3.4%	▲	5,724	57.7%
Home/Community Waiver (incl DD)	539	565	583	593	1.7%	▲		
LTC	174	189	185	201	8.6%	▼		
FYTD Member Months	1,169,503	1,340,337	1,510,139	1,678,888			1,631,305	102.9%
ACA	668,043	747,497	825,555	902,465			875,335	103.1%
FHP	482,382	570,715	659,268	747,806			706,048	105.9%
SPD	19,078	22,125	25,316	28,617			49,923	57.3%
Risk Management								
Pharmacy								
# Scripts/Utilizer	3.00	2.90	2.90		0.0%	--		
% Generic dispensing	83%	82%	81%		-1.3%	▼		
% Brand Single Source	17%	17%	18%		8.2%	▼		
% Formulary	98%	98%	98%		0.0%	--	98%	0.0%
% CCHHS HIV pt meds @ CCHHS pharmacy	36.0%	34.1%	35.9%		5.3%	▲	80%	-44.1%
% Maintenance Rx on Extended Supply (>84 days)	45.7%	55.8%	47.1%		-15.6%	▼	85%	-37.9%
Care Management								
PCMH Assignment								
% Members Assigned to PCMH	99.6%	99.9%	99.7%		-0.2%	--		
% Members Unassigned	0.4%	0.1%	0.3%		433.9%	▼		
ACA Utilization Management (rolling 12 month)							Nov'14 Baseline	
Admits/1,000 member months	160	156	159		1.9%	▼	168	-7.1%
Bed Days/1,000 member months	702	689	695		0.9%	--	737	-6.5%
ED Visits/1,000 member months	949	926	927		0.1%	--	1,017	-8.9%
% 30-day Readmissions	22%	22%	21%		-4.5%	▲	20%	10.0%



Metrics – Quality & Patient Safety

CCHHS QPS Committee Dashboard		CCHHS Board Metrics - Quality							
Data as of 10/15/2015									
PERFORMANCE MEASURES		CY 2014		CY 2015			TARGET	VARIANCE*	
		3Q14	4Q14	1Q15	2Q15	3Q15			
						July			Aug
Stroger									
Core Measures		Monthly Composite							
Venous Thromboembolism (VTE) Prevention Only (%)		92	87	86	92	95	91	99%	-7%
Venous Thromboembolism (VTE) Prevention & Treatment (%)		88	85	83	86	84	91	99%	-13%
Efficiency - Operating Room		Monthly %							
Surgery Begins at the Scheduled Time (%)		37	38	46	50*	52	60	80%	-30%
Safety		Total # of Events							
Events: Ulcers, Falls, CLABSI and CAUTI		15	15	12	33	8	8		
Patient Experience									
Willing to Recommend Hosp (% top box)		68	66	70	66	68	69	85%	-19%
Provident									
Core Measures									
Venous Thromboembolism (VTE) Prevention Only (%)		89	87	98	94	100	94	99%	-5%
Venous Thromboembolism (VTE) Prevention & Treatment (%)		92	89	98	95	100	93	99%	-4%
Efficiency - Operating Room		Monthly %							
Surgery Begins at the Scheduled Time (%)		37	38	16	65	80	89	80%	-15%
Patient Experience									
Willing to Recommend Hosp (% top box)		66	68	67	68	62	64	85%	-17%
ACHN									
Diabetes Control % with Hgb A1C < 9%		77	78	73	74	77	76	78%	-4%
Patient Experience: Moving Through Visit		68	67	67	63	59	59	75%	-12%
Patient Experience: Telephone Access		63	62	62	61	60	60	75%	-14%
LEGEND									
CLABSI: Central line-associated blood stream infections									
CAUTI: Catheter-associated urinary tract infections									
*Variance is target to recent full quarter									



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CCHHS Board QPS Committee

