

Northwestern University
Feinberg School of Medicine
Institute for Healthcare Studies

Executive Summary

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**Protecting the Legacy of Caring for Vulnerable Populations:
Essential Priorities for the Cook County Health Care System**

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INTRODUCTION

For more than 170 years, the Cook County government has been providing a healthcare safety net for those without the ability to afford private health care. Over these years, the County's health care system has evolved into one of the most comprehensive public hospital systems in the nation. However over the past few years, the rapidly changing healthcare environment, changing population health care needs, and health care market are creating fundamental threats to the County's ability to serve its mission.

The Institute for Healthcare Studies at Northwestern University Feinberg School of Medicine was commissioned by the Otho S.A. Sprague Memorial Institute, a 96 year old independent Chicago-based foundation, to conduct a study of the challenges facing the Cook County health care system, anticipating the critical juncture that system faced. Health Management Associates (HMA) was engaged by the Institute to assist in the preparation of this report because of its experience with the Cook County health care system, the Illinois Department of Healthcare and Family Services and peer, public health systems across the country. For the past three years, HMA has been contracted by a number of local (mostly county) governments with comparable demographic and fiscal issues to assess their health and hospital systems and to develop (and, in most cases, implement) strategies that help these institutions provide care to the most vulnerable residents of their communities. The shared purpose of this project is to assist Cook County, the leadership of the Bureau of Health Services, its health and hospital system, and the broader community to assure a sustainable health care resource for the most vulnerable residents of the community. This document represents an attempt to inform and accelerate local discussions of the issues already debated in communities nationwide: *in the face of enormous pressures exerted by the cost and demand of health care, how will the health care system for vulnerable populations (hereafter referred to as the health care safety net) continue to serve the increasing number of medically uninsured and under-insured people?*

The Cook County health care system, embodied in the Cook County Bureau of Health Services, is not the only health care provider caring for poor and/or

uninsured or under-insured persons in the metropolitan community, and other providers are referenced in this report as being vital components of the broader health care safety net. This analysis, however, is focused on the County system for three reasons: 1) it is the largest provider of health care for low income persons in need of medical services, 2) the system's sustainability has significant implications for the entire community; and 3) it is a public enterprise that is accountable to the people who use it, pay for it and elect its governing officials. A premise for this report is that the future of the Cook County health care system should be based on a well informed public discussion.

The full report includes an overview of the status of national and state health care (and the resulting implications for Cook County), the changing nature of the populations and communities for which Cook County health services are most important, the broader scope of health care resources available to meet the demand of these populations and communities, the role of the Cook County government as both a health care provider and an advocate for the public's health, Cook County's current assets and challenges, and potential strategies to overcome those challenges.

The project was developed in three phases. The first phase was a data gathering exercise that included culling publicly available information on the County's financial and non-financial performance as well as information on Federal and State support of the County's health facilities. A large number of interviews with Cook County Commissioners, and Chicago-area leadership, civic and healthcare community. This was followed by two focus groups conducted with physicians at the Stroger Cook County Hospital. From this first phase, a draft report was developed. The second phase of the project included a two-stage peer review process; (a) peer-review by a panel of national experts including safety net providers from other communities, as well as scholars in the field of health care provision for the uninsured, and (b) a second round of "blinded" peer review from Chicago-area community leaders with experience in healthcare delivery for the safety net populations. Based on this peer-review process a revised draft report was completed. The last phase of this project was directed at review of a final draft report with a complete set of recommendations. This phase was also

conducted in two parts including a series of focus groups with leaders in health care for Chicago's uninsured, as well as a series of one-on-one reviews with selected civic, business and health care leaders. Following this last stage of review, the final version of this report was completed.

Despite our best efforts to prepare a well-informed report, this document may still be criticized as imperfect. To that we would agree. First, the six month timeline outlined by the project's sponsor limited the scope and depth of any primary data gathering and interview process. Additionally, we were limited to easily accessible public data for this analysis, as there was little cooperation from the Office of the President of Board or the State Department of Healthcare and Family Services for more detailed, but otherwise difficult to access public data. Although many individuals were willing to discuss the pressing issues facing the Cook County health system, including Cook County Commissioners, civic leaders, other health care providers, and, notably, physicians who work in Cook County hospitals and clinics, we have been unable to secure the timely cooperation of the leadership of the Bureau of Health Services in the preparation of this report. Therefore, there may be facts and Bureau-based initiatives that are unknown to those we interviewed or otherwise unavailable to us. We sincerely hope that this report stimulates public discussion about the future sustainability of the Cook County health care system, the hub of the region's health care safety net. Finally, this report was developed with the underlying belief that the believe the residents of Cook County should view as a public resource, just as they do their schools, their public safety departments, and other public services essential to daily life.

There are many individuals who made this report possible. First and foremost are —Pat Terrell, Dr. Terry Conway, and Matt Powers at Health Management Associates who were responsible for the principal drafting of the document. In addition, significant contributions were made by other HMA senior staff, including Steve Scheer, Steve Perlin, Lori Weiselberg, Gaylee Morgan, Doug Elwell, Dave Ferguson, Jack Meyer, and Kate Kirchgraber. Also, for the efforts of Ms. Sarah Rittner who coordinated all aspects of the project. Thanks to Dr. Whitney Addington, James N. Alexander, and the members of the Board of the Otho S.A. Sprague Memorial Institute for their support and counsel. The Institute for

Healthcare Studies is grateful to all those who generously participated in the three phases of this study. We look forward to the broadened dialogue that we hope this report will stimulate among the people of Cook County.

EXECUTIVE SUMMARY

Over the past decade, the national health care crisis has escalated. The forum for deciding an effective response to this crisis, however, has shifted from Congress to state capitols to local communities. In many such communities, particularly those in which the local government supports a public health care system, efforts have focused on determining the most effective way to sustain these systems as foundations of the broader safety net, as they are confronted with escalating costs and increased demand. As the magnitude of these economic pressures increases, so too does the urgency. The situation facing other communities around the nation also is mirrored in Cook County. This report should be viewed by the broader community as a call for action before a serious disruption occurs in the health care infrastructure that serves the most vulnerable people and communities in Cook County.

The Cook County Bureau of Health Services is one of the largest and most comprehensive public health and hospital systems in the country. It provides a full range of hospital inpatient and emergency care services at Stroger, Provident, and Oak Forest hospitals. It also includes the following: community primary care clinics in the most vulnerable neighborhoods in the city and suburbs; specialty outpatient services used by both the County health system and private community providers serving vulnerable populations; the largest jail health facility in the nation; public health services for the suburbs; long-term care and rehabilitation services; and a unique facility intended for the care of patients with HIV/AIDS and other infectious diseases. It is the predominant provider of care for medically indigent persons in Cook County, and its viability has a significant impact on both the patients who rely on it and other hospitals and clinics that would be overwhelmed if it failed or did not exist.

Although this report addresses other aspects of the health care safety net in Cook County (e.g., community health centers, private hospitals, academic medical centers, and the public health department), and although cooperation between the Bureau of Health Services and these other providers is absolutely essential to satisfying the increasing demand for health care services, this report is focused on

the Cook County system. There are two reasons for this targeted analysis. First, the Bureau plays a critical role in the preservation of the broader safety net. If the Bureau's emergency departments begin diverting persons in need of care because they have insufficient resources, as has happened in other communities across the country, or if budgetary constraints result in the closure of clinics or limitations of other services, most every other provider in the region will be affected. Second, it is important and responsible to review the operations of public institutions that serve the public's interest using tax dollars. The Cook County Bureau of Health Services is a public enterprise that is accountable to the people who use it, pay for it, and elect its governing officials.

The Cook County health care system is facing an impending crisis, and it will require the leadership, creativity, and the attention of the broader civic community to overcome the challenges ahead. The crisis consists of the following external pressures, some which are being addressed by local communities across the country, others are unique to our State and local environment:

- Acknowledged significant decreases in revenue generated from the State Medicaid program, the health system's primary source of patient revenue, and an emerging financial crisis for the County government.
- Growing demand for health services from an increasing number of uninsured and under-insured people.
- Escalating costs that approach double digits annually and that are burdening the entire industry.
- New regulatory requirements related to quality of care and patient safety that will require significant changes in how care is given and documented.
- Changing demographic characteristics of populations and communities that depend on the services provided by the County health system.
- The increasingly frequent inability of other not-for-profit hospitals and clinics in Cook County to meet the growing demand.

- The lack of a comprehensive solution from Washington and emerging national policies that may further strain public health systems, such as Cook County's (e.g., immigration restrictions and the curtailment of financing mechanisms that recognize the unique role of public hospitals).
- The State of Illinois' movement to implement changes in the model for delivering care that will require innovation for the Cook County system to respond effectively.

Cook County government is now undergoing transition. It has a long history of directly supporting and operating the health care system and has stewarded the system through extraordinary challenges. However, while local governments across the United States have moved to allow more-concentrated oversight by people with expertise in the complexities of health care delivery, Cook County has not. Rather, Cook County continues to operate in a mode that is less transparent and, therefore, less accountable to its population. Cook County does not appear to have a structure adequate to incorporate the planning, efficiency, innovation, and leadership that are needed to navigate the emerging health care crisis. In addition, the unique authority of the Office of the President and the changes in that office present opportunities for both rapid reform re-organization. The archaic approaches to health care governance and administration in Cook County require attention now

FINDINGS

The key findings of this report are:

- The County health system (“The Bureau”) has assets that are likely envied by similar health systems across the country. Its physicians, for the most part, are full-time employees of the system’s hospitals and clinics and are of extremely high quality, whereas other systems primarily must contract with medical schools for physician time. Its buildings are relatively new. The Bureau’s network services range from primary and specialty outpatient clinics to inpatient acute care to long-term and rehabilitation care. The Bureau has entered into nationally recognized partnerships with other providers to rationalize the delivery of care in many underserved communities. Without intervention, however, Cook County risks losing these assets.
- The demographic characteristics of patients and communities who depend most on the Bureau’s services are shifting. Aggressive and ongoing planning to accommodate these dynamic populations and to enable the County health system to effectively respond to such changes is needed. For example, the number of uninsured and under-insured people has increased in the suburbs, where many people have relocated from poor communities in Chicago and where immigrants are moving in large numbers. Because of such population fluctuations, substantially fewer resources are available. The Bureau must continuously assess its strategy for addressing the flux in the demand for health services, and it should report its findings to the broader community.
- The County must respond quickly to impending financial pressures that have several components, including securing the Medicaid revenue available from the State of Illinois; a consistent and well-designed approach to revenue generation; a concentrated effort to maintain the number of paying patients to mitigate the system’s dependence on County tax dollars; and a fiscal strategy based on a thorough analysis of

where investment is needed, where Bureau institutions can better coordinate their services, and where costs can be consolidated to assure long-term efficiency.

- An analysis of the accountability of current tax dollars is necessary to improve public confidence and the role of the County local tax subsidy of the health care system. Despite the growth of the delivery system, the increased demand, and the double-digit annual inflation of health care costs, there has not been a substantial increase in the County's tax subsidy for more than fifteen years. Currently, the County's per-person contribution to health care is well below that of other large urban counties. The modest local subsidy has been justified by the fact that the County and the State have succeeded in the past fifteen years in maximizing the federal contribution and increasing Medicaid payments for County services, which are circumstances that do not exist to the same extent for other systems. Cook County's dependence on Medicaid, however, is diminishing.
- The Bureau's capacity to operate efficiently has been hampered by many factors, including the system's dated human resources system, which prevents timely hiring and firing of employees, and limits the flexibility needed to attract and retain highly competent employees. With the President's Office as the sole hiring authority, there is a clear opportunity to use the system for political hiring at the expense of best qualified health management leadership. And while this report did not directly explore the issue of patronage, most of those interviewed for this report perceived patronage was engaged by the President's Office to staff a number of key positions within the Bureau. If true, some people may rationalize that such approaches to hiring are simply the nature of government, but such hiring practices at all levels of government are being challenged, and more importantly, they are not likely effective for managing a complex health care system that depends on highly skilled, experienced, and creative staff.

- Ensuring a high level of quality, respect for patient safety and needs, and operational efficiency must be the Bureau leadership's top priority. Effective operations are critical to both retaining public confidence and validating potential needs for additional subsidy. There have been examples (including a focused effort made by the Bureau's medical staff and administration to resolve problems in the pharmacy system) where operations can be improved. These efforts must be replicated and reported on an ongoing basis.
- The Bureau alone cannot meet the demand for health care services. It must nurture its existing partnerships with other hospitals, clinics, and physicians and forge new alliances to ensure that all available resources are being used.
- The Cook County Board's direct governance (by means of the Office of the President) over the increasingly complex health care system is a model that nearly every other major urban community in the United States has abandoned. Public health authorities, hospital districts, public benefit corporations, and other systems have all been created to ensure highly qualified and focused oversight of the financial, clinical, regulatory, academic, and structural aspects of the public health care system. Public discussion regarding the governance of the health care system in Cook County, however, has not occurred.

PROPOSED ACTION AGENDA

From this perspective on the treats to the success of the Bureau a series of recommendations have been developed. In the section below we have organized those recommendations in the report into a proposed 10-point action agenda. Some of these items will require immediate attention, whereas the benefits of others will not be realized anytime soon. Implementing them will have to be done by members of the civic community, the Cook County Board, and the leadership of the Bureau of Health Services.

Issues for the Civic Community

1) Create a civic “Blue Ribbon Commission,” preferably in collaboration with the President of the County Board’s Office and the Cook County Board of Commissioners, that is dedicated to the future of the Cook County health care delivery system. Having a civic organizational “home” for this body and providing it with a sufficient number of staff will be important. The Commission should be co-chaired by a key civic and/or business leader and a representative of the Cook County Board of Commissioners, preferably a leader of its Health and Hospitals Committee. In the next three years, the Commission would accomplish the following:

- a) Establish performance measures that include clinical, patient satisfaction, operational, quality, and cost-effectiveness benchmarks that would form the basis of a annual publicly available “report card” for the County’s health care system.
- b) Provide recommendations for restructuring the governance of the health care delivery system subsidized by Cook County taxpayers that incorporate elements of models used in other communities, but that ultimately are tailored around this community’s best interests.
- c) Assess the current local tax subsidy of the Cook County health care system and provide recommendations regarding potential future increases.
- d) Provide assistance in developing and implementing a comprehensive financial strategy for the Bureau., as an urgent priority

e) Convene a group of human resources and health care professionals both from within the Cook County system and outside the system to restructure the County's personnel administration of the Bureau, to free it from its current bureaucratic and political constraints so that the Bureau can more effectively and efficiently respond to the needs of the health care delivery system.

f) Assess the Bureau's health care workforce needs and staffing issues and affiliations; including the training of physicians, nurses, and other personnel, and determine the existing and future roles of the Bureau in addressing those issues.

g) Coordinate a community forum to assess the way in which the Cook County government handles issues related to health care, including its oversight of individual components of the delivery system, its receptiveness to creative solutions for insurance coverage, and its effectiveness in ensuring the public's health.

Issues for the Cook County Board

2) Direct the Bureau and provide its leadership with financial and staff support to produce, within a few months, a comprehensive fiscal strategy for resolving anticipated shortfalls in Medicaid reimbursement.

3) Direct the Bureau and provide its leadership with financial and staff support to produce, within six months, a plan to investigate public health care needs caused by changes in the community population, as well as advice for re-allocating the Bureau's resources to meet those needs. Discover challenges impeding such a plan and provide goals for its successful implementation, as well as goals for the system's clinical, quality, financial, and operational performance, which will be developed by the Blue Ribbon Commission and will be used as a "report card" for quarterly, public assessments. Public reporting should be based on measurable outcomes and benchmarks.

4) Work in coordination with the "Blue Ribbon Commission" to accomplish the following:

- a) Immediately identify elements of the County system that have the most direct impact on the Bureau's ability to effectively fulfill its mission, which include but are not limited to human resources operations, information technology, operations, and budgeting processes.
- b) Assess the effectiveness of current roles for the County Board and the Office of the President in the governance of the health care delivery system, and develop an alternative leadership structure that will ensure administrative transparency, accountability, and effective leadership.
- c) Evaluate the appropriateness of the County tax subsidy of the health care system.

Issues for the Bureau of Health Services

5) Initiate a major strategic planning process with support from the Cook County Board. The plan should include a thorough assessment of the demand for services, the locations of new concentrations of people in need of care, the potential for partnering with other institutions, reconfigurations of existing Bureau facilities and programs to better serve patients who need health services most, and changes in the organization of care that are necessary to ensure effectiveness. Within six months, the Bureau should present this plan—with steps for its implementation and its objectives—to the Cook County Board.

6) Develop a comprehensive fiscal plan for the health system using external expertise supported by the County Board. The plan should address the following: (a) a Medicaid reimbursement strategy; (b) goals for generating revenue, including investments in systems and personnel that contribute to such goals; and (c) a defensible assessment of local subsidy required to meet projected demand and cost. This plan should be presented to the Board's Finance Committee, in addition to monthly updates for monitoring purposes.

7) In collaboration with the Cook County Board, establish a new mode of budgeting that is based on the demand for services, the need for new treatment and diagnostic capabilities, and expansion in new locations, and that includes intensive assessments of cost, coordination across Bureau facilities and programs, and

quarterly benchmarks. This budget would become the purview of the Bureau, and it would not include hiring and expenditure constraints currently imposed by the County system.

8) Immediately engage the State of Illinois to measure the potential for future alternative strategies for protecting and maximizing Medicaid revenue for the Bureau, which may include (but are not limited to) geographic- or provider-specific waivers. Furthermore, the Bureau should assure the State that it wants a role as a prominent player in the State's new management of care initiatives, including disease management and primary care case management.

9) Convene key representatives of the Bureau's medical and administrative staff, including leaders and front-line workers, to develop an operational priority agenda. These priorities should be decided using an evaluation of data (and direct contact with patients) on real problems faced by patients within the system and should include the creation of a "report card" intended for internal and external use. Targets for improvement should be established, and progress should be reported regularly to managers within the system, as well as to the system's governing entity, the Cook County Board.

10) Assemble key provider partners with whom the Bureau has historic ties such as community hospitals, the Chicago Department of Public Health, Federally Qualified Health Centers, the Access to Care program—for an open conversation about the status of their current relationships, to identify areas where collaboration can be improved, and to set priorities for future collaborative planning. Participants of this meeting also should identify gaps in the "virtual network," identify additional partners to assist in meeting growing and changing needs (particularly in the suburbs), explore how to incorporate community involvement, and set goals for the implementation of strategies. A formal structure and protocol should be established for this group of partners, through which they meet at least quarterly to assess the strength of their relationships.

CONCLUSION

This document presents a framework for improvement and thereby a call to action intended for the leadership of the Cook County health care system, the Cook County government, and the civic community. There is a clear and growing health care crisis in the health care safety net Cook County. The “solutions” to this crisis will need to be multifaceted and will require community and business leaders, health care providers, and elected officials to be creative and assimilate other communities’ best ideas. Any plan to successfully manage the public health care problems in Cook County must have the Bureau as its foundation. Yet both the immediate and long term success of the Bureau will depend on new stewardship and management that is able to steer a course through the internal and external factors that are threatening its survival.

Interviews and Focus Groups

As part of the information gathering and review process, a large number of individuals were interviewed either individually or in focus groups. As part of this process, we pledged that there would be no attribution of specific ideas or comments to any specific individual. Therefore we would like to acknowledge all of those individuals who took time to provide their insights about the County government and the Bureau. In recognizing their contribution, we also want to note that mention of any individual name does not imply endorsement of this report. In addition to those named, we would also like to thank those individuals who participated yet asked to remain anonymous.

Whitney W. Addington, MD: *President, Otho S. A. Sprague Memorial Institute*
James N. Alexander: *Executive Director, Otho S. A. Sprague Memorial Institute*
Ron Anderson, MD: *President and CEO, Parkland Health and Hospital System*
Dennis Andrulis, PhD: *Research Dean, Drexel University, Center for Health Equality*
Victoria Bigelow: *Executive Director, Access to Care*
John Bouman: *Advocacy Director, National Poverty Law Center*
Hon. Jerry Butler: *Commissioner, Cook County Board*
Alan Channing: *President and CEO, Sinai Health System*
Hon. Forrest Claypool: *Commissioner, Cook County Board*
Hon. Earlene Collins: *Commissioner, Cook County Board*
Lester Crown: *Civic Committee Chair, Commercial Club*
Kathy DeVine: *President and CEO, St. Anthony Hospital*
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Also, we thank those Bureau physicians who participated in focus groups at the Stroger Cook County Hospital.