

## Cook County Health: FY2026 Budget and Long-Term Risks *Executive Summary*



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Cook County's enacted budget for FY2026 totals \$10.0 billion, half of which pertains to Cook County Health (CCH), which provides mandatory health services to County residents and others, including those who cannot afford care elsewhere. Previous Civic Federation work has analyzed the County's overall FY2026 budget, and this complementary report provides more detail and context on Cook County Health's fiscal impacts on the County as a whole. With preliminary FY2025 financial results now available, state budget deliberations underway, and continued federal policy shocks, the time is right to review Cook County Health's FY2026 budget and FY2027-FY2030 long-term forecast and assess risks going forward.

Cook County Health plays dual roles in the local healthcare sector. It operates CountyCare, one of Illinois's Medicaid managed care organizations, and it directly provides health care services through County-owned hospitals, clinics, and programs. These two roles expose CCH to different but overlapping fiscal risks that are increasingly moving in the same direction.

Nearly two-thirds of CCH's \$5.1 billion budget pertains to CountyCare. CountyCare enrollment swelled during the COVID-19 pandemic but has dropped from its peak of about 450,000 to less than 400,000. This decline is expected to continue as new state and federal rules take effect. Fewer members in CountyCare reduce both revenues and expenses, but the program's fiscal impact depends in large part on whether per-member revenues exceed per-member clinical expenses. Preliminary results reported for year-end FY2025 point to an operating loss of \$149.3 million on a budget of \$3.7 billion—a loss driven by unexpectedly high clinical care expenses. CountyCare is budgeted to perform better in FY2026, but the long-term forecast shows continued annual losses as costs grow faster than revenues. This means that even with fewer members, CountyCare will face challenges balancing revenues against clinical expenses going forward.

The County's Health Care Services, its "fee for services" arm, also faces challenges. After several years of generating surpluses, preliminary FY2025 results show operating losses driven by a rising number of uninsured patients and the uncompensated care they receive (care provided without payment). In 2025, charity care exceeded \$300 million, and the share of uninsured patients rose sharply. Health Care Services is expected to essentially break even in FY2026 but to generate increasing deficits over time, reaching \$246 million by FY2030.

These trends must be understood in the larger context of significant federal policy changes. New federal laws are expected to reduce Medicaid enrollment, increase the number of uninsured residents, and place limits on the supplemental funding and directed payments that are critical to safety-net providers like Cook County Health. Together, these changes increase uncertainty around both demand for services and the funding used to support them.

Overall, CCH faces significant pressures going forward. Through this analysis, stakeholders can better understand the sources and implications of those pressures and, more importantly, better prepare their own responses to protect residents' access to affordable healthcare.

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