

CCH Finance Committee Meeting August 2019

Ekerete Akpan, Chief Financial Officer

August 23, 2019



COOK COUNTY
HEALTH

Agenda

1. System-wide Financials & Stats
 - a. Financials and Observations
 - b. Financial / Revenue Cycle metrics
2. CCH Provider Service Financials
 - a. Operational Statistics and Observations
3. CountyCare Financials & Stats
4. Correctional Health services Financials & Stats
5. Cook County Department of Public Health Financials & Stats
6. Administration Financials
7. System-wide volumes/stats



Systems-wide Financials, Observations, and Revenue Cycle Metrics



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Observations on Financials

Revenues

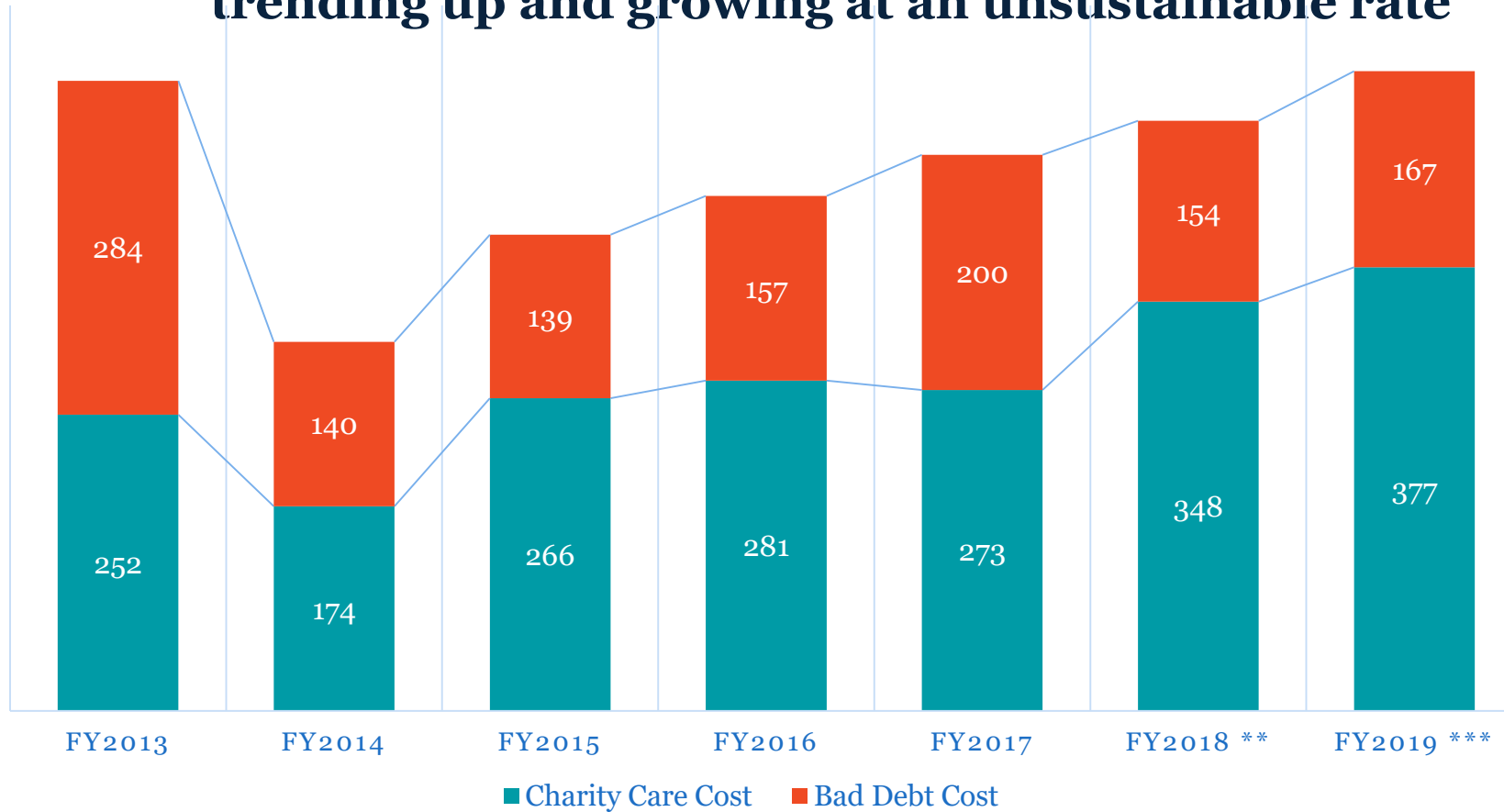
- Net Patient Service Revenues - \$408M, 4% unfavorable to target due to increasing and unsustainable growth in charity care and some lower clinical activity
 - System-wide uninsured numbers
 - Captured by Visits, held at 44%
 - Captured by Charges, held at 40%
- CountyCare Capitation Revenues - \$1.1B, 3% unfavorable to target due to lower than budgeted enrollment as a result of lower State/County MCO enrollment
- Other Revenues - \$2.8M , ongoing review of outstanding payments to ensure we get caught up by year end

Expenses

- Cost of Pharma - \$46M, favorable by 2% compared to budget

CCH Uncompensated Care* (in \$millions)

trending up and growing at an unsustainable rate



* Uncompensated Care is Charity Care + Bad Debt at cost
** FY2018 Actual from Audited Financials
***FY2019 projected



Income Statement for the Seven Months ending June 2019 (in thousands)

CCH Systemwide	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	408,196	424,124	(15,928)	-4%
County Care Access Payments	242,290	-	242,290	n/a
CountyCare Capitation Revenue	1,029,928	1,062,687	(32,759)	-3%
Cook County Access Payments	32,626	32,626	-	0%
Other Revenue	2,849	7,583	(4,735)	-62%
Total Operating Rev	1,715,889	1,527,021	188,869	12%
<u>Operating Expenses</u>				
Salaries & Benefits	385,278	415,997	30,719	7%
Overtime	25,537	20,884	(4,652)	-22%
Contracted Labor	25,989	19,904	(6,086)	-31%
Pension*	64,125	190,962	126,837	66%
Supplies & Materials	26,359	43,766	17,406	40%
Pharmaceutical Supplies	46,325	47,150	824	2%
Purch. Svs., Rental, Oth.	145,706	195,346	49,640	25%
External Claims Expense	903,919	826,332	(77,587)	-9%
County Care Access Expense	242,290	-	(242,290)	n/a
Insurance Expense	15,564	17,171	1,607	9%
Depreciation	20,244	20,244	-	0%
Utilities	12,393	5,767	(6,627)	-115%
Total Operating Exp	1,913,730	1,803,521	(110,208)	-6%
Operating Margin	(197,841)	(276,501)	78,660	28%
Operating Margin %	-12%	-18%	7%	36%
Non Operating Revenue	115,624	151,398	(35,774)	-24%
Net Income/(Loss)	(82,217)	(125,103)	42,886	34%



Financial Metrics

Metric	As of end June-18/YTD	As of end June-19/YTD	Target
Days Cash On Hand*	34	13	60
Operating Margin**	-6.0%	-9.1%	-5.4%
Overtime as Percentage of Gross Salary***	7.6%	7.1%	5.0%*
Average Age of Plant (Years)	24.4	23.2	10.7

*Days Cash in Hand – Point in time i.e. as of end of each month. Note State owed CCH \$298M in payments as of end June 2019

**Excludes Pension Expense-Target based on compare group consisting of 'like' health systems : Alameda Health System, Nebraska Medical Center, Parkland Health & Hospital System, and UI Health

***Overtime as percentage of Gross Salary – CCH target 5% , Moody's 2%



Revenue Cycle Metrics

Metric	Average FYTD 2019	May-19	June-19	July-19	Benchmark /Target
Average Days in Accounts Receivable <i>(lower is better)</i>	98	93	97	102	45.85 – 54.9*
Discharged Not Finally Billed Days <i>(lower is better)</i>	11	10.5	12	12	7.0
Claims Initial Denials Percentage <i>(lower is better)</i>	20%	19%	17%	15%	20%

Definitions:

Average Days in Accounts Receivable: Total accounts receivable over average daily revenue

Discharged Not Finally Billed Days: Total charges of discharge not finally billed over average daily revenue

Claims Initial Denials Percentage: Percentage of claims denied initially compared to total claims submitted.

* Source HFMA Key Hospital Statistics and Ratio Margins – Posted 2014



Provider of Care Services Financial and Operational Statistics



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CCH Provider - Income Statement for the Seven Months ending June 2019 (in thousands)

CCH Providers	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Revenue</u>				
Net Patient Service Revenue	408,196	424,124	(15,928)	-4%
Cook County Access Payments	32,626	32,626	-	0%
Other Revenue	2,143	6,522	(4,379)	n/a
Total Operating Rev	442,964	463,272	(20,307)	-4%
<u>Operating Expenses</u>				
Salaries & Benefits	321,092	328,492	7,400	2%
Overtime	21,661	17,800	(3,861)	-22%
Contracted Labor	23,552	13,349	(10,203)	-76%
Pension*	52,422	160,037	107,615	67%
Supplies & Materials	25,887	41,164	15,277	37%
Pharmaceutical Supplies	42,041	41,315	(726)	-2%
Purch. Svs., Rental, Oth.	99,859	127,129	27,271	21%
Insurance Expense	15,152	-	(15,152)	n/a
Depreciation	12,546	12,546	-	0%
Utilities	12,392	5,676	(6,717)	-118%
Total Operating Exp	626,603	747,508	120,904	16%
Operating Margin	(183,639)	(284,236)	100,597	35%
Operating Margin %	-41%	-61%	20%	32%
Non Operating Revenue	52,768	84,067	(31,299)	-37%
Net Income/(Loss)	(130,871)	(200,169)	69,299	35%



CCH as a Provider - Revenue Statement for the Seven Months ending June 2019 (in thousands)

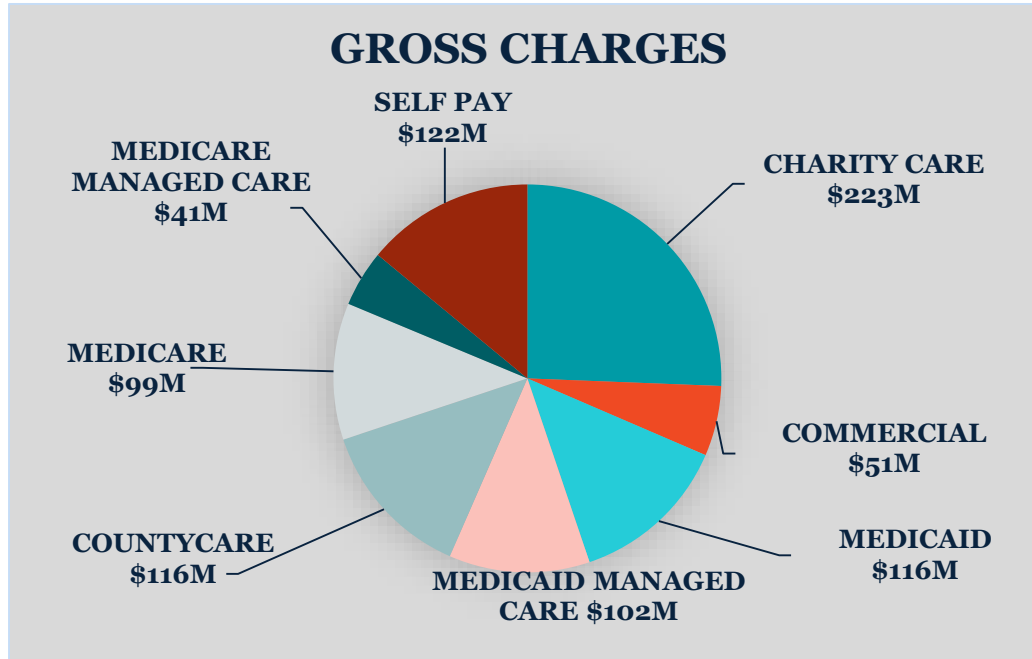
CCHHS Providers	Year-To-Date <i>Actual</i>
Gross Revenue	1,003,506
<u>Adjustments</u>	
Contractual Adjustments	(302,720)
Charity Adjustments	(298,830)
Total Adjustment	(601,550)
Gross NPSR	401,956
Bad Debt Allowance	(239,661)
Adjusted NPSR	162,295
GME	77,295
DSH	91,408
BIPA	77,197
Adjusted NPSR plus DSH, and BIPA	408,196
Adjusted NPSR plus DSH, and BIPA as a % of Gross Revenue	41%

Clinical Activity Observations

- Primary Care visits are up by 9% versus FY18, and up 4% versus FY19 target
- Specialty Care visits are up by 4% versus FY18, and down 1% versus FY19 target
- Surgical Cases are down by 4% versus FY18, and down 9% versus FY19 target
- Inpatient Discharges are down 8% versus FY18
- Emergency Department visits are down 1% versus FY18
- Deliveries are up by 4% versus FY18, and down 7% versus FY19 target



Stroger Operations Overview for the Seven Months ending June 2019



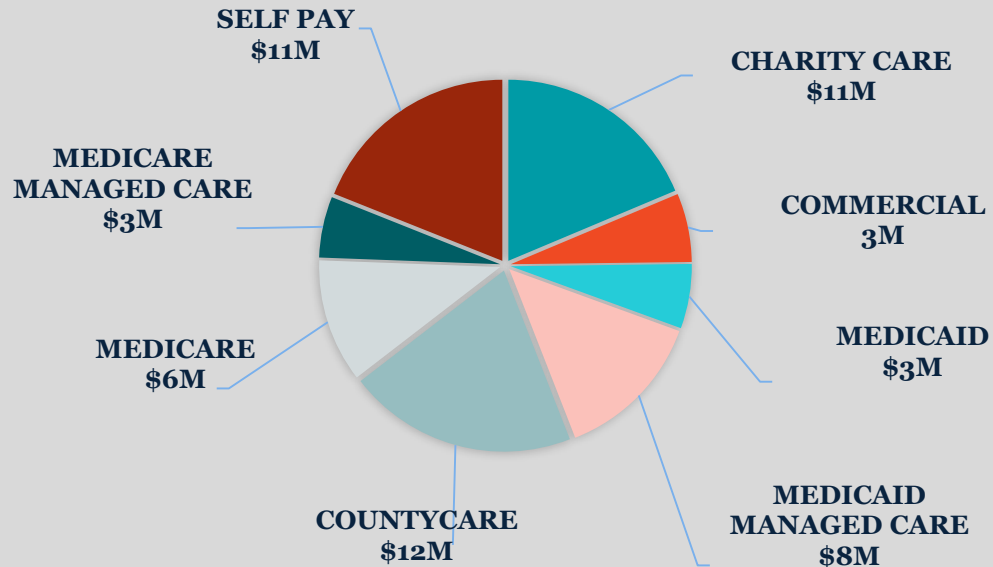
Inpatient/Observation-FYTD			
Measure	FY2019	FYTD Target	FY2018
Inpatient Discharges	9,727	10,262	10,520
- Long Stay Admissions	2,088	2,079	2,105
- One Day Admissions	558	581	627
Inpatient Days	50,603	50,372	51,594
Observation Discharges	6,271	5,999	5,918
Observation Days (Observation Discharge)	12,140	10,962	11,404
Avg LOS (Inpatient Discharge)	5.8	---	5.6
Average Daily Census (Inpatient & Observation)	296	294.5	
Surgical Cases	6,832	7,567	7,263
Procedures (CPTs)	---	---	---
Radiology Tests	25,253	24,683	24,683
Deliveries	592	637	572
Emergency- FYTD			
Measure	FY2019	FYTD Target	FY2018
Emergency Visits (includes LWBS & Trauma)	69,163	71,015	69,845
Adult Emergency Visits	57,824	58,484	58,062
Peds Emergency Visits	4,100	4,005	4,217
Trauma Visits	3,850	3,915	4,156
LWBS	3,389	2,799	3,410
Radiology Tests	57,502	58,848	58,848
Outpatient Clinic- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	330,042	327,852	316,719
Total Provider Visits*	202,089	200,333	195,610
Specialty/Diagnostic/Procedure Provider Visits			
Austin (AH)	3058	3,311	3,379
Core Specialty	5,582	6,104	5,604
Hospital - Based	11,497	12,033	12,024
Specialty Care / Fantus / Professional Bldg	140,957	140,448	137,241
Total	161,094	161,896	158,248
Primary Care Provider Visits			
Core	7,677	8,064	7,736
Core Peds	305	343	341
GMC	30,245	27,405	26,840
Peds	2,768	2,625	2,445
Total	40,995	38,437	37,362

Comments:

- Targeted efforts to improve surgical volumes is ongoing focused on throughput and expedited equipment purchases
- Focused efforts on reviewing observation days

Provident Operations Overview for the Seven Months ending June 2019

GROSS CHARGES



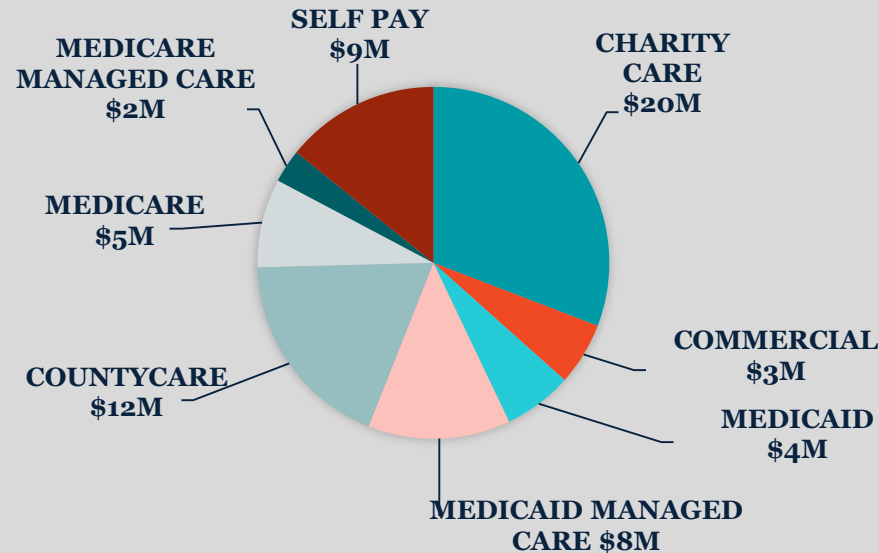
Comments:

- Leadership reviewing left without being seen in Emergency Dept.
- Expect more volume growth as we complete equipment procurement , fully staff new clinical capacity including the ICU

Inpatient/Observation-FYTD			
Measure	FY2019	Monthly Target	FY2018
Inpatient Discharges	319	343	373
- Long Stay Admissions	60	70	77
- One Day Admissions	28	21	23
Inpatient Days	1,776	1,750	1,861
Observation Discharges	396	364	368
Observation Days (Observation Discharge)	825	721	778
Avg LOS (Inpatient Discharge)	5.4	---	5.4
Average Daily Census (Inpatient & Observation)	12.3	12.2	12.4
Surgical Cases	1,667	2,121	1,592
Procedures (CPTs)	---	---	---
Radiology Tests	211	186	186
Emergency- FYTD			
Measure	FY2019	Monthly Target	FY2018
Emergency Visits (including LWBS)	17,363	19,152	17,962
Adult Emergency Visits	15,364	16,835	15,786
Peds Emergency Visits	873	1,036	1,041
LWBS	1,126	763	1,135
Radiology Tests	9,352	9,895	9,895
Outpatient Clinic- FYTD			
Measure	FY2019	Monthly Target	FY2018
Total Registrations	52,224	52,136	48,887
Amb of Prov - Specialty/Diagnostic/Procedure Provider Visits	933	1,420	1,477
Sengstacke - Specialty/Diagnostic/Procedure Provider Visits	20,641	19,492	17,684
Sengstacke Primary	10,566	9,765	9,436
Sengstacke Primary Peds	527	441	228
Radiology Tests	5,888	6442	6442

ACHN Operations Overview for the Seven Months ending June 2019

GROSS CHARGES



Comments :

- Positive growth trends in Primary care and Specialty care provider visits on track to meet /exceed FY2019 targets
- Leadership continues to focus on initiatives including patient access and increasing specialty care availability at clinics

CCHC Total- FYTD			
Measure	FY2019	FYTD Target	FY2018
Total Registrations*	158,750	153,461	143,924
Total Provider Visits*	105,669	103,845	98,277
CCHC Primary- FYTD			
Measure	FY2019	FYTD Target	FY2018
Arlington Heights (AR)/Vista (VH)	7,472	6,867	6,525
Austin (AH)	7,268	7,924	7,454
Child Advocacy	328	329	348
Cicero (CH)	6,442	6,699	6,445
Cottage Grove (CG)	5,756	5,838	5,466
Englewood (EH)	8,567	7,371	6,790
Logan Square (LS)	8,936	8,421	7,818
Morton East (ME)	473	546	521
Near South (NS)	8,818	8,841	8,353
OFHC (OF)	9,289	9,107	8,926
Prieto (PH)	11,526	10,241	10,068
Robbins (RH)	6,146	6,083	5,613
Woodlawn (WH)	6,537	6,216	5,591
Total Primary Care Provider Visits	87,558	84,483	79,918
CCHC Specialty- FYTD			
Measure	FY2019	FYTD Target	FY2018
Austin (AH)	242	273	268
Cicero (CH)	442	602	615
Logan Square (LS)	401	567	544
Morton East (ME)	84	63	75
OFHC (OF)	16,631	17,808	16,831
Oral Health (OH)	4,515	3,087	2,955
CDPH	4,774	---	---
Total Specialty Care Provider Visits	27,089	22,400	21,288

*excludes Stroger Specialty Care, CORE, Stroger-Hospital Based Clinics, Sengstacke GMC & Psych, Austin Behavioral Health, and assuming all registrations are provider visits

CountyCare Health Plan Financial and Operational Statistics



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Income Statement for the Seven Months ending June 2019 (in thousands)

	<i>Year to Date</i>		
	Actual	Budget	Variance
Member Months	2,243	1,725	518
Revenue			
PMPM	1,044,009	1,085,961	(41,951)
Hospital Supplemental Access Payments	242,290	242,290	(0)
Total Revenue	1,286,300	1,328,251	(41,951)
Expense			
Total Admin Expenses	42,963	48,598	5,635
CCH Clinical Expenses			
Claims	84,761	141,147	56,386
Pharmacy Claims	8,495	21,406	12,911
Care Management	7,497	-	(7,497)
Total CCH Clinical Expenses	100,753	162,553	61,800
External Clinical Expenses			
Claims	658,933	554,617	(104,315)
Hospital Supplemental Access Pmt	242,290	242,290	-
Pharmacy Claims	179,515	189,768	10,254
Care Management	25,395	45,951	20,556
Care Management Analytics	4,307	6,650	2,343
Dental Claims	20,100	24,307	4,206
Transportation Claims	10,149	22,673	12,524
Optical Claims	3,684	2,812	(872)
Member Incentives	1,836	2,135	299
Total External Clinical Expenses	1,146,209	1,091,204	(55,005)
Total Clinical Expenses	1,246,962	1,253,757	6,795
Total Expenses	1,289,925	1,302,355	12,430
Net Income Before Rate Adjustment	(3,626)	25,896	(29,522)
Medical Loss Ratio (MLR)	97%	94%	-3%
Net Income Before Prior Period Adj/IGT	(3,626)	25,896	(29,522)
IGT	14,081	23,274	(9,193)
Amortization	5,412	5,412	-
Net Income After IGT And Amortization	(23,118)	(2,790)	(20,329)
Total CCH Impact	97,127	188,449	(91,321)



CountyCare - Observations

Comments:

- CountyCare contributes \$97M to CCH through internal capture of CountyCare business at CCH
- CountyCare Medical Loss Ratio is better than National and Regional, sustained at 97% YTD
- Total membership was 317,622 as of June 5, 2019
- Leadership focusing on several initiatives to achieve cost efficiency, protect market share and deepen engagement of targeted demographics
- Working with CCH leadership to increase appropriate CountyCare memberships access to clinical services at CCH facilities

Correctional Health Services

Financial and Operational Statistics



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Income Statement for the Seven Months ending June 2019 (in thousands)

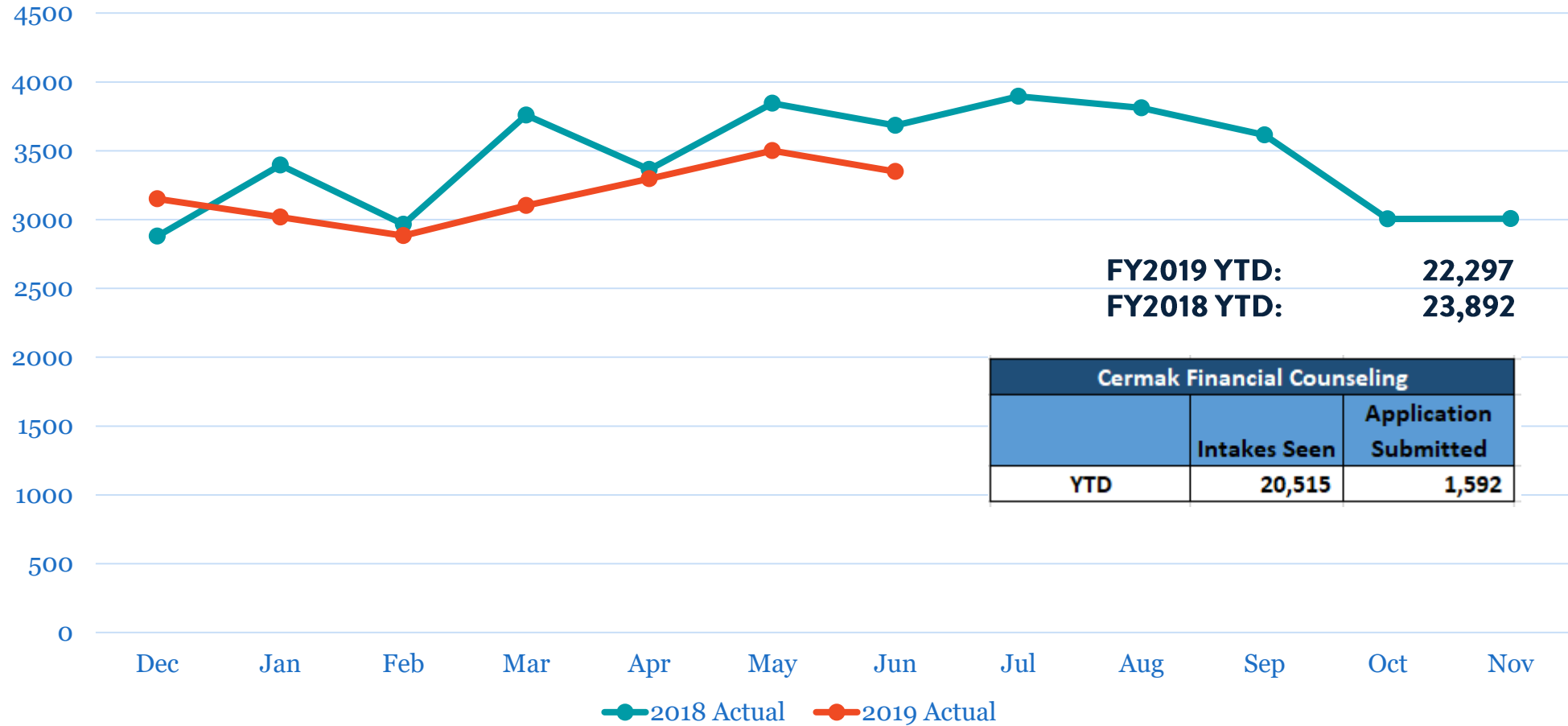
Correctional Health Services	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	103	-	103	0%
<u>Operating Expenses</u>				
Salaries & Benefits	35,576	39,743	4,166	10%
Overtime	3,530	2,820	(710)	-25%
Contracted Labor	58	216	158	73%
Pension*	5,774	13,997	8,223	59%
Supplies & Materials	407	531	124	23%
Pharmaceutical Supplies	4,285	5,833	1,549	27%
Purch. Svs., Rental, Oth.	4,734	6,416	1,682	26%
Insurance Expense	216	-	(216)	n/a
Depreciation	60	60	-	0%
Total Operating Exp	54,641	69,616	14,975	22%
Operating Margin	(54,538)	(69,616)	15,078	22%
Operating Margin %	na	na	na	na
Non Operating Revenue	56,927	58,475	(1,548)	-3%
Net Income/(Loss)	2,389	(11,141)	13,530	121%

Unaudited Financial Statement



Correctional Health Operation Overview for the Seven Months ending June 2019

Total Intakes



Comments:

- 92% of intakes are screened by financial counselling to ensure continuity of coverage

Cook County Dept. of Public Health Financial and Operational Statistics



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Income Statement for the Seven Months ending June 2019 (in thousands)

COOK COUNTY PUBLIC HEALTH	Year-To-Date		Variance	
	Actual	Budget	\$	%
Total Operating Rev	603	1,062	(459)	-43%
<u>Operating Expenses</u>				
Salaries & Benefits	5,497	6,031	535	9%
Overtime	9	4	(5)	-118%
Contracted Labor	124	79	(45)	-58%
Pension*	879	1,947	1,068	55%
Supplies & Materials	15	68	53	78%
Purch. Svs., Rental, Oth.	160	1,352	1,192	88%
Insurance Expense	37	-	(37)	n/a
Depreciation	1	1	-	0%
Utilities	-	58	58	100%
Total Operating Exp	6,721	9,540	2,819	30%
Operating Margin	(6,118)	(8,479)	2,360	28%
Operating Margin %	na	na	na	na
Non Operating Revenue	879	1,018	(140)	-14%
Net Income/(Loss)	(5,240)	(7,460)	2,221	30%

Unaudited Financial Statement



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*Year to Date (7 months) Pension Liability per GASB
Pension includes Other Post Employment Benefits (OPEB) Expense

CCDPH Operation Overview for the Seven Months ending June 2019

	Program Title	Metric	YTD Thru June 19	FY19 Target
Public Health	Administration	Percent of high-risk infant APORS (Adverse Pregnancy Outcome Reporting System) referrals received that are contacted for follow-up by the Public Health Nurse within 14 calendar days of referral	94%	85%
		Cost per county residents served	\$5.71	\$5.71
	Environmental Health	Cost per Inspection Efficiency	\$208.56	\$208.56
		Time from receipt of Chlamydia or gonorrhea report to field (days)	5	5
	Communicable Diseases	Percent of food establishments with isolated illness complaints within a contracted community or unincorporated Suburban Cook County that are inspected within 2 business days of receipt of complaint	100%	100%
Lead Poisoning Prevention	Lead Poisoning Prevention	Percentage of cases with elevated blood levels visited within the timeline provided in protocols	75%	90%
		Percentage of cases with elevated blood lead levels who receive joint nursing visit and environmental risk assessment visit	85%	95%
TB Program	Program Title	Metric	YTD Thru June 19	FY19 Target
	TB Program	Number of completed Direct Observation Treatments (DOT)	92%	91%



CCH Administration Financial Statements



Income Statement for the Seven Months ending June 2019 (in thousands)

<u>Administration</u>	Year-To-Date		Variance	
	Actual	Budget	\$	%
<u>Operating Expenses</u>				
Salaries & Benefits	20,621	22,229	1,608	7%
Overtime	154	99	(55)	-56%
Contracted Labor	2,256	6,261	4,005	64%
Pension*	3,279	10,833	7,554	70%
Supplies & Materials	51	364	313	86%
Purch. Svs., Rental, Oth.	664	2,421	1,757	73%
Insurance Expense	159	-	(159)	n/a
Depreciation	2,224	2,224	-	0%
Total Operating Exp	29,409	44,431	15,022	34%
Operating Margin	(29,409)	(44,431)	15,022	34%
Non Operating Revenue	3,279	5,667	2,388	42%
Net Income/(Loss)	(26,130)	(38,764)	12,634	33%

Unaudited Financial Statement



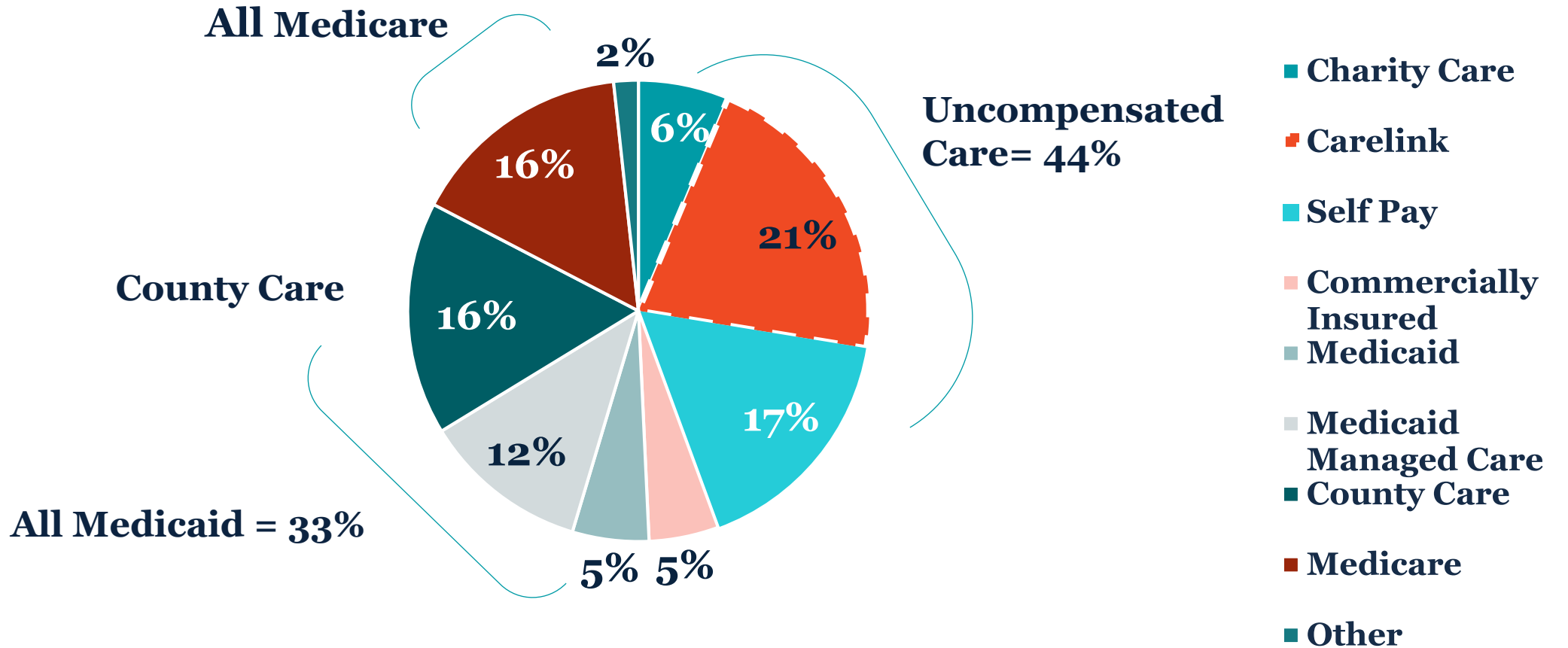
Appendix

System-wide Volumes / Stats

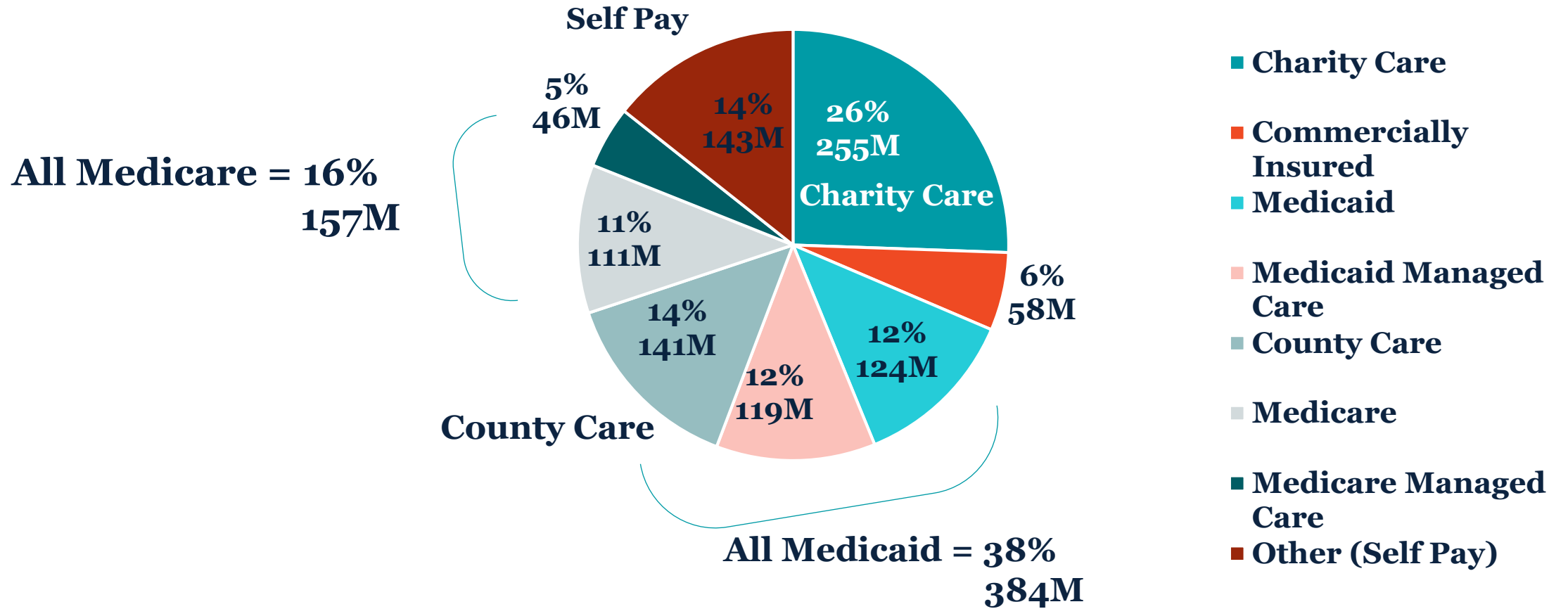


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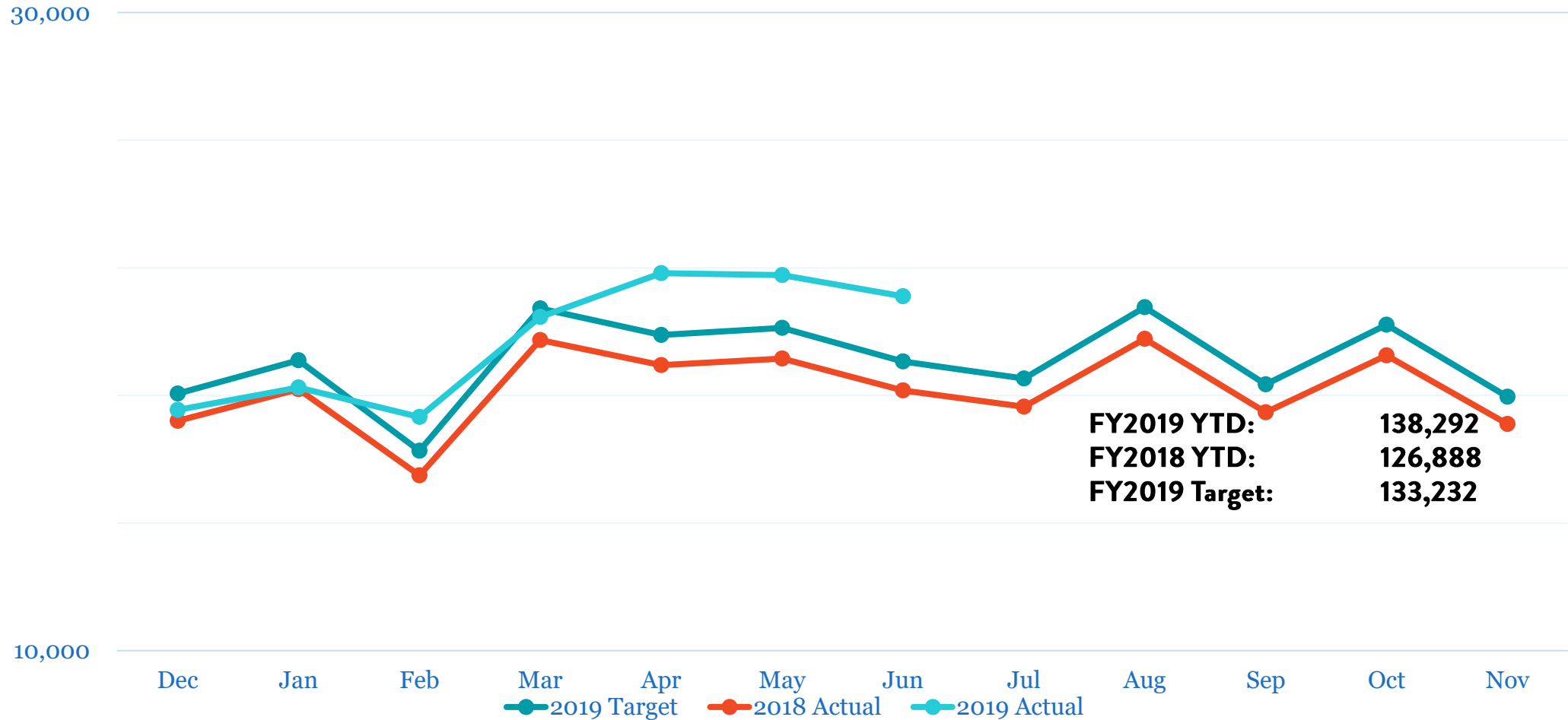
System Payor Mix By Visit as of June 2019



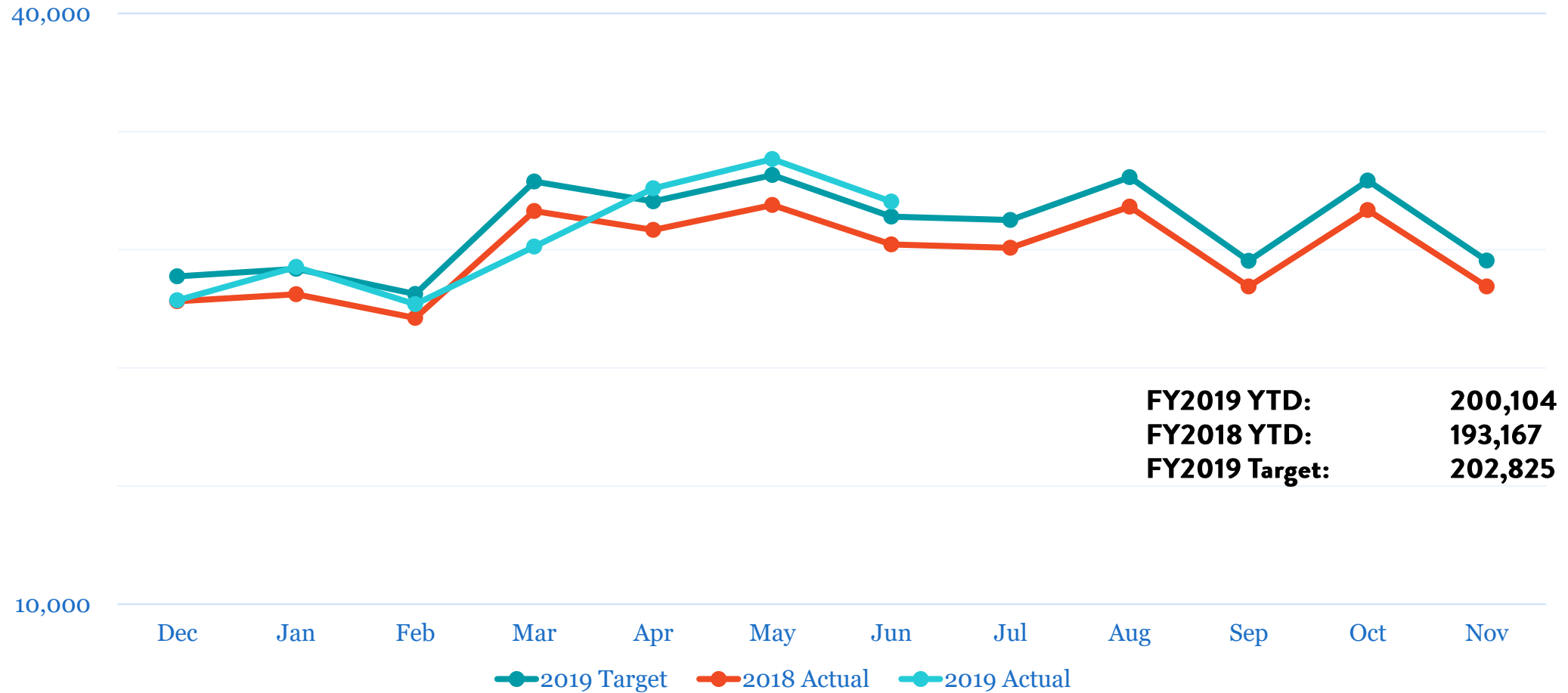
System Payor Mix By Charges as of June 2019



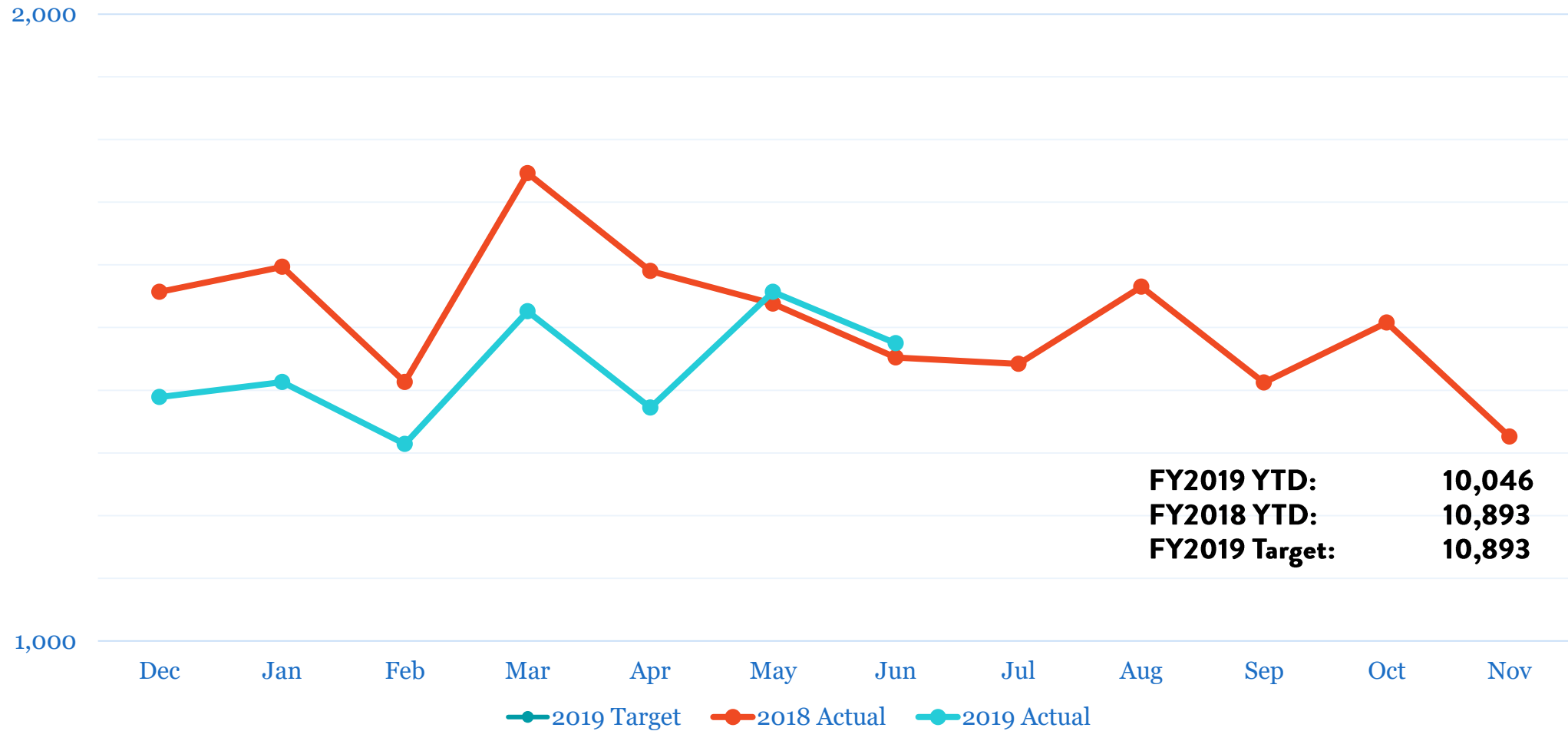
Primary Care Provider Visits



Specialty Care Provider Visits

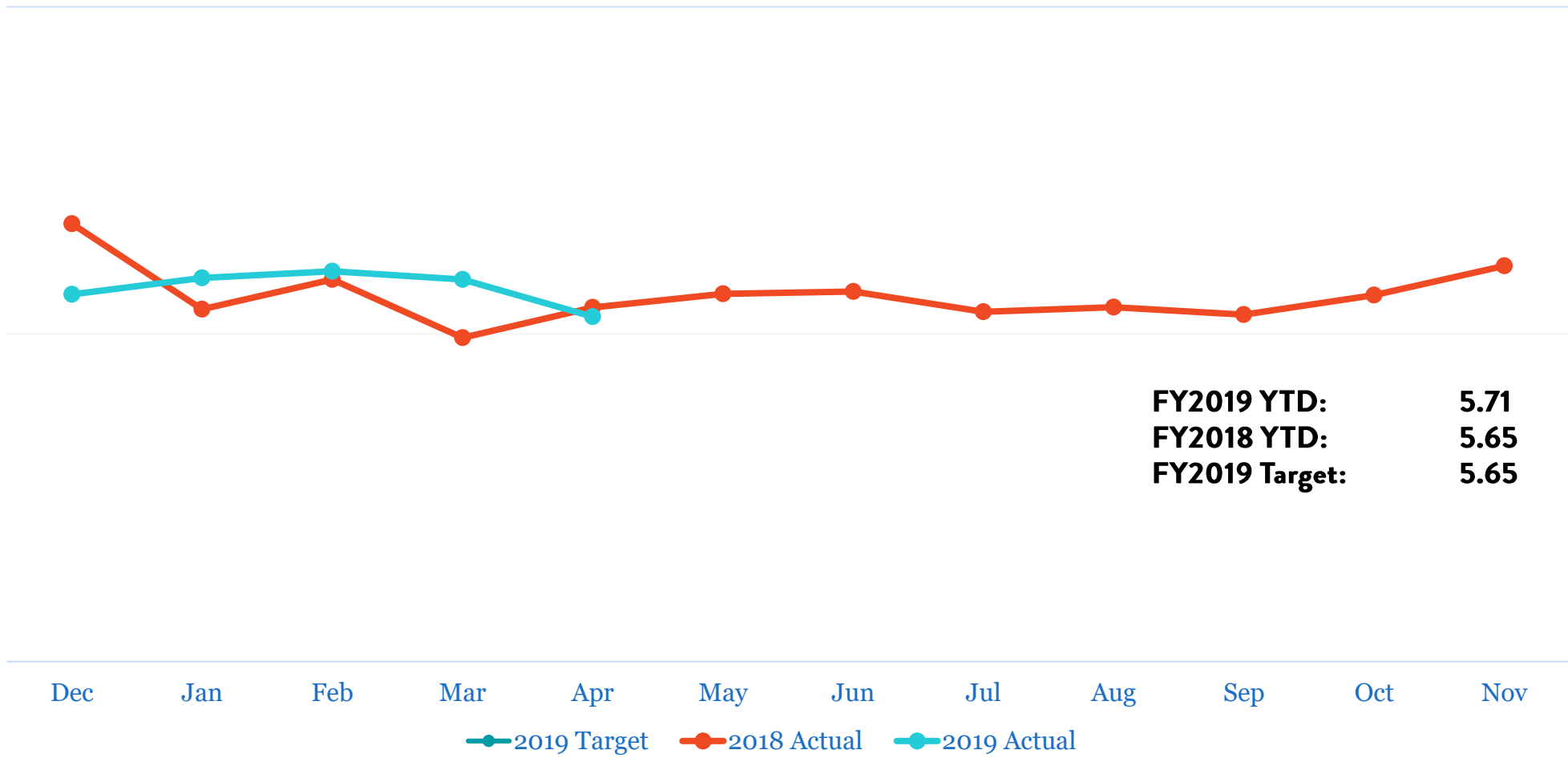


Total Inpatient Discharges



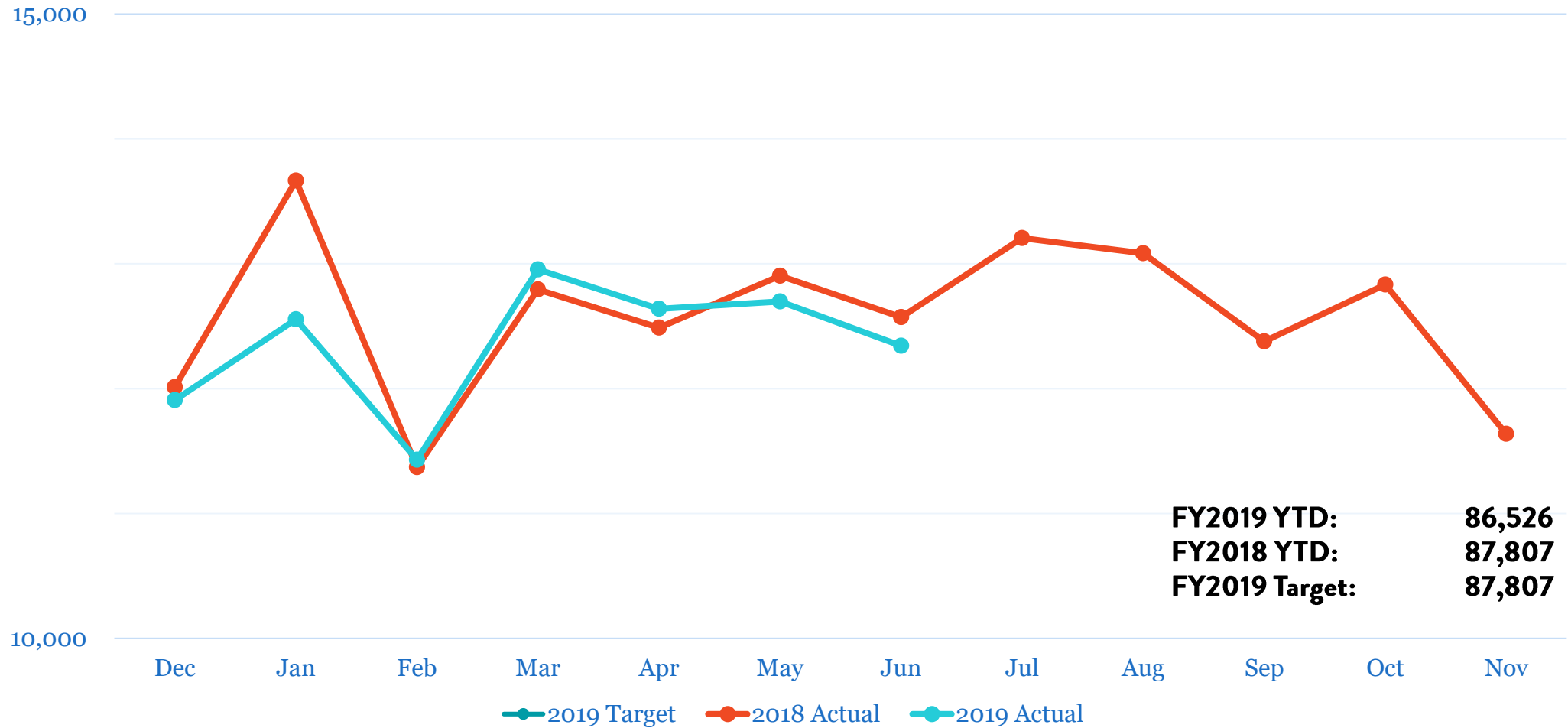
Average Length of Stay

10



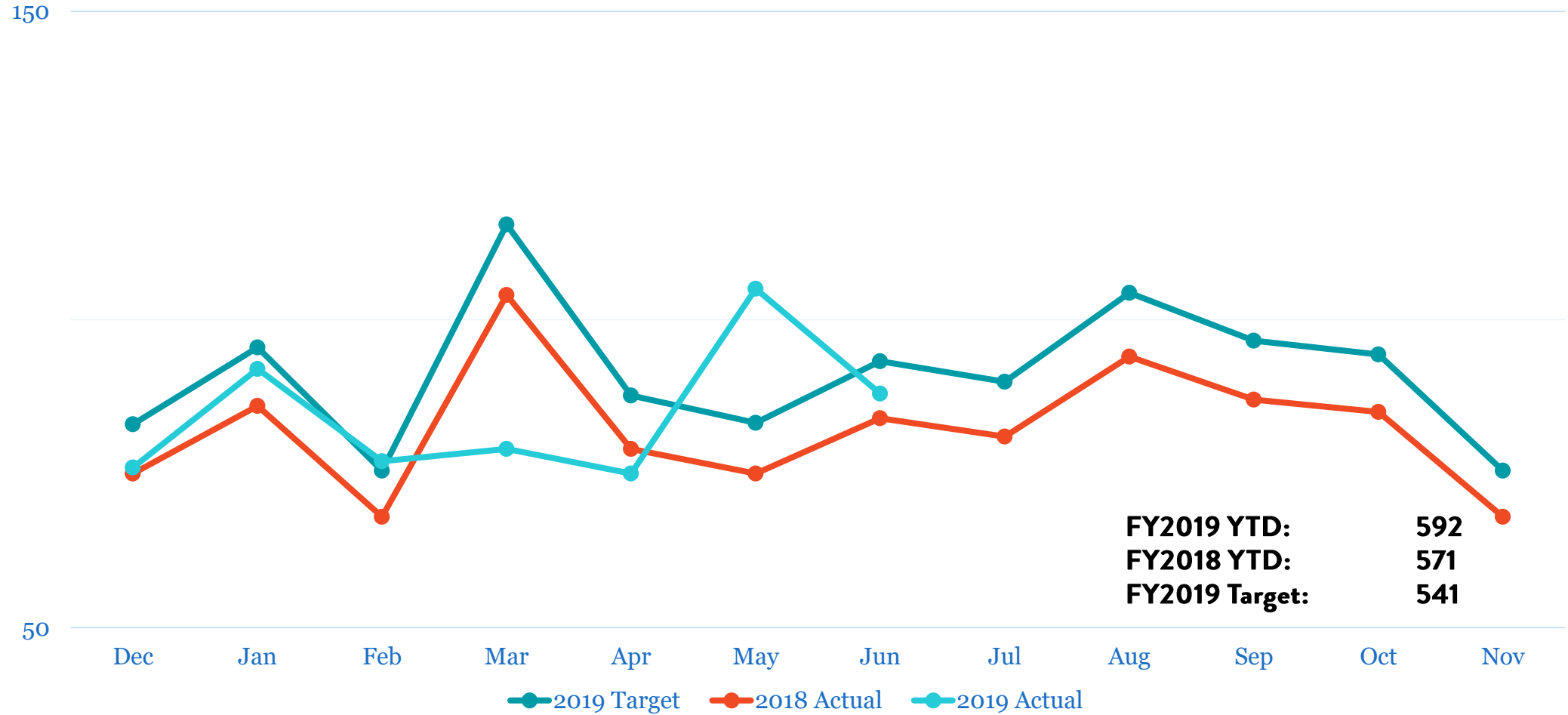
FY2019 YTD: 5.71
FY2018 YTD: 5.65
FY2019 Target: 5.65

Total Emergency Room Visits

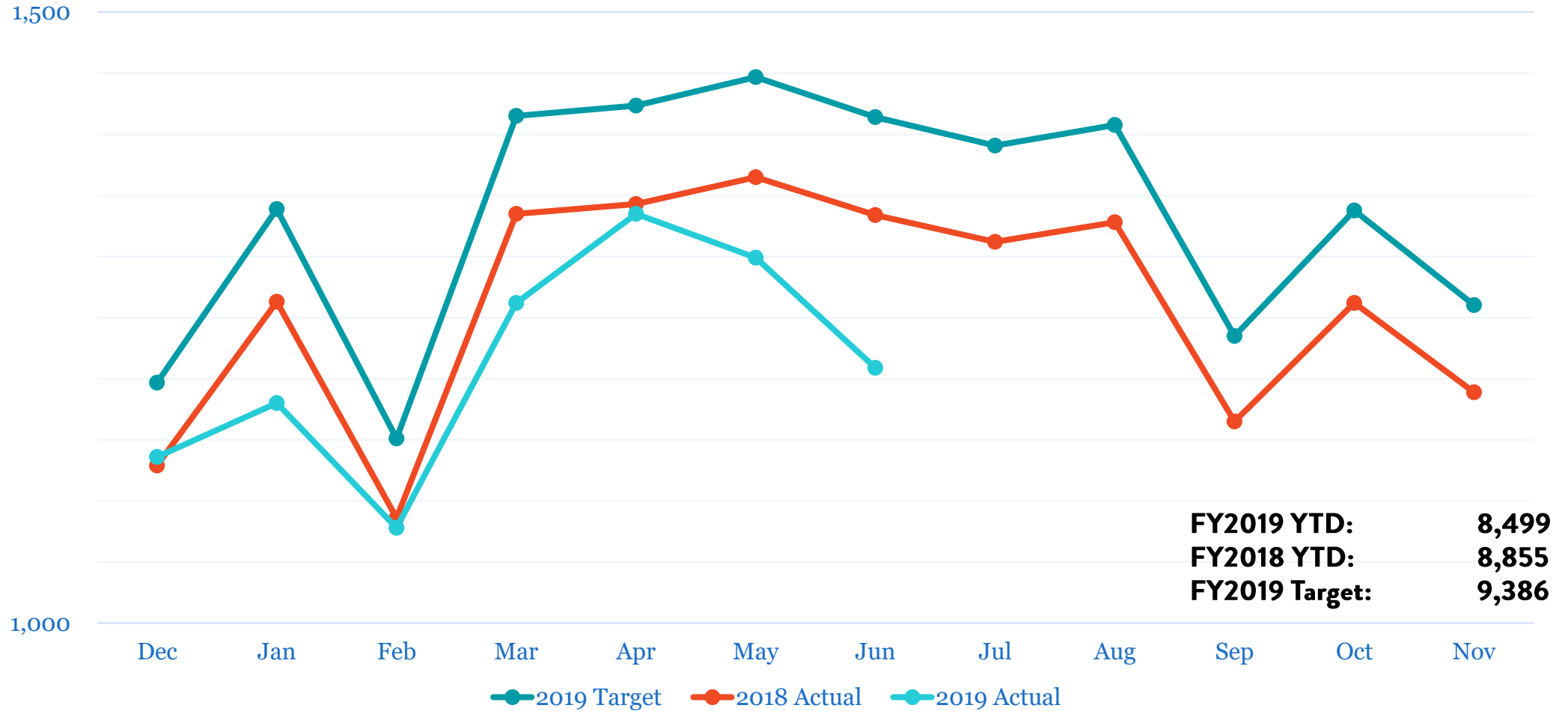


FY2019 YTD: 86,526
FY2018 YTD: 87,807
FY2019 Target: 87,807

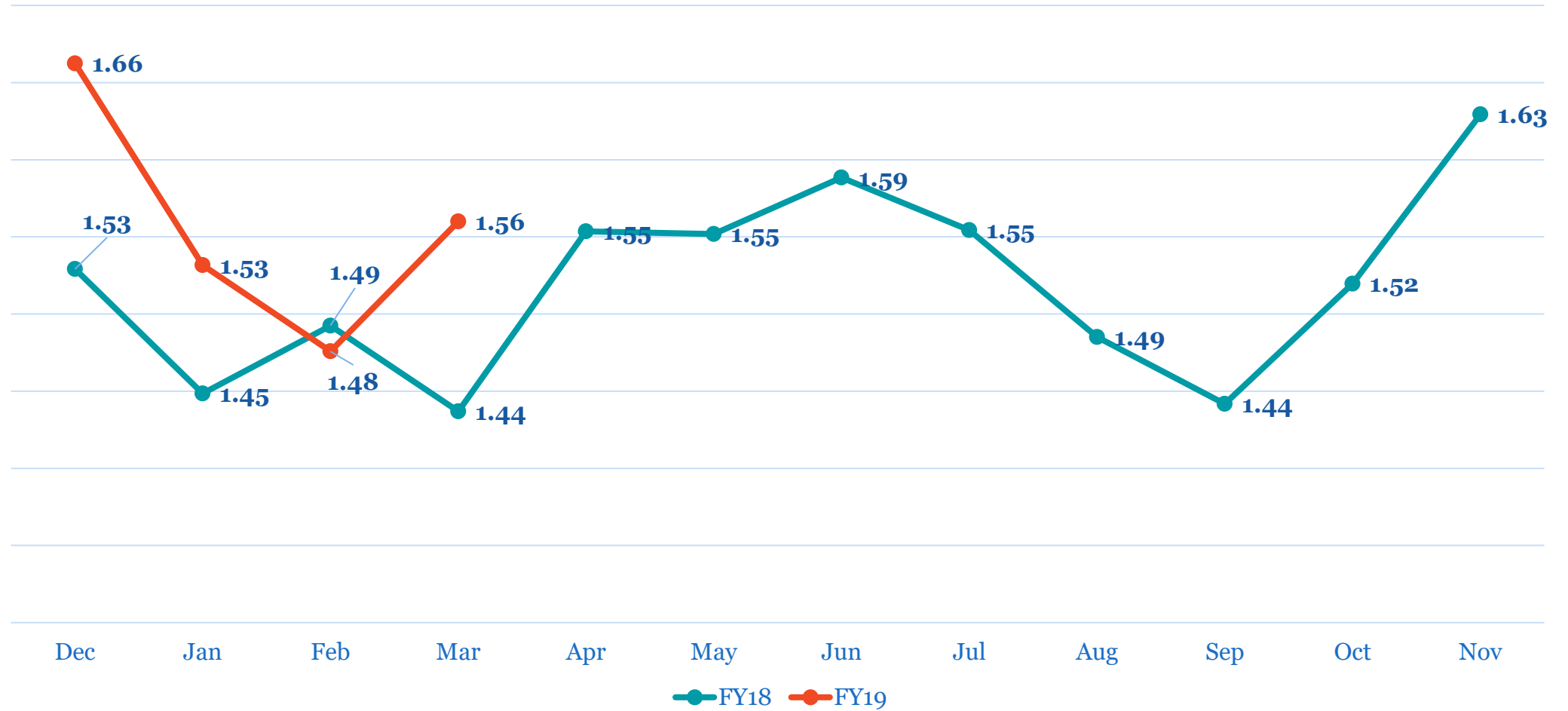
Total Deliveries



Total Surgical Cases



Case Mix Index



Questions?



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