

## Client Screening Request

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### - Client Screening Report

Request Date:	4/24/2018	Additional CC:	<a href="#"></a> <a href="#"></a>
Discipline *:	Health	Company Name:	Cook County Health and Hospitals System

Moody's Rating:	N/A		
Requestor:	Alan Vandagriff; <a href="#"></a> <a href="#"></a>	D & B Credit Score Class:	N/A; see Comments section below
A.M. Best Rating:	N/A		
On High Risk Client List?	<input type="radio"/> Yes <input checked="" type="radio"/> No	WorldCheck Rating:	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Criminal <input type="checkbox"/> Money Laundering <input type="checkbox"/> Terrorism <input type="checkbox"/> Corruption <input type="checkbox"/>
D & B Financial Stress Class:	N/A; see Comments section below		

### Ownership:

Cook County Health and Hospitals System ("CCHHS") is a public entity providing comprehensive medical services to residents of the metropolitan Chicago area. CCHHS is comprised of two hospitals, John H. Stroger, Jr. Hospital and Provident Hospital, a network of more than a dozen community health centers, the Ruth M. Rothstein CORE Center, the Community Triage Center, the Cook County Department of Public Health, Cermak Health Services, and CountyCare, a Medicaid managed care health plan. The system cares for more than 300,000 patients each year. According to budget documents on its website, CCHHS had FY2017 revenues of approximately \$2.2 billion and expenditures of \$2.4 billion.

### Officers:

The individuals listed below were profiled using LexisNexis cases and dockets, Google News, and news wires. They were screened for involvement in personal litigation, professional misconduct, and criminal activity. Insofar as this research indicates, none have backgrounds that would pose undue risk to an engagement with Milliman. Please note that results for Messrs. Butler and Shannon are inconclusive due to the large number of individuals who share those names.

- **Board of Directors Chairperson:** M. Hill Hammock (bio here: <http://cdec1031.com/our-team/m-hill-hammock>)
- **Board of Directors Vice Chairperson:** Jerry Butler. Mr Butler also serves as the Cook County Commissioner and is a former singer/songwriter who was inducted into the Rock and Roll Hall of Fame (bio here: [https://en.wikipedia.org/wiki/Jerry\\_Butler](https://en.wikipedia.org/wiki/Jerry_Butler)).
- **Chief Executive Officer:** John Jay Shannon (bio here: <http://www.cookcountyhhs.org/dr-j-shannon/>)

Mr. Shannon has been a named party to employment discrimination litigation in his official capacity as CEO. He does not appear to be involved in litigation otherwise.

A company-generated news feed is available here: <http://www.cookcountyhhs.org/about-cchhs/doing-business-with-cchhs/news-announcements/>

Prior Health Risk Assessment:  Yes  No

### Noteworthy News:

An updated scan of local and national newspapers, trade publications, and online news sources yields a great deal of coverage for CCHHS, including a very recent article covering negative findings from the County Inspector General's audit (see below). Recent coverage has been negative but on the whole it carries a more neutral tone. Coverage of CountyCare specifically is neutral in tone and focuses on the changing Medicaid landscape and enrollment/budget changes.

- **April 2018:** The County Inspector General reported that CCHHS' failure to follow insurers' guidelines resulted in it being denied \$66 million in claims for FY2017. The IG also found errors in patient scheduling, failure to follow procedures for prior authorization from insurers, and other organizational missteps. CEO Jay Shannon acknowledged the shortcomings and reiterated that the organization's evolving operations will remedy the issues. (Source: Chicago Sun-Times, Apr. 26, 2018, available here: <https://chicago.suntimes.com/news/health-and-hospitals-system-officials-respond-to-inspector-general-report/>)
- **November 2017:** CCHHS is being investigated by the U.S. Department of Health and Human Services after a data breach that exposed the personal information of more than 700 patients. The organization admitted to the breach, which occurred in August after Experian, a third-party vendor, accidentally shared the data with other hospitals following a computer system upgrade. There is no evidence that the exposed data has been misused. (Source: Chicago Tribune , Nov. 14, 2017, available here: <http://www.chicagotribune.com/business/ct-biz-cook-county-health-data-breach-1114-story.html> )
- **November 2017:** In order to fill a \$27 million hole in its FY2018 proposed budget, CCHHS has made \$12.7 million in budget cuts. Commissioners say further cuts are needed, but CEO Jay Shannon cautions against those that would affect the quality of patient care. (Source: Chicago Sun-Times, Nov. 11, 2017, available here: <https://chicago.suntimes.com/chicago-politics/cook-county-health-and-hospitals-system/>)
- **September 2016:** CCHHS gained state approval for construction of a new \$137 million outpatient facility located next to Stoger hospital. The new facility will allow the organization to expand service offerings and reduce maintenance costs for aging buildings. It should be completed in 3Q 2018. (Source: Chicago Tribune, Sept. 14, 2016, available here: <http://www.chicagotribune.com/business/ct-cook-health-center-0915-blz-20160914-story.html> )

#### Litigation History:

An updated search of LexisNexis state and federal cases, dockets, and online news sources reveals that CCHHS has been involved in a small handful of lawsuits. Most of these are standard medical malpractice and employment cases common to all health systems and, as such, do not pose particular risk to Milliman. There is no evidence that CCHHS has initiated litigation against any of its professional advisors.

#### Comments:

Please note that CCHHS was last screened on 11/16/2014 by Chelo Gable at the request of Shannon Sizemore and before that in January of the same year for Adrian Clarke. The current screen focused on circumstances that may have changed in the interim.

At an executive level, CCHHS screens acceptably. All profiled officers appear stable in their roles and, although recent news coverage has pointed to flaws in the organization for which they are responsible, none are alleged to have committed professional malfeasance.

At an entity level, CCHHS's results are somewhat mixed. On the positive side, it has successfully avoided uncommon or adverse litigation. On the negative side, it has been the subject of several negative news items (see above) which outline its organizational and budget shortcomings. As in the previous screen, no Dun & Bradstreet report is available for CCHHS or CountyCare specifically. I have attached the report for Cook County Department of Public Health, a member organization, for reference; it is rated a moderate risk for delinquency in the near term and has no assigned financial stress rating.

Considering its budgetary problems and lack of payment history, a retainer may be advisable should you decide to work with this client. Please let me know if I can provide further information - I am happy to help.

- Heidi

c-heidi.stender@milliman.com



Add attachment

#### Screening Details

**Screener \*:**

Heidi Stender (Contractor);

**Completed Date:**

4/26/2018

**Report Status:**

New  Pending  Secondary-Review  
 Secondary-Screen  Sent/Complete  
 Cancel

**Due Date:**

**Health Risk Assessment Form Returned:**

Yes  No

**Client Risk Assessment Statement:**

Conditional Acceptance  
 Non-Acceptance  
 Standard Acceptance

#### Data from Consultant

**Date \*:**

4/24/2018

**Client \*:**

Cook County Health and Hospital System

**Discipline(s) Involved \*:**

- Casualty  
 Employee Benefits  
 Health  
 Life

**Client Status \*:**

- New Client  Existing Client  
 RMAP Referral

**Client Website URL (if known):**

http://www.cookcountyhhs.org/

**Casualty consultants: please indicate if this is an 'existing client' being screened to comply with discipline periodic screening requirements.**

**Type of Client \*:**

- Public sector/government  
 Publicly traded company  
 Private company  
 New Entity (less than 1 year old)  
 Captive Insurance Company

**Client Location \*:**

- US  International

**Consultant \*:**

Alan Vandagriff;

**Names/Titles of Officers (if known):**

(This field is currently empty.)

**For international screens, please select 'INTL'**

**State \*:**

IL ▾

**HQ Address:**

(This field is currently empty.)

**Do you know of any litigation or other issues of which we should be made aware \*:**  Yes  No

**Additional Comments to Aid the Screening:**

Most of our work will be for CCHHS' wholly owned Medicaid plan, CountyCare.

Click here to attach a file

Add Attachment

\* -indicates required field