

FAMILY CARE (7990) 2015 BUDGET

DEPT: Family Care

UNIT NO. 7990  
FUND: General – 0002

**Budget Summary**

Category	2013 Budget	2013 Actual	2014 Budget <sup>1</sup>	2015 Budget	2015/2014 Variance
<b>Expenditures</b>					
Personnel Costs	\$7,027,385	\$6,293,631	\$7,573,989	\$7,803,335	\$229,346
Operation Costs	\$286,448,565	\$275,879,553	\$275,239,899	\$273,701,977	(\$1,537,922)
Debt & Depreciation	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$37,800	\$178,753	\$34,300	\$7,000	(\$27,300)
Interdept. Charges	\$1,302,921	\$1,342,624	\$1,363,666	\$3,275,144	\$1,911,478
<b>Total Expenditures</b>	<b>\$294,816,671</b>	<b>\$283,694,671</b>	<b>\$284,211,854</b>	<b>\$284,787,456</b>	<b>\$575,602</b>
<i>Legacy Healthcare/Pension</i>	<i>\$1,523,474</i>	<i>\$1,614,493</i>	<i>\$1,597,452</i>	<i>\$1,607,332</i>	<i>\$9,880</i>
<b>Revenues</b>					
Direct Revenue	\$294,816,671	\$291,298,586	\$284,211,854	\$284,787,456	\$575,602
Intergov Revenue	\$0	\$0	\$0	\$0	\$0
Indirect Revenue	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$294,816,671</b>	<b>\$291,298,586</b>	<b>\$284,211,854</b>	<b>\$284,787,456</b>	<b>\$575,602</b>
<b>Tax Levy</b>	<b>\$0</b>	<b>(\$7,604,025)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Impact on Reserve<sup>2</sup></b>	<b>\$1,435,812</b>	<b>(\$7,604,025)</b>	<b>(\$56,706)<sup>3</sup></b>	<b>\$3,305,278</b>	<b>\$3,361,984</b>
<b>Personnel</b>					
<b>Full-Time Pos. (FTE)</b>	64	63	76	73	-3
<b>Seas/Hourly/Pool Pos.</b>	0	2	0	0	0
<b>Overtime \$</b>	\$32,556	\$10,794	\$15,420	\$10,296	(\$5,124)

**Department Mission:** The Milwaukee County Managed Care Organization (MCO) operated by the Department of Family Care respects the dignity and personal autonomy of each member by honoring choice and promoting the member’s continued participation in the community, by providing a continuum of quality, cost-effective long-term care to its members, and by supporting the families and caregivers of its members.

**Department Description:** The Milwaukee County Department of Family Care administers the Family Care (MCDFC) benefit for both the aged (over age 60) and disabled populations (ages 18-59), who are determined to be eligible by a Resource Center in the counties of Milwaukee, Racine, Kenosha, Ozaukee, Sheboygan, Walworth, Washington and Waukesha. MCDFC is responsible for working with members to create member centered plans that meet the member’s outcomes with high quality, cost effective services. MCDFC contracts with more than 1,100 service providers and monitors the quality of those services that members receive. The

<sup>1</sup> The 2014 Budget is the adopted consolidated MCDFC budget. Since the adoption of the 2014 budget a fund transfer has been approved that has changed the numbers above due to changes in enrollment and the 2014 capitation rates. The adopted budget after the approved fund transfer is as follows: Expenditures \$287,673,294 Revenues \$284,046,509 Net Income / (Loss) (\$3,626,785).

<sup>2</sup> Draw from/(Contribution to)

<sup>3</sup> (\$56,706) Contribution to Reserves from the 2014 Adopted Budget was used to reduce the Net Income / (Loss) in the 2014 approved fund transfer.

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department has successfully served more than 22,997 members during the past fourteen years by embracing a set of core values and a philosophy that is the foundation of the Family Care program.

MCDFC has strong quality indicators and is fiscally sound. The 2015 budget does show a withdrawal from reserves as identified on the line above “Impact on Reserves”. This is primarily due to:

1. An anticipated increase of \$3,025,000 in costs for Supportive Home Care workers due to the implementation of the Living Wage Ordinance;
2. A lower capitation rate for 2014 (which is the rate used to create the 2015 budget);
3. A decrease in enrollment in Milwaukee County;

Assuming current enrollment, capitation rates, and the fiscal impact of the Living Wage Ordinance, MCDFC will exhaust reserves in less than 7 years. After reserves have been exhausted, MCDFC will require tax levy from Milwaukee County in order to continue providing the Family Care benefit.

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**Strategic Program Area 1: Family Care Milwaukee**

**Service Provision: Committed**

**Strategic Outcome: Quality of Life**

The table below displays the 2014 Capitation rates used in the 2015 Budget.

<b>Capitation Rate Summary (Per Member Per Month)</b>		
<b>Location</b>	<b>Nursing Home Level of Care</b>	<b>Non-Nursing Home Level of Care</b>
<b>Milwaukee</b>	<b>\$2,677.19</b>	<b>\$544.66</b>

<b>What We Do: Activity Data</b>			
<b>Activity</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
<b>Average Annual Enrollment</b>			
Milwaukee	8,008	7,839	7,875

<b>How We Do It: Program Budget Summary</b>					
<b>Category</b>	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2014 Budget<sup>4</sup></b>	<b>2015 Budget</b>	<b>2015/2014 Var</b>
<b>Expenditures</b>	\$285,699,809	\$281,353,179	\$278,640,076	\$276,637,630	(\$2,002,446)
<b>Revenues</b>	\$285,776,831	\$288,181,911	\$278,525,611	\$274,106,847	(\$4,418,764)
<b>Tax Levy</b>	(\$77,022)	(\$6,828,733)	\$114,465	\$2,530,783	\$2,416,318
<b>Impact on Reserves<sup>5</sup></b>	\$0	(\$6,828,733)	\$57,759	\$5,836,061	\$5,778,302
<b>FTE Positions</b>	64	63	76	73	-3

<b>How Well We Do It: Performance Measures</b>			
<b>Performance Measure</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
Members satisfied with the services they receive	93.1%	95%	95.0%
Members utilizing Supported Independent Living Services	420	504	556
Administrative Expenses / Total Expenses	5.27%	5.85%	6.09%

<sup>4</sup> The 2014 Budget is the MCDFC budget for the Milwaukee County Region. Since the adoption of the 2014 budget a fund transfer has been approved that has changed the numbers above due to changes in enrollment and the 2014 capitation rates. The adopted budget after the approved fund transfer is as follows: Average Enrollment 8,027 Expenditures \$281,854,264 Revenues \$276,555,910 Net Income / (Loss) (\$5,298,354).

<sup>5</sup> Draw from /(Contribution to)

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MCDFC continues to administer the Family Care benefit for the aged and disabled populations in Milwaukee County. As with past practice, the capitation rates currently in effect for 2014 were used to establish the 2015 budget as 2015 capitation rates are unavailable from the Wisconsin Department of Health Services. Total 2015 Family Care capitation revenues have decreased by \$10,560,049 due to a decrease in the Milwaukee County enrollment at the nursing home level of care by 202 members, while there was a budgeted increase in non-nursing home level of care enrollees of 437 members. In addition, the capitation rates for nursing home level of care and non-nursing home level of care decreased \$99.86 and \$41.76, respectively. The decrease in capitation revenues was partially offset by an increase in member obligation revenue of \$2,703,745. Member service expenses decreased by \$2,907,630.

Professional Service contract expenditures decreased by \$76,853 primarily due to the Wisconsin Physician Services (WPS) MCDFC's Third Party Administrator (TPA) costs decreasing from a budgeted decrease in Milwaukee County enrollment. Contractual short – term staffing increased by \$100,000 to provide temporary staffing support during unexpected staff vacancies and special projects within the department.

Miscellaneous revenue is increased by \$133,440 as a result of the following three MCO's leasing MCDFC's IT system in 2015: ContinuUs, Lakeland Care District and Care Wisconsin First. Each MCO pays a rate based on the number of enrollees it serves.

1.0 FTE is created and 4.0 FTE are abolished.

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**Strategic Program Area 2: Family Care Racine and Kenosha**

**Service Provision: Committed**

**Strategic Outcome: Quality of Life**

The table below displays the 2014 Capitation rates used in 2015 Budget.

<b>Capitation Rate Summary (Per Member Per Month)</b>		
<b>Location</b>	<b>Nursing Home Level of Care</b>	<b>Non-Nursing Home Level of Care</b>
<b>Racine / Kenosha</b>	<b>\$3,158.88</b>	<b>\$544.66</b>

<b>What We Do: Activity Data</b>			
<b>Activity</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
<b>Average Annual Enrollment</b>			
Racine and Kenosha	76	110	189

<b>How We Do It: Program Budget Summary</b>					
<b>Category</b>	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2014 Budget<sup>6</sup></b>	<b>2015 Budget</b>	<b>2015/2014 Var</b>
<b>Expenditures</b>	\$9,116,862	\$2,239,781	\$4,133,511	\$6,136,894	\$2,003,383
<b>Revenues</b>	\$9,039,840	\$2,968,730	\$4,239,462	\$7,824,046	\$3,584,584
<b>Tax Levy</b>	\$77,022	(\$728,949)	(\$105,951)	(\$1,687,152)	(\$1,581,201)
<b>Impact on Reserves<sup>7</sup></b>	\$0	(\$728,949)	(\$105,951)	(\$1,687,152)	(\$1,581,201)
<b>FTE Positions</b>	0	0	0	0	0

MCDFC continues to administer the Family Care benefit for the aged and disabled populations in Racine and Kenosha counties. As with past practice, the capitation rates currently in effect for 2014 were used to establish the 2015 budget as 2015 capitation rates are unavailable from the Wisconsin Department of Health Services. Total 2015 capitation revenues have increased by \$3,052,859 due to an increase in the Racine and Kenosha enrollment which is based on historical experience and current trends. Total member service expenditures increased by \$2,134,691 as a result of the increase in enrollment.

<sup>6</sup> The 2014 Budget is the MCDFC budget for Racine and Kenosha counties. Since the adoption of the 2014 budget a fund transfer has been approved that has changed the numbers above due to changes in enrollment and the 2014 capitation rates. The adopted budget after the approved fund transfer is as follows: Average Enrollment 144 Expenditures \$4,727,858 Revenues \$5,977,536  
Net Income / (Loss) \$1,249,678

<sup>7</sup> Draw from /(Contribution to)

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**Strategic Program Area 3: Family Care Region 6 (Walworth, Waukesha, Washington, Ozaukee and Sheboygan)**

**Service Provision: Committed**

**Strategic Outcome: Quality of Life**

The table below displays the 2014 capitation rates used in the 2015 budget,

Capitation Rate Summary (Per Member Per Month)		
Location	Nursing Home Level of Care	Non-Nursing Home Level of Care
Washington/Waukesha	\$3,422.52	\$544.66
Ozaukee/Walworth/Sheboygan	\$3,117.14	\$544.66

What We Do: Activity Data			
Activity	2013 Actual	2014 Budget	2015 Budget
<b>Average Annual Enrollment</b>			
Racine and Kenosha	4	35	70

How We Do It: Program Budget Summary					
Category	2013 Budget <sup>8</sup>	2013 Actual	2014 Budget <sup>9</sup>	2015 Budget	2015/2014 Var
<b>Expenditures</b>	\$0	\$101,601	\$1,438,267	\$2,012,932	\$574,665
<b>Revenues</b>	\$0	\$147,945	\$1,446,781	\$2,856,563	\$1,409,782
<b>Tax Levy</b>	\$0	(\$46,343)	(\$8,514)	(\$843,631)	(\$835,117)
<b>Impact on Reserves<sup>10</sup></b>	\$0	(\$46,343)	(\$8,514)	(\$843,631)	(\$835,117)
<b>FTE Positions</b>	0	0	0	0	0

MCDFC continues to administer the Family Care benefit for the aged and disabled populations in Ozaukee, Sheboygan, Walworth, Washington and Waukesha counties. As with past practice the capitation rates currently in effect for 2014 were used to establish the 2015 budget as 2015 capitation rates are unavailable from the Wisconsin Department of Health Services. Family Care capitation revenues have increased by \$1,413,009 due to an increase in the Region 6 enrollment which is based on historical experience and current trends. Total member service expenditures increased by \$462,495 as a result of the increase in enrollment.

<sup>8</sup> Region 6 began 7/1/2013, and a fund transfer was established to create budgeted expenditures of \$206,625, revenues of \$206,625 and net income \$0.

<sup>9</sup> The 2014 Budget is the MCDFC budget for Ozaukee, Sheboygan, Walworth, Washington and Waukesha counties. Since the adoption of the 2014 budget a fund transfer has been approved that has changed the numbers above due to changes in enrollment and the 2014 capitation rates. The adopted budget after the approved fund transfer is as follows: Average Enrollment 37 Expenditures \$1,091,173 Revenues \$1,513,064 Net Income / (Loss) \$421,891

<sup>10</sup> Draw from /(Contribution to)