



CCH YTD Financial Update – January 31, 2023

Pamela Cassara
Chief Financial Officer

March 2023



COOK COUNTY
HEALTH

Executive Summary: Statement of Financial Condition – January 31, 2023

- On an accrual basis, interim financials show that CCH ended January with a **\$59.8M favorable** variance to budget. On a cash basis, the County's preliminary cash report on revenues and expenses shows a **\$148.8M unfavorable** variance primarily due to the timing difference of CountyCare PMPM payments impacting the revenue and claims payments impacting expenses.
 - Revenue Commentary:
 - **Favorable** NPSR variance to Budget due to receipt of prior year cost report settlement, higher IP volumes and higher than budgeted Directed Payments
 - **Favorable** variance to Budget due to higher than budgeted CountyCare membership
 - Expenditures:
 - Supplies and Purchased Services **favorable** variance to Budget due to lower than budgeted OP volumes
 - CountyCare claims **unfavorable** variance to budget due to higher than budgeted membership
 - CountyCare:
 - CountyCare is showing an operating gain of \$7.4M
 - Membership remains over 450,000, which is greater than the 416,567 budgeted

Financial Results – January 31, 2023

Dollars in 000s	FY2023 Actual	FY2023 Budget	Variance	%	FY2022 Actual (3)
Revenue					
Net Patient Service Revenue (1)	\$186,625	\$155,815	\$30,810	19.77%	\$158,740
CountyCare Elimination-Claims (1)	(\$13,096)	(\$17,912)	\$4,816	-26.88%	(\$17,662)
Government Support (2)	\$59,117	\$73,160	(\$14,043)	-19.20%	\$65,970
Adjusted NPSR	\$232,645	\$211,063	\$21,582	10.23%	\$207,049
CountyCare Capitation Revenue	\$478,029	\$478,355	(\$327)	-0.07%	\$431,547
CountyCare Elimination-Directed Payments (1)	\$0	(\$20,580)	\$20,580	-100.00%	(\$31,664)
Other	\$2,158	\$3,280	(\$1,122)	-34.20%	\$2,494
Total Revenue	\$712,832	\$672,118	\$40,714	6.06%	\$609,426
Operating Expenses					
Salaries & Benefits	\$120,652	\$121,293	\$641	0.53%	\$111,994
Overtime	\$9,007	\$9,130	\$122	1.34%	\$8,284
Supplies & Pharmaceuticals	\$25,285	\$29,010	\$3,726	12.84%	\$22,243
Purchased Services & Other	\$89,078	\$96,760	\$7,683	7.94%	\$96,298
Medical Claims Expense (1)	\$446,629	\$455,631	\$9,003	1.98%	\$406,913
CountyCare Elimination-Directed Payments and Claims (1)	(\$13,096)	(\$38,492)	(\$25,396)	65.98%	(\$49,325)
Insurance	\$4,880	\$6,320	\$1,440	22.78%	\$5,472
Utilities	\$2,108	\$2,022	(\$85)	-4.21%	\$2,391
Total Operating Expenses	\$684,541	\$681,675	(\$2,867)	-0.42%	\$604,270
Operating Margin	\$28,291	(\$9,557)	\$37,848	396.03%	\$5,156
Non-Operating Revenue	\$22,911	\$916	\$21,995	2401.81%	\$22,951
Net Income (Loss)	\$51,202	(\$8,641)	\$59,843	692.53%	\$28,107

Notes:

- (1) CountyCare Elimination represents the elimination of intercompany activity – Patient Service Revenue and Medical Claims Expense for CountyCare patients receiving care at Cook County Health.
- (2) Government Support includes DSH, BIPA, & Graduate Medical Education payments.
- (3) Does not reflect Pension, OPEB, Depreciation/Amortization, or Investment Income.

Cook County Health

Volumes: January 31, 2023

Key Revenue Indicators

Patient Activity Stroger	2023 YTD Actual	2023 YTD Budget	%	2022 YTD Actual	2021 YTD Actual		Jan 2023 Actual	Jan 2022 Actual
Average Daily Census *	302	240	25.8%	288	251		298	288
Emergency Room Visits	13,559	16,138	-16.0%	12,414	11,546		6,961	5,746
Surgeries	1,836	1,942	-5.5%	1,726	1,599		937	816

Patient Activity Provident	2023 YTD Actual	2023 YTD Budget	%	2022 YTD Actual	2021 YTD Actual		Jan 2023 Actual	Jan 2022 Actual
Average Daily Census *	22	26	-15.8%	9	7		21	9
Emergency Room Visits	4,458	5,094	-12.5%	3,611	2,875		2,250	1,649
Surgeries	539	552	-2.4%	321	487		283	188

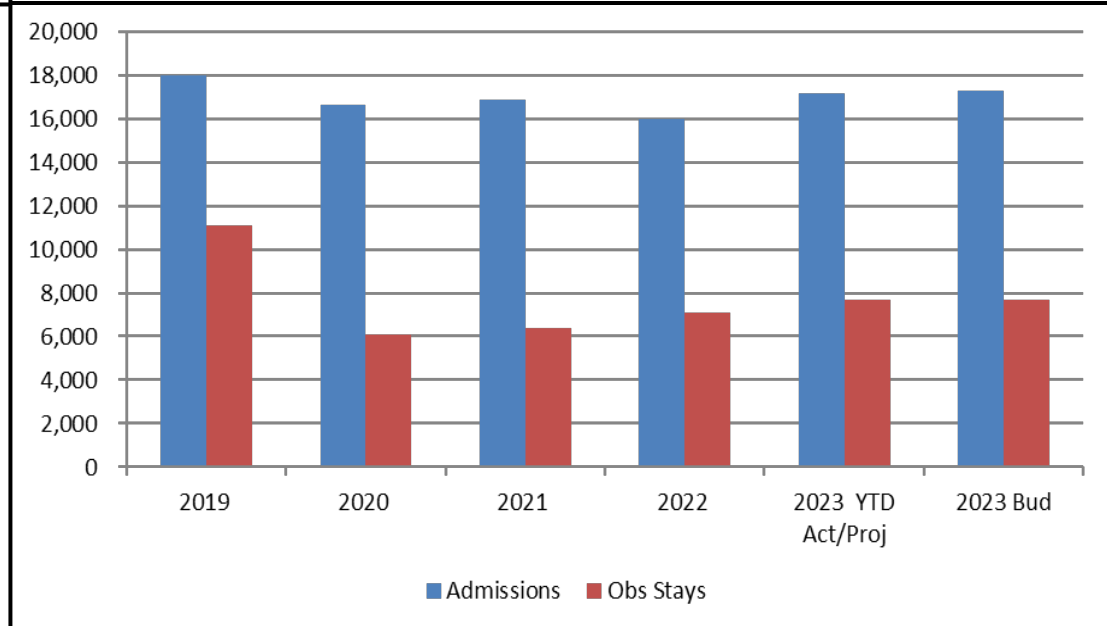
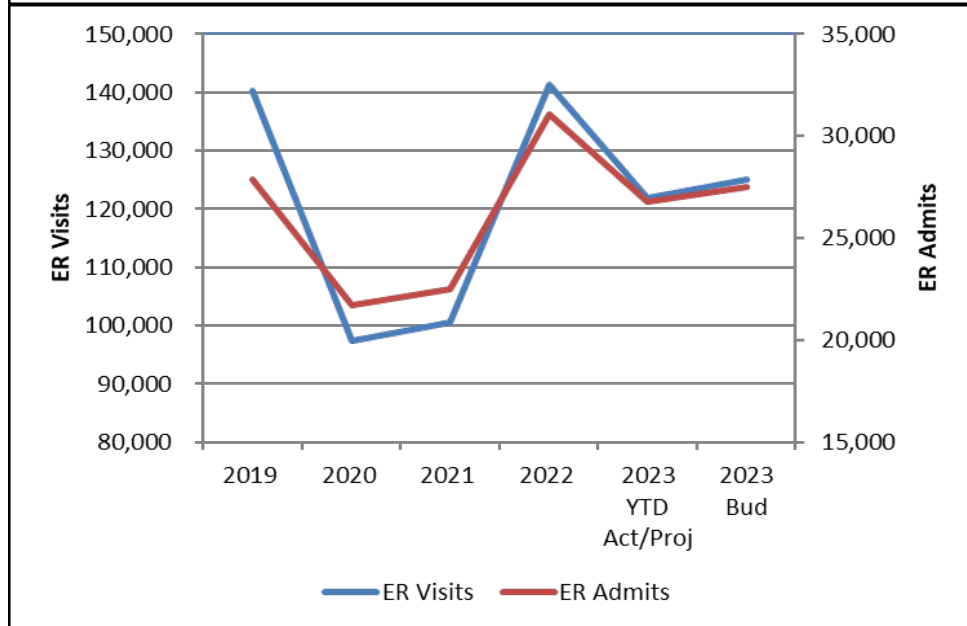
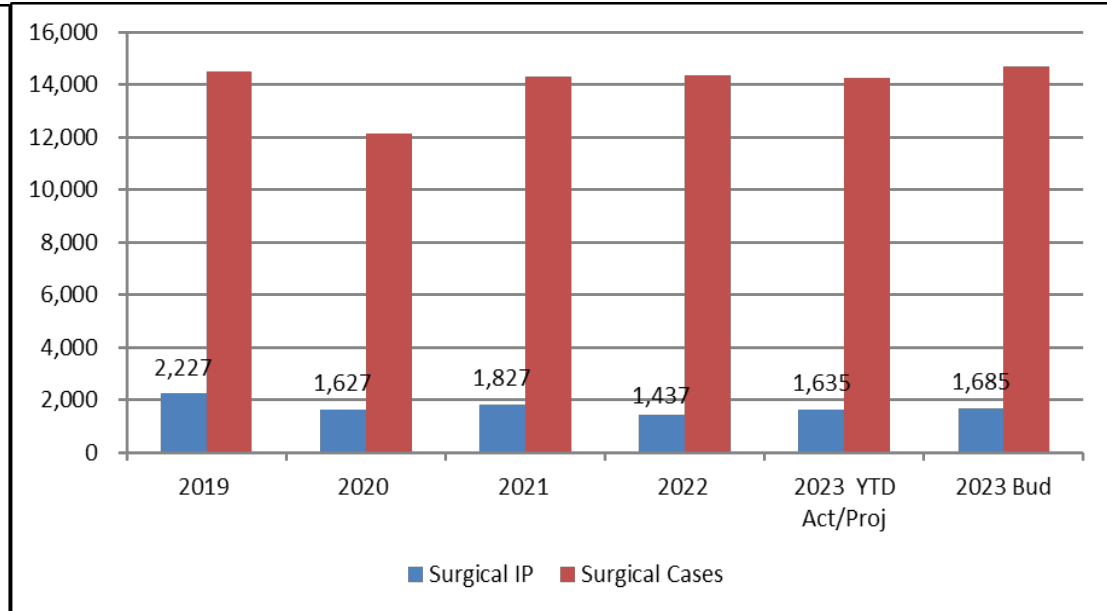
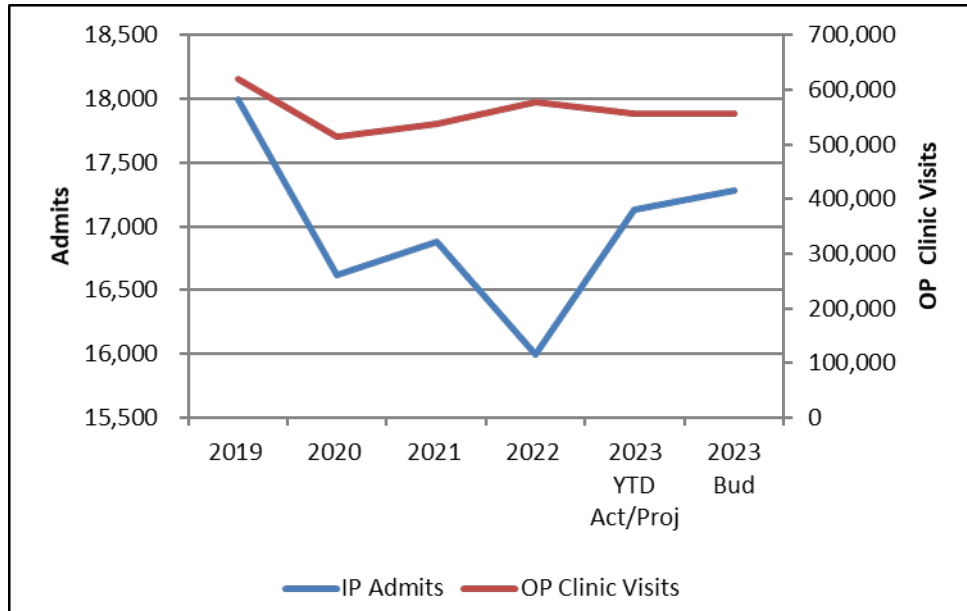
Patient Activity ACHN	2023 YTD Actual	2023 YTD Budget	%	2022 YTD Actual	2021 YTD Actual		Jan 2023 Actual	Jan 2022 Actual
Primary Care Visits	37,090	47,842	-22.5%	34,065	37,523		19,072	16,642
Specialty Care Visits	58,448	46,542	25.6%	54,835	54,418		29,914	26,638

CountyCare Membership	2023 YTD Actual	2023 YTD Budget	%	2022 YTD Actual	2021 YTD Actual		Jan 2023 Actual	Jan 2022 Actual
Membership Count	449,367	421,523	6.6%	424,035	379,005		449,685	425,550

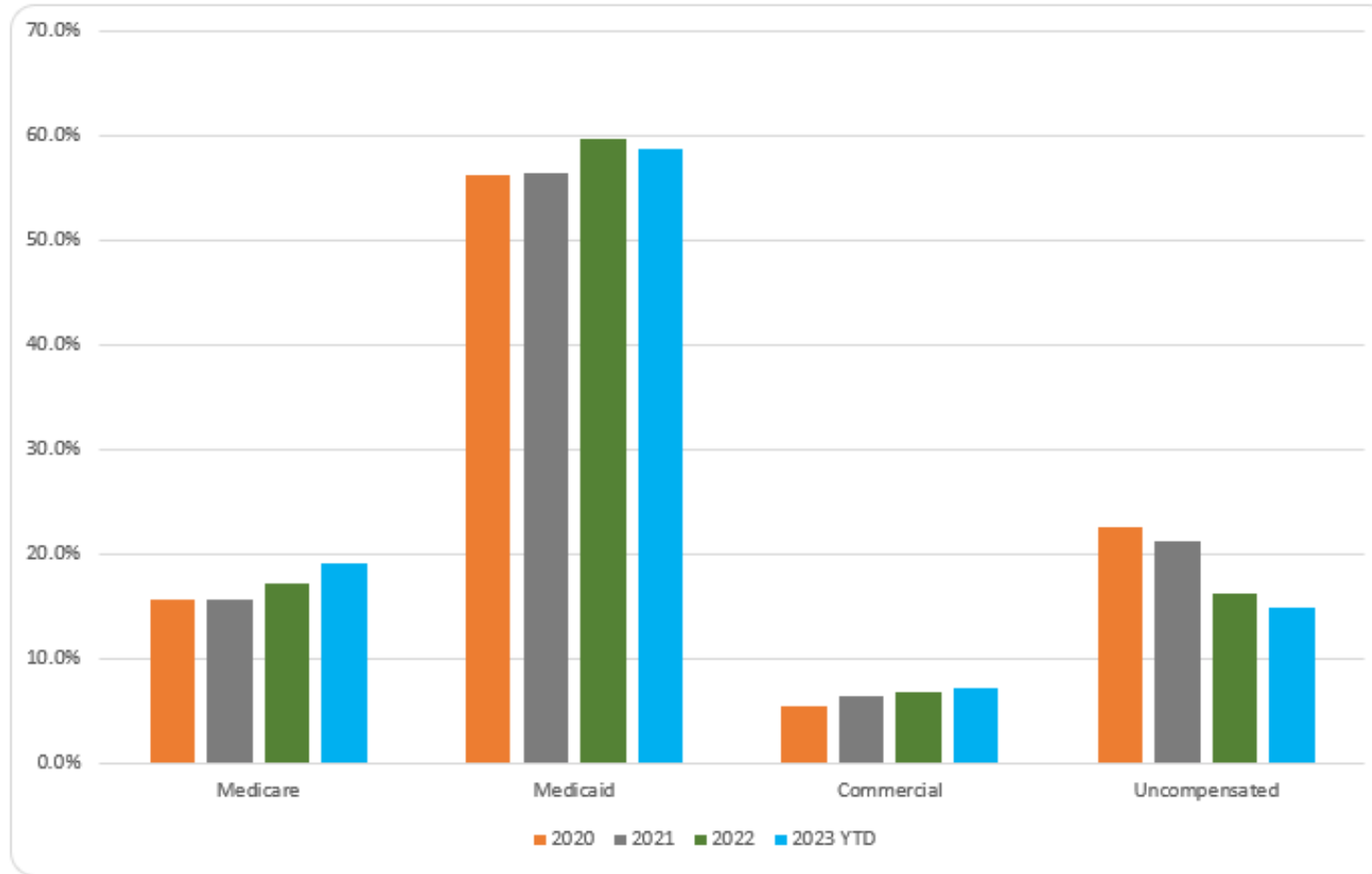
* Includes IP + Observations

Cook County Health

Operating Trends



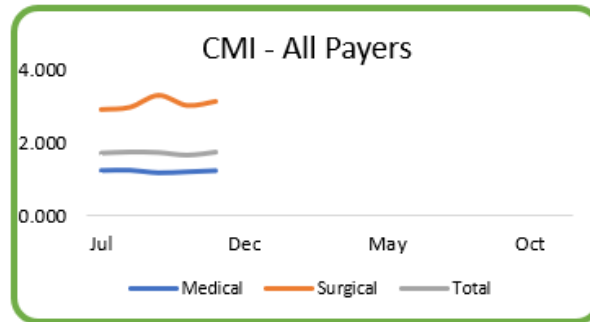
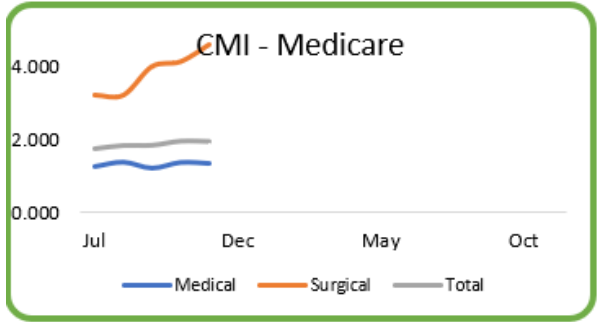
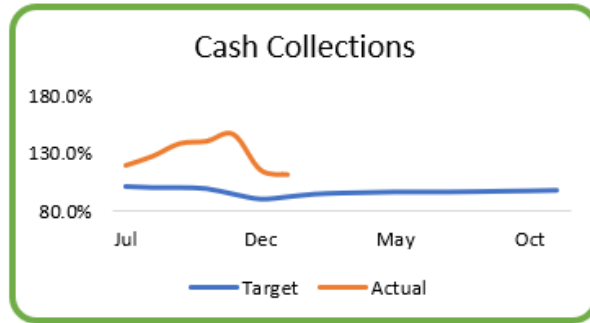
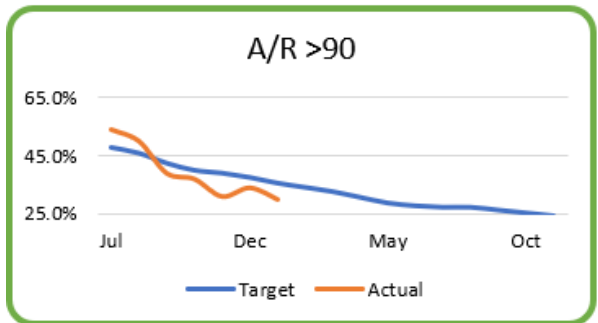
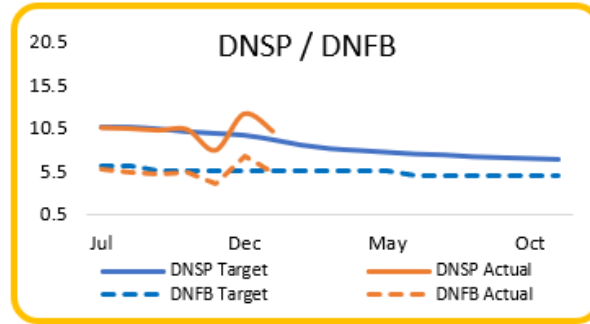
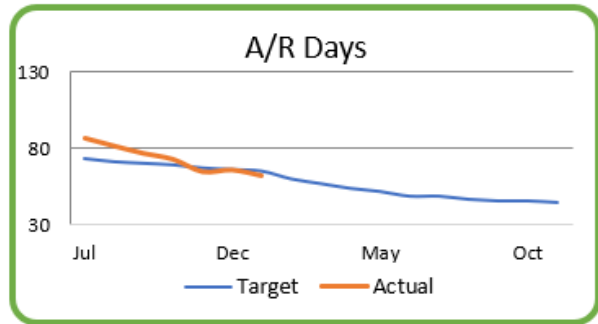
Payer Mix – YoY Comparison



Commentary

- All Payer coverages continue to increase year over year while uncompensated decreases.

Revenue Cycle KPI Trending



Commentary

DNSP & DNFB are slightly off target due to a system issue identified mid-December where the system was not applying a semi-private room, resulting in an increase in these worklist of ~\$5M. The system issue is fixed, and the team is currently working through the effected accounts to correct.

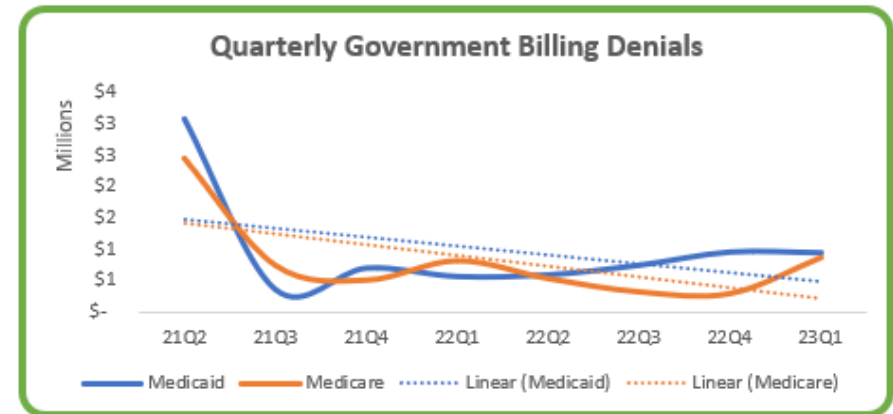
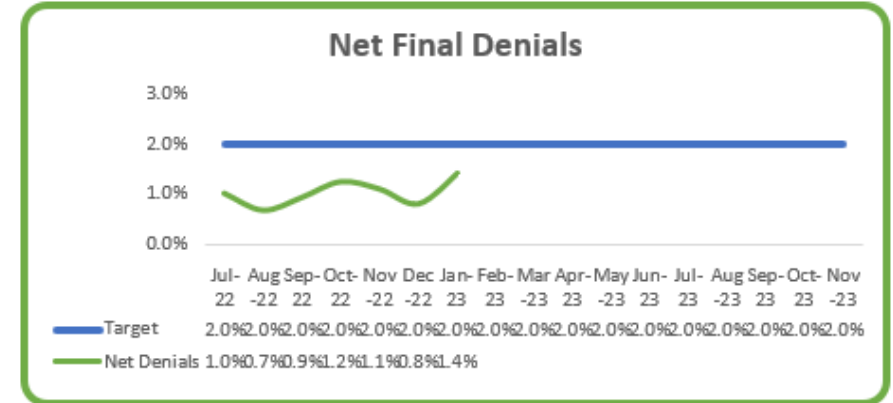
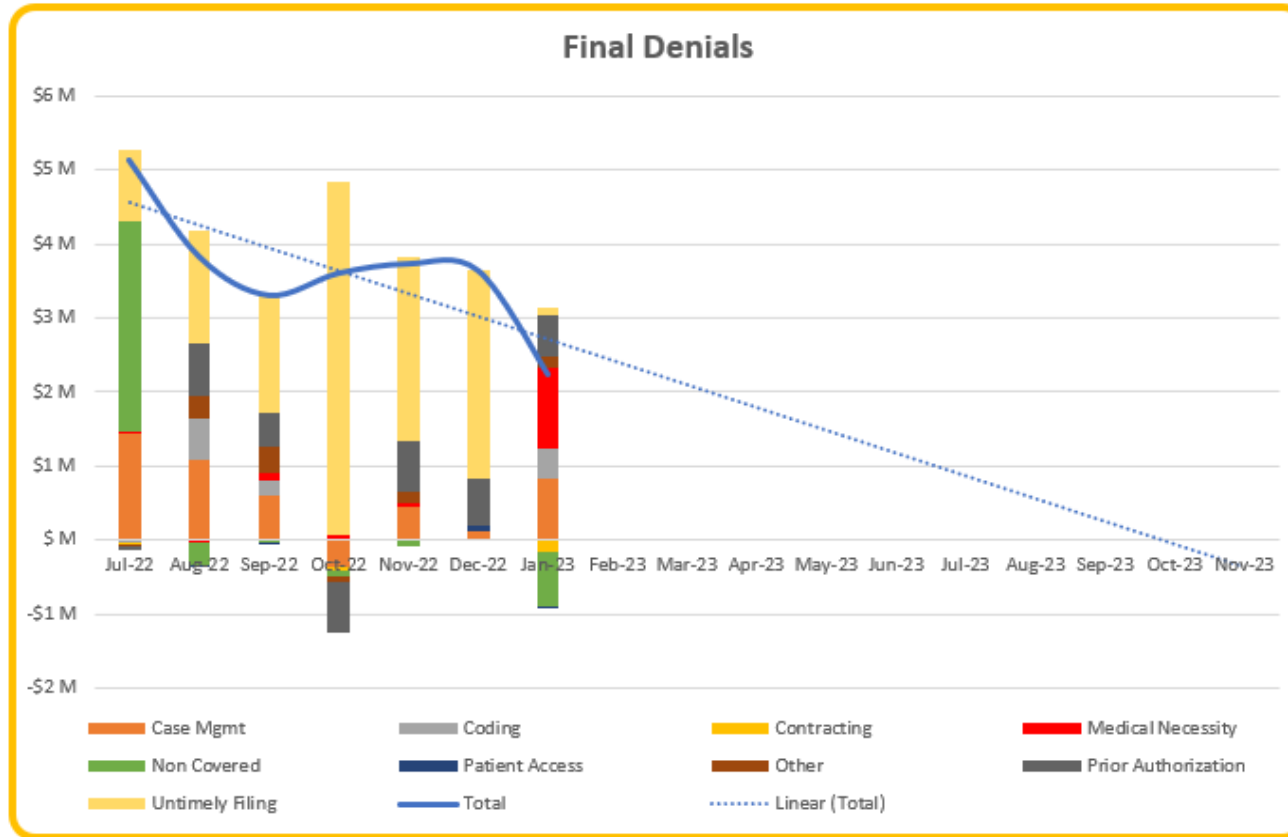
Definitions:

DNSP: Discharged Not Submitted to Payer - Gross dollars from initial 837 claims held by edits in claims processing tool that have not been sent to payer.

DNFB: Discharged Not Final Billed - Gross dollars in A/R for all patient accounts (inpatient and outpatient accounts) discharged but not yet final billed for the reporting month. Refers to accounts in suspense (within bill hold days) and pending final billed status in the patient accounting system.

CMI: Case Mix Index - Represents the average diagnosis-related group (DRG) relative weight for that hospital. It is calculated by summing the DRG weights for all Medicare discharges and dividing by the number of discharges.

Denial Focus & Trending



Commentary

Total Denials and Government Denials continue to trend down. Net Final Denials below national benchmark of <2% of Cash Collections.

Cook County Health

2023 Charitable & Public Program Expenditures










Budget/Projection (\$000s)

	2021 Actual Net Benefit	2022 Actual Net Benefit	2023 Budget Net Benefit	2023 Act/Proj Net Benefit
<u>Charitable Benefits and Community Programs</u>				
Traditional Charity Care	\$ 162,626	\$ 122,499	\$ 120,232	\$ 150,442
Other Uncompensated Care	100,894	108,284	91,800	79,275
Cermak & JTDC Health Services	104,465	90,293	101,364	98,529
Department of Public Health	16,908	12,965	21,684	19,557
Other Public Programs & Community Services	68,750	66,321	62,138	62,138
Totals	\$ 453,643	\$ 400,362	\$ 397,217	\$ 409,941
% of Revenues *	38.6%	36.9%	34.5%	37.9%
% of Costs *	27.9%	22.0%	22.3%	22.5%

* Excludes Health Plan Services

Cook County Health

Savings Initiatives: January 31, 2023

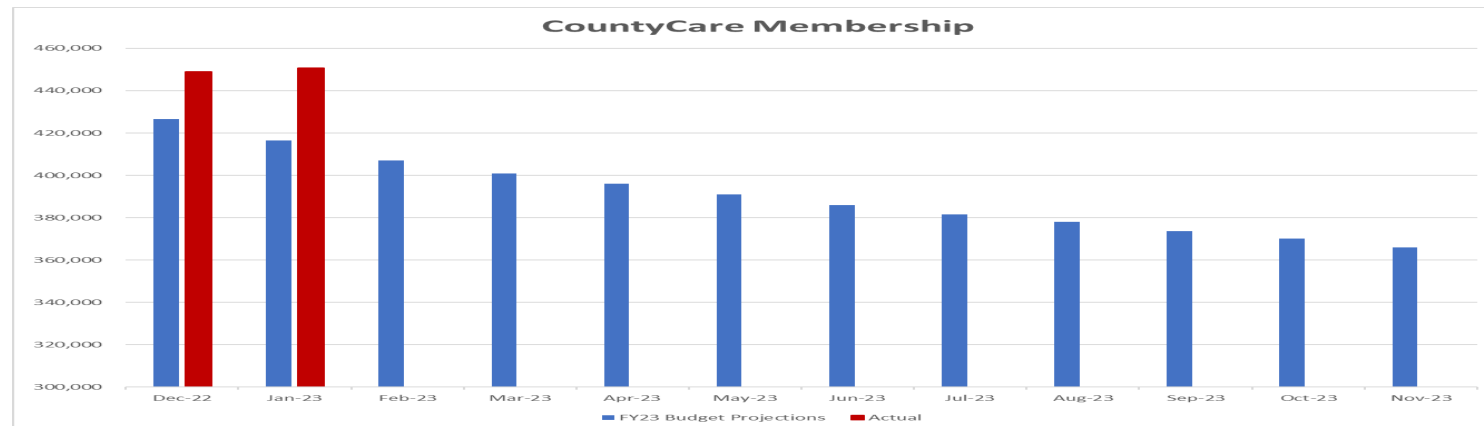
Current Activities in Progress	Budgeted FY23 Impact	YTD Jan Achieved	Status
Revenue Cycle:			
Chargemaster Review/Changes	3,200,000	533,333	
Timely Filing	6,800,000	450,000	
Coverage Accuracy	9,000,000	200,000	
ACHN Coding Accuracy	5,100,000	300,000	
AR Recovery	3,500,000	1,600,000	
Self Pay Balance Support	1,700,000	200,000	
Point of Service Collections	700,000	200,000	
County Care:			
Vendor Contract Negotiations	12,500,000	1,000,000	
Health System:			
Vendor Contract Negotiations	5,000,000	833,333	
	<u>\$ 47,500,000</u>	<u>\$ 5,316,667</u>	11%
		Goal 2/12th	17%

Health Plan Services Financial Results – January 31, 2023

Dollars in 000s except PMPM amounts	FY2023 Actual	FY2023 Budget	Variance	%	Fy22 Actual
Capitation Revenue	\$480,182	\$457,775	\$22,407	4.89%	\$431,547
Operating Expenses					
Clinical - CCH	\$13,096	\$17,912	\$4,816	26.88%	\$17,662
Clinical - External	\$433,438	\$417,139	(\$16,299)	(3.91%)	\$389,252
Administrative	\$26,174	\$23,890	(\$2,284)	(9.56%)	\$19,948
Total Expenses	\$472,708	\$458,941	(\$13,767)	(3.00%)	\$426,861
Operating Gain (Loss)	\$7,475	(\$1,166)	\$8,641		\$4,685
Activity Levels					
Member Months	899,736	843,046	56,690	6.72%	848,023
Monthly Membership	450,666	416,567	34,099	8.19%	425,451
CCH CountyCare Member Months	83,458	N/A	N/A	N/A	88,231
CCH % CountyCare Member Months	9.28%	N/A	N/A	N/A	10.40%
Operating Indicators					
Revenue Per Member Per Month (PMPM)	\$533.69	\$543.00	(\$9.31)	(1.71%)	\$508.89
Clinical Cost PMPM	\$496.29	\$516.05	\$19.75	3.83%	\$479.84
Medical Loss Ratio (1)	92.9%	95.0%	2.14%	2.25%	88.0%
Administrative Cost Ratio	5.4%	5.2%	(0.18%)	(3.39%)	5.0%

Commentary

- Total YTD member months are exceeding budget by 56,690 members.
- Revenue and claims expense are higher than budget due to higher than budgeted membership.
- CountyCare enrollment projected to exceed budget due to 50% auto-assignment as well as continued re-determination suspension.
- CountyCare's reimbursement to CCH for domestic spend is under budget.
- Operating Gain of \$7.4M.



Notes:

- (1) Medical Loss Ratio is a measure of the percentage of premium that a health plan spends on medical claims.

Questions?



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