



COOK COUNTY HEALTH & HOSPITALS SYSTEM

FY 2018 Proposed Budget and Financial Plan
September 2017

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COOK COUNTY HEALTH
& HOSPITALS SYSTEM
CC+HHS

FY 2017 ACCOMPLISHMENTS

FY 2017 Accomplishments

Deliver High Quality Care

- Increased mental health and substance abuse services
 - Prescription of Medication Assisted Treatment (MAT) and naloxone for eligible patients in Cook County Jail
 - Continued integration of behavioral health services into primary care
 - Assumed operations of City behavioral health center in Roseland
 - Established mental health screening in bond court
 - Expanded the Behavioral Health Consortium
- Deployed care coordination throughout the health system
- Continued improvement in care delivery to detainees
- Initiated system-wide patient safety initiative
- Successful Joint Commission Stroger Hospital extension survey which included most of ACHN
- Achieved 92% compliance with influenza vaccination campaign
- Completed NCQA certification process for CountyCare
- Recertified as Level 1 Trauma Center (Stroger)
- Stroger Hospital recognized by US News & World Report as a high performing cardiac care hospital



FY 2017 Accomplishments

Grow to Serve and Compete

- Capital projects:
 - Stroger Hospital Women & Children's Center (4th Floor)
 - Imaging Department upgrades
 - Same-day surgery
 - Lab automation
 - Pharmacy consolidation and expansion
 - Central Campus clinic/department relocations
 - Health Information Management/Release of Records
 - Hospital Police
 - Progress toward new Central Campus Health Center, Provident Regional Outpatient Center, Vista Health Center, Logan Square Health Center, Cicero
- Awarded new MCO contract with State of Illinois
- Launched/Sustained CCHHS and CountyCare marketing campaigns
- Increased volumes in surgery, mammograms and obstetrics



FY 2017 Accomplishments

Foster Fiscal Stewardship

- Increased revenue from MCO contracts
- Launched extensive internal billing and coding efforts
- Leveraged technology solutions to improve care quality and efficiency
 - Clairvia
 - Vizient
 - e-Consult
 - Time & Attendance
 - Enterprise Resource Planning (ERP)
 - CommonWell Health Alliance, CareConnect and HUB
 - Texture (Care Management)
 - Advisory Board



FY 2017 Accomplishments

Invest in Resources

- Completed assessment of clinical equipment system-wide
- Exceeded staff participation goal in the CCHHS Culture of Safety survey
- Extended hours at community health centers
- Progress toward substantial compliance in employment plan

Leverage Valuable Assets

- Established Innovation Center to leverage skills of Institutional Review Board, Clinical Research Unit and Business Intelligence
 - Established research collaborative on gun violence



FY 2017 Accomplishments

Impact Social Determinants of Health

- Established new/expanded programs to address social determinants of health:
 - CountyCare housing initiative
 - Farmer's Markets
 - GCFD Fresh Truck locations
- Obtained \$4 million in grant funding to address social determinants of health, expand behavioral health services and more

Advocate for Patients

- Commenced coordinated health program for uninsured CCHHS patients
- Formed board and staff workgroup to inform staff training and strengthen communication of historical mission of inclusiveness for all patients
- Positioned CCHHS as national thought leader on health care reform



FY 2018 PROPOSED BUDGET



FY 2018 Proposed Budget

- Continues transformation toward a patient-centered health system
- Supports continued efforts in care management and behavioral health
- Strengthens critical business functions (billing, coding, denial management)
- Assumes CountyCare membership at 225,000 representing most of the year-over-year growth
- FTE count flat year-over-year



FY 2017 – 2018 Budget (\$, in Millions)

	FY 2017 Adopted	FY 2017 Projected	FY 2018 Proposed
Revenues			
External Revenue	1,480	1,399	1,943
Cook County Allocation	112	105	110
Cook County Pension Contribution	45	125	125
Total Available Funds	1,637	1,629	2,178
Expenses			
Hospital-Based Services	890	944	982
CountyCare External Expenses	557	654	997
Health Administration	139	81	92
Ambulatory Services	142	150	199
Correctional Health	104	108	130
Public Health	17	15	18
Total Expenditures	1,849	1,952	2,417
Net Surplus/ (Deficit)	(213)	(324)	(239)
Non-Cash Expenditures			
Pension	175	196	196
Depreciation	28	28	28
Self-Insurance Reserve	15	15	15
Delayed Retro Payment to State		78	
Net Cash Change	5	(7)	0

FY 2018 Budget Drivers

- Improve the patient experience, reliability, and safety culture
- Maximize patient benefit of CCHHS staffing and facilities
- Sustain financial position
- Sustain and grow CountyCare membership and improve CCHHS capture within CountyCare



FY 2018 Volume

	Monthly Average			Monthly Projection	Difference
Visit Type	FY 2015	FY 2016	FY 2017*	FY 2018	FY18 v. FY17
Surgical Cases	1,135	1,238	1,176	1,294	10%
Emergency Visits	12,432	12,901	12,611	12,611	0%
Primary Care Visits	17,159	18,436	18,223	20,045	10%
Specialty Care Visits	20,135	20,230	19,800	21,780	10%
Deliveries	72	83	85	93	10%



FY 2018 Revenue Assumptions

- Increased revenues related to clinical activity by CCHHS providers
 - CountyCare
 - Growth in membership related to RFP impact
 - Tighter network
 - Rates remain flat
 - Greater alignment with FQHC partners
 - Non-CountyCare MCOs
 - Sub-Capitation
 - Medicare and commercial contracts
 - Aggressive denial management strategy
 - Billing & Coding
- Disproportionate Share Hospital (DSH) and Benefits Improvement and Protection Act (BIPA) stable



FY 2018 Major Expense Assumptions

Salaries & Benefits

- In FY2018, personnel costs increase per existing Collective Bargaining Agreements
- Continued transformation and realignment of workforce to improve patient experience, enhance care coordination and reduce denials of payments
- FTE realignment will result in progressive decline in overtime expenses

Other Costs

- Increasing uncompensated care
- Capital and other expenses related to new/improved facilities
- Pharmacy expense increases



Controlling Expenses

- Contract monitoring
- Project management reviews
- Insourcing/Outsourcing
- Overtime and agency expenses
- Prioritize strategic initiatives

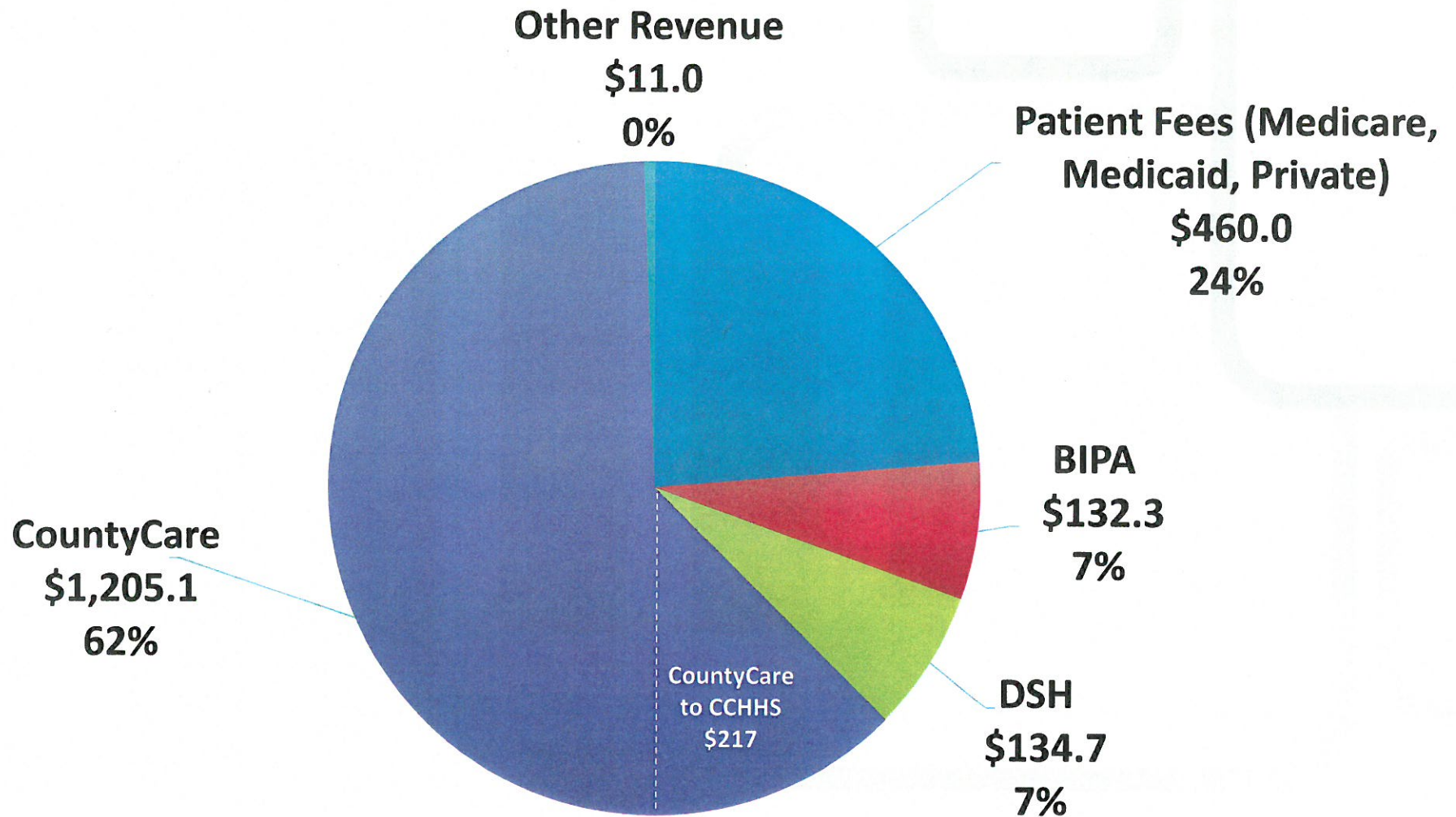


Critical Success Factors

- Affordable Care Act
- Medicaid membership
- Managed Care Organization Contract Approval
- Medicaid rates
- Patient experience
- Pilot projects
- Partnerships with labor
- Improved productivity
- Strategic partnerships
- Larger healthcare environment



FY 2018 External Revenue by Source (in millions)



DSH: Disproportionate Share Hospital Payments (federal)

BIPA: Benefits Improvement and Protection Act Payments (federal)

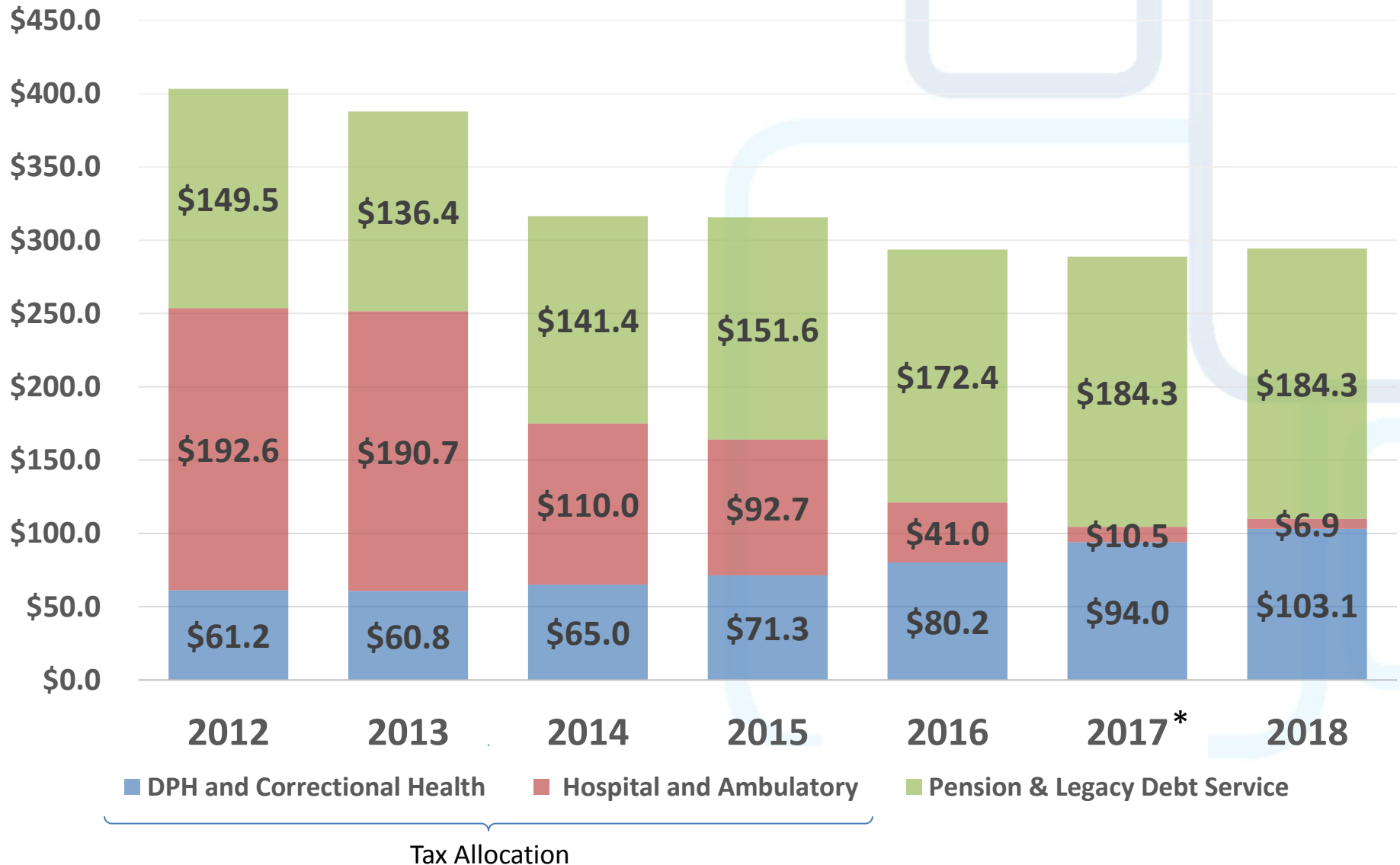


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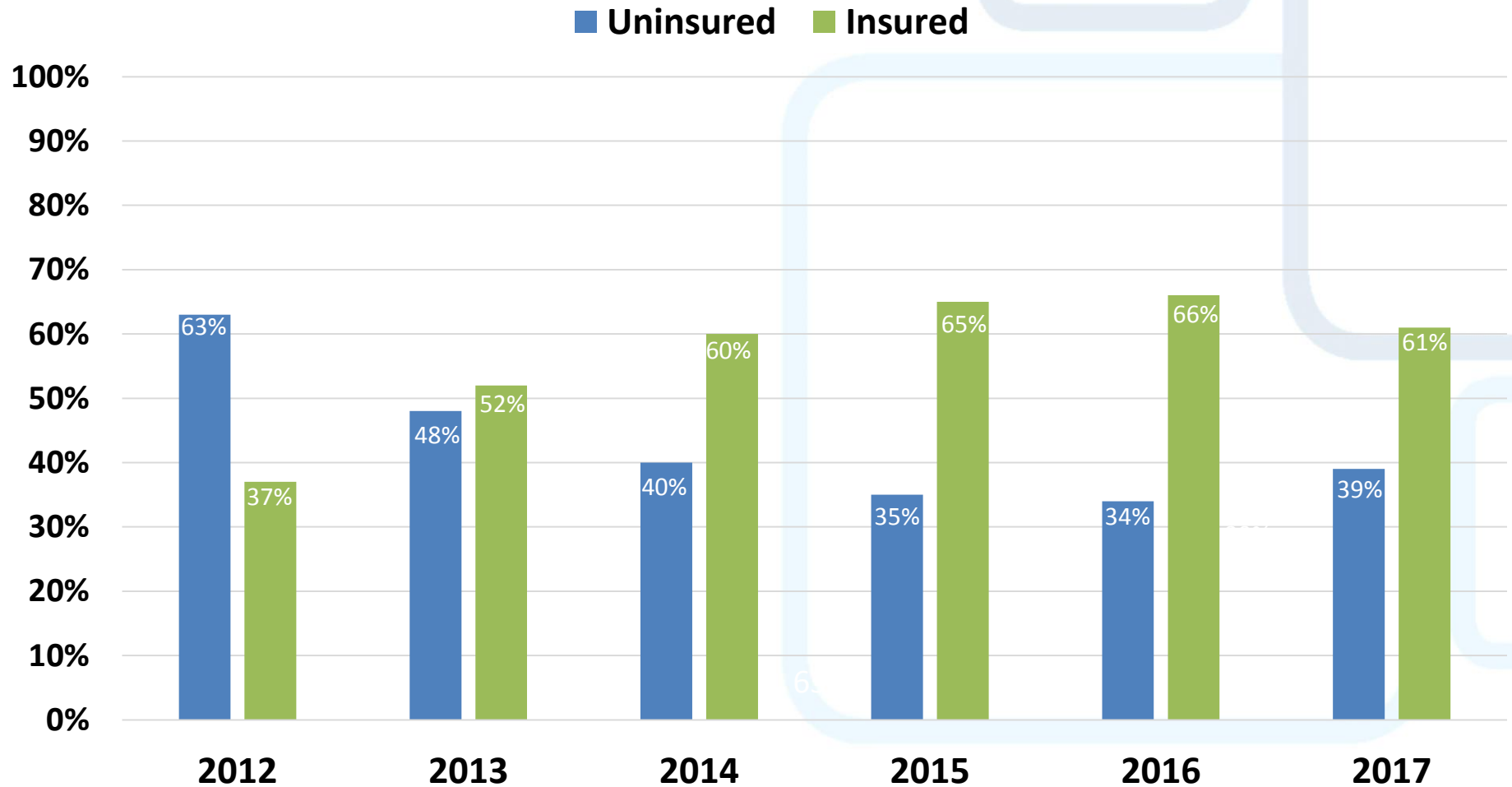
CCHHS

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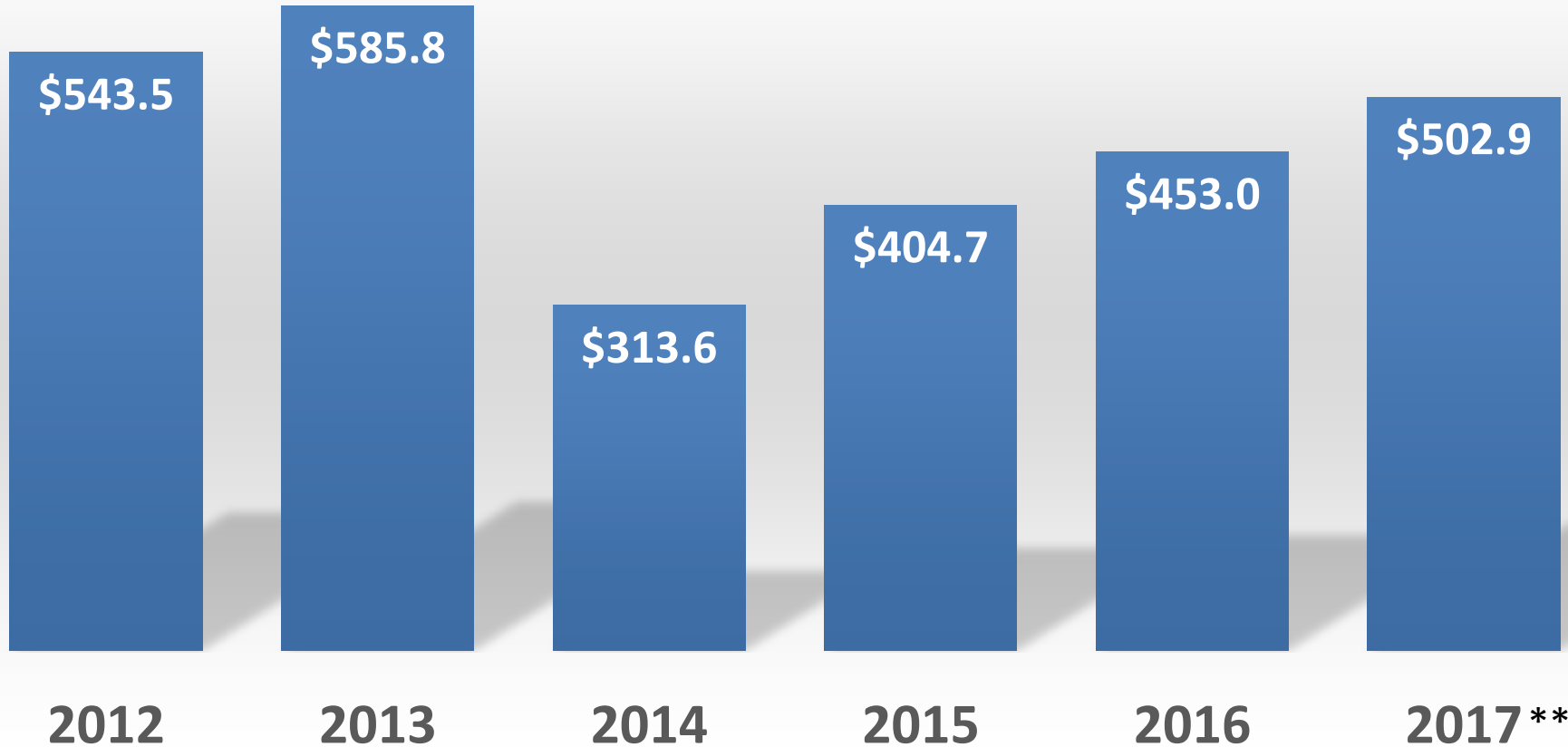
Cook County Support to CCHHS



Insurance Status by Unique Patients



CCHHS Uncompensated Care*



* Charity Care + Bad Debt

** FY2017 projected to increase 11% over FY2016 Actuals



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FY 2018 Proposed CountyCare Financial Summary

	ACA Adult	FHP	SPD	TOTAL
<i>Current Membership</i>	54,462	81,471	5,575	141,508
Projected 2018 Membership	75,000	135,000	15,000	225,000

Revenue (in millions)	\$530	\$376	\$299	\$1,205
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Medical Expense (CCHHS)	99	34	68	201
Medical Expense (Network)	404	302	220	926
Administrative Expense	22	35	5	62
Total Expenses (in millions)	\$525	\$371	\$293	\$1,189
Profit/(Loss)	5	5	6	16
Total CCHHS Contribution	\$104	\$39	\$74	\$217

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FY2018 FTE Count

Full Time Equivalent Position Count

	FY 2017 Adopted	FY 2018 Proposed	Difference
Ambulatory Services	1,016	1,056	4%
ACHN	859	918	6%
CORE Center	78	76	-3%
Oak Forest	79	62	-27%
Correctional Health	674	702	4%
Cermak	636	669	5%
JTDC	38	33	-15%
CountyCare	98	120	18%
Health System Administration	494	510	3%
Public Health	120	108	-11%
Hospital-Based Services	4,463	4,360	-2%
Stroger Hospital	4,121	4,023	-2%
Provident Hospital	342	337	-1%
CCHHS Total	6,865	6,856	-0.1%

FY 2018 – 2020 PROJECTIONS



FY2017 – 2020 Accrual Basis Financial Projections (in Millions)

	FY 2017 Projected	FY 2018 Proposed	FY 2019 Proposed	FY 2020 Proposed
Revenues				
External Revenue	1,399	1,943	2,000	2,040
Cook County Allocation	105	110	110	110
Cook County Pension Contribution	125	125	125	125
Total Available Funds	1,629	2,178	2,235	2,275
Expenses				
Hospital-Based Services	944	982	990	1,003
CountyCare External Expenses	654	997	992	990
Health Administration	81	92	92	92
Ambulatory Services	150	199	204	219
Correctional Health	108	130	130	131
Public Health	15	18	21	24
Total Expenditures	1,952	2,417	2,429	2,459
Net Surplus/ (Deficit)	(324)	(239)	(194)	(184)
Non-Cash Expenditures				
Pension	196	196	196	196
Depreciation	28	28	28	28
Self-Insurance Reserve	15	15	15	15
Retro Payment to State	78			

NOTE: Some numbers are rounded to nearest million for display purposes and could result in small arithmetical differences.

Environmental Factors

- Potential for significant modification to the ACA
- MCO Contract Approval
- CountyCare membership
- Medicaid rates
- Patient experience
- Partnerships with labor
- Improved productivity
- Strategic partnerships
- Larger healthcare environment



Questions?

