

Toni Preckwinkle
for
Cook County Board President
Policy Committee Reports
November 3, 2010



Dear Reader,

In May 2010, Toni Preckwinkle, the Democratic nominee for Cook County Board President pulled together a group of highly accomplished leaders and Cook County citizens to help analyze the current state of our County. This document is the result of the work of nearly 100 volunteers. The group reflected the broad diversity of Cook County. Combined, they brought decades of experience in both the public and private sectors to a series of meetings that started in May 2010. These policy teams were tasked by then-Democratic nominee Toni Preckwinkle to evaluate the current state of Cook County government, analyze the opportunities available to a new administration and outline recommendations for new County leadership. We were organized in five committees: Governance, Health Care, Criminal Justice, Economic Development and Forest Preserves with various sub-committees therein.

The policy teams uncovered myriad problems with the current county government, ranging from a chronic structural deficit to antiquated technological systems to an atmosphere of secrecy that has separated the people of Cook County and those who are charged with serving the people. It should be noted that this document was compiled without the assistance of the current county administration.

The bottom line is this: Our Cook County government is in a serious state of disrepair, and — in many instances — more so than has been previously reported. These troubling trends began their course many years ago and these issues can only be reversed with bold new policies and professional and significant cooperation from the county's elected officials.

These significant challenges also provide a series of new opportunities, including better allocation of resources and improvements in the delivery of critical services provided by the county. It was our goal to set the new administration on a course toward transforming county government into a world-class institution of which the people of Cook County can take great pride.

While we are confident that the voters have selected a new County Board President with integrity and forward-thinking ideas, change cannot be achieved without a shared spirit of cooperation among county officials and employees. The sea change we all seek is predicated on sweeping, cultural changes at all levels of county government.

Our goal with this document is to provide residents with some insights into the magnitude of the challenges facing our county. In turn, we hope President-elect Preckwinkle and her team can leverage some of the proposed innovative approaches to create the early priorities for her administration. We humbly present it today to the people of Cook County.

Thank you.

Marjorie Benton

Hon. Bobbie Steele

Adela Cepeda

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***BOLD DENOTES COMMITTEE CHAIR**

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Governance Committee

Budget & Finance Subcommittee The Budget & Finance Subcommittee looked at the overall current fiscal health of the county and the set of potential factors that could impact the structural deficit moving forward. By way of background, The county's total 2010 budget was \$3 billion with a General Fund total of \$2.3 billion. About 80 percent of The General Fund is directed to salary and benefits for nearly 24,000 full-time county employees. Given the proportion of the budget that is dedicated to salary and benefits, any significant deficit reduction measure will need to include a material impact on status quo headcount, salaries and benefits.

We believe that Cook County will face in near term a structural annual budget deficit significantly higher than previous estimates of \$300 million. The key contributors include a loss of revenue as a result of the sales tax rollback and a failure to meet revenue estimates, specifically in the health and hospital revenue fund. The county also has additional statutory obligations to specific funds unaccounted for in current budget estimates, including the self insurance fund. Upon completion of pending labor negotiations, the county will have to make a series of significant one-time, retroactive payments to union employees.

Additional issues:

Increase in bond and interest levy – Because the annual bond and interest levy is a separate, statutory and mandatory levy it has been removed from the above chart. This levy is expected to increase the deficit by \$100 million due to additional obligations.

Overtime spending - Overtime spending is out of control with more than 4,000 county employees earning at least an additional 10 percent more than their salaries in overtime at a cost of \$63 million. This should be a clear area of focus for the new administration to increase efficiency and eliminate waste.

Internal controls - There is a lack of internal controls at all levels. In 1998 the county had 24 auditors. The current audit staffed with only 12 full-time auditors tasked with policing waste, fraud and abuse. We would recommend as part of the desk audit that the internal control functions be enhanced as they will ultimately lead to cost savings by reducing inefficiencies.

Facilities Subcommittee The subcommittee reviewed six departments of Cook County Government: Office of Capital Planning & Policy; Facilities Management; Real Estate; Building & Zoning; Health & Hospital Systems Board; and Forest Preserve District of Cook County. Each of these departments has a major impact upon the County's real estate assets. Because the County's real estate portfolio is fragmented, there appears to be a lack of consistency in asset management and assessing these various assets and departments will be difficult.

Strategically managing the county's real estate assets can be accomplished by achieving the following goals: 1) Eliminate duplicate functions while ensuring proper functionality for all departments; 2) Maximize service by improving quality and professionalism; 3) Align structures and processes to optimize all revenue opportunities and minimize unnecessary expenditures; 4) Measurably reduce total facilities-related expenditures.

Our recommendations include: 1) Set a moratorium on capital spending pending a full audit and inventory of the county facilities and projects can be completed; 2) A review of county properties, facility lease agreements and all current projects; 3) Create an advisory committee to assess the County's Capital needs, recommend various cost savings opportunities and innovative strategies for capital financing and allocation.

Highways/Transportation Subcommittee The Cook County Highway Department has maintenance responsibilities for 1,474 lane miles of pavement, 130 bridges and 332 traffic signals from five maintenance garages. The department plays a vital role in overseeing the county's largest physical asset, the infrastructure that provides a safe and effective means of transportation. The Department's Highway Transportation Plan serves as a multi-year programming tool to identify capital improvement needs.

Development of an achievable plan should address the following: 1) Prioritization of projects should be based on engineering analysis of condition, safety and capacity needs assessment; 2) The plan should balance pavement resurfacing and rehabilitation with reconstruction; 3) Better match wish list of suburban leaders with programming.

Our recommendations include: 1) Establish dialogue with municipalities and collar counties; 2) Develop a comprehensive data collection and planning process to set priorities; 3) Set realistic

schedules and cost estimates for projects; 4) Continually review and assess project performance in order to allocate the appropriate resources.

Intergovernmental Affairs Subcommittee Cook County government should improve its interaction with local government officials which are spread among hundreds of government bodies.

Coordination on legislative efforts at both the federal and state levels among departments and local governments within the county can instill a sense of partnership and provide shared goals to help residents.

The realities of the legislative process require competent interaction with the legislature throughout each session. In addition to its set agenda, IGA staff must be promptly reactive to legislative proposals in Springfield and Washington D.C.

Our recommendations include: 1) A countywide legislative council led by the Director of Intergovernmental Affairs; 2) Create a formal legislative agenda for Federal, State and Local issues; 3) Rebuild communications network and relationships with elected officials; 4) Coordinate, track and audit grant funding and correct “problem” grants; 5) Maximize federal and state grants for county operations, maintenance and new construction.

Personnel Subcommittee Cook County employees total 23,770. Of that total, 6,700 are employed by the health system and 14,800 are employed by other elected officials. The Office of the President of the Cook County Board has an employee total of 2,270.

One of the President’s challenges is to insure that the terms and conditions of employment are the same for all Cook County employees. Without the benefit of current position descriptions County employees cannot be held accountable for failure to perform essential job functions.

The Fifth Shakman Report states that efforts to develop a County hiring plan have been frustrating. The development of the hiring plan should eliminate opportunities for improper hiring. The companion to the hiring plan is the formal determination of the exempt positions.

There are approximately 15 different unions representing County employees in about 100 bargaining units covered by about 80 contracts. Roughly 19,000 of 24,000 County employees are unionized.

With some exceptions, all remaining County contracts expired November 30, 2008. Negotiations for successor agreements have proceeded slowly, and the major economic issues have yet to be resolved.

Our recommendations include: 1) A complete a full employee audit, including a formalization of hiring processes, job qualifications and descriptions. 2) Finalize the County hiring plan. Such action will demonstrate the President's commitment to an open and transparent hiring process; 3) An online application process, an initiative undertaken as part of compliance with the Shakman Consent Decree; 4) Conclude ongoing negotiations within the constraints of the anticipated budget shortfall.

Purchasing Subcommittee The County Purchasing Department should be an asset charged with consolidating purchases and saving tax dollars, providing another line of defense against excessive spending. Instead it is has been a source of public scandal.

Our recommendations include: 1) A comprehensive review of the current purchasing, bid and contract statutes, ordinances and policies and a formalization of all rules and practices; 2) An audit by the Office of Contract Compliance of the Minority and (MBE) Women-Owned Business Enterprise (MBE/WBE) Ordinances and programs and a review of businesses in these categories; 3) Additional accountability by making responsible the Purchasing Agent, administrator, or administrators for approval of all contracts, including sole source, no-bid and so-called 24-9 contracts; 4) Explore and pursue joint and/or purchasing agreements to maximize buying power and leverage cost savings amongst all Cook County agencies and elected officials.

Technology Subcommittee Managing the many components of the criminal justice system, information on 1.8 million parcels of land, employees and County services requires a sophisticated technology environment. The systems and applications that the County utilizes, how these resources are applied and how it manages technology determine how effectively the County functions.

The bureau is currently experiencing a very serious staff shortage that threatens to destabilize operations. During the past decade, MIS went from having a staff of 120 employees in 1999 to 73 employees in 2009.

Cook County has no back up plan to resume uninterrupted service in the event of a disaster. Although the Bureau of Technology has a sound system of regularly backing up its IBM mainframe data with tapes that are stored off-site, it is not capable of maintaining critical business operations with these back-up tapes. The current state of affairs with regard to disaster recovery is inconsistent with industry standards, and it is unlikely that Cook County could pass an audit in this area of operation.

Our recommendations include: 1) Assess the overall human capital needs of the Bureau and address any resource deficiencies immediately; 2) Improve the end users online interaction for end users and organize Web sites to allow for more one-stop shopping by consumers; 3) Modernize current technology systems to ensure the County is current with other organizations and businesses of its size and complexity. These technology improvements will lead to better data gathering and analysis, cost savings and better experiences for end users and importantly, other units of Cook County government; 4) All disaster recovery plans should be identified and reviewed to determine their strengths and weaknesses, their feasibility, and their cost-effectiveness; 5) The bureau should identify any Cook County facilities that could be converted into disaster recovery sites and conduct an analysis to determine whether any of the sites would meet industry standards.

Economic Development Committee

External and internal forces threaten Cook County's economic stability. Housing foreclosures are at an all-time high, with a resulting loss in housing values and a declining tax base; unemployment hovers at 10 percent; and businesses are unwilling or unable to tap into traditional sources of finance. Yet the Chicago metropolitan region remains productive and competitive. The task for County government is to find its role in the economic development of the region and deploy its resources to leverage the kind of additional investment – private and public – that will lead to new jobs, stable employment and a growing tax base.

From an economic development perspective, there is nothing more important at the moment than an efficient, effective and honest County government that delivers good services and lowers the tax burden on businesses and residents by controlling costs and expanding the tax base. Doing this, would re-establish the County as a trustworthy partner with businesses, local municipalities and the taxpayers. The second step is to strategically apply resources to have the greatest impact possible on the growth of the region. This means both a more prudent expenditure of funds and greater leadership on economic development issues (e.g., transportation), that affect County residents.

Our recommendations include: 1) Create a new Bureau for Economic Development to consolidate the disparate County offices that impact the development agenda, bring focus to development programs and realize cost savings; 2) The County must help suburban governments. There must be a recommitment to professionalism and accountability among County leaders, staff and appointees to boards and commissions; 3) The County must provide its services in a cost efficient manner. From an economic development perspective, the County must assure the delivery of services to promote the expansion of the tax base; 4) The County should take specific steps in the use of the resources it controls to promote economic growth in the region. Numerous County functions — such as its overall purchasing power and function as an employer, the capital improvements budget and its ability to secure grant dollars from a variety of sources — should be utilized in setting — and meeting — economic development goals for this region.

Cook County Forest Preserve District Committee

The Cook County Forest Preserve District is a unique, 67,000-acre gem for the Chicago metropolitan area. Public support is crucial to the continued success of the Forest Preserve District. That support is contingent on having resources that are accessible and safe, well designed and sustainable and full of recreational and educational opportunities.

District projects and a range of decisions — from lawn mowing to fisheries management, recreational activities and construction — should take in to consideration our vital resources and the Forest Preserve District's core mission of preservation, protection and restoration.

The District is entering into an important phase in its history that will require greater leadership, professionalism and accountability and the integration of new technologies and best practices to improve this valuable resource.

Our recommendations include: 1) Engaging residents to work together to make our Forest Preserves more accessible. This can be done in several ways: Through partnerships with frontline agencies and organizations, by creating a division to increase opportunities for volunteerism and by enhancing the advisory council process to allow for more direct public participation in programs and activities; 2) Producing a state-of-the-art natural areas restoration, management, and monitoring plan; 3) Adopting the Storm Water Management Policy and an enabling ordinance to ensure that homes and communities are protected and that District lands are not lost to erosion. Proper wetland management will require ongoing coordination with federal, state and local officials; 4) Improved communication with the Board, other stakeholders and the public.

Criminal Justice Committee

Each year, Cook County spends over \$1 billion on criminal justice. This includes money for the Circuit Court of Cook County, the largest unified court-system in the world; the Cook County Department of Corrections (CCDOC), one of the largest single-site jails in the nation; and the Cook County Juvenile Temporary Detention Center (JTDC), one of the largest juvenile centers in the nation. Over one-third of the County's budget goes to the criminal justice system, which means it must be a priority for the Cook County Board President. The decisions made by the Board president can make a real difference in the lives of County residents. Good decisions can make the County a safer place to live; cut operating costs for the criminal justice system; assure that crime victims get the support and services they need; and guarantee that more offenders get the treatment and assistance they need to turn their lives around and become productive, law-abiding members of society.

Our recommendations include:

1) *Increasing transparency.* The County Board President should partner with the other County-wide elected officials in this area provide the general public with more information about the criminal justice system in Cook County and the resources available to residents. This information will include a description of the justice system, the extent and nature of crime in Cook County, and the activities and efforts of County justice agencies to respond to and prevent crime. Making this information available to the public will allow the County to highlight major accomplishments and resources so that citizens can access them.

2) *Finding new funding sources.* After taking office, the County Board President should investigate new federal and state sources of funding through grant programs like the Violent Crime Reduction Partnership Initiative and the federal Second Chance Act. Identifying and pursuing additional funding sources is critically important given current budget projections. Some analysts estimate that the County will face up to a \$500 million deficit in Fiscal Year 2011. While the County has already received over \$1 million in Second Chance – Community Reentry grants, the County must continue to maximize outside sources of funding.

3) *Advocate for increased use of sentencing alternatives.* The County Board President should advocate for increasing the availability and use of sentencing alternatives. There exist throughout the Cook County criminal justice system a number of alternatives to incarceration, such as the Day

Reporting Center (DRC), intensive probation, electronic monitoring, and others. Despite the availability of such programs, which cost less than traditional detention and often provide better results in terms of rehabilitation and recidivism, these programs are not always used to their full capacity.

4) *Expanding mental health treatment.* At present, Cook County works with Thresholds, one of the largest non-profit providers of mental health services in the country, in order to treat mentally-ill detainees. Under the program, nonviolent detainees with severe and persistent mental illness are transferred to a Thresholds site where they receive independent living assistance; job training, placement, and support; crisis intervention; physical health and dental care; psychiatric care; and court and legal system assistance. Given that the evidence demonstrates that this approach has been effective at diverting people from jail, reducing recidivism, and reducing costs, Cook County should look to expand these types of programs in our criminal justice system.

5) *Expanding substance abuse treatment.* Studies show that substance abuse underlies criminal behavior. However, less than one-quarter of inmates processed through Cook County Jail have *ever* been in a substance abuse treatment program, despite the fact that more than 80 percent tested positive for illegal drugs upon admission. The County must coordinate with the Probation Department and other agencies to ensure that court-involved individuals receive the treatment they need.

6) *Expanding the range of educational opportunities available to nonviolent offenders.* A majority of Cook County Jail inmates between the ages of seventeen and twenty-one do not have a high school diploma. As a result, these individuals have fewer job prospects and a higher risk of recidivism. At present, the County has several options for educating this population. A new option is the Virtual High School, which serves those in the Day Reporting and Female Furlough programs. Every subject required for graduation is available, and instructors have the ability to accelerate the pace for high-performing students. Cook County needs to expand the availability of these programs in order to ensure that former inmates have the education they need to become productive members of society.

7) *Facilitating successful reentry of ex-offenders.* Approximately 80,000 men and women are released from Cook County Jail each year. Many of these ex-offenders will return to their

communities and encounter a number of obstacles that put them at a high risk of re-arrest. (An estimated 13,000 to 15,000 of the almost 98,000 discharges from the jail in 2007 were repeat offenders who had been detained and released more than once during the year). These obstacles include untreated substance abuse and mental health issues, unstable or deficient housing, lack of state-issued identification, and inadequate education and vocational training. In order to ensure that reentry services are available to ex-offenders in the areas where they are most needed, the Cook County Board President will need to work to facilitate interagency collaboration and increase capacity-building efforts amongst local service providers.

8) *Creating a regional task force to fight gangs.* The County Board President should work with municipal police departments, the County Sheriff, and the State's Attorney to address gang violence. Gang violence is at epidemic levels in the City of Chicago and throughout the County.

Cook County Health and Hospital System Committee

The Cook County Health and Hospital System is integral to the public health of, not only the County, but also the entire region as the largest provider of safety net care on which the region relies. As the Health System moves into the 21st Century, it faces new challenges and opportunities.

While decisions are made at various levels of Health System governance, the County Board President is ultimately held responsible for those decisions. The primary role of the President is to:

- Provide Public Accountability;
- Ensure Adherence to Mission and Strategic Plan Oversight;
- Nominate Members of the independent Health System Board of Directors; and
- Recommend Major Budget Initiatives.

The recently approved Strategic Plan offers the County Board President a mechanism for oversight. The Strategic Plan lists eight Guiding Principles focused on quality of care, accessibility and cost-effectiveness that the County Board President can base decisions and oversight around. This report offers a template for a governance framework that would be helpful in that oversight role.

The Health System faces several key challenges in which the County Board President will play a role:

1) The relationship between the System Board of Directors and the County Board of Commissioners.

The current governance structure will likely continue to have tension between a desire to have greater independence on the part of the System Board, and accountability from the standpoint of the County Board. As long as the County Board is responsible for oversight, this is a necessary tension. The County Board has two key tools for holding the System Board accountable: The annual budget and the Strategic Plan. The County Board needs performance metrics to ensure the Health System is making appropriate progress. The Health System must have long term financial planning.

Our recommendation: As long as the Cook County Board has oversight over the Health System it must have a process to hold accountable the System Board and Management while maintaining its independence. Two key tools in that regard are the annual budget and the recently approved Strategic Plan. Financial and other performance metrics (quality, growth, accreditation issues, patient and employee satisfaction, quarterly progress in implementing the strategic plan) can be

presented regularly to the County Board so they might be assured of appropriate progress and adherence to plan. From the Health System perspective, success in these areas is dependent on financial and human resource management that maximizes these critical resources. Health System Control over these processes is typical of most health systems.

Long term financial planning is a special issue. An understanding of which County resources serve as long term revenue sources for the Health System and how new revenue generated by the Health System can be incorporated into future budgets is important.

2) Communication

Effective communication between employees, patients, the community, the media, and other audiences is important. The Health System Board and the County Board of Commissioners require a common factual knowledge and vision, which can be attained by participating actively in board education.

Our recommendation: The Health System Board of Directors has benefited from participating actively in board education. This has included site visits to other public hospital systems and presentations by outside experts. Ongoing board education is a part of best practices of every governing board. In the future these educational activities might be extended to include the Cook County Board of Commissioners. A common factual knowledge between the two boards and a common vision of best practices will assist each board member and member of management leadership in their communication efforts.

3) Creating a client-, patient-, and family-focused culture

The Health System is not easy to access. Since management and the Health System Board are aware of this and consider it critical, they are already taking action.

Our recommendation: Progress metrics in this area should be included in any regular report to the Cook County Board.

4) The make-up and term of the Health System Board of Directors

While the Cook County Commissioners have voted to have the Health System Board continue to function as it has, many details have yet to be worked out. It is unclear how new members will be named, whether they will have term limits, and what skills/attributes should be represented in the ideal board. Regardless of the nominating process, consideration should be given to commitment to mission, availability to serve, diversity, and how the individual's background and skills will complement the Health System Board. In providing guidance in this area, the County Board President should consider the following questions:

- What questions should we be asking for appointing new Directors to the Health System Board?
- What are the criteria for identifying candidates?
- What process should we use in making appointment decisions?
- What performance criteria should be used in evaluating Director performance?

Our recommendation: The nominating process generally worked well and it demonstrated a commitment to involve key stakeholders in the selection process. Whatever process of collecting names is used, nominators should be given some direction concerning which attributes are most important to search for in potential directors. Besides a commitment to the mission and the availability to serve, other considerations might be a background in legal, business, finance, human resources, or the health care fields, among others. Diversity is also an important consideration. The Health System has been particularly well served by having a County Commissioner serve on both boards. The continuation of this sort of liaison position is ideal.

A common approach is to have directors have staggered terms of 2-5 years so that new directors are intermixed with a majority of seasoned directors. Separately, one might also consider term limits.

5) Finances

The Health System has been attempting to cut expenses and improve revenue for several years. With capital needs, infrastructure needs, and payment structure changes through Health Care Reform, the Health System will be best served by reorganizing resources to meet those needs.

Our recommendation: Currently, the Health System management team has laid out an approach that should be followed. This may require adjustment in the future and will likely continue to require outside assistance (e.g. consultants, etc.) for the next few years. However, billing, financial

management tools, revenue cycle improvement, and HR improvements including management training are common in the industry and should be expected improvements.

Additional issues:

Health care reform - The Patient Protection and Affordable Care Act, or Affordable Care Act, has statewide implications for Illinois residents, but unique implications for health care service delivery in Cook County. The new law offers a number of opportunities to a system like the one in Cook County. An enormous injection of revenues will be available to health care providers. The Health System must position itself in the new health care model to recruit fee-for-service patients and handle the decrease in disproportionate share hospital (DSH) payments. The Health System must become more nimble and flexible in order to partner and collaborate for growth. If it cannot adapt to the changing environment, the Health System will struggle to survive.

Challenges:

- New Medicaid eligibles are likely to have more advanced health care needs and will need costlier care;
- Medicaid DSH payments on which the Health System relies will be reduced in 2014, with more cuts ahead;
- Concern the County will seek to reduce the Health System's budget because health care reform will reduce costs to the system of providing uncompensated care.

Opportunities:

- Attract new Medicaid eligibles who bring higher Medicaid payments;
- Pilot and demonstration projects for providing coordinated care;
- Develop new partnerships that may refer patients to the Health System and cover services the Health System is unable to provide;
- Attract the newly insured, many of who are already Health System patients.

The Cook County Health System must take advantage of the opportunities presented to make the transition to a leader in patient care.