

Cook County 2006 Transition Team

REPORT



Honorable Bobbie L. Steele
Cook County Board President

"The challenge to finding any solution lies in understanding the problem."
- Anonymous



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**Cook County 2006
Transition Team**

PERMANENT REPORT



FOREWORD

Cook County 2006 Transition Team

FINAL REPORT



President Bobbie Steele has done a critically important service for Cook County by leading the work on the 2006 Transition Team Final Report. Because of her dedication, we have a document that lays out the serious fiscal problems we face and outlines a list of recommendations about how to solve these problems.

This report should be taken as seriously as President Steele, the Transition Team, and the volunteers who worked on this report took their mission. We should review all of the report's proposals in a timely fashion and implement all those that will help eliminate the County's growing deficit while ensuring that residents receive the quality services they need.

- Congresswoman Jan Schakowsky

**Cook County 2006
Transition Team**



Cook County 2006 Transition Committee

Cook County Board of Commissioners

**Bobbie L. Steele
President**

Committee Co-Chair(s)

**Rickey Hendon
Illinois State Senator**

**Jan Schakowsky
US Congresswoman**

Committee Project Manager

Valerie Holden, MBA, CHSS



TRANSITION TEAM COMMITTEE CO-CHAIR

Illinois State Senator Rickey Hendon

The Illinois State Senator for the 5th District, Rickey Hendon has served in this post since 1992. Hendon serves as an Assistant Majority Leader, Co-Chairman of the Senate Executive Appointments Committee, Vice-Chairman of the Environment and Energy Committee and member of the Labor and Commerce Committee and the Illinois Legislative Black Caucus.

Senator Hendon is the youngest African American male ever to serve as Assistant Majority Leader in the Illinois State Senate. He is an advocate for "affordable and quality health care," and an advocate for expanding government intervention to deliver such services. He continues to contribute to the dialogue concerning a national health insurance system as an alternative to the stifling financial burden imposed upon economically disadvantaged families who could not otherwise afford health coverage.

He has served at the city level, previously as Alderman of the 27th Ward and was formerly Secretary/Treasurer of the Cook County Forest Preserve.

He is married, wife Dawn, and has five children. His favorite past times include softball and table games. His team, The Fighting 5th competed in the National Amateur Softball Association (ASA) Tournament in 2006 coming in 15th out of 56 teams. They also played 3 games in the National Softball Association (NSA). Rickey recently invented a double-deck card game that has become the rage with community volunteers and his legislative cohorts.

Cook County 2006 Transition Team

CHUCK BIRPOLSKY



US Congresswoman Jan Schakowsky

Jan Schakowsky was elected to represent Illinois 9th Congressional District on November 3, 1998, after serving for eight years in the Illinois State Assembly.

Schakowsky, who serves on the House Democratic Leadership team as Chief Deputy Whip, is a member of the Energy and Commerce Committee, where she will work to accomplish her top priority in Congress - providing universal healthcare coverage for all Americans.

A citizen advocate, grassroots organizer and elected public official, Schakowsky has fought throughout her career for economic and social justice and improved quality of life for all; for an end to violence against women; and for a national investment in healthcare, public education and housing needs.

In the House, Schakowsky has won major legislative victories to increase federal assistance for abused women and children and to protect the rights of battered immigrant women; to reform election laws guaranteeing that no registered voter is turned away at the poll; to expand housing opportunities for low-income people; and to assist small business owners and farmers.

Schakowsky is an active member of the Congressional Human Rights Caucus and is a champion expanding our nation's hate crime laws.

Schakowsky resides in Evanston, Illinois with her husband, Robert Creamer. She has three children, Ian, Mary and stepdaughter, Lauren Creamer, and four grandchildren, Isabel, Eve, Lucy and William. She graduated from the University of Illinois in 1965 with a B.S. in Elementary Education.

**Cook County 2006
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Budget & Finance Committee

Committee Chairs:

Donne E. Trotter, Illinois State Senator

Ron Picur, Ph.D., CPA

Donna L. Dunnings*
Cook County Budget Director
Cook County Government

Laura Lechowicz Felicione, Attorney at Law*
Special Assistant to the President/Legal Affairs
Cook County Government

William Filan
Corporate & Government Planner
William Filan, Ltd..

John Frigo
Associate Director
State of Illinois
Governor's Office of Management and Budget

Dennis Gannon
President
Chicago Federation of Labor

Thomas J. Glaser*
Cook County Bureau Chief
Bureau of Finance
Cook County Government

Walter K. Knorr*
Cook County Comptroller
Cook County Government

Lawrence Masall
President
Civic Federation

Barbara McKinzie, CPA
International President
Alpha Kappa Alpha Sorority, Inc.

Bill Morris
Sr. Vice President and Manager of Public Finance
D.A. Davidson & Company

Ron Picur, Ph.D., CPA
Professor Emeritus of Accounting & Finance
University of Illinois at Chicago

Jorge Ramirez
Secretary-Treasurer
Chicago Federation of Labor

Jerry Roper
President & CEO
Chicagoland Chamber of Commerce

Lois Scott
President
Scott Balice Strategies

Donne E. Trotter Illinois State Senator
17 District
Approp.. I (Chairperson); Approp.. II (Vice-Chairperson)

Mitchell Watkins, MBA
Founder
Productivity Improvement Planning Group
Assistant Director
Illinois Institute for Social Policy

Carolyn Hodge-West
President
First West Consulting

* Denotes Cook County employee

Cook County 2006 Transition Team

Valerie Holden



Health & Hospitals Committee

Committee Chairs:

Dr. Jorge A. Cavero

Dr. Luis Munoz

Salim Al Nurridin
Chief Executive & Director
Healthcare Consortium Of Illinois

Gerald Bauman, CPA
Managing Director
Gerald Bauman & Company
Certified Public Accountants

Donald Blackwell
Retired V.P. of Health Care Development (Siemens Corp .)

Michael Brown, Attorney at Law
Director of Operations
Linebarger Goggan Blair & Sampson, LLP

Jorge A. Cavero, M.D.
Cavero Medical Medical Group, Ltd..

Margaret A. Davis, RN, MSN, FNP
Executive Director
Healthcare Consortium Of Illinois

Valerie Holden, MBA, CHSS*
Bureau Information Security Officer
Cook County Bureau of Health Services

Mattie Hunter Illinois State Senator
3rd District
Member Health & Human Services Committee

Susanne J. Klein
Director of Quality Assessment & Improvement
John H. Stroger, Jr. Hospital of Cook County

Terry Mason, M.D.
Commissioner of Health
Chicago Department of Public Health

Luis Munoz, M.D.
Workcare Group

John Ryan, D.Sc.*
Information Systems Analyst
Cook County Government MIS Department

Judith Samuel, Partner
Samuel Consulting, LLC

Bob Vais*
Director of Cost and Reimbursement
John H. Stroger, Jr. Hospital of Cook County

Joyce Washington
President & CEO
The Washington Group

* Denotes Cook County employee

**Cook County 2006
Transition Team**

INTERGOVERNMENTAL



Intergovernmental Committee

Committee Chair:

Karen Yarborough, Illinois State Representative

**John Jay Dalicandro, Village Manager -
Elmwood Park, IL**

Marlow Colvin Illinois State Representative
33rd District
Consumer Protection (Chairperson)

Danny K. Davis U.S. Congressman
7th District
Committee on Government Reform and Oversight
Ranking Member (Democrat with most seniority)

John 'Jay' Dalicandro
Village Manager
Village of Elmwood Park, Illinois

Barrett Pedersen
Democratic Committeeman
Village of Oak Park, Illinois

Karen Yarborough Illinois State Representative
7th District
Housing & Urban Development (Chairperson)

Cook County 2006 Transition Team

FINAL RELEASE



Contracts & Procurement Committee

Committee Chairs:

Anita Ponder, Attorney at Law

Jesse Brown, MBA, Ph.D.

Jesse B. Brown, MBA, Ph.D.

President

Krystal Investment Management

Thomas J. Conlon*

Deputy Purchasing Agent

Cook County Government

Laura Lechowicz Felicione, Attorney at Law*

Special Assistant to the President/Legal Affairs

Cook County Government

Thomas J. Glaser*

Bureau Chief

Bureau of Finance

Cook County Government

Colette Holt, Attorney at Law

Private Practice

Betty Hancock Perry*

Director

Department of Contract Compliance

Cook County Government

Anita Ponder, Attorney at Law

Partner

Gardner, Carton & Douglas LLP

Hedy Ratner

Co-President and Co-Founder

Women Business Development Center

Omar Shareef

President/Founder

African American Contractors Association (AACA)

* Denotes Cook County employee



INTRODUCTION

Cook County 2006 Transition Team

February 2006



Introduction

On July 19, 2006, the Cook County Board of Commissioners cast their votes unanimously electing Commissioner Bobbie L. Steele as Interim President of the Cook County Board. She would serve from August 1 - December 4, 2006, roughly 120 days, completing President John H. Stroger's four-year term. A twenty-year veteran of the Cook County Board, Commissioner Steele is its longest serving African American female. No stranger to Cook County leadership, she serves as Chairperson of the Cook County Forest Preserve Finance Committee, Vice Chair of the Cook County Board Finance Committee, President of the Illinois Counties Association, immediate past President of the National Association of Black County Officials, former chair of the National Association of Counties Deferred Compensation Advisory Council, etc. These accomplishments, however impressive as they might be, were eclipsed by the fact that Commissioner Steele would become the first woman President in Cook County's 175-year history.

At the time of its incorporation on January 15, 1831, Cook County's populace was merely 100 residents, represented by a three-member board. By 2004, Cook County's population had grown to approximately 5.3 million, 2.9 million of whom resided in the City of Chicago, the most well known of its 133 municipalities. The second most populous county in the nation, Cook County is currently the 19th largest governmental body in the United States. Its complex business operations are supported by 96 departments and 27,000 employees, who work to fulfill its responsibilities, duties and obligations. Its departments and employees are managed by county elected officials, who include: The President of the County Board - the county's Chief Executive Officer, 17 Board of Commissioners, 3 Board of Review Commissioners, the Assessor, County Clerk, Clerk of the Circuit Court, Recorder of Deeds, State's Attorney, Sheriff, and Treasurer. The President of the Board has direct authority over 41 departments and the other elected officials, in total, oversee 55 departments. Cook County's principal responsibility is the protection of persons and property, the provision for Responsive Leadership - contributing to Cook County's efforts to restore public trust, public health services and the maintenance of County highways. The obligation to protect persons and property, commonly called public safety, is fulfilled by the provision of County judicial and law enforcement services. The obligation to provide public health services is fulfilled by the provision of comprehensive medical services to the citizens of the County, regardless of their ability to pay. The obligation for maintenance of highways is fulfilled by its Highway department who oversees maintenance and improvements of approximately 1,461 miles of roads comprising the County highway system.

Cook County 2006 Transition Team

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The Cook County FY 2006 budget is \$3,080,646,834 billion, which covers the activities of the county itself, including expenses for the Circuit Court of Cook County and all the independently elected county official. It does not cover the Cook County Forest Preserve District which is a special taxing district with a separate budget. Although public safety and health care services do not reflect all County obligations, appropriations for these services comprise over 90% of the County's General Funds Budget (51% for public safety and 41% for public health).

Few if any questioned Commissioner's Steele's knowledge of Cook County's complicated business operations or her ability to lead, it was Cook County's highly publicized and deepening budget deficit which they believed represented her greatest challenge. By May 2006, half way into the fiscal year, Cook County's 2006 budget deficit was estimated at \$44M. By June 2006 it was estimated at \$56M, with the revenue shortfall in large part resulting from \$40M+ in unbilled revenues in the Health Fund. (The funds used to operate the Bureau of Health Services and its expansive network of hospitals, clinics and pharmacy operations). By late July 2006, there was speculation that Cook County would experience a deficit in budget year 2007 somewhere in the neighborhood of \$400M and there was no bigger headline news, except that which centered around: (1) the operational issues at the Cook County Juvenile Detention Center and (2) the impending crisis at the Bureau of Health Services, the country's second largest public health safety net. Political pundits questioned what would happen if no action was taken and they were uncertain if Cook County's financial and operational challenges could be reversed during Commissioner Steele's brief 120 day term.

Commissioner Steele wasted no time engaging in speculation and within a week of her appointment she solicited the Cook County Commissioners, requesting their input and ideas about how to remedy Cook County's problems. She also quickly presented the framework that she wanted to use for a close analysis of these problems. It would take the shape of a public-private partnership under the rubric of a Transition Team. Each Commissioner was asked to recommend individuals who could serve on the team.

On August 1, 2006 Commissioner Bobbie Steele took the oath of office and became President Bobbie Steele. President Steele hit the ground running and promptly convened a meeting with the departments that fall under the Office of the President allowing them to provide input and ideas free of reprisal. She also asked for their help in identifying operational improvements and elimination of waste, even if it meant divesting themselves of non- performing employees.

Cook County 2006 Transition Team

FINAL REPORT



By all measures, through these actions President Steele had already placed Cook County on a new course of inclusion which embraced bi-partisan solution building, open communications with department managers, and a business climate of transparency and accountability.

Two days after taking the oath of office, President Steele greeted a room full of individuals, many of whom she had appointed to the Transition Team, and an equal number of whom had been invited by other Commissioners. As they introduced themselves it became clear that the volunteers included accomplished individuals from various backgrounds - business professionals, civic leaders, state and federal legislators, attorneys, doctors, association executives, etc. President Steele informed everyone that government benefits when experienced professionals and thoughtful leaders are allowed to participate in the solution-building process and she welcomed their involvement. She also informed the team that her chief objective was to approach Cook County's problems in a business fashion, i.e. by using best practices. She indicated that the team should remain solution focused, taking a look at ways to improve revenue, operational efficiency, performance reporting and accountability.

The president conveyed that her office was being flooded with calls from employees who wanted to help. The question she raised was, "are we effectively engaging our employees?" She relayed that 8,000 employees (at the Bureau of Health Services) would be asked to respond to this question through an Employee Survey.

The team, President Steele indicated, would be expected to evaluate all of Cook County's operations within six weeks. The final report would be due by mid-September, the midpoint of her term, allowing her an equal amount of time thereafter to work on implementing high-impact short-term recommendations. Steele relayed that she would make every effort to be respectful of the citizens of Cook County by ensuring that the study information was passed on to the next administration and made available to the public. By the end of their first meeting on August 3rd, the sixty members of the Transition Team had been organized into four committees: Budget & Finance, Health & Hospitals, Contracts & Procurement and Intergovernmental.

Cook County 2006 Transition Team

FINAL REPORT



By August 10th the Transition Team had been provided with an arsenal of information to help expedite their efforts, including past studies about Cook County dating back to 1996, the Cook County organization chart and its 2006 Budget and Appropriations. Cook County departments under the Office of the President were also notified about the Transition Team study and were asked to facilitate their requests. The following studies were included among those distributed to the Transition Team: (1) *"The Cook County Cost Control Task Force Report"*, authored by the Chicagoland Chamber and the Civic Federation, 2001; (2) *"Reinventing Cook County Part I and II"*, authored by Cook County Commissioner Mike Quigley, 2003; (3) *"The Civic Federation : Cook County FY2006 Proposed Budget: Analysis and Recommendations"*, authored by The Civic Federation, 2006; (4) *"Protecting the Legacy of Caring for Vulnerable Populations: Essential Priorities for the Cook County Health Care System"*, authored by Northwestern University Feinberg School of Medicine Institute of Healthcare Studies, 2006.

On September 28th, the esteemed members of the Transition Team assembled in the Cook County Board room as President Steele introduced them. She was joined by Cook County Board of Commissioners, the other elected officials of Cook County, and key department heads. Highlighting only a portion of the Findings and Recommendations of each committee and the results of the Employee Survey, she was able to quickly demonstrate the value of the study efforts. Armed with objective information, President Steele committed that she would move decisively to implement high-impact solutions. In addition, she enumerated reforms she had already put in place and proceeded to outline a strategy for offsetting the 2006 and 2007 budget deficits. The budget strategy would entail 4% in cost-cuts for each department in 2006 and 10% in 2007 – for all departments. Essentially amounting to a spend-down strategy predicated upon cutting waste.

President Steele then presented financial graphs to dispel the perception that the budget could be balanced solely on the backs of the 41 departments that fall under the President's office, reiterating that this was an absolute impossibility. She challenged the other constitutionally elected official to re-visit their core missions and to abandon "feel-good" programs. She relayed that they needed to work with the Board of Commissioners to become pro-actively engaged in the proposed budget reforms.

Cook County 2006 Transition Team

FINAL REPORT



Cook County Commissioners from each party offered extensive responses about the Transition Team study results. The quality of the study they indicated illuminated the Transition Team's commitment to excellence, the clear guidance they and the Cook County departments had been given early on, and the impressive leadership of the Transition Team Co-Chairs, US Congresswoman Jan Schakowsky and State Senator Rickey Hendon. They reiterated that a new course had been charted for Cook County which clearly benefited both its citizens and employees. A course which re-directs how Cook County does business and "we simply can not turn back," appealed several commissioners.

This report outlines the Project Methodology that was adopted to complete the Transition Team study and it provides an abbreviated version of the Findings and Recommendations from each of its four committees. Included is an analysis of the results from the Employee Survey.

The report, in general, is intended to serve as a roadmap that outlines both short-term and long-term recommendations. Because of time constraints, only a portion of the short-term recommendations could be implemented. However, the recommendations in their entirety will be presented to the next administration.

This report concludes with a Summary Statement which details the corrective course that President Steele quickly charted during the second-sixty days of her term in office. The results are measurable and provide a solid foundation to help transform Cook County's fiscal and management operations. More importantly, they promote Transparency, Accountability and Effective Leadership, thus contributing to Cook County's efforts to restore public trust.

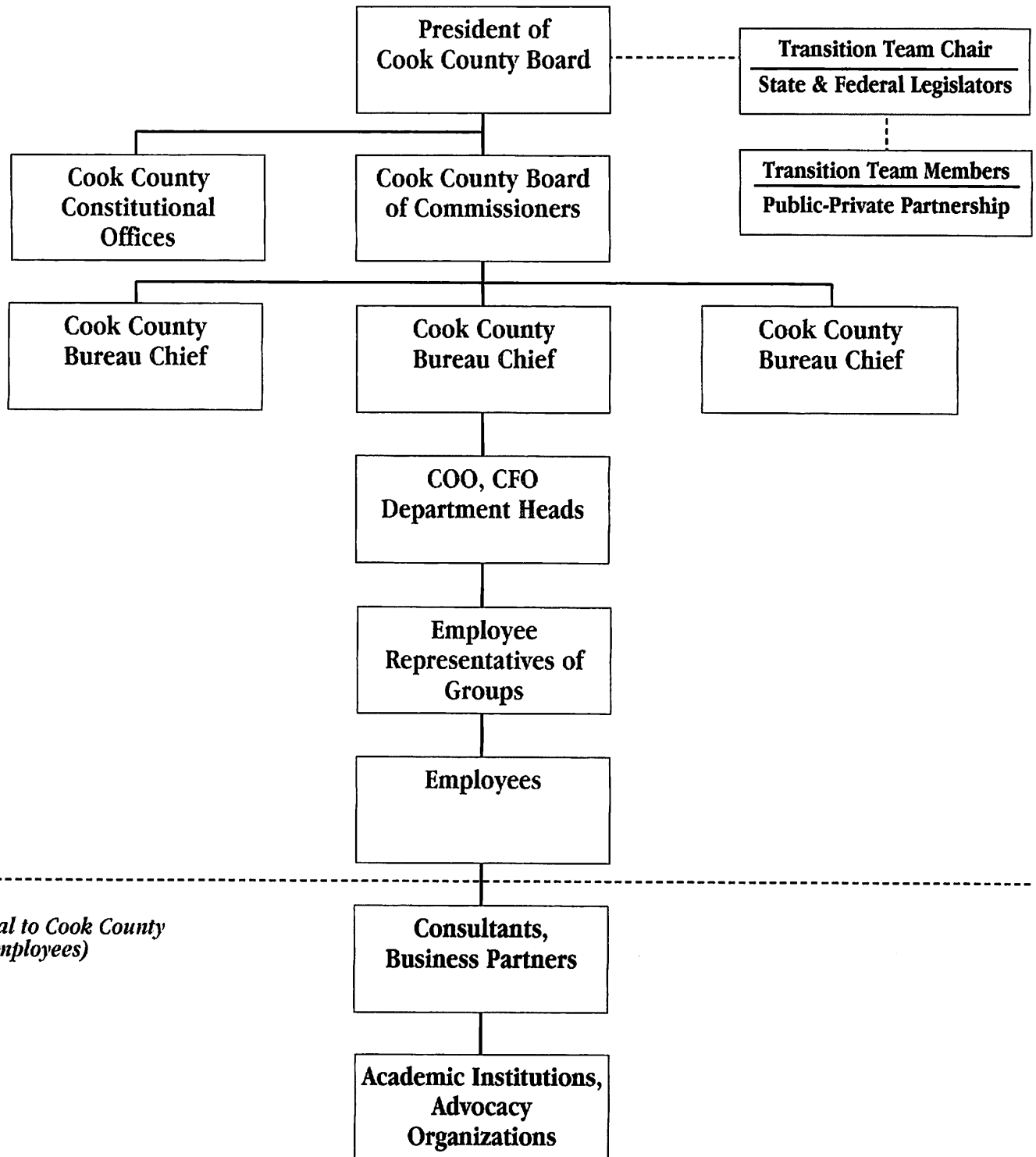


PROJECT METHODOLOGY

PROJECT METHODOLOGY - PHASE I: BUILDING STAKEHOLDER COMMUNITY

Internal to Cook County

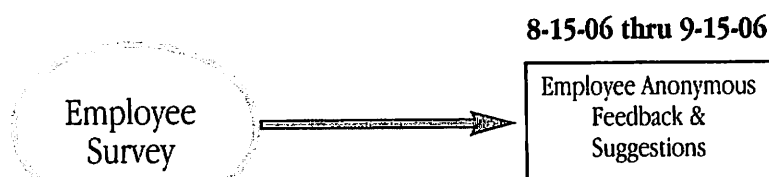
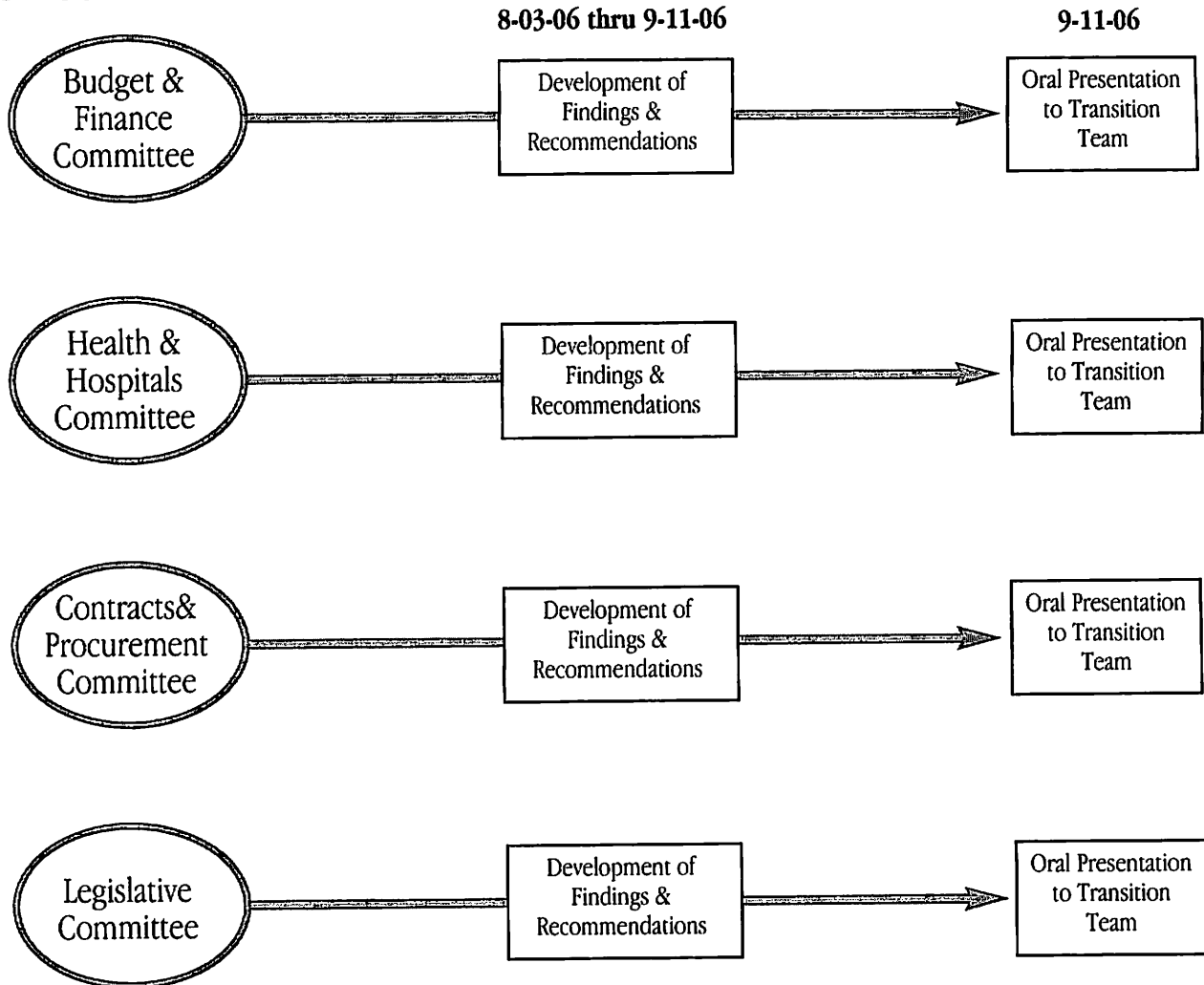
External to Organization



*External to Cook County
(non-employees)*

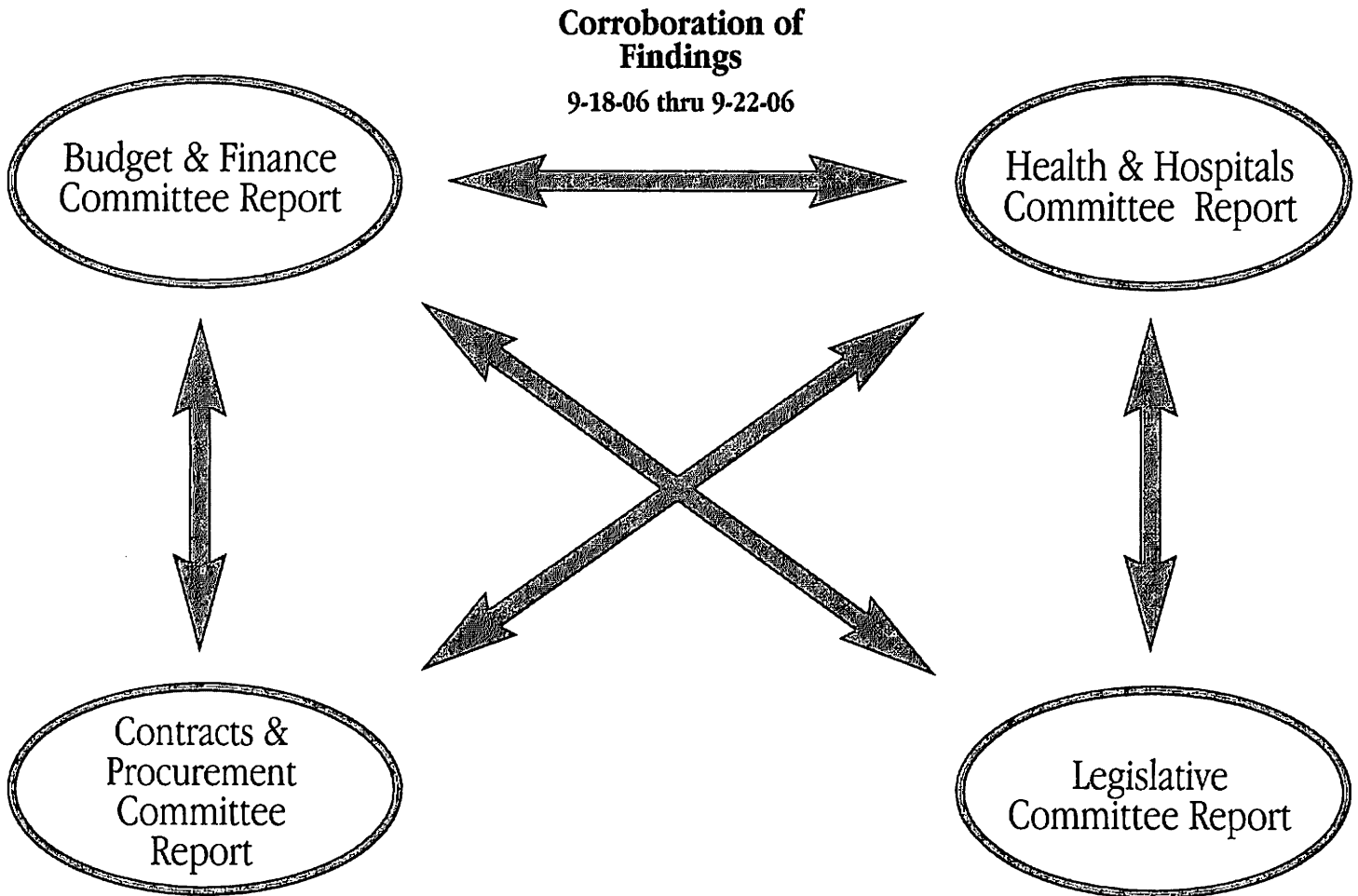
PROJECT METHODOLOGY - PHASE II: DATA GATHERING

FOUR COMMITTEES:



Managed by third party
firm , independent of
Cook County or
Transition Team

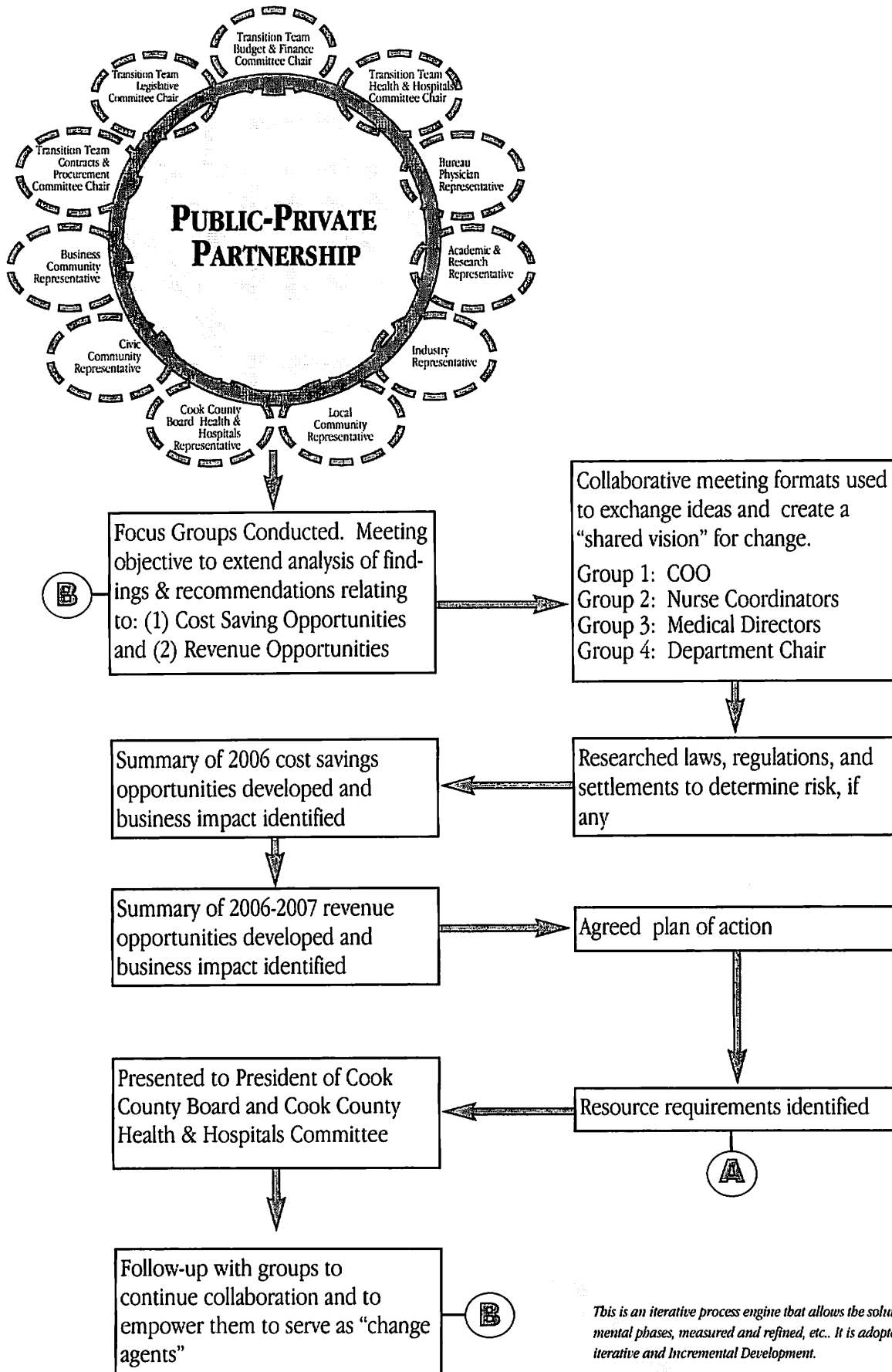
PROJECT METHODOLOGY - PHASE III: INFORMATION EXCHANGE



NOTE:

Committee Chair met with President Steele to support their findings and recommendations. They were asked to communicate relevant information to other committees and to corroborate findings. In several cases they had to work together to negotiate a new set of recommendations.

PROJECT METHODOLOGY - PHASE IV: ITERATIVE SOLUTION REFINEMENT



This is an iterative process engine that allows the solution to be implemented in incremental phases, measured and refined, etc.. It is adopted from Barry Boehm's model on iterative and Incremental Development.



BUDGET & FINANCE COMMITTEE

Cook County 2006 Transition Team

FINAL REPORT



BUDGET & FINANCE COMMITTEE

COMMITTEE CHARGE AND CHAIR

The Cook County Transition Team Budget & Finance Committee had the overall charge of reviewing the financial position of the County, particularly with respect to the operating budget. The operating budget encompasses the day-to-day operations of the County including the following funds: Corporate, Public Safety, Health and Grant Funds.

COMMITTEE CHAIRS

Co-Chairs: The Honorable Donne E. Trotter, State Senator (D) 17th District
 Ronald D. Picur, Professor Emeritus, University of Illinois at Chicago

COMMITTEE METHODOLOGY

The Committee chose to draw upon a number of prior studies and reports for both background information and recommendations. The Committee's philosophy was that these reports had already identified key structural issues facing the County, and included recommendations to address those issues that have been thus far largely unimplemented.

Many of these studies had identified potentially material cost-saving opportunities; thus, they provided a blueprint to address the significant budget deficits of well over half a billion dollars facing the County in fiscal years 2006 and 2007.

The prior reports used in this comprehensive review and analysis were:

- The Cook County Cost Control Task Force Report, June 2001 (work commenced in 1999) by the Chicagoland Chamber of Commerce and the Civic Federation
- County Operations Review Team (CORT) Report, July 2001
- Reinventing Cook County, Part I, October 2003; Part II, December 2003, by Cook County Commissioner Michael Quigley, 10th District
- The 1006 Review Enhancement Committee
- The Civic Federation: Cook County FY2006 Proposed Budget: Analysis and Recommendations

In addition to these reports, and as supplementary background information, a review was conducted of the audited financial statements of the County as incorporated in the Comprehensive Annual Financial Reports (CAFRs) of the

Cook County 2006 Transition Team

FINAL REPORT



County from fiscal year 1995–2004. The purpose of that review was to identify key trends and financial information that could characterize the overall financial position of the County.

The Committee then turned toward identifying the components and quantifying the amount of operating budget deficits for the fiscal years 2006 and 2007. In developing these estimates, the Committee was assisted by the Finance Team of the County, including the Chief Financial Officer, Comptroller, Budget Director and Chief Counsel.

PROJECTED BUDGET DEFICITS: FY2006 AND FY2007

In developing the projected budget deficits, the Committee conferred with the County's Financial Team (the Chief Financial Officer, Comptroller and Budget Director). Reflecting these discussions, estimated deficits for FY2006 and FY2007 were developed and are summarized in Table I that follows.

The projected results encompassed all operating funds (i.e., the Corporate, Public Safety and Health funds), thereby excluding the Capital Projects, Grants and Debt Service Funds and other smaller funds that are not used for annual operating purposes. (Operating purposes reflect the day-to-day activities of the County in providing services to its citizens.)

The results are summarized by year. The starting (baseline) point was the FY2006 enacted budget which was balanced on the assumption of a fund balance reduction of approximately \$66 million. That is, the County adopted a deficit budget that was legally balanced by using up reserves built-up in prior years. Revenue Shortfalls from budgeted revenues (e.g., hospital fees and cigarette taxes) and Spending Overruns (e.g., unbudgeted overtime at the hospitals) are separately categorized in order to arrive at the projected FY2006 Operating Deficit of \$136 million. In essence, an incremental operating deficit of another \$70 million is projected beyond the \$66 million operating deficit in the adopted budget. When added to the beginning Unreserved Fund Balance of \$89 million, the result is a projected Fund Balance deficit of \$47 million at November 30, 2006.

The same approach was used to categorize the projected revenue shortfall and additional spending (beyond the FY2006 level of spending) for FY 2007. Table I also provides an explanation for each revenue shortfall or additional spending

Cook County 2006 Transition Team

January 2007



item projected to occur during 2007. These projections do not include a cost of living adjustment (COLA) for non-unionized employees of approximately \$40 million. While recognizing these employees have not had such an increase for the past several years, the provision of such a COLA at this time cannot be supported by the Committee and we would recommend that President Steele not pursue one in the near-term. Based upon these projections, the projected FY2007 operating deficit is estimated to be \$455.5 million, which could result in an estimated Fund Balance deficit of \$502.5 million by the end of that year.

The projected results are based upon an assumption of the status quo. That is, if no changes are implemented and operations continue as the status quo, the County could be incurring a total deficit between the two fiscal years of \$591.5 million (\$136 million for FY2006 and \$455.5 million for FY2007).

KEY FINDINGS

The Committee noted that a common theme, implicit throughout the previously issued reports, was the absence of a "will to action." The action to enact policy changes and/or proactively contain costs within inflation in a timely manner was absent.

The Committee identified that the issue of fragmentation is a fundamental and systemic problem within Cook County government that must be addressed if any future president is to provide the accountability and results owed to Cook County taxpayers and constituents.

The need for clarity on the County's mission in its key service areas as well as metrics for assessing how well the County achieves its goals was also identified throughout the course of the analysis. Areas deemed critical included Health Care, Sheriff's Office services and Property Tax Office services.

COMMITTEE RECOMMENDATIONS

Having identified and quantified the estimated budget deficits for these two fiscal years, the Committee then developed a series of recommendations which have been categorized each in the following areas. The Committee concluded the report by developing a list of recommendations and options to address the projected deficits. The Committee reviewed all recommendations and classified each relative to urgency.

Cook County 2006 Transition Team

FISCAL REPORT



Immediate

- Exert budget control over all County Offices and Departments, including those of elected officials
- The County CFO should have responsibility for all County finances including Hospitals
- Review the mission of the Bureau of Health Services
- Bill and collect every dollar the Bureau of Health Services is entitled to receive

Fiscal Year 2007

- Examine the mission and core services of the County by undertaking a thorough review of statutorily-mandated functions and clearly differentiating those from discretionary programs assumed over time
- Negotiate an intergovernmental reimbursement agreement for Collar County patients
- Review the mission of the Sheriff's Office with the goal of reducing costs by eliminating (or limiting) discretionary programs which are subject to State and Federal funding
- Review and reduce staffing levels of the Court system (Courts, State's Attorney and Clerk of the Court) by benchmarking versus other peer counties; increase use of automation to replace excessive staffing determined by benchmarking studies
- Reform Pension Board composition to provide balance between annuitant, government and taxpayers
- Sell surplus County property and use the proceeds for one-time budget expenditures
- Continue to pursue joint purchasing agreements with major Chicago area governments
- Outsourcing management of selected services to other governments
- Outsource County highway system to local municipalities
- Outsource animal control to municipalities
- Consolidate the County's four print shops
- Establish a Cook County Auditor General's Office
- Improve performance measures
- Implement a formal long-term financial planning process
- Pursue other non-tax revenue enhancements



Long Term

- Establish an Office of Tax Administration.

BUSINESS IMPACTS

BILLING & REVENUES

The collection of outstanding revenues from Health Services should be the first step taken to stop the “fiscal bleeding” created by the current hospital environment in Cook County. This foregone revenue, resulting from unbilled/uncollected inpatient services, outpatient services and physician services, represents a net \$20 million opportunity.

An audit of such by an external vendor, which should affect a minimal cost compared to potentially collectible past due revenues, should be made a priority.

Additionally, revenues will be heavily impacted by negotiating an intergovernmental reimbursement agreement with Collar Counties to begin settlement of the \$45M+ in un-reimbursed services provided for non Cook County residents.

The sales of surplus property holdings by the County can be used for one-time budget expenditures; additionally, if sold to private interests (with the utmost regard to transparency and an open bid process) these unused/underused tracts of land will be returned to the property tax roll and continue to generate revenues for years to come.

CONSOLIDATION OF SERVICES & STREAMLINED PROCESS

The consolidation of services will address the critical issue of Fragmentation by increasing both responsibility and accountability, and not least, impact the cost efficiency of services provided by halting the unacceptable cost escalation that has continued to grow unabated.

IMPROVED PERFORMANCE MEASURES

An overhauled performance measurement system, that measures efficiency and effectiveness rather than workload, will provide managers with the tools they need to identify strengths and weaknesses in service delivery and to use that information to implement efficiencies – and increased efficiencies will lead to lower costs in the long-term.



SERVICE DELIVERY OUTSOURCING

Outsourcing certain programs to other governments rather than maintaining full-scale operations more suited to a bygone era makes good fiscal sense. If the County were to outsource maintenance of the highway system to local municipalities, it could save up to \$9.8 M per year (based on 1993 estimates). The County could save up to \$2.9 million if it paid municipalities to conduct animal control activities rather than maintain its own department according to the same report.

WELL-DEFINED MISSION & METRICS

Initiating a discussion with the Board and County citizens regarding the core mission of the County and its major entities, is essential in establishing a framework for achieving and assessing progress. Reduction of the projected deficit can only begin by asking the basic question; what is the mission of the County and its major service areas, especially the hospitals?

As readers will note, this report is not the first study or set of recommendations regarding County finances. However, the problem has continued to build for years, reflecting an ongoing structural deficit. These are problems that involve the President, County Board, all elected officials, all County employees and ultimately the citizens of Cook County. While the Committee had limited time to review these issues, there is no more time for analysis, but only time for immediate action. Failure to act immediately and decisively, will limit Cook County's options with severe negative impacts on all stakeholders, but especially those citizens who depend upon Cook County for essential services.



BUDGET & FINANCE COMMITTEE

• ATTACHMENTS •

PRIOR COUNTY REPORTS

VI. APPENDICES

Appendix A: PRIOR COUNTY REPORTS

A. The Cook County Cost Control Task Force Report, June 2001 (work commenced in 1999), by the Chicagoland Chamber of Commerce and The Civic Federation.

Overview: The report details the inner working of Cook County (“County”) government or the purpose of making recommendations for system-wide change that will eventually result in cost-efficiencies and overall savings to the taxpayer. The initial goal of reducing the structural deficit was revised as the study proceeded and a determination was made that a separate investigation concerning the County’s structure and governance was needed before specific cost-cutting measures could be suggested. Key findings of the report include:

- Cook County is highly fragmented among 28 elected officials, causing confusion and lack of accountability.
- Ninety-nine different departments have inconsistent organizational and reporting structures, leading to a fragmentation of authority.
- There is widespread resistance to change.
- Various processes, functions and activities are inefficient, unnecessary counterproductive and wasteful.
- The business culture of the County must be changed.
- Cost reductions can only occur through comprehensive restructuring of County government.
- Current focus on process must be replaced with focus on service and quality (included specific recommendations on decentralization, performance evaluation and streamlining services).
- Centralized management is necessary for procurement and personnel functions (included specific recommendations for purchasing).

2. County Operations Review Team (CORT) Report, July 2001.

Overview: The County Operations Review Team (CORT) was an internal task force charged with reviewing operations in all departments. The goal was to engage department heads and elected officials in identifying potential efficiencies and cost savings opportunities. The report identified more than 100 opportunities that over time had the (claimed) potential to save more than \$100 million. The CORT process and key findings include:

- **Composition:** CORT consisted of the Chief of Staff, Chief Financial Officer, Chief Administrative Officer, Special Assistant to the President, CFO of the Bureau of Health, industrial engineers and representatives of the elected officials.
- **Scope:** Focused on Operations only and excluded capital and special revenue funds.

PRIOR COUNTY REPORTS

- Prior Studies: “ . . . note that many of the cost savings opportunities are based on previous Industrial Engineering studies, surveys and budget-related investigations.”
- Cost Savings Ideas: In November of 2000, the President requested all Department heads and elected officials to identify cost savings ideas. In addition, CORT Team members presented major areas that were to be considered by each department or elected official's office when reviewing operations.
- Budget Reductions: CORT also presented a budget to each department and office showing 5% and 10% budget reductions for the FY2001 appropriations and solicited written responses from the elected officials.
- Recommendations: Cost savings opportunities include specific suggestions on public safety spending, functions of the elected County officials, reduced staff in offices under the President, and consolidation, privatization, and centralization of various services countywide.
- See Attached Document: *Select Cost Savings Opportunities Identified in the CORT Report*. Total estimated savings: \$49.5M - \$68.45M

3. Reinventing Cook County, Part I, October 2003; Part II, December 2003, by Cook County Commissioner Michael Quigley, 10th District

Overview: Part I of the report deals exclusively with restructuring county government and provides very rough estimates of potential savings. Some of the changes recommended intend to streamline core operations; others deal with peripheral responsibilities in a county with a declining amount of unincorporated land. Part II focuses on current revenue and fiscal policy and suggestions for improving productivity. Presented below are key recommendations included in the Quigley Report, Part I, grouped by the action required to implement.

The first set of recommended changes requires state legislation, referendum or intergovernmental agreements.

- Combine property tax functions of the Assessor, Auditor, Clerk, Treasurer and Recorder of Deeds and combine the offices of Clerk and Recorder of Deeds.
- Dissolve Sheriff's Police and transfer patrol duties to adjacent municipalities.
- Dissolve townships and transfer duties to other governmental units.
- Merge Chicago Board of Election and Clerk's Election Department.
- Merge municipal health clinics into Department of Public Health.
- Transfer county highways, building and zoning, animal control, and liquor control to local municipalities.
- Metropolitan Water Reclamation District to absorb sanitary districts and itself be absorbed by the County.
- Absorb the four mosquito abatement districts and the Suburban Tuberculosis Sanitarium District into the Department of Public Health.

These recommended changes only require County Board action.

PRIOR COUNTY REPORTS

- Transfer maintenance of the courthouse and county building from the Sheriff to Facilities Management Department
- Transfer Sheriff's Corrections Department to Bureau of Public Safety
- No longer permit the President to serve as a Commissioner

Presented below are key recommendations included in the Quigley Report, Part II.

- Reduce reliance on taxes and fees, including one-time revenue sources.
- Reduce expenses by capping consultant fees, minimizing overtime, privatizing and eliminating some county services.
- Improve productivity by streamlining the County's purchasing system and conducting a countywide employee audit.
- Utilize zero-based budgeting and reduce mid-year transfers.

4. The 1996 Revenue Enhancement Committee

Overview: Throughout the report, the committee in 1996 urged that there be a 2 year program to cut all budgets, including those of the elected officials, by 5% per year to help bring the budget into balance. The 1996 report found deficits similar to those that exist today and felt that asking all departments and the elected officials to make consecutive annual 5% cuts was a critical first step, regardless of any revenue enhancements. The report recommended increasing the property tax (real estate tax) the maximum amount allowable annually – i.e., 5% or the Consumer Price Index, which ever is lowest. Other key recommendations can be found in Appendix D4.

- **Increase the Cook County Alcoholic Beverage and Beer taxes** by \$0.25 per gallon from \$2.00 to \$2.25. This was projected to produce \$2.1 million in annual income.
- **Increase the County's Cigarette tax** from \$0.10 per package of 20 cigarettes. It was projected each \$0.01 would produce \$2.5 million in annual income.
- **Increase the County's gasoline tax** from \$0.06 per gallon. Each \$0.01 equals \$14 million in annual income.
- **Increase the County's Real Estate Transfer tax** from \$0.25 per \$500 of property value. Each \$0.25 equals \$50 per sale.
- **Increase the County's Retailers Occupation Tax (sales tax) from 3/4% to 1%.** This will generate \$75 million annually.
- **Increase the County's Use Tax from 3/4% to 1%.** This will produce \$9 million annually. (This is a tax on motorcycle, auto and truck sales)
- **Add a County Amusement Tax of 1%.** This will produce \$5 million annually.
- **Add a County Automatic Amusement Device Tax.** Each \$0.25 produces \$17.5 million in annual revenue.
- **Implement a County Diesel Fuel Tax.** Each \$0.01 produces \$2.0 million annually.
- **Impose an admission fee tax on off-track betting parlors.** Each \$1.00 produces \$1.5 million annually.
- **Increase a tax on parking** in lots or garages that charge a fee. Each \$0.25 will produce \$7.5 million annually.
- **Impose a hotel/motel tax.** Each 1% will produce \$7 million annually.

PRIOR COUNTY REPORTS

- **Add a County tax on the lease, rental or use of personal property, other than autos.** A 1% rate will produce \$13 million annually. (The report noted this may be difficult to collect and administer.)

Some fees/taxes suggested, but which the committee felt would need legislative approval:

- **Airport landing fees.** A fee of \$0.50 per 1,000 pounds would produce \$27-million annually. (The City of Chicago fee at the time was \$2.022 per 1,000 pounds.)
- **A Cable TV franchise fee.** A 1% fee on gross revenue would produce \$3.12 million annually.
- **An employer expense tax** on employees for employers with 50 or more employees. A \$1.00 per month fee would produce \$10 million annually.
- **A Telecommunications tax.** A 1% tax would produce \$23 million annually.
- **A Utility tax** on natural gas and electric. A 1% tax on both would produce \$44.5 million annually.

5. The Civic Federation: Cook County FY2006 Proposed Budget: Analysis and Recommendations

Overview: The Civic Federation annually reviews the proposed County Budget and provides both an analysis and series of recommendations for the County Board. The analysis focuses on major components of the proposed budget including the overall appropriation and staffing level as well as proposed new revenues to close the \$95 million deficit estimated at the time the budget was submitted. Key recommendations include the following:

- **Eliminate automatic step increases.** Total annual % increases should be limited to 3% or the rate of inflation, whichever is less.
- **Increase employee contributions to health insurance costs.** If employees contributed a sum equal to an additional 1% of total hospitalization insurance projected costs in FY2006, the County would save \$2.5 million. Increasing co-pays for office visits could save the County from \$7.6 million to \$8.8 million.
- **Reduce employee pay periods from 26 to 24 times per year.** Reducing pay periods to 24 times per year or twice a month, would eliminate the processing and related costs for 2 pay periods each year.
- **Aggressively pursue joint purchasing agreements with major Chicago area governments.** According to a 2001 study commissioned by the Civic Federation, forming a joint health insurance pool could save the County as much as \$22.5 million in the first year.
- **Pursue alternative service delivery opportunities, including privatization.** Possible candidates for privatization include: janitorial services under control of the Cook County Sheriff's office, pharmacy function, print shop function, dietary and food service functions in the Bureau of Health Services, and service of process function for civil lawsuits.
- **Outsource county highway system to local municipalities.** The *Reinventing Cook County* report estimates that the County could save up to \$9.8 million per year if it paid municipalities to maintain roads in unincorporated Cook County rather than maintaining them itself (FY2006 savings could be less than \$9.8 million).

PRIOR COUNTY REPORTS

- **Outsource animal control to local municipalities.** The *Reinventing Cook County* report estimates the County could save up to \$2.9 million if it paid municipalities to conduct animal control activities rather than maintain its own department according to Commissioner Quigley's 2003 report (FY2006 savings could be less than \$2.9 million).
- **Implement comprehensive pension benefit reform.** establish a two-tiered system with lower benefits for new hires, limit annuity increases for new hires to the lesser of 3% or CPI, require contribution increases to accompany any benefit increases, require employer contributions to relate to funding levels, reform pension board composition to provide balance between employees, government, and taxpayers.
- **Consolidate the County's four print shops.** If the print shop function is not outsourced, it should at least be consolidated.
- **Consolidate non-core functions in the Bureau of Health Services.** A conservative estimate of savings from consolidating duplicative administrative functions would yield \$2.7 million.
- **Expedite dissolution of the Suburban Cook County Tuberculosis Sanitarium District.** All assets and responsibilities of this unnecessary and wasteful unit of local government should be transferred to Cook County. The District's excess real property should be sold.
- **Require return on investment reports for all Information Technology contracts.** Investments in technology can and should yield cost savings as well as increased efficiency of operation. All Cook County information technology contracts should include a requirement for an independent analysis of the costs and benefits of the projects being implemented.
- **Improve performance measures.** The performance measurement system needs to be overhauled to provide managers with the tools they need to identify strengths and weaknesses in service delivery and to use that information to implement efficiencies.
- **Present an Executive Budget before the beginning of the fiscal year.** All governments have a duty and an obligation to prepare, release and adopt their fiscal plans before the beginning of the fiscal year.
- **Implement a formal long-term financial planning process.** The Civic Federation supports the proposed Amendment to Cook County Board Rules sponsored by Commissioners Claypool, Suffredin and Peraica that would require the President to submit to the Finance Committee revenue and expenditure projections for the next six fiscal years as well as narrative explanations of assumptions made in order to reach the projections.
- **Produce audited financial statements within 6 months of close of fiscal year.** All governments should release audited financial statements no later than six months of the close of their respective fiscal years.
- **Establish a formal Budget Stabilization Policy and Fund.** This a means of controlling the volatility of unstable revenue sources such as the sales tax, and is recommended by bonding agencies and the Government Finance Officers Association.
- **Establish a Cook County Auditor General's Office.** Cook County should establish an independent auditor general's office that would be charged with conducting program and financial audits of all County programs on a regular basis
- **Separate the executive and legislative branches of Cook County Government.** Cook County should end the practice of allowing a Commissioner to also serve as President.

PRIOR COUNTY REPORTS

The interests of good government are far better served with a clear distinction between the two branches.

- **Reduce the majority needed to override the President's veto from 4/5ths to 2/3rds.** The 4/5ths rule is unusual, excessive and a bar to meaningful attempts to assert the authority and prerogatives of the legislative branch of government.
- **Establish an Office of Tax Administration.** The Civic Federation has long advocated this consolidation, which was estimated to save \$3.6 million in *Reinventing Cook County*.



HEALTH & HOSPITALS COMMITTEE



THE HEALTH AND HOSPITALS COMMITTEE

COMMITTEE CHARGE AND CHAIR

The committee was given the charge of reviewing current conditions at the Bureau of Health Services for the purpose of identifying what and where major problems exist within Cook County's healthcare delivery system. Its financial and clinical operations were examined, providing a window to observe its leadership, communications and fiscal accountability.

COMMITTEE CHAIRS

Co-Chairs: Dr. Luis Munoz, a private practice physician specializing in Occupational Health.
 Dr. Jorge Cavero, a private practice physician specializing in Internal Medicine.

COMMITTEE METHODOLOGY

The Cook County Bureau of Health Services, the country's second largest public health safety net, was evaluated utilizing the national health industry standards set forth in Healthcare Financial Management Association Standards.

The committee decided that there was sufficient historical data and academic data about the health system and about healthcare trends in general so there was no need to re-create this information. They concluded that what was lacking was a perspective of the problem from the people who the Bureau. In order to glean such information, the committee conducted 40 face-to-face interviews with upper management, clinical personnel, financial staff, consultants under contract, business partners, academic partners, etc. The second level validation was conducted by doing unscheduled site visits. The committee cross validated the interview data against internal correspondence from each facility, systems issues logs for each facility and other relevant documentation, consolidated financial statements, etc..

Secondarily, the committee concluded that their focus would be on 'outcomes' vs 'output'. With this in mind, they attempted to craft solutions that were distinctive and measurable vs solutions which were programmatic.

Cook County 2006 Transition Team

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KEY FINDINGS

It was the concerted opinion of the Health and Hospitals Committee that the Cook County Bureau of Health Services lacked the most basic organizational infrastructure, e.g. business strategic plan, definitive organizational goals for each fiscal year, performance metrics, meaningful management and financial reporting, physician productivity reporting, timely payer and case analysis, contract performance reporting, etc. This has contributed to poor communications between upper management and middle management and inadvertently trickled downward resulting in poor communications between departments and employees. It has fueled the proliferation of silos and a culture of 'crisis management', resulting in excessive overtime, inordinate use of contractors, mismanagement of already scarce resources and limited or no follow-through to bring problems to closure, e.g. the diagnostic backlogs, billing problems and recurring revenue shortfalls, etc..

The future of the Bureau of Health Services is precarious due to a financial crisis that has deepened over a period of years. In budget year 2005 the Bureau of Health Services reported a revenue shortfall of over \$60M as a result of unbilled revenues. By May 2006, they had reported a revenue shortfall greater than that for the entire preceding fiscal year, again resulting largely from unbilled revenues.

Most importantly, because of ineffective leadership there was an inverse relationship between dollars invested by Cook County to fix problems and fiscal performance.

The Health and Hospitals Committee concluded that the Bureau of Health Services exhibited the characteristics of a "troubled organization", as defined by the Healthcare Financial Management Association. These include:

- Board and senior management acceptance of poor financial performance
- Lack of middle management depth and experience
- Lack of accountability or illogical reporting relationships involving managers/supervisors
- Poor physician relations
- Lack of erosion of profitable payer mix
- Inadequate information management, business processes and reporting systems
- No long-term budgets and plans or unrealistic/missing budget targets



- Increasing A/R days and bad-debt expense
- A liquidity squeeze, such as decreasing cash reserves and days of cash on hand (red alert: extended vendor payment cycles of more than 80 days)
- Audit surprise or failure

RECOMMENDATIONS

The Committee met again with many of the individuals who were interviewed in order to get their input on crafting recommendations. The idea being to create a 'shared vision for change'. It was their joint recommendation that concrete steps should be taken to replace leadership and to restore accountability at the Bureau. The internal team also agreed that there was a growing need to move the Bureau to a Performance-Based Business Model.

Specific recommendations were then framed in two groups; Short-term and Long-term. Short-term recommendations being "low hanging fruit" interventions which will result in strategic, clinical, operational and financial improvements that could be implemented in six to twelve months. Long-term recommendations are those which the committee believed would require greater than twelve months.

Short-Term (Financial Recommendations)

- Request that Intergovernmental Transfer (IGT) split be more equitable; currently 65% State and 35% County
- Move BIPA distribution to County
- Request that the State distribute the money more evenly through out the year
- Immediately implement performance-based goals for physician leadership and management of medical staff
- Track and report care provided to non-Cook County residents
- Present business case to become Regional Health System
- Bill Community Partners organizations for services at other healthcare organizations
- Implement plan to exponential increase OB services at Stroger and Provident Hospital
- Respond to demographic shifts - starting with Pre-natal at Oak Forest Hospital
- Capture professional billing for areas of opportunity (e.g. procedural)
- Require that physicians complete mandatory training on documentation

Cook County 2006 Transition Team

FINAL REPORT



- Immediately implement front-end improvements to the Pre-Admissions processes
- Implement all contracts which allow Bureau to receive reimbursement, where applicable, e.g. All Kids, DME, Medicare Part B, Medicare Part D, Third Party Insurers
- Educate all staff on the importance of billing (from clerks to physicians to public relations)
- Bill Community Partners for services rendered
- Bill affiliated institutions for medical student training
- Re-negotiate rates with Third Party Payers
- Bill Third Party Payers for services rendered
- Conduct a comprehensive review of the Bureau's policy on charity care
- Conduct a comprehensive review of patient referral practices
- Implement and adhere to one formulary
- Leverage other government purchasing agreements for formulary
- Expand Financial Counseling services

Short-term (Organizational Recommendations):

- Evaluate Bureau leadership
- Evaluate productivity and distribution of physician, nursing and paramedical staff against industry standards
- Determine function of each department, and right-size organization against industry standards
- Document Information Technology infrastructure
- Develop an I/T Strategy that is measurable and supports the strategic business plan
- Document business processes in mission-critical departments
- Determine which processes could be improved from automation, and/or outsourcing
- Conduct an independent audit to evaluate the medical records – prepare for physician billing
- Develop a plan to reduce diagnostic backlogs

Long-term (organizational and financial recommendations:

- Evaluate the lines of business ie. types of care to ascertain if the deployment of Bureau resources is fulfilling the mission and revenue objectives

Cook County 2006 Transition Team

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- Evaluate the Community Partnership Agreements to determine that relationships are mutually beneficial
- Evaluate contracts with teaching programs and research partners to determine if these relationships are mutually beneficial
- Establish a process for implementing performance-based contracts to optimize the performance of contractors
- Maximize use of the human capital within the Bureau
- Bill Department of Corrections for services
- Shift emphasis from inpatient to outpatient
- Negotiate the types of care provided to non-Cook County residents
- Develop one Charge Master
- Centralize Registration

BUSINESS IMPACTS

The committee has attempted to be as specific as possible to demonstrate that the Bureau's problems are fixable. These are doable tasks and each impacts the bottom line. From having interviewed Bureau employees the committee believes that the Bureau is sufficiently staffed to step up to this challenge. The recommendations outlined herein will engage all Bureau employees in playing a role in turning around its revenue crisis and it will help to enhance governance. The impact of these recommendations is further outlined below:

BILLING/REVENUES

Mandatory in-service training to educate medical and paramedical personnel on accurate billing and documentation will enable the Bureau to bill for professional fees and services rendered at all Bureau facilities (including other hospitals and community partners.)

CENTRALIZED REGISTRATION

Centralized registration across the Bureau will improve customer satisfaction and enhance revenue and medical record coordination.

Cook County 2006 Transition Team

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CHARGE MASTER

Standardization of clinical charges across all Bureau locations will maximize reimbursement by health insurance providers.

CHARITY CARE

A comprehensive review of bureau policies on charity care, Limit of Liability (LOL) eligibility will ensure appropriate distribution of the patient's financial responsibility at all locations.

COMMUNITY PARTNERS

Reviewing Community Partners payment histories will enable the County to bill and collect for services rendered to other healthcare organizations.

DEVELOP STRATEGIC LINES OF BUSINESS

This will have a rippling impact on revenue generated, e.g. OB/Gyn fuels Pediatrics and Family Medicine which are highly insured clinical services, even for indigent care.

IMPROVE ELIGIBILITY VERIFICATION

Implementation of an eligibility verification process that takes place at the time of patient registration will identify truly uninsured patients to allow for referrals to financial counseling (i.e., charity care, MANG, IDPA, etc.) This will serve to accelerate the revenue cycle and facilitate accurate patient billing. Billing software needed to accomplish this is currently in-place, but its features are under-utilized.

MEDICATIONS PURCHASES

Formulary for medication purchases will result in major cost savings due to the expanded use of generic medications that will result.



OPTIMIZE HUMAN CAPITAL

By implementing best practices in all departments, resources will be evaluated along with each department's goals and accountability to those goals. This will result in more effective use of existing staff. A reduction in consulting costs will also lead to employee development and improve employee morale

PERFORMANCE-BASED BUSINESS MODEL

A performance-based business model will support the strategic business objectives and help to measure physician productivity, resident and internship teaching programs, information technology deliverables, community partnerships, revenue by line item of business, for example, specialty and sub-specialty clinical care, etc.

PHYSICIAN BILLING

The implementation of mandatory physician billing will enable the County to tie physician salary to productivity, thereby increasing accountability among medical staff.

REGIONAL MEDICAL CENTER DEVELOPMENT

Presently the Cook County Bureau of Health serves the health needs of Cook and all surrounding counties, accounting for 10% of all patients. In reality, the Bureau of Health provides a safety net for many individuals outside of Cook County, a fact that must be addressed by state legislators, the Governor of Illinois and Federal officials to identify additional funding resources for the Bureau of Health Services. This will enable the County to begin to implement a charge-back process on a regional basis when working with surrounding Counties that utilize Cook County's healthcare delivery system.

RISK MITIGATION

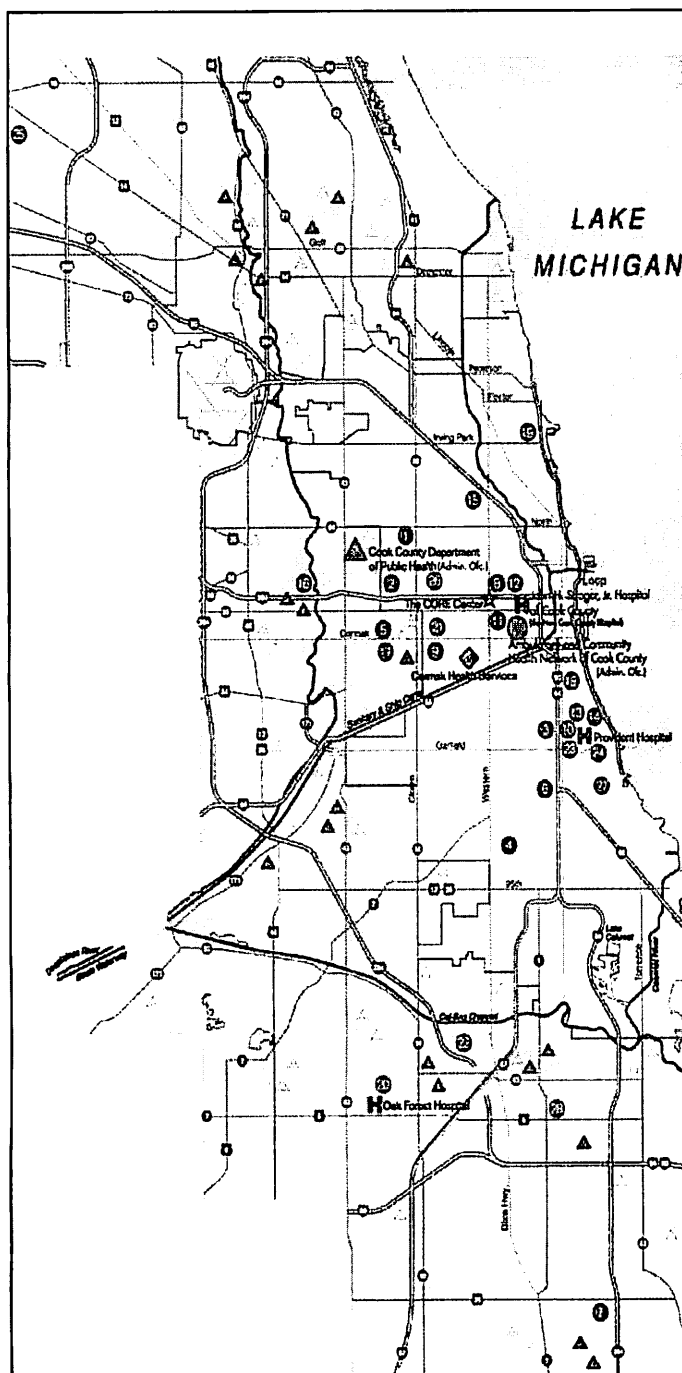
The County is exposed to tens of millions of dollars in settlements related to services received at the Bureau of Health Services each year. Implementing a risk management strategy will help to reduce this.



HEALTH & HOSPITALS COMMITTEE

• ATTACHMENTS •

COOK COUNTY BUREAU OF HEALTH SERVICES SITES



Map Key

Ambulatory and Community Health Network of Cook County

627 S. West, Chicago, IL 60612 **312.864.0719**

Community and School Based Health Centers

1. Austin Health Center of Cook County, 990 W. Harrison St., # 200, Chicago, IL 60611
2. Audin PATH Adolescent Health Center of Cook County, 231 N. Pine St., #133B, Chicago, IL 60641
3. Bethel Child Health Center of Cook County, 25 W. 17th St., # 133, Chicago, IL 60609
4. Bond Child Health Center of Cook County, 7080 S. May St., Chicago, IL 60621
5. Cermak Health Center of Cook County, 5912 W. Cermak Rd., Chicago, IL 60631
6. Cook County Ingleswood Health Center, 1135 W. 69th St., Chicago, IL 60621
7. Cottage Grove Health Center of Cook County, 1615 Cottage Grove, Ford Heights, IL 60431
8. Crane Adolescent Health Center of Cook County, 2245 W. Jackson Blvd., Chicago, IL 60612
9. Dr. Jorge Prieto Health Center of Cook County, 2121 S. Pulaski Rd., Chicago, IL 60623
10. DuSable Adolescent Health Center of Cook County, 671 S. Wabash Ave., #305, Chicago, IL 60605
11. Eantis Health Center of Cook County, 621 S. Winchester Ave., Chicago, IL 60612
12. Hawthright Health Center of Cook County, 1515 W. Monroe St., Chicago, IL 60607
13. Hayes Health Center of Cook County, 1859 S. Wabash Ave., Chicago, IL 60615
14. John Sangster Health Center of Cook County, 1501 E. 51st St., Chicago, IL 60615
15. Logan Square Health Center of Cook County, 2801 W. Fullerton Ave., Chicago, IL 60647
16. Maywood Health Center of Cook County, 1701 S. 1st Ave., Maywood, IL 60153
17. Morton East Adolescent Health Center of Cook County, 2123 S. Austin Blvd., Chicago, IL 60631
18. Near South Health Center of Cook County, 3525 S. Michigan Ave., Chicago, IL 60643
19. Northside Health Center of Cook County, 880 W. Irving Park Rd., Chicago, IL 60613
20. Oak Forest Specialty Health Center of Cook County, 15900 S. Cicero Ave., Oak Forest, IL 60452
21. Orr Adolescent Health Center of Cook County, 701 S. Pulaski Rd., #200, Chicago, IL 60623
22. Robbins Health Center of Cook County, 13150 S. Ridgely Ave., Robbins, IL 60072
23. Southside Children's Health Center of Cook County, 500 E. 51st St., Chicago, IL 60615
24. Southside Off-Camp Health Center of Cook County, 500 E. 51st St., Chicago, IL 60615
25. Vista Health Center of Cook County, 1845 N. Rand Rd., Palatine, IL 60067
26. Westside Health Center of Cook County, 5115 W. Ardmore St., South Chicago, IL 60623
27. Woodlawn Health Center of Cook County, 6337 S. Woodlawn Ave., Chicago, IL 60637

Cermak Health Services of Cook County

2500 S. California Ave., Chicago, IL 60608 **773.869.7000**

Cook County Department of Public Health

1010 Lake St., Suite 901, Oak Park, IL 60301 **708.492.2000**

▲ P.D.H. Health Clinics

▲ Access to Care sites

John H. Stroger, Jr. Hospital of Cook County

1835 W. Harrison St., Chicago, IL 60612 **312.864.6000**

Oak Forest Hospital of Cook County

15900 S. Cicero Ave., Oak Forest, IL 60452 **708.687.7200**

Provident Hospital of Cook County

500 E. 51st St., Chicago, IL 60615 **312.572.2000**

The CORE Center

2020 W. Harrison St., Chicago, IL 60612 **312.572.4700**

Hospital-Community Partnerships

The Cook County Bureau of Health Services partners with hospitals, healthcare centers and community organizations to maximize services and increase patient convenience in city and suburban neighborhoods. Current hospital partnerships, in a growing network, include Bethany Hospital, Jackson Park Hospital, Northwest Community Hospital, Saint Anthony Hospital, Saint Elizabeth Hospital, Saint James Hospital and Thorndyke Hospital.

COOK COUNTY BOARD OF COMMISSIONERS

Bobbie L. Steele

President

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Cook County Bureau of Health Services

Daniel H. Winship, M.D.

Chief

Cook County Bureau of Health Services

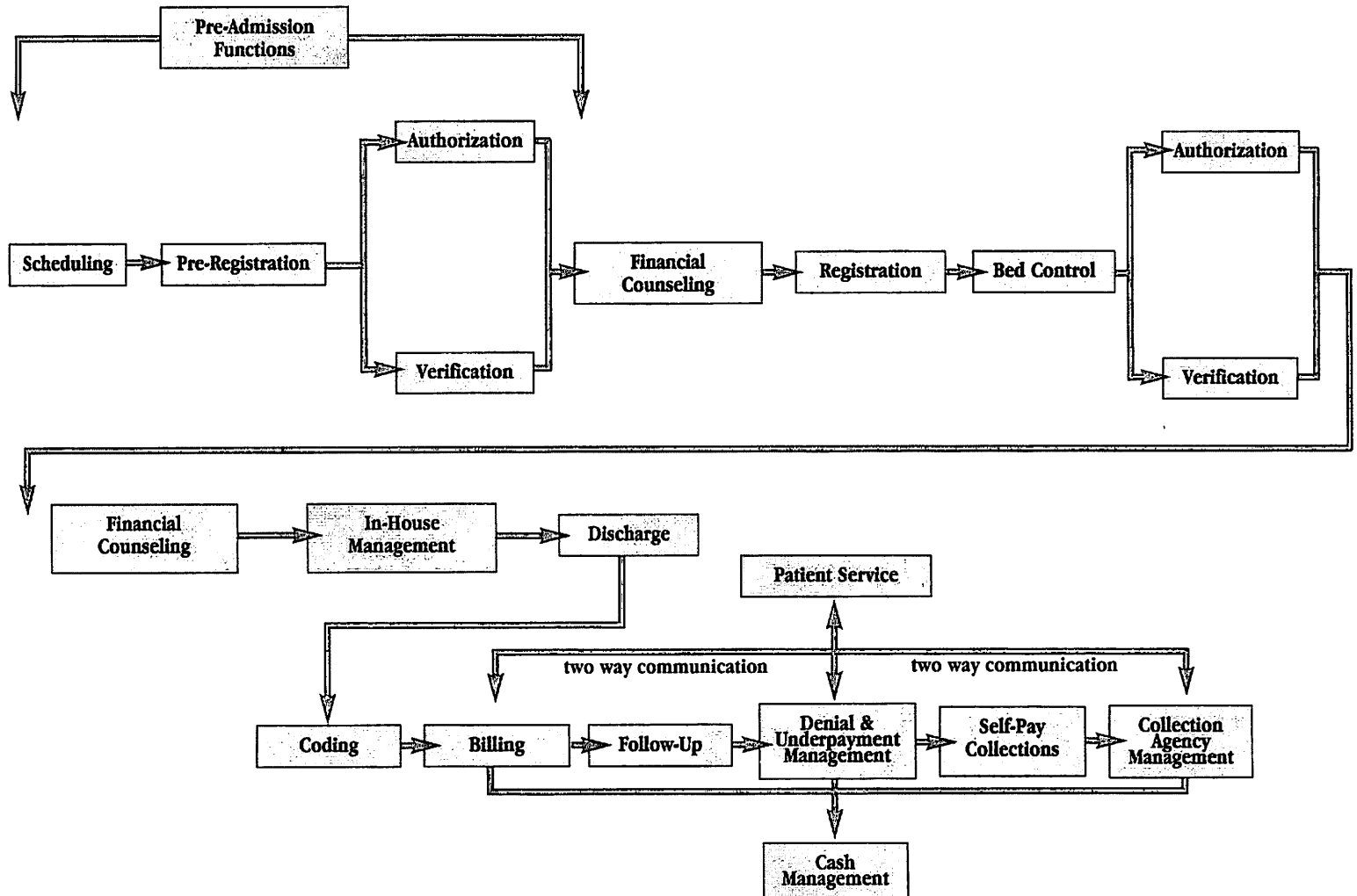
We Bring

Health CARE

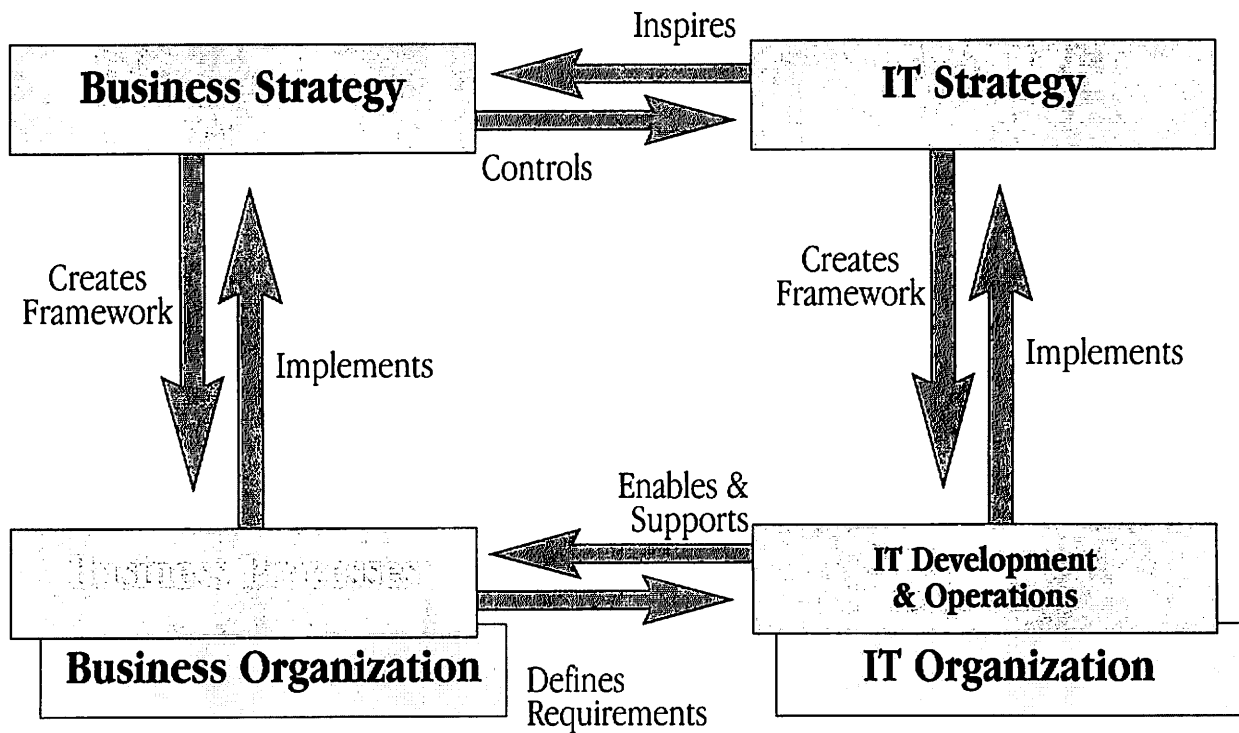
to Your Community

Cook County Bureau of Health Services • 1900 West Polk St., Suite 123, Chicago, IL 60612 (Administrative Offices)

RELATIONSHIP BETWEEN PRE-ADMISSIONS AND BILLING



REQUIREMENTS BETWEEN BUSINESS AND TECHNOLOGY



© SAP SI 2004. Processes and Projects, Dr. Achim Schmidt

REFERENCE SOURCES

1. ***Financing the Future, Report 5: Strategies for Financially Distressed Hospitals, (May 2006), by Healthcare Financial Management Association in partnership with GE Healthcare Financial Services and KaufmannHall***
The Healthcare Financial Management Association uses this report to describe the attributes of a distressed healthcare organization. They speak pointedly to the tough business decisions that have to be made to quickly turn around a failing healthcare organization. Lastly, the report addresses strategies for sustaining growth and profitability.
2. ***Performance Measurement in Fairfax County, Virginia (October 2005, by Virginia Government Finance Officers' Association***
The report exams the impetus for using performance measures in local government. It examines the benefits of measuring performance.
3. ***Bureau of Health Services 2004 Audit (May 2005), by Ernst & Young LLP***
This report highlights the financial conditions at the Bureau of Health Services for year 2004. It offers recommendations in the area of process improvements, accounting, billing and revenue enhancement.
4. ***Systems Issue Logs (August 2002 – August 2006), for each Bureau of Health Services Affiliate Organization***
These reports reflect system issues which have been reported to impact business operations and revenue.
5. ***Protecting the Legacy of Caring for Vulnerable Populations: An Action Agenda for the Cook County Health System (July 2006), by Institute for Healthcare Studies Northwestern University Feinberg School of Medicine***
This report examines the challenges facing the Cook County health care system. It examines its ability to serve its mission, in the face of population shifts and rapidly changing healthcare needs.



INTERGOVERNMENTAL COMMITTEE



INTERGOVERNMENTAL RELATIONS COMMITTEE

COMMITTEE CHARGE AND CHAIR

The Cook County Intergovernmental Relations Committee was charged with reviewing and evaluating Cook County's process of Intergovernmental Affairs and Relations, in order to determine a feasible course of action to most effectively improve its functionality. The Committee's goal is to aid Cook County Government in becoming more productive and efficient and ultimately enhance communications between all levels of government.

COMMITTEE CHAIR

Chair: Karen A. Yarbrough Illinois State Representative - 7th District
John Jay Dalicandro, Village Manager - Elmwood Park, IL

COMMITTEE METHODOLOGY

The Committee's methodology for identifying areas of need within the Intergovernmental Affairs office was fairly informal. Currently, Intergovernmental Affairs in Cook County is not a separate, designated office with its own operating budget – Intergovernmental Affairs is managed by two staff people under the Office of the President, and interacts with three lobbyists under contract, two state and one federal.

The Intergovernmental Affairs staff members assessed their day-to-day activities concerning state and federal interactions and provided their "process overviews" to the members of the Transition Team. Together, all Committee members convened to produce a list of six recommendations for Cook County's office to enhance communications channels between all levels of government.

KEY FINDINGS

In reviewing Cook County's Intergovernmental Affairs functionality, the 'office' (or staff of two) identified their cumulative responsibilities:

- The office monitors state legislation and reports to the Cook County Board President on all legislation that has a potential positive or negative impact, in order to receive instructions on position stance or action regarding those issues.

Cook County 2006 Transition Team

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- The office works with the President to develop a legislative agenda and implement it in Springfield.
- The office lobbies the General Assembly for legislative and financial support.
- The office reports on Intergovernmental activities in Springfield to the Legislative and Intergovernmental Relations Committee as directed by the Committee Chairperson.
- The office supports federal Lobbyists by providing requested information and acting as liaison between the lobbyists and the President.
- The office coordinates the President's appointments to special taxing districts.

The Committee established early-on that the effectiveness of any government relations effort is directly related to the level of importance and priority placed upon it by the Chief Executive. In the case of Cook County's Intergovernmental Relations effort, this onus falls upon the Cook County Board President.

COMMITTEE RECOMMENDATIONS

In order to most effectively and efficiently improve the functionality of the Intergovernmental Affairs process, the Cook County Intergovernmental Relations Committee has developed a list of recommendations that, when implemented, will enhance the County's ability to communicate and work more effectively with other levels of government.

Prompt and decisive action on the following recommendations is key; the ultimate decision-maker regarding government relations issues should regularly schedule time prior to any applicable legislative deadline. Additionally, legislative leaders and others will likely respond to County representatives with a proportionate degree of promptness, thus timeliness is essential.

APPOINT A DIRECTOR OF INTERGOVERNMENTAL AFFAIRS

Paramount to achieving timely decisive action and accountability within the area of Intergovernmental Affairs and Relations is the need for a Director of Intergovernmental Affairs. The Director of Intergovernmental Affairs should report to the office of the President and must be held responsible for all legislation and activities of the lobbyists.

Cook County 2006 Transition Team

FINAL REPORT



PREPARE AN ANNUAL COOK COUNTY BOARD LEGISLATIVE AGENDA

The office of the Intergovernmental Affairs should be in consultation with the President and Board to draft a legislative issue agenda annually before the Legislative sessions begin (i.e. State – Federal). The Intergovernmental Affairs office will be responsible to keep the President and Board updated on how legislation is progressing via weekly updates from the County Lobbyists with written reports.

PRODUCE LEGISLATIVE AGENDAS OF THE COOK COUNTY CONSTITUTIONAL OFFICERS

The Cook County Board President must be made clearly aware of any legislative issues that an officer may be interested in pursuing or addressing, that would have any type of budgetary or operational effect on the County through legislative agendas of the Cook County Constitutional Officers.

ESTABLISH & PROMOTE COUNTY BOARD LEGISLATIVE COMMITTEE GUIDELINES

The County Board Legislative Committee should develop a set of guidelines that the Intergovernmental Affairs Office and others can follow, concerning legislative initiatives. The guidelines need to be written clearly to ensure consistency in both action and 'voice'. Both offices need to work closely together in developing this strategy-level piece to achieve optimum results, and should promote compliance down their respective ranks.

PRODUCE A WEEKLY COMMUNICATIONS PIECE

To disseminate information in an efficient and professional manner reflective of the propriety of Cook County government, the Committee recommends that the Intergovernmental Affairs Office produce a weekly newsletter or similar electronic communications vehicle that details pending or newly introduced legislation. To assure that it reaches the appropriate decision-makers, it should be sent to all Cook County Legislators, Commissioners, Department Directors, etc., on a weekly basis.

OUTREACH TO COOK COUNTY MUNICIPALITIES & UNINCORPORATED COUNTY AREAS

The Intergovernmental Affairs Office should establish a line of communication to each of the County Villages, Cities and Unincorporated areas. There should also be a contact person identified that these entities can call to address their concerns and answer questions.



BUSINESS IMPACTS

DIRECTOR OF INTERGOVERNMENTAL AFFAIRS

Appointing a Director of Intergovernmental Affairs will serve to assign authority and accountability for keeping the President's Office abreast of all legislation and activities of the lobbyists. It will be necessary to allocate budget for the new position, develop a job description and assign FTE benefits. In addition to Intergovernmental Affairs, there will be an impact on HR.

COOK COUNTY BOARD LEGISLATIVE AGENDA

The preparation of an annual Cook County Board legislative agenda will expand communications between the President, Board and Office of Intergovernmental Affairs. This can be accomplished via weekly updates from the County Lobbyists with written reports covering current and future legislation.

COOK COUNTY CONSTITUTIONAL OFFICERS LEGISLATIVE AGENDA

The preparation of legislative agendas by the Cook County Constitutional Officers will ensure that the Cook County Board President is clearly aware of any legislative issues that an officer may be interested in pursuing that would have a budgetary or operational effect on the County.

COUNTY BOARD LEGISLATIVE COMMITTEE GUIDELINES

The development of guidelines produced by the Intergovernmental Affairs Office will help ensure consistency in both action and 'voice' by the Board and Legislative Committee. This will affect both the Office of Intergovernmental Affairs and the County Board as it will require that they work closely together to develop this strategy-level piece. To achieve optimum results it will be important that each entity promote guideline compliance down their respective ranks.

WEEKLY COMMUNICATIONS PIECE

The dissemination of information in an efficient and regular manner can be accomplished if the Intergovernmental Affairs Office produces a weekly newsletter or similar electronic communications vehicle that details pending or newly introduced legislation. This can be accomplished without additional expense utilizing existing staff. It would have a positive affect for all Cook County Legislators, Commissioners, Department Directors, etc., who receive this information.

Cook County 2006 Transition Team

Final Report



MUNICIPALITY & UNINCORPORATED AREA OUTREACH

Establishing a line of communication to each of the County Villages will result in greater transparency and will serve to foster the participation of constituents in County business. The greatest impact will be upon staff within the office of Intergovernmental affairs that will be charged with the responsibility of fielding calls.



CONTRACTS & PROCUREMENT COMMITTEE



CONTRACTS AND PROCUREMENT COMMITTEE

COMMITTEE CHARGE AND COMMITTEE CHAIR

The committee was given the charge of reviewing the Cook County Bureau of Contracts and Procurement to ascertain how County employees with purchasing responsibilities and each user department that purchases goods and services on behalf of the County, execute their responsibilities. The committee was also asked to review applicable laws, County Ordinances, established policies and administrative procedures.

COMMITTEE CHAIRS

Co-Chairs: Anita J. Ponder, a partner at the law firm of Gardner, Carton & Douglas, LLP,
Jesse Brown, a principal at the firm of Jesse Brown & Associates.

COMMITTEE METHODOLOGY

The committee used the premise that procurement is critical to the County's overall performance. They examined the elements critical to effective governance of any organization, which include clear objectives, baseline indicators and detailed, regular reporting at all levels. They also considered clear roles and responsibilities and well articulated objectives essential to achieving savings and avoiding costs.

Best practice of other governmental agencies was taken into consideration as was governmental reports identified by President Steele's Transition Team, research the committee conducted, and input from the committee members' individual professional and/or business experiences involving government procurement with the County and other governmental agencies was examined.

Due to the magnitude of the County's procurement system and severe time constraints of this assignment, the committee simply wasn't able to fully evaluate all aspects of the County's procurement system and relied, in part, upon the valuable input and information that was shared by the County employees who served on the Committee.



KEY FINDINGS

The committee concluded that the County has a number of problems as it relates to contracts and procurement which results in material and financial losses to the County. The key themes which were identified and which will be outlined herein are – the need for speed, ease, fairness, transparency and inclusion.

RECOMMENDATIONS

The key recommendations of the committee to promote fundamental reforms and improvements in the way the County procures goods and services are:

- Develop a Purchasing Manual to standardize the procurement process;
- Evaluate the County's Purchasing Policies and Systems
- Conduct a Contract Compliance Audit
- Implement an Electronic Procurement System
- Develop County-wide Procedures for the Issuance of Requests for Proposal
- Reevaluate and Modify Cook County's Request for Proposal and Bid Specification documents
- Conduct Annual Staff Performance Evaluations
- Appoint a Small Business Advisory Council
- Conduct a Small Business Outreach Conference
- Enforce Cook County's Compliance with the Local Government Prompt Payment Act
- Appoint a Purchasing Agent
- Implement initiatives to increase the participation of M/WBEs on Cook County contracts and sub-contracts
- Provide notice of the Cook County Ethics Ordinance to Vendors and Bidders

Together, these changes have the potential to facilitate significant improvements, efficiencies and savings while strengthening public confidence in the County and its representatives without reducing the quantity, quality or timeliness of the goods and services the County utilizes to provide its programs and services.

All participants in the County's procurement system will be affected and will need to work together on refining the details of implementation. Proactive communications, clear governance, strong leadership, clearly defined goals, and clear accountability will be critical.

Cook County 2006 Transition Team

FINAL REPORT



BUSINESS IMPACTS

By eliminating overlap and duplication across government and investing in a system that creates a competitive environment that is fair for all involved, including small, minority and women-owned businesses, significant savings will be achieved. These savings can then be allocated to support the priorities of the County's citizens.

Important to understand is that the implementation of new approaches, policies, procedures and systems to County procurement will mean a significant culture change for some suppliers, contractors, consultants and, most of all, Cook County employees.

PURCHASING MANUAL/EVALUATION OF COUNTY'S PURCHASING POLICIES AND SYSTEMS

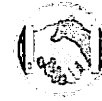
Development and documentation of standardized procedures will affect County employees with purchasing responsibilities in the Purchasing Department and each user department that purchases goods and services on the County's behalf. This will have an impact on Contract Compliance personnel and will require the expertise of Legal Consultants and Writers to accomplish. The purchasing manual will help facilitate compliance with County laws, policies and procedures.

EVALUATION OF COOK COUNTY'S PURCHASING PROCESSES

Requires examining current practices such as Contract Bundling; Outsourcing of County Services; the process for soliciting quotations of less than \$25K; Sole Source Contracts; Inclusion of Contracts on the Board Agenda; Bid Advertisement Time, RFPs and Bid Specification Documents to ensure that transparency, accountability, fairness and inclusiveness are ALWAYS taken into consideration. This will have an impact on how Purchasing and User Departments conduct business.

CONTRACT COMPLIANCE AUDIT

This audit should be conducted on all contracts that exceed \$1 million by an outside auditor. The estimated fee for the audit is speculative at this time because it is not known how many contracts the County has that exceed \$1 million and/or the scope of the services and goods covered. Business units affected will be the Purchasing and user departments and the County Auditor.



ELECTRONIC PROCUREMENT SYSTEM

The EPS will require the following components: A mass mailing to vendors in the existing address book informing them that the EPS is being implemented; purchase and installation of EPS software; purchase of additional hardware; training of County staff. Phase I will involve the costs associated with accomplishing the mass mailing, including postage, with a bottom line of \$10,000.00. Phase II will also cost approximately \$10,000.00. The committee believes that the resulting reduction in postage, paper and printing will offset these one-time costs. Business Units impacted are the Purchasing Department, Comptroller's Office, Office of Contract Compliance, Management Information Systems and user departments.

RE-EVALUATE AND MODIFY COOK COUNTY REQUEST FOR PROPOSAL AND BID SPECIFICATION DOCUMENTS

Modification of the County's RFP and Bid Specification documents will commit the County to a formal process based on fair and open competition and equal access to information. It will be necessary to train county administrators to reevaluate and modify all County RFPs and bid specifications. If this training can not be provided by Purchasing Department personnel, it will also be necessary to hire an outside consultant.

DEVELOP COUNTY WIDE PROCEDURES FOR THE ISSUANCE OF RFPs

Currently various departments advertise, evaluate and award contracts without going through the Purchasing Department. RFPs have also been issued for various contractual services without the advice of the State's Attorney or Purchasing Department, resulting in reduced competition and access to opportunities as well as increased costs. A template for RFPs has been developed by the Purchasing Department along with the State's Attorney's Office that should be utilized by all departments, to be customized as necessary, following appropriate best practices that should also be established and disseminated. Adopting this recommendation will result in significant cost savings to the County resulting from consultants seeking RFPs through the County's electronic procurement system, thereby eliminating the need for user department mailings and individual vendor contacts.



ANNUAL STAFF PERFORMANCE EVALUATIONS

Implementation of an evaluation process will align staff and the County with the business and procurement objectives of the County. The process should begin with a planning phase at the beginning of the performance year, conclude with a year-end assessment and should apply to every staff with purchasing responsibilities. Performance evaluations will allow the County to determine whether its overall business procurement and compliance goals are being fulfilled through the Purchasing Department and user departments.

An annual evaluation process will help the County determine that employees are meeting performance expectations and whether their positions and/or responsibilities should be consolidated, expanded or terminated.

The County should retain an outside consultant to work with certain County employees to perform the annual staff evaluations. This consultant's fees will range between \$35K and \$50K. The departments affected will be Human Resources, the Purchasing Department and all user departments.

SMALL BUSINESS ADVISORY COUNCIL

The County should increase the number and dollar amount of County contracts awarded to small businesses and M/WBEs in goods, services and construction. The primary purpose of the Council is to help the County develop a viable infrastructure through which small businesses, the community, M/WBE advocates and the County engage in a healthy dialogue and strategy to create a prosperous small business environment. No additional resources are required to accomplish this as the appointed volunteer council can perform necessary administration. Departments affected will be the Purchasing Department, Office of Contract Compliance and user departments.

SMALL BUSINESS OUTREACH CONFERENCE

To accomplish this conference, the following resources are required: location for the event, speakers, equipment (A/V capabilities, podium, etc.), collateral materials, photography, videographer. The event can be produced at minimal expense utilizing internal resources. Business units affected are the Purchasing Department, Office of Contract Compliance, user departments and Public Affairs.

Cook County 2006 Transition Team

FINAL REPORT



INITIATIVES TO INCREASE THE PARTICIPATION OF M/WBEs ON COOK COUNTY CONTRACTS AND SUBCONTRACTS

The preparation of a disparity study should be performed by an outside consultant with the assistance of the County's purchasing and contract compliance administrators. The study will cost approximately \$500K. The Office of Contract Compliance will require additional employees in addition to assistance and cooperation from Purchasing and user departments. The committee has recommended that an Executive Order be facilitated that compels: A.) Adoption of an interim M/WBE program based upon the findings and recommendations found in the document, Review of Compelling Evidence of Discrimination Against Minority and Women-owned Business Enterprises in the Chicago Area and Construction Industry and Recommendations for Narrowly Tailored Remedies for Cook County, Illinois, July 2006, a report prepared by Colette Holt, one of the committee members.

Other initiatives to implement by Executive Order include: Construction Pre-Bid Meetings, M/WBE Universal Certification, M/WBE Dispute Resolution Process, Target Market Program for Small Businesses and M/WBE Evaluation of Purchasing Administrators.

PROVISION OF NOTICE OF THE COOK COUNTY ETHICS ORDINANCE TO VENDORS AND BIDDERS

Posting of this Ordinance on County Purchasing Department and user Departing Web sites to include links to the Board of Ethics and including ethics information in Bidder information packets and Contract Execution forms can be executed without cost to the County. Implementation of an online training session may have minimal technology-related costs associated. Business units affected are The Cook County Board of Ethics, the Purchasing Department and Management Information Systems.

HIRE/APPOINT A PURCHASING AGENT

This position is currently an open position with the County and has salary budgeted. No additional costs will be incurred by filling the position.



EMPLOYEE SURVEY



EMPLOYEE SURVEY

• ATTACHMENTS •

PHASE I STUDY: DATA GATHERING

EMPLOYEE SUGGESTIONS



In my inaugural address on August 1, 2006, I relayed that Cook County is currently faced with a \$300 million budget deficit, \$60 million of which is a result of revenue shortfalls

at the Bureau of Health Services. While many assumptions have been made about what contributes to our financial-hemorrhaging, fact is we can not craft an objective solution nor measure its impact without substantiating the source of the problem(s).

There is no better informed group of individuals than our own employees. Not only are you on the front-lines, many of you have worked for Cook County for long periods of time and are intricately knowledgeable of department operations. Many of you believe that you know what fuels our revenue problem(s) and you have articulated solutions.

It would be remiss on my part to overlook the merit of engaging our own employees in the solution-building effort. I trust that you will take advantage of this unique opportunity to contribute to the solution.

Cook County Board President
Bobbie L. Steele

"The challenge to finding any solution lies in understanding the problem."

Anonymous

**PLEASE RESPOND BY
SEPTEMBER 15, 2006**

Describe the
PEOPLE
issues in your department

PLEASE ATTACH or

Agency Name

Department Name

Your Name
(not required - you can remain anonymous)

Possible Contact

Contact Telephone #

Possible Contact

Contact Telephone #

We value your opinion.
In order to assure your anonymity,
please use the addressed envelope provided, or
send to:

P.O. Box 7034
Chicago, IL 60680-7034

nologies, new laws, etc.

Employees are trained on the entire work processes, and understand how the in their department impacts the less.

Department managers routinely meet with employees to share information and to employees constructive guidance concerning their work efforts.



TECHNOLOGY

LISTED BELOW

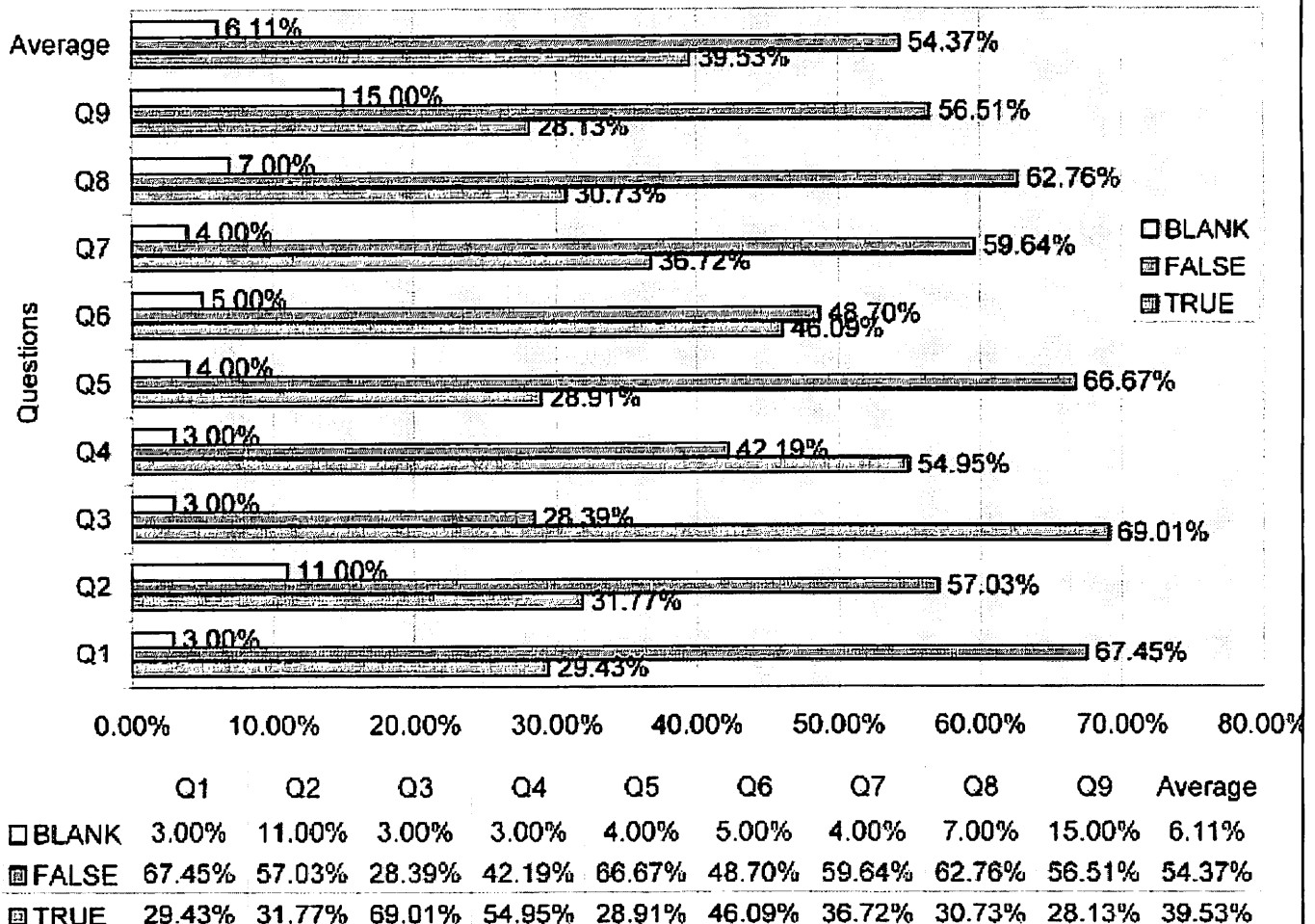
- F** Technology solutions are objectively evaluated to determine if they enhance the department's ability to meet its goals.
- F** All systems are documented and the designs are reviewed with employees prior to implementation.
- F** System project plans are documented and all resources, including human capital, is well managed.
- F** The departments most impacted by the new systems are extensively involved in testing.
- F** Written test scripts are developed to validate system functionality.
- F** Mission critical systems, e.g. clinical systems, financial systems, time and attendance systems, payroll systems, etc. are pilot-tested for agreed periods of time prior to placing them into production.
- F** Contingency plans are documented and tested prior to placing mission critical systems into production.
- T F** Management requires that the appropriate system documentation, design documentation, training and contingency plans are given to departments prior to making final payment to contractors.
- T F** Management requires that departments provide written feedback on each system implementation to validate the impact on business operations.
- T F** System incidents are documented to ensure timely resolution.
- T F** When outsourcing work to consultants, management enforces "separation of duties" to minimize the risk to the business.

PLEASE USE OTHER SIDE OF FORM TO DESCRIBE IN DETAIL, IF NEEDED

PHASE I STUDY: DATA GATHERING - EMPLOYEE SURVEY

- | | |
|--|--|
| <p>1. T F The goals for your department are communicated to employees at the start of each year.</p> <p>2. T F The department's goals are measurable and clearly support the Bureau's strategy.</p> <p>3. T F Each employee has a written job description.</p> <p>4. T F Management routinely evaluates employee performance.</p> <p>5. T F Management supports employee work efforts by funding job-related training and/or by offering internal training.</p> | <p>6. T F Employees are given the opportunity to fill positions prior to external hiring or contracting consultants.</p> <p>7. T F Employees are well managed and most are working at 80-100% of their capacity.</p> <p>8. T F Employee resources are efficiently managed to minimize the need for consultant and outside services.</p> <p>9. T F When consultants are contracted management communicates their responsibilities to employees and defines the deliverables they will complete.</p> |
|--|--|

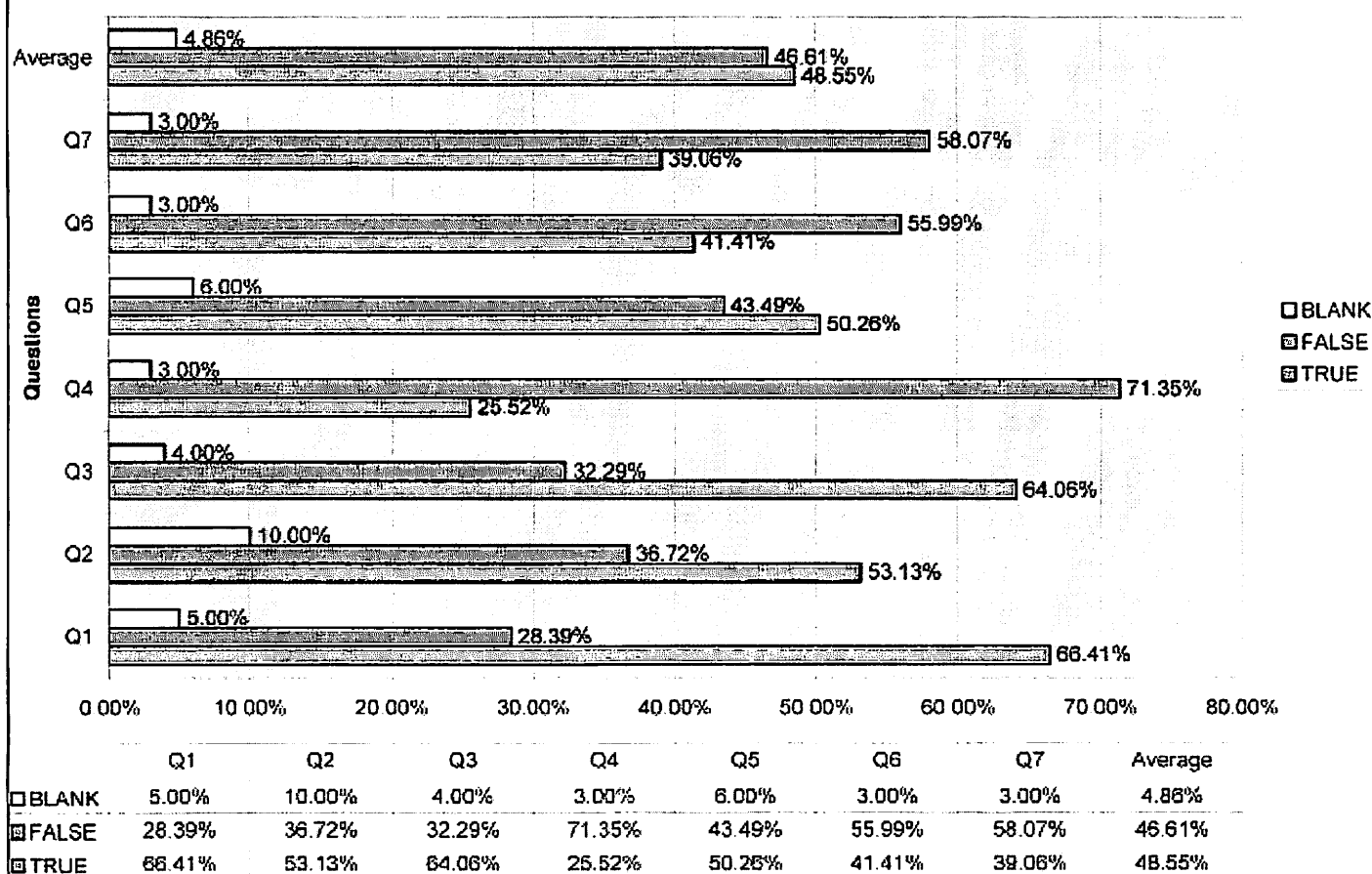
Total People Chart



PHASE I STUDY: DATA GATHERING - EMPLOYEE SURVEY

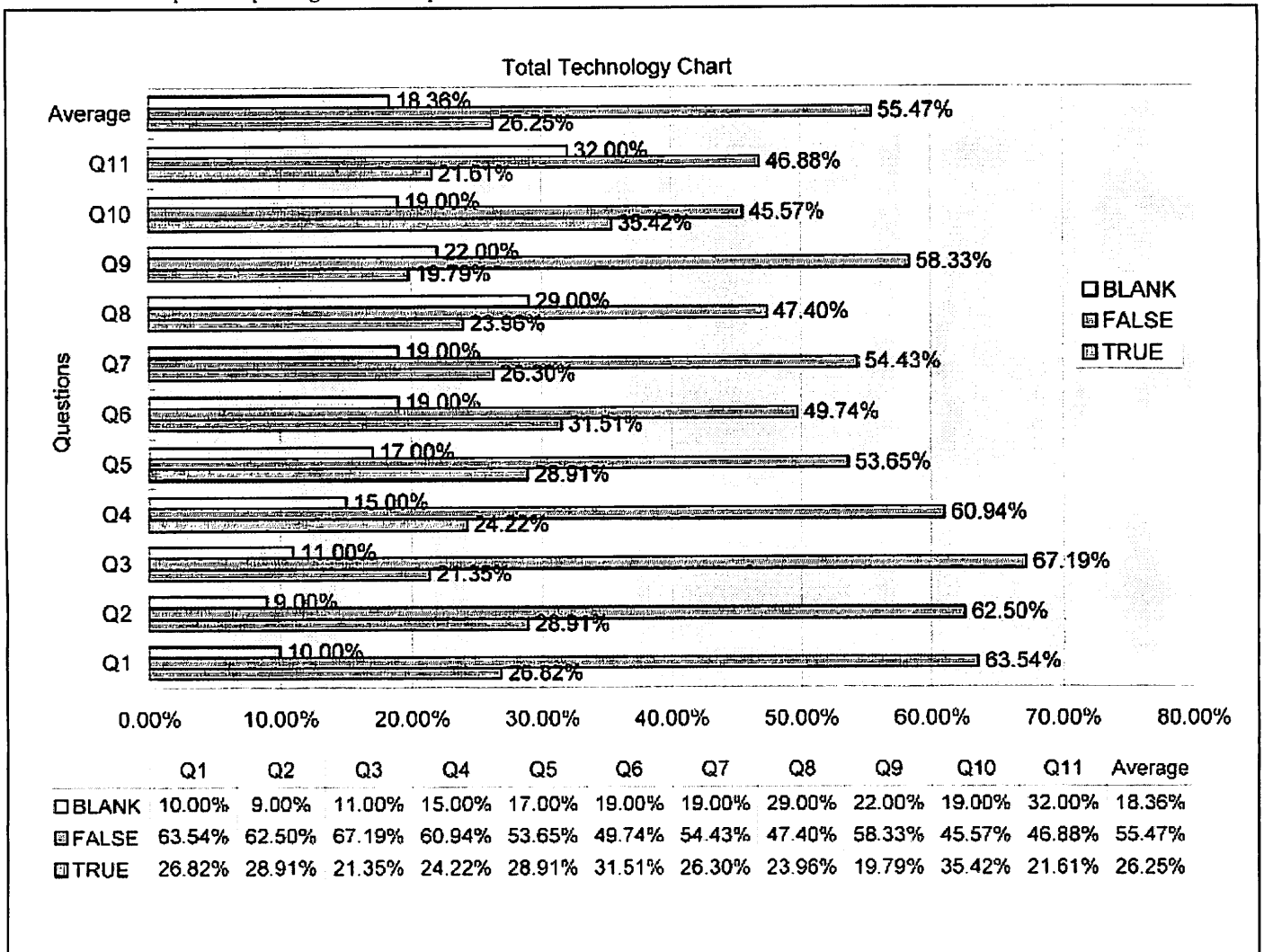
1. **T F** Your department has documented processes and procedures which defines how it operates.
2. **T F** Your department has validated that its processes and procedures meet industry standards and regulations.
3. **T F** Employees have access to written documentation that helps them perform their jobs.
4. **T F** When technology solutions are being evaluated management seeks input from the employees to determine the impact on department processes, patient care, revenue, regulatory compliance, management reporting and financial reporting.
5. **T F** Management requires each department to revise their processes and procedures if major changes occur as a result of new technologies, new laws, etc.
6. **T F** Employees are trained on the entire work flow processes, and understand how the work in their department impacts the business.
7. **T F** Department managers routinely meet with employees to share information and to offer employees constructive guidance concerning their work efforts.

Total Process Chart



PHASE I STUDY: DATA GATHERING - EMPLOYEE SURVEY

1. **T F** Technology solutions are objectively evaluated to determine if they enhance the department's ability to meet its goals.
2. **T F** All systems are documented and the designs are reviewed with employees prior to implementation.
3. **T F** System project plans are documented and all resources, including human capital, is well managed.
4. **T F** The departments most impacted by the new systems are extensively involved in testing.
5. **T F** Written test scripts are developed to validate system functionality.
6. **T F** Mission critical systems, e.g. clinical systems, financial systems, time and attendance systems, payroll systems, etc. are pilot-tested for agreed periods of time prior to placing them into production.
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8. **T F** Management requires that the appropriate system documentation, design documentation, training and contingency plans are given to departments prior to making final payment to contractors.
9. **T F** Management requires that departments provide written feedback on each system implementation to validate the impact on business operations.
10. **T F** System incidents are documented to ensure timely resolution.
11. **T F** When outsourcing work to consultants, management enforces "separation of duties" to minimize the risk to the business.





SUMMARY STATEMENT

Cook County 2006 Transition Team

FINAL REPORT



Summary Statement & “Fixes” in Progress

Transparency, Accountability and Effective Leadership, these have rightfully become the hallmarks of Bobbie L. Steele’s brief tenure as President of the Cook County Board. Her legacy as President, though marked by brevity, is one that will be referred to as “historic” for a number of reasons.

Most importantly, Cook County will continue to benefit in measurable ways as reforms Steele has initiated are adopted and become exponentially compounded over time. Steele has set a ball in motion and there has been a change in course that can not be reversed. There is an air of excitement in Cook County’s hallways that is palpable.

In just four short months, the President has taken definitive action that will result in measurable outcomes. Unheard of before, President Steele, stimulated a new culture of “inclusion”, from top to bottom within Cook County government.

Via the Transition Team, a public-private partnership, was forged and Cook County resources were harnessed to expedite the team’s efforts. This inclusive process proved to be an exercise in re-invention. The ‘process’ itself serves as a useful case study and changed the way Cook County government will conduct business. It could well become a model for the way governmental bodies could elevate the outcomes related to self-assessments.

Because of President Steele’s vision, she was able to quickly establish a solution-focused plan of attack which resulted in the most efficient use of her time. She only had four months to accomplish what appeared to many to be impossible, and because she charged the Transition Team with the task of developing an actionable plan once they defined issues, she has been able to quickly shift to the ‘fixes’ without missing a beat. The resulting corrective actions were to form the underpinnings for the president’s vision of transparency, accountability and effective leadership in Cook County government.

This document offers readers an opportunity to understand the Project Methodology that was adopted to guide President Steele’s Transition Team study. It describes the inclusion process that got folks energized prior to the actual launching of the Transition Team study and it defines the span of the stakeholders who participated in the study. It describes how everyone from the Cook County Board of Commissioners, who sit at the top of the organizational tree, to middle management and even hourly wage earners, were encouraged to participate in the process and it addresses the factors that contributed to already hugely successful outcomes.

The solutions outlined forthwith provide the short-term “fixes.” These solutions either have already been or are in the process of being implemented. All are performance-based, measurable and will afford the new administration a solid business foundation upon which to build.

Cook County 2006 Transition Team

March 12, 2006



Budget & Finance Committee

Short-term Recommendations - "Fixes" In Progress

- Department of Public Safety will be merged into the Bureau of Administration
- Human Resources and Public Relations Departments across the county will be consolidated into one department that will report directly to the Office of the President
- Bureau of Finance has been authorized to issue an RFP for Revenue Cycle Enhancements at the Bureau of Health Services
- Purchasing and Accounts Payable will be consolidated under the Bureau of Finance

Health & Hospitals Committee

Short-term Recommendations - "Fixes" In Progress

- Dialogue with the Governor has been initiated to become designated as a regional health system – This will enable us to be reimbursed by the state for services that are provided.
- Contracts providing for reimbursements will promptly be put in place
- Selection of a new Chief Financial Officer at the Bureau of Health Services is underway
- Interviews are ongoing for Director of Finance at Stroger Hospital
- Physician billing will be implemented and the pilot for the specific line of business is being identified
- Physicians will be correctly aligned in response to demographic shifts and to maximize productivity
- New leadership is forthcoming at the Bureau
- A customer service training program is being developed for hospital Pre-Admission personnel, i.e. those involved with scheduling, pre-registration, eligibility and financial counseling
- A Strategic Advisory Council is in formation and Northwestern University is involved with this discussion

Intergovernmental Committee

Short-term Recommendations - "Fixes" In Progress

- This office will be changed to the Legislative Affairs Office
- Establish a Legislative Committee to allow Cook County other constitutionally elected officers to communicate with the Legislative Affairs Office on a regular basis
- Develop a Cook County legislative agenda for each representative session
- Meet with legislators before each session to communicate agenda
- Revisit Intergovernmental Transfer (IGT) split to be more equitable; currently 65% State and 35% County
- Work with the State to distribute the money more evenly through out the year
- Request BIPA distribution to County

Cook County 2006 Transition Team

FINAL REPORT



Contracts & Procurement Committee **Short-term Recommendations - "Fixes" In Progress**

- A Purchasing Manual is being developed to standardize the procurement process
- An Electronic Procurement System is being implemented
- A new purchasing ordinance is being presented to the Board of Commissioners for approval

Employees & Other **Short-term Reforms - "Fixes" In Progress**

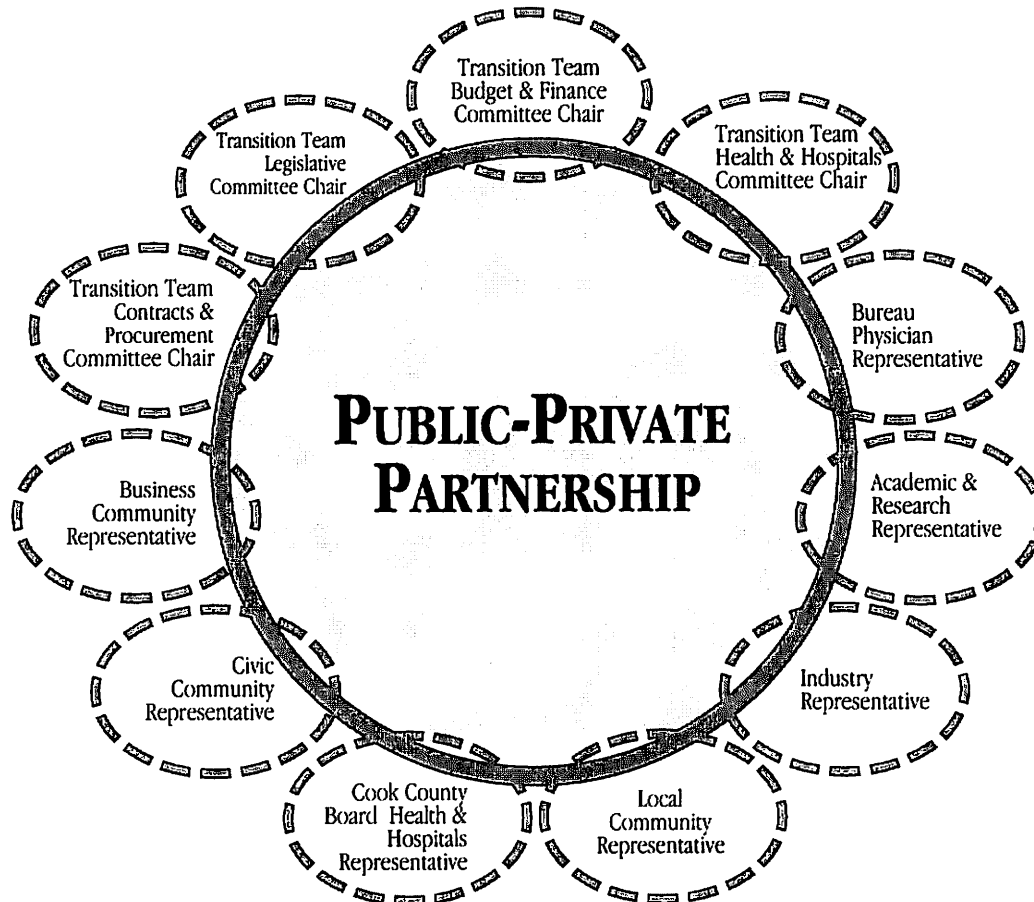
- Assessments are being performed to evaluate department productivity, use of employee and other resources – consolidation of departments ongoing
- Changes being made in the leadership at President's Office of Employment and Training (POET)
- POET fiscal operations being brought under the Bureau of Finance
- Improvements being made to provide senior management with resources needed to meet federal compliance order at the Juvenile Detention Center
- Meetings with the State of Illinois continue concerning possible long term lease on unused land at Oak Forest Hospital (to build new Tinley Park Mental Health Facility)
- Meetings with State of Illinois to discuss the compliment of services that Oak Forest Hospital could provide at a new facility (e.g. laundry, food service and pharmacy)



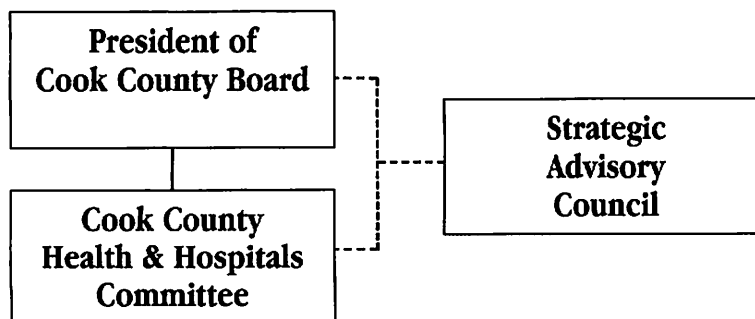
SUMMARY STATEMENT

• ATTACHMENTS •

ROLE OF STRATEGIC ADVISORY COUNCIL



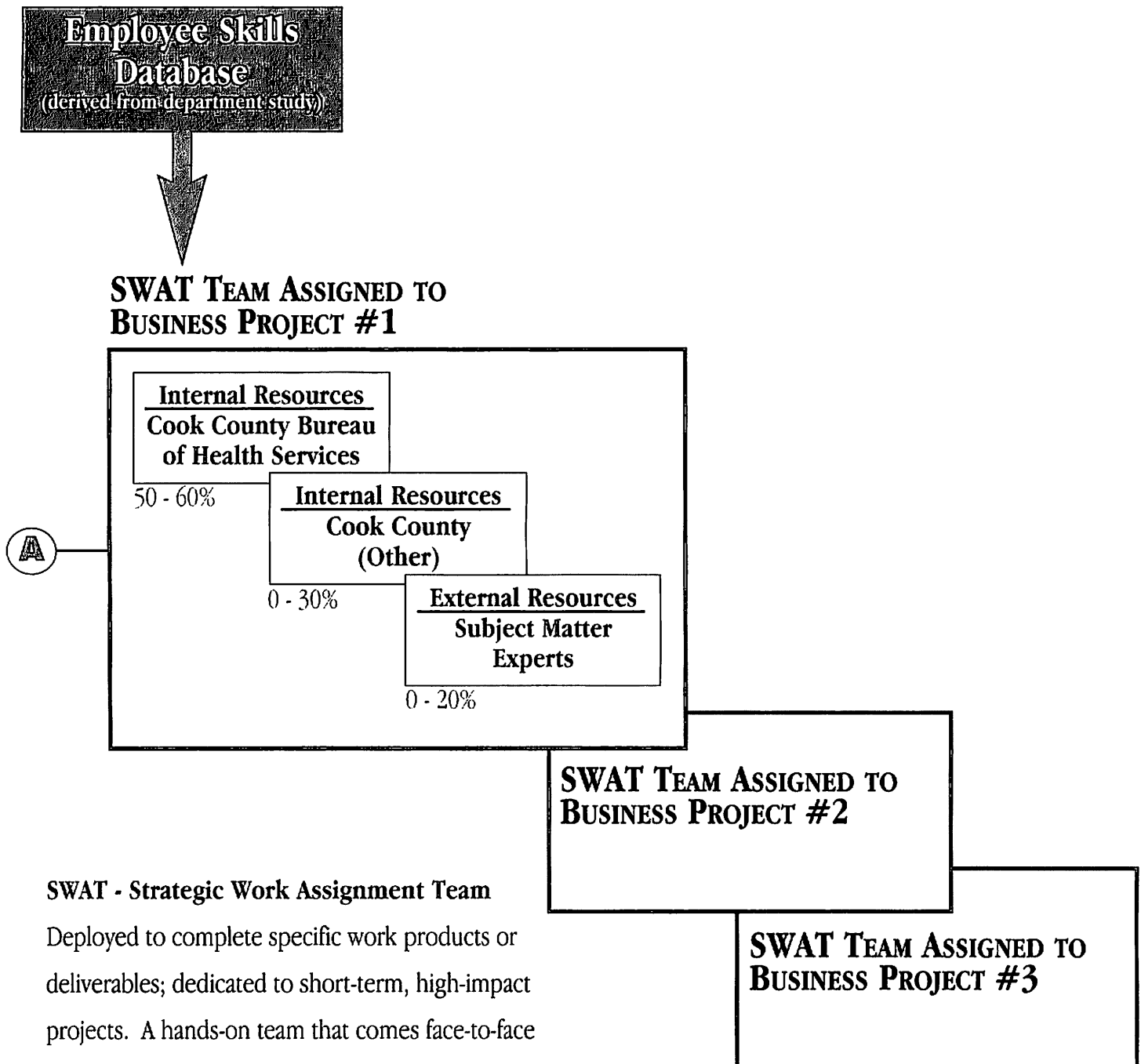
Reporting Structure:



Effective 10-01-06

President Steele has formed the "Strategic Advisory Council" to support the Bureau of Health Services in meeting its strategic business objectives.

PROJECT METHODOLOGY - PHASE V: SOLUTION IMPLEMENTATION



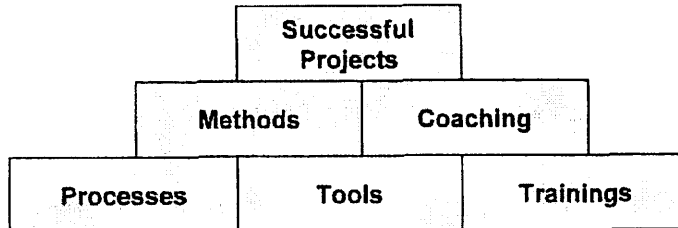
SWAT - Strategic Work Assignment Team

Deployed to complete specific work products or deliverables; dedicated to short-term, high-impact projects. A hands-on team that comes face-to-face with department managers and employees to craft solutions.

This model of resource distribution optimizes internal human capital and fosters knowledge transfer, re-usability, and ultimately drives down the cost of operational improvements.

WHAT IS DIFFERENT IN SUCCESSFUL PROJECTS

- **Early inclusion of the users/clients/stakeholders**
- **Clear goals** and support by the management
- **Good communication** between all project-involved persons
- **Project size:** the smaller projects are, the more successful they are
- **Iterative incremental development**, short iterations
- **Requirement-driven planning**
- **Experienced professional project managers**
- **Competent project co-workers**





ACKNOWLEDGEMENTS

**Cook County 2006
Transition Team**

FINAL REPORT



Cook County Board of Commissioners

Bobbie L. Steele
President

Jerry Butler
Forrest Claypool
Earlean Collins
John P. Daley
Elizabeth Doody Gorman
Gregg Goslin
Carl R. Hansen
Roberto Maldonado
Joseph Mario Moreno
Joan P. Murphy
Anthony J. Peraica
Mike Quigley
Peter N. Silvestri
Deborah Sims
Larry Suffredin

Cook County 2006 Transition Team

OFFICIAL REPORT



Cook County Bureau Chiefs

James Eldridge, Jr., Chief Administrative Officer
Bureau of Administration

Thomas J. Glaser, Chief Financial Officer
Bureau of Finance

Daniel H. Winship, M.D.
Bureau of Health Services

Catherine Maras O'Leary, CIO
Bureau of Information Technology & Automation

**Cook County 2006
Transition Team**

OFFICIAL DOCUMENT



Cook County Employees

Valerie Holden, MBA, CHSS
Production Project Manager

Eric Bitoy
Public Affairs & Communications Department
Office of the President

Cheryl Boose-Davis
Audio-Visual Services Department
Bureau of Health Services

Cheryl Cato
Public Affairs & Communications Department
Bureau of Health Services

Julie Ellis
Public Affairs & Communications Department
Office of the President

Chris Geovanis
Public Affairs & Communications Department
Office of the President

John Gibson
Public Affairs & Communications Department
Office of the President

Kathy Markham
Web Development
Bureau of Information Technology & Automation

Dennis McNama
Public Affairs & Communications Department
Office of the President

Chinta Strausberg
Public Affairs & Communications Department
Office of the President