



# COOK COUNTY HEALTH

Dr. Jay Shannon, CEO

CC Finance Committee – Department Hearing

October 25, 2018

Remarks as Prepared

Good morning Chairman Daley, Commissioners.

I am pleased to present to you our Fiscal Year 2019 budget which for the 10<sup>th</sup> straight year relies less on Cook County taxpayers to fund its operations.

The \$102M tax allocation we are requesting from Cook County represents less than 3% of our revenues AND importantly is earmarked for correctional health and the Cook County Department of Public Health. As you know, these are services that the county is required to provide but that we are unable to bill for.

We are proud of what we have accomplished and proud of the direction we are going in. We continue to raise the bar in all aspects the organization – from the care delivered to our patients to the business operations we continue to mature. Ultimately, with the support of this board and our independent governing board, we believe we have laid the foundation to ensure that our 180 year legacy continues. And I thank each of you for challenging us along the way - we are a better, stronger healthcare organization as a result.

We have been very intentional in our approach – guided by IMPACT 2020, the strategic plan that our board adopted and this board approved in 2016. IMPACT 2020 has truly guided our activities as we continue our journey of transformation into a modern, patient-centered health system that can compete in the new environment.

The strategic plan is always front-of-mind when the leadership team discusses short- and long-term strategies. We conducted the planning in a series of public meetings with input from our employees, our patients, the community and other important stakeholders. The plan appropriately recognized the ever-changing political and policy environment that we are operating in and we have made the necessary adjustments to adapt.

The strategic plan and our budget every year since has contemplated required changes to our business model to succeed in a managed care environment. And while every health system strives to improve their processes, today we are generating 97% of our own operating revenues – an indication that signals we are on the right path.

The FY19 budget addresses the seven focus areas in the strategic plan. You will see that we have strategies that are unique to some areas and strategies that cross several focus areas by design. The intersection of many of these initiatives is what will move the needle on patient care and patient outcomes.

For instance, we continue to invest in behavioral health, care management, social determinants of health and addressing issues in the justice-involved population. The long-term impact of providing a comprehensive package of services to this population will save society money but more importantly improve the lives of the individuals and communities most impacted.

For instance, our partnership with the Greater Chicago Food Depository has resulted in the distribution of more than 400,000 pounds of fresh produce to nearly 20,000 individuals and impacting 58,000 household members. These are households who have been identified in our clinics as food insecure. Our reach is beyond the individual patient who needs a healthier diet to control their diabetes or heart disease. Our reach includes the family members, the community and ultimately society as we work to solve this food insecurity issue one patient at a time. These are big opportunities that we are proud to be part of. They truly have the ability to change the trajectory of people's lives.

This budget provides a number of these ‘big opportunities’ but also addresses things like investments in technology and facilities, equipment upgrades and the rising costs of pharmaceuticals and supplies.

The budget anticipates continued – although modest – growth in the health plan. I don’t think we should lose sight that the strategies developed and supported by this board have created the largest Medicaid health plan in Cook County despite the market position of our competitors. This budget includes several innovative projects that we expect will keep us in that lead position.

At this critical moment, when improvements in health care coverage for vulnerable populations are threatened by unprecedented partisanship at the federal level, we must continue our efforts to build a modern, responsive and fiscally stable health system. We owe that to our patients and we owe that to Cook County taxpayers.

Through a combination of strategic initiatives, belt tightening and resource realignment, we have had consecutive years of expanded services while lowering our reliance on local taxpayer dollars. Over this same time, we also have assumed responsibility for capital expenses (with approximately \$25M of depreciation annually) as well as a significant portion of pension costs and will do so again in 2019. These efforts represent our commitment to being competitive in a modern health care environment while also being responsive to the fiscal situation of the County.

The challenges we face are not going away. Threats to diminish the public health achievements of the Affordable Care Act continue. Violence continues to ravage communities. Deaths related to opioids today in Cook County are more common than those attributed to guns or motor vehicle accidents. Rising to these challenges, in 2019 we will initiate programs to address some of the serious public health threats impacting our communities.

If these financial and public health challenges seem daunting, it’s because they are. But our dedication to tackling these problems head-on defines us. It always has. For 180 years, we have been the safety net provider for our most vulnerable communities and for patients who otherwise would be left behind. As such, we are the linchpin of a health ecosystem that could collapse without us. We fully intend to continue in our important mission, but this moral and humane pursuit does not come without a cost, even as we reduce the costs borne by local taxpayers.

In closing, let me say that we are proud of our system’s legacy. We are proud of the work we do to carry out the mission. We are proud of what we have done over the past several years to protect that mission and serve as a provider and advocate for the patients who rely on us.

But we could not do this without the support of President Preckwinkle, this board and our independent governing body – a group of volunteer healthcare, finance, labor, government executives who work closely with us to ensure our success. Thank you to each of you for our shared commitment to our patients and mission.

Before we take questions, please allow me to introduce the team behind me.

Hill Hammock, Chairman, Cook County Health Board of Directors

Doug Elwell, Deputy CEO for Finance & Strategy

Debra Carey, Deputy CEO for Operations

Ekerete Akpan, CFO

Edith Murgas, Budget Director

And joining us in the ‘box’ are Dr. Terry Mason, Chief Operating Officer Cook County Department of Public Health  
Barbara Pryor, Interim Chief Human Resources Officer and Jim Kiamos, CEO CountyCare.

Thank you. We would be happy to take your questions at this time.