



The MetroHealth System

Cuyahoga County Council

2017 Annual Operating Budget Discussion

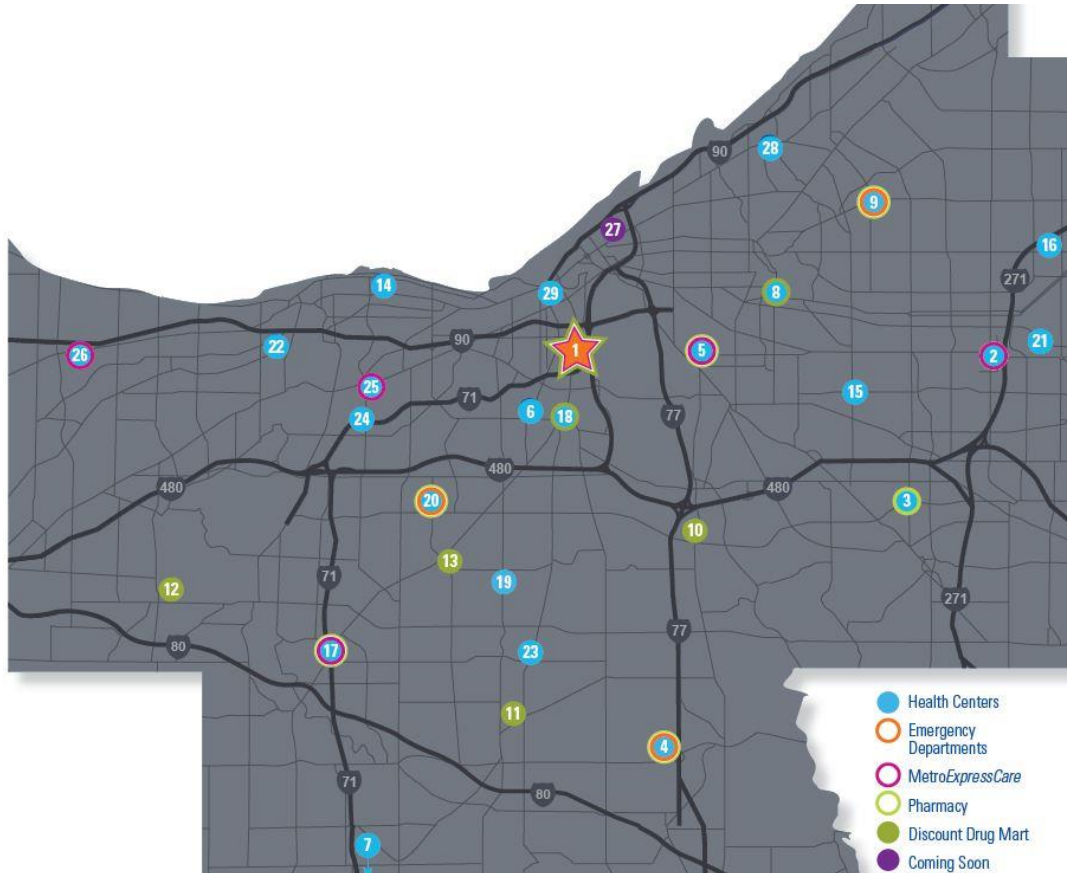
December 6, 2016

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Expanding Our Reach to Serve Cuyahoga County

Expansion to Serve more Cuyahoga County Residents

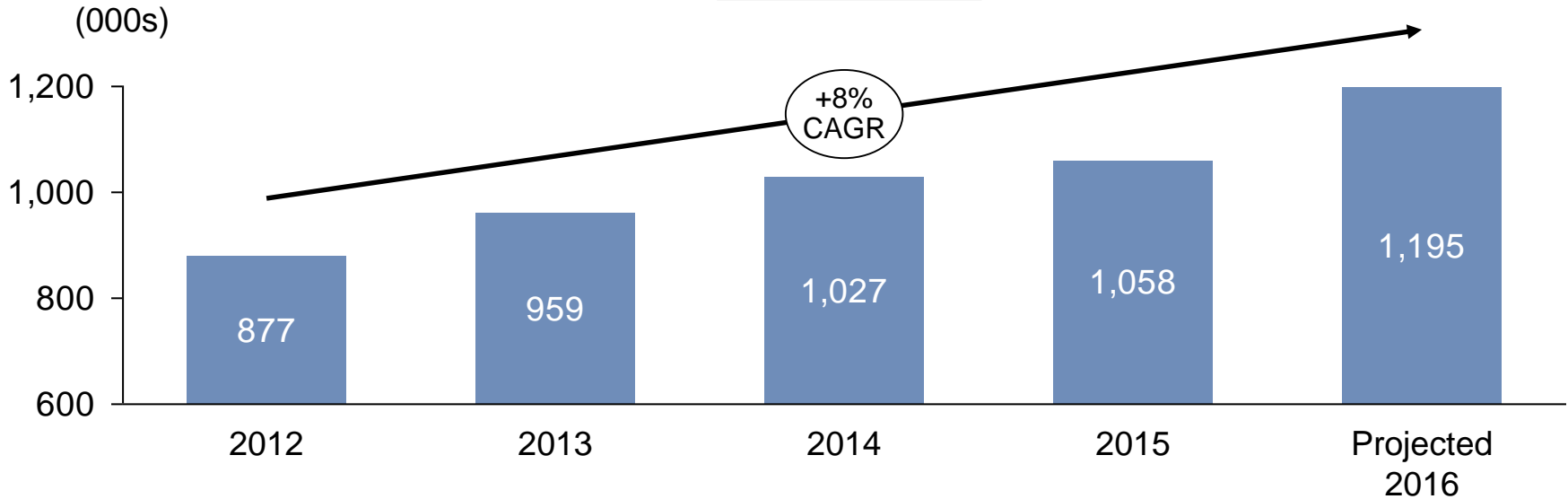


We now reach more people where they live, work and play, expanding offerings in the community.

Since 2013, MetroHealth has added 10 new locations and started providing care at more than 20 facilities.

Greater Access to Care & Hiring to Support our Expanding Footprint

Outpatient Visits



2015 Hiring Diversity

69%

of the managers and physicians hired represented racial, ethnic and/or gender diversity

32%

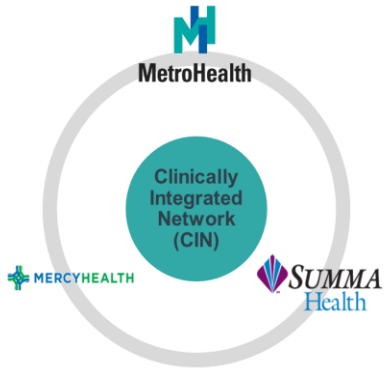
of the nurses hired represented racial, ethnic and/or gender diversity



Partnering for a Healthier Community



Collaborating to Improve Patient Care



As a member of the Advanced Health Select network, MetroHealth will collaborate in the effort to improve quality, access and chronic care management. The CIN will be another opportunity for MetroHealth to exchange best practices and knowledge.



Established 4 walk-in clinics in Discount Drug Mart stores in Independence, North Royalton, Olmsted Falls and Parma Heights. These are clinics where everyone – whether or not they have insurance or money – can receive non-urgent care and preventive services.



Launched the largest Medicaid population health agreement in Ohio -- with CareSource, the largest Medicaid managed care plan in Ohio. MetroHealth and CareSource collaborate together to provide greater access, more preventive care and more care coordination, so our patients stay healthy and out of the hospital.



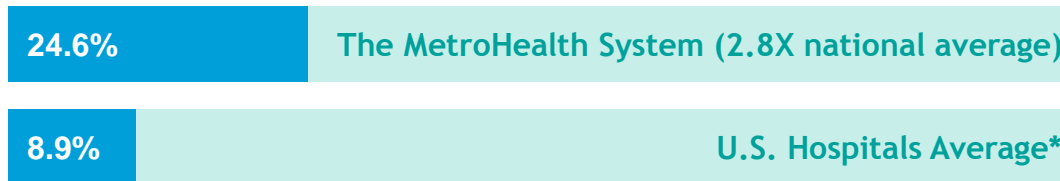
Introduced a new HMO, CLECare, in partnership with Medical Mutual of Ohio. This is a partnership between a health care provider and a health insurer that will introduce a new value proposition in the market: better care and a better experience at a better cost. Up to 15 percent savings compared to typical insurance premiums.

Partnering for a Healthier Community: 2015 Community Benefit

\$223 Million

MetroHealth's commitment to Cuyahoga County through programs to increase access to health care services and improve community health

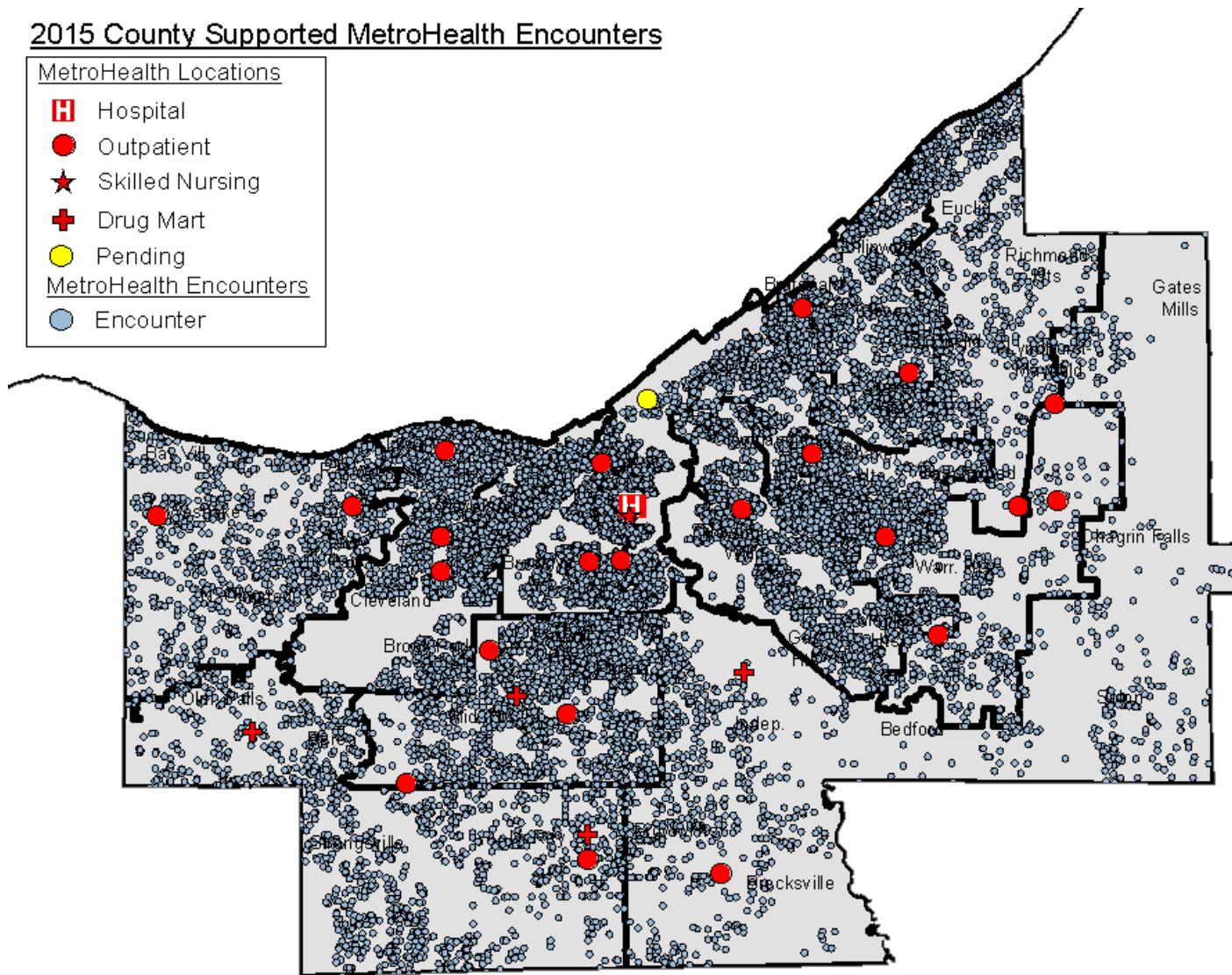
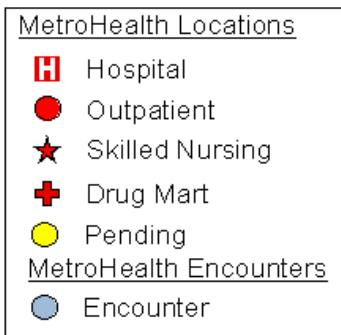
Portion of operating expenses that goes **back into the community**



Cuyahoga County's \$32.4 million supports the patient care needs of those unable to afford health care

Cuyahoga County Uninsured Patients

2015 County Supported MetroHealth Encounters





2017 Operating Budget



2017 Budget Strategic Themes

- Focus on the wellness of our community and early intervention as we move to a population health care delivery model
- Increase the satisfaction of our patients and families by providing patient-centered care
- Improve access through network expansion, partnerships and regional collaborations
- Deliver high-value service at lower costs by improving operational excellence
- Leverage newly implemented technology to improve efficiency and margin maximization
- Implement “at risk” revenue models which rewards our clinically effective and cost efficient model of care



2017 Operating Budget Constructs

- Adjusted operating income target of \$15.5M
- Adjusted operating cash flow target is \$68M
- Modest market share growth from new locations, programs and partnerships
- Service Line structure to increase efficiency of care delivery and patient experience outcomes
- Modest managed care payment increases and value-based payments
- Transformational cost containment within labor and non-labor

2017 Operating Budget Summary

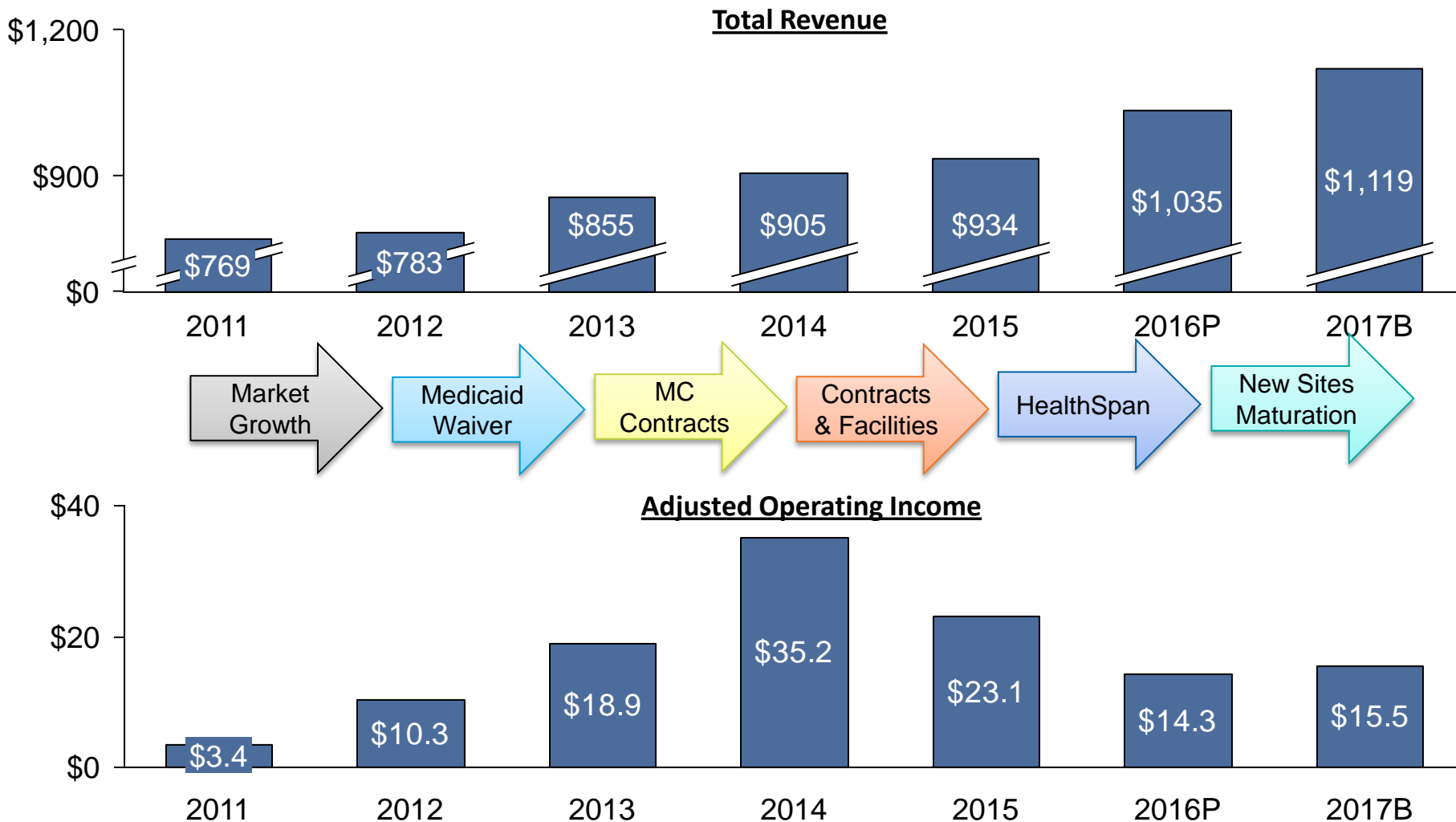
(in \$000s)

	2014	2015	2016	2016	2017	16 Projected vs. 17 Budget	
	Actual	Actual	Budget	Projected	Budget	\$	%
Net Patient Revenue	\$ 793,343	\$ 808,102	\$ 867,000	\$ 898,416	\$ 954,250	55,834	6.2%
Other Revenue	71,500	85,613	95,995	104,571	132,719	28,148	26.9%
County Funding	40,024	40,000	32,400	32,400	32,400	0	0.0%
Total Revenue	904,867	933,715	995,395	1,035,387	1,119,369	83,982	8.1%
Salaries and Benefits	591,745	613,965	644,423	665,236	712,398	47,162	7.1%
Department Expenses	215,868	238,586	264,335	291,366	319,858	28,492	9.8%
General Expenses	62,052	58,064	69,237	64,502	71,613	7,111	11.0%
Total Expenses	869,665	910,615	977,995	1,021,104	1,103,869	82,765	8.1%
Adj Operating Income / (Loss)	\$ 35,202	\$ 23,100	\$ 17,400	\$ 14,283	\$ 15,500	1,217	8.5%
Non-Recurring Charges	-	-	-	(12,342)	-	12,342	
GASB 68 Pension*	-	6,687	-	-	-	-	
Operating Income / (Loss)	\$ 35,202	\$ 29,787	\$ 17,400	\$ 1,941	\$ 15,500	13,559	698.6%
Case Mix Index	1.47	1.48	1.50	1.55	1.55	0.00	0.0%
Discharges	25,621	25,614	27,416	26,079	27,496	1,417	5.4%
Observations	7,508	7,553	7,496	9,120	10,465	1,345	14.7%
Patient Days	133,037	137,304	142,476	137,333	145,671	8,338	6.1%
O/P Visits	1,026,687	1,057,708	1,127,604	1,194,735	1,227,924	33,189	2.8%
ED Visits	105,045	102,460	125,576	124,722	137,935	13,213	10.6%
I/P Surgeries	5,645	5,577	5,738	5,514	5,974	460	8.3%
O/P Surgeries	13,003	13,784	14,664	15,526	15,242	(284)	-1.8%
Total Surgeries	18,648	19,361	20,402	21,040	21,216	176	0.8%
Deliveries	2,920	3,013	3,000	3,071	3,050	(21)	-0.7%

* GASB 68 accounting change (non-cash impact) is evaluated as of year-end

Total Operating Revenue and Income

(in Millions)



Operating Cash Flow & Cash/Investments

(in Millions)

