



COOK COUNTY HEALTH & HOSPITALS SYSTEM

FY2017 Preliminary Budget
September 2016

Updated 10.13.2016



COOK COUNTY HEALTH
& HOSPITALS SYSTEM
CC+HHS

FY 2017 Budget Summary

- Represents 3% reduction from FY 2016 Projected
- Cook County Health Fund Allocation reduced to \$110M* from \$121M
** \$111.3M reflected in Cook County Executive Budget Recommendation (10.13.2016)*
- Funds the final portion of the 2012-2017 CBA raises
- Saves more than \$30M in contractual costs
- Budgets CountyCare membership at 142,500
- Budgets increased revenues from Managed Care Organizations, Medicare and commercial contracts
- Forecasts increases in outpatient volumes
- Requires shifts in staffing that will result in a significant reduction of force in some positions



FY 2017 Budget Drivers

- **Improve the patient experience, reliability, and safety culture through evidence-based practices and appropriate staffing**
- **Enhance uninsured program to improve service and lower costs**
- **Increase volumes to maximize efficiencies**
- **Improve financial position**
- **Reduce number of detainees with behavioral health issues**
- **Employ new CountyCare strategies to improve performance and lower expenses**

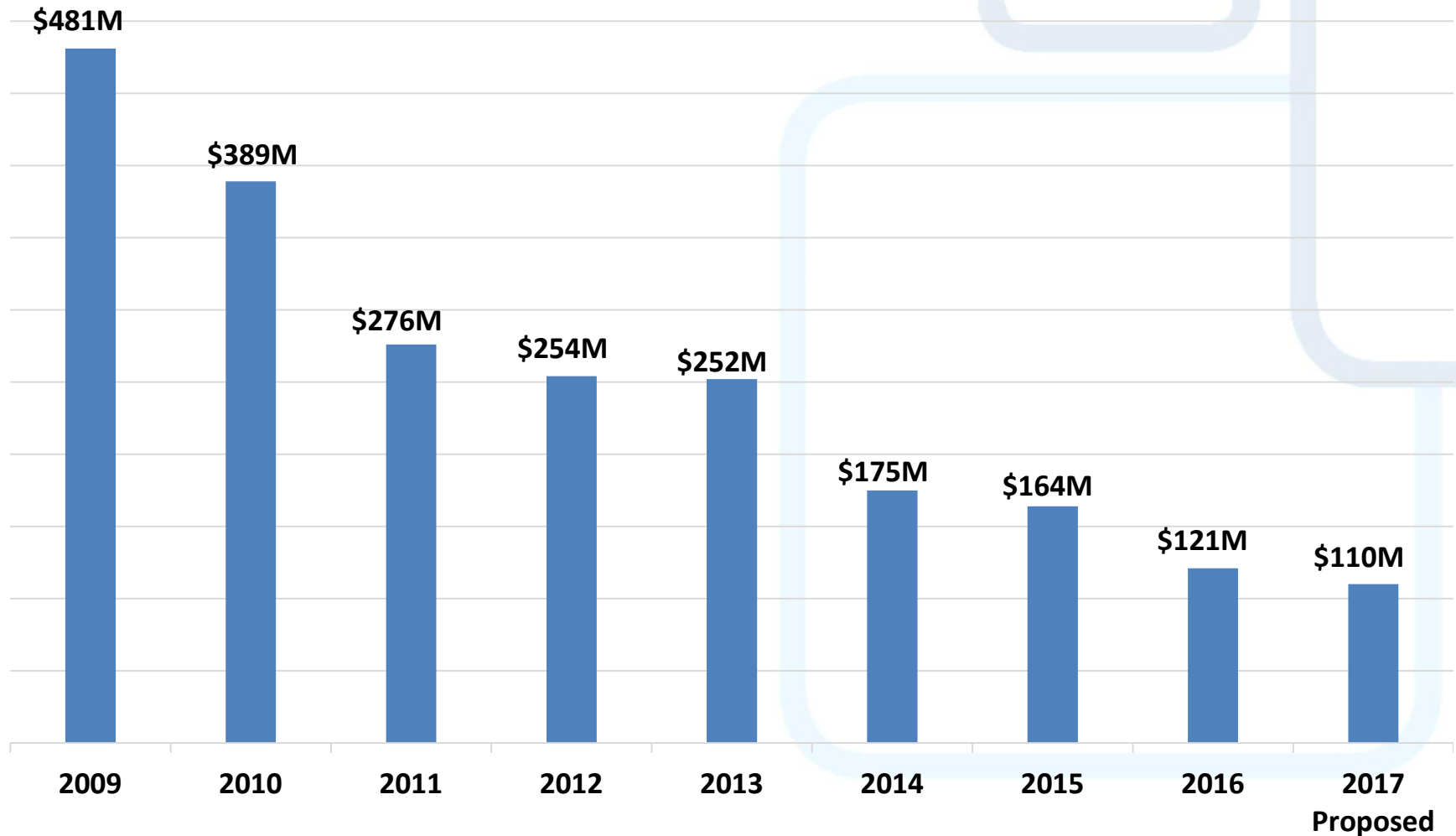


FY 2017 Proposed Budget (in Millions)

	FY 2016 Adopted*	FY 2016 Projected*	FY 2017 Proposed*	FY17 v. FY16	Difference
Hospital-Based Services	\$633	\$710	\$716	\$83	12%
Stroger Hospital	\$583	\$634	\$662	\$80	13%
Provident Hospital	\$50	\$77	\$54	\$4	5%
Correctional Health	\$74	\$77	\$83	\$9	11%
Cermak	\$70	\$73	\$79	\$8	12%
JTDC	\$4	\$4	\$4	\$0	9%
Ambulatory Services	\$109	\$93	\$113	\$4	5%
ACHN	\$84	\$69	\$89	\$5	7%
CORE Center	\$13	\$13	\$14	\$1	10%
Oak Forest	\$11	\$11	\$9	(\$2)	-18%
CountyCare	\$692	\$631	\$549	(\$143)	-23%
Health System Admin	\$122	\$123	\$117	(\$5)	-4%
Public Health	\$12	\$11	\$13	\$1	11%
Health Fund Total	\$1,640	\$1,645	\$1,590	(\$50)	-3%

Note – some numbers are rounded to nearest million for display purposes and could result in small arithmetical differences

County Health Fund Allocation to CCHHS Operating Expenses



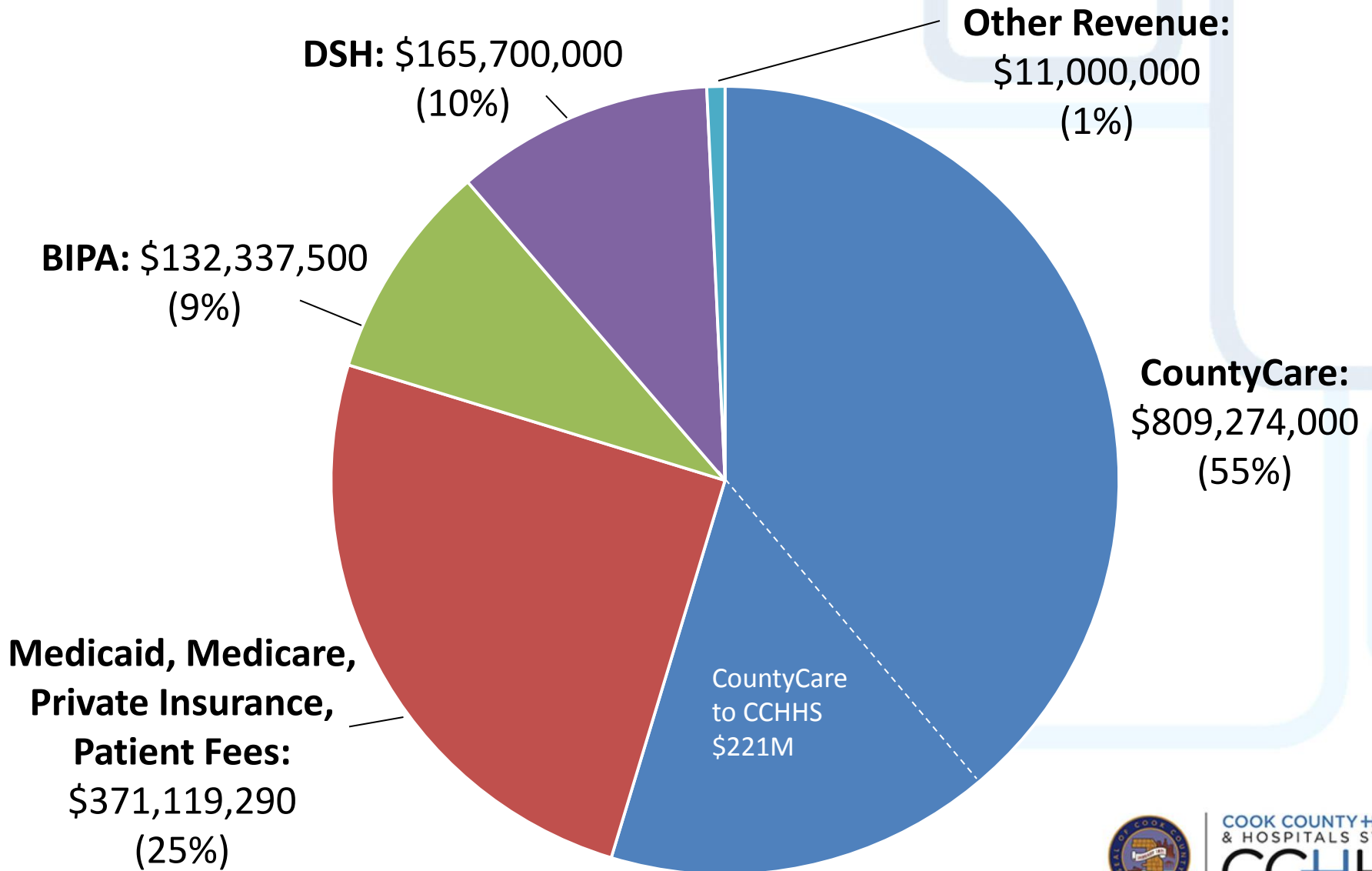
Note: Pension and Debt Service not included. Until 2016, Cook County Government provided capital funding in addition to the allocation.



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FY 2017 CCHHS Revenue by Source



FY 2017 Major Expense Assumptions

Salaries & Benefits

- In FY17, personnel costs include up to 4.2% salary increases for unionized staff related to Collective Bargaining Agreements*. The 4.2% does not include step increases.
- Net new FTE growth to continue efforts to improve patient experience, enhance care coordination and reduce denials of payments.
- Reduction in actual overtime expense

Other Costs

- Increasing uncompensated care
- Unreimbursed expenses for mandated Correctional Health and Public Health services
- Assumption of more capital expenses
- Pharmacy expense increases

* The 2012 – 2017 Collective Bargaining Agreements obligated 10.75% increases for unionized employees over the term of the five year contracts. 4.2% is the FY 2017 portion.



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FY 2017 Volume

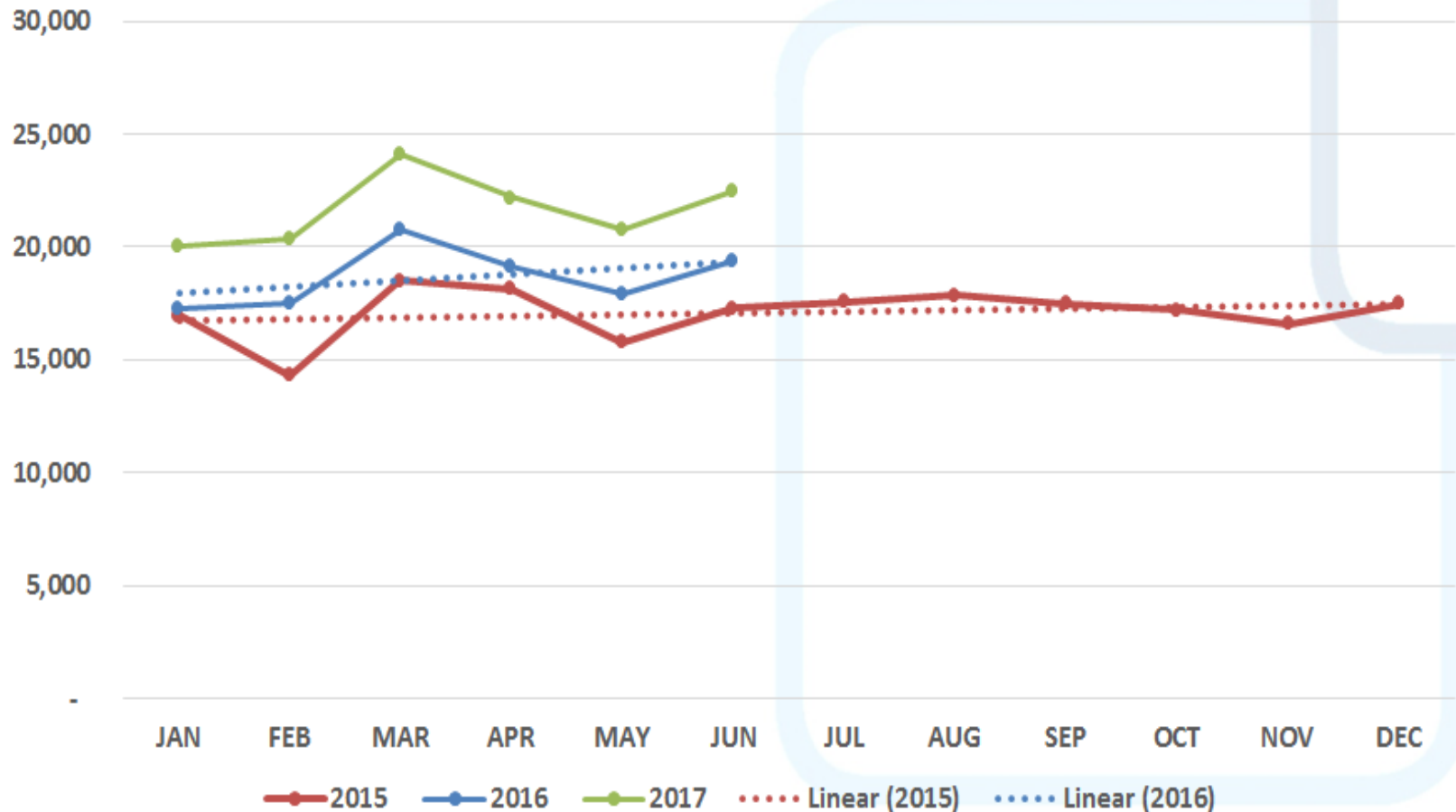
	Monthly Average			Monthly Projection	Difference
Visit Type	FY 2014	FY 2015	FY 2016*	FY 2017	FY17 v. FY16
Inpatient Days	8,772	8,529	8,683	8,683	0%
Observation Days	1,313	1,418	1,533	1,533	0%
Surgical Cases	1,143	1,135	1,174	1,243	6%
Emergency Visits	12,885	12,432	12,753	12,753	0%
Primary Care Visits	17,279	17,159	18,130	21,056	16%
Specialty Care Visits	19,928	20,135	20,152	23,175	15%
Deliveries	74	72	82	90	10%

**based on first 8 months of FY2016*



Primary Care Provider Visits

month over month trend



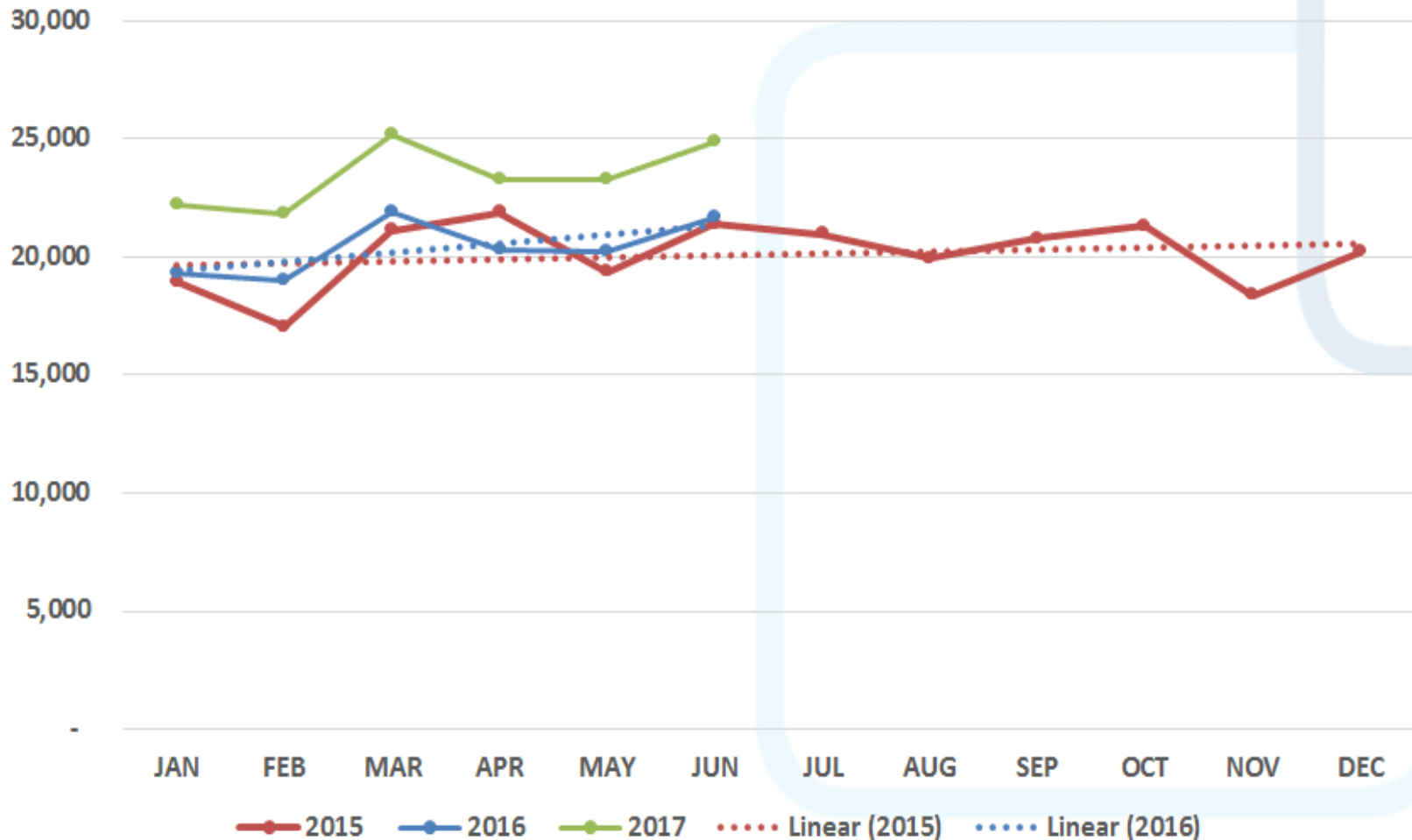
*2017 Projected



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Specialty Care Provider Visits

month over month trend



*2017 Projected



FY2017 Proposed Budget

Full Time Equivalent Position Count

	FY 2016 Adopted	FY 2017 Proposed	Difference
Ambulatory Services	943	1,016	8%
ACHN	766	859	12%
CORE Center	78	78	0%
Oak Forest	99	79	-20%
Correctional Health	647	674	4%
Cermak	611	636	4%
JTDC	36	38	6%
CountyCare	23	98	326%
Health System Administration	474	494	4%
Public Health	123	120	-2%
Hospital-Based Services	4,526	4,463	-1%
Stroger Hospital	4,175	4,121	-1%
Provident Hospital	351	342	-3%
CCHHS Total	6,736	6,865	2%

Note – some numbers are rounded for display purposes and could result in small arithmetical differences

Staffing to Grow and Compete

- **Increased nurse staffing to improve quality and reduce overtime**
 - Peri-operative Services
 - Neonatal Intensive Care Unit
 - Labor and Delivery
 - Medical Surgical Units, including Critical Care
- **Activate new pre-registration staff and care management**
 - Improve throughput, registration/insurance capture
 - Improve care coordination (complete transition from TPA)
 - Enhance customer experience
 - Increase revenue from managed care organizations
- **Strengthen and support quality and patient safety initiatives**
- **In-source outpatient billing**
- **Comply with Department of Justice mandates at Cermak**
- **Build internal grant capacity**
- **Recruit CCHHS Inpatient Transportation and Environmental Services leadership**
- **Expand integration of behavioral health**
 - Behavioral health clinicians in medical homes, specialty care and emergency departments

ADDITIONAL INFORMATION



FY 2017 Proposed CountyCare Financial Summary

(in Millions)

	ACA Adult	FHP	ICP	Total
Membership	55,000	82,500	5,000	142,500
Revenue	\$432	\$282	\$95	\$809
Medical Expense (CCHHS)	(\$162)	(\$36)	(\$23)	(\$221)
Medical Expense (Network)	(\$246)	(\$200)	(\$58)	(\$504)
Administrative Expense	(\$16)	(\$23)	(\$1)	(\$40)
Total Expenses	\$(424)	\$(259)	(\$82)	(\$765)
Profit/(Loss)	\$8	\$23	\$13	\$44
Total CCHHS Contribution	\$170	\$59	\$36	\$265

FHP – Family Health Plan (dependent children, parents)

ICP – Integrated Care Plan (seniors and persons with disabilities)



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FY 2017- 2019 Revenue Assumptions

Grow / Sustain

- Year-over-year growth in volumes
- Greater utilization of CCHHS services within CountyCare network
- Increased revenues from Managed Care Organizations, Medicare and commercial contracts
- New grant revenue projected at \$1 million growth year-over-year
- CountyCare capitation stable at 142,500 members
- Improved Denial Management
- County allocation will remain stable
- Disproportionate Share Hospital (DSH) and Benefits Improvement and Protection Act (BIPA) will remain stable

Reductions

- Lead Prevention Fund will be depleted and cost will move to operating budget



FY 2017-2019 Major Expense Assumptions

Salaries & Benefits

- Personnel cost growth related to step increases
- Potential CBA related increases
- Realignment of resources and FTE's will continue.
- FTE growth will result in progressive decline in actual overtime expenses

Other Costs

- Increasing uncompensated care
- Unreimbursed expenses for mandated Correctional Health and Public Health services
- Assumption of more capital expenses
- Pharmacy expense increases



FY 2016 ACCOMPLISHMENTS



FY 2016 Accomplishments

Relocate/improve community-based clinical services based on patients' needs, market indicators and facility location and condition

- ✓ Central Campus Health Center to break ground in early 2017
- ✓ Plans to rebuild/renovate four existing community health centers in various stages

Expand behavioral health services

- ✓ Community Triage Center open
- ✓ Behavioral Health Consortium operational
- ✓ Expansion of Substance Abuse Treatment (Medication-Assisted Treatment, Naloxone at discharge to at-risk individuals)
- ✓ Integration of behavioral health services into primary care



FY 2016 Accomplishments

Utilize safe and efficient inpatient and outpatient staffing models

- ✓ Redeployment of 250 employees to better serve patients
- ✓ Acquisition and progress on the implementation of Clairvia

Expand and enhance the Patient Experience Initiative

- ✓ Customer service training
- ✓ Improved parking on Central Campus
- ✓ New Patient Support Center opened. Expanded to 24 hours M-F.
- ✓ Expansion of hours at health centers to Saturdays
- ✓ E-consult
- ✓ Patient Experience consultant in place (4Q16)
- ✓ Central Registration (4Q16)
- ✓ Same Day Surgery improvements (4Q16)



FY 2016 Accomplishments

Identify opportunities to bring services in-house and maximize effectiveness of existing contracts

- ✓ Environmental Services (Central Campus & Provident)
- ✓ Inpatient Transportation
- ✓ Outpatient Billing
- ✓ Care Management (completion in Spring 2017)
- ✓ Coding
- ✓ Expansion of Patient Support Center and Application Call Center
- ✓ Estimated Savings \$20M from above initiatives

New facility investment on the Central Campus

- ✓ Relocation of Fantus services
- ✓ Development of integrated clinical settings

Accreditations/Certifications

- ✓ Joint Commission Accreditation for Stroger Hospital
- ✓ American College of Surgeons Commission on Cancer accreditation for Stroger Hospital



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FY 2016 Accomplishments

Correctional Health

- ✓ New detox unit cared for more than 10,000 detainees
- ✓ Naloxone education and dispensing at discharge for at-risk individuals
- ✓ Seven Department of Justice citations moved into Substantial Compliance

Addressing social determinants of health: Food As Medicine

- ✓ Expanded partnership with Greater Chicago Food Depository (GCFD)
- ✓ Four centers routinely screening for food insecurity
- ✓ Nine GCFD Fresh Truck visits provided fresh fruits and vegetables to 1,163 households representing 4,099 individuals
- ✓ Summer Meals program at three health centers – Englewood, Cottage Grove and Robbins

CountyCare

- ✓ Third Party Administration, Pharmacy Benefits Management, Vision benefits management transition
- ✓ Care Management transition (to provider-led model)



FY 2016 Accomplishments

- ✓ **Adoption of three year strategic plan**
- ✓ **Executed contracts with six Managed Care Organizations representing estimated \$200M in gross revenue.**
- ✓ **Acquired Vizient Benchmarking tool**
- ✓ **Implementing Clairvia nurse resources planning tool**
- ✓ **Working with Cook County to:**
 - ✓ implement new Enterprise Resource Planning Software
 - ✓ implement new Time and Attendance system

Improve utilization of CCHHS services by CountyCare members*

*While the percent of CountyCare members empaneled to CCHHS PCMH sites is up from 12% in December 2015 to 23% in July 2016, utilization is not.

