

FAMILY CARE (7990) 2016 BUDGET REQUEST

DEPT: Family Care

UNIT NO. 7990
FUND: General - 0002

Budget Summary

Category	2014 Budget ¹	2014 Actual	2015 Budget	2016 Budget	2016/2015 Variance
Expenditures					
Personnel Costs	\$7,573,989	\$6,289,214	\$7,803,335	\$8,289,348	\$486,013
Operation Costs	\$275,239,899	\$281,284,381	\$273,701,977	\$291,960,316	\$18,258,339
Debt & Depreciation	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$34,300	\$29,180	\$7,000	\$0	\$0
Interdept. Charges	\$1,363,666	\$1,459,367	\$3,275,144	\$3,716,825	\$441,681
Total Expenditures	\$284,211,854	\$289,062,142	\$284,787,456	\$303,966,489	
<i>Legacy Healthcare/Pension</i>	<i>\$1,597,452</i>	<i>\$1,365,251</i>	<i>\$1,607,332</i>	<i>\$1,942,711</i>	<i>\$332,379</i>
Revenues					
Direct Revenue	\$284,211,854	\$285,395,706	\$284,787,456	299,720,301	\$14,932,845
Intergov Revenue	\$0	\$0	\$0	\$0	\$0
Indirect Revenue	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$284,211,854	\$285,395,706	\$284,787,456	299,720,301	\$14,932,845
Tax Levy	\$0	\$3,666,437	\$0	\$0	\$0
Impact on Reserves²	(\$56,706)³	\$3,666,437	\$3,305,278	\$4,246,188	\$940,910
Personnel					
Full-Time Pos. (FTE)	76	75	73	71	-2
Seas/Hourly/Pool Pos.	0	0	0	0	0
Overtime \$	\$15,420	\$7,310	\$10,296	\$15,192	\$4,896

Department Mission: The Managed Care Organization (MCO) operated by the Department of Family Care respects the dignity and personal autonomy of each Member by honoring choice and providing high quality, cost-effective services and supports.

Department Description: The Milwaukee County Department of Family Care (MCDFC) administers the Family Care 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 1,400 service providers and monitors the quality of those services that members receive. The Department has

¹ The 2014 Budget is the adopted consolidated budget for all MCDFC service regions. Since the adoption of the 2014 budget a fund transfer was approved that has changed the numbers above due to changes in enrollment and the 2014 capitation rates. Final budget after fund transfers is as follows: Expenditures \$289,900,924 Revenues \$284,047,024 Net Income/(Loss) (\$5,810,693)

² Draw from / (Contribution to)

³ (\$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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successfully served more than 24,582 members during the past fifteen years by embracing a set of core values and a philosophy that is the foundation of the Family Care program.

Strategic Program Area 1: Family Care Milwaukee

Service Provision: Committed

Strategic Outcome: Quality of Life

The table below presents the 2015 Capitation rates used in the 2016 Budget.

Capitation Rate Summary (Per Member Per Month)		
Location	Nursing Home Level of Care	Non-Nursing Home Level of Care
Milwaukee	\$2,759.49	\$535.38

What We Do: Activity Data			
Activity	2014 Actual	2015 Budget	2016 Budget
Average Annual Enrollment			
Milwaukee	8,072	7,875	8,194

How We Do It: Program Budget Summary					
Category	2014 Budget ⁴	2014 Actual	2015 Budget	2016 Budget	2016/2015 Variance
Expenditures	\$278,640,076	\$281,224,371	\$276,637,630	\$293,335,704	\$16,698,074
Revenues	\$278,525,611	\$277,479,980	\$274,106,847	\$288,516,147	\$14,409,300
Tax Levy	\$114,465	\$3,744,391	\$2,530,783	\$4,819,557	\$2,288,774
Impact on Reserves⁵	\$57,759	\$3,744,391	\$5,836,061	\$4,819,557	(\$1,020,504)
FTE Positions	76	75	73	71	-2

How Well We Do It: Performance Measures			
Performance Measures	2014 Actual	2015 Budget	2016 Budget
MCDFC will increase their success rate on area 4A (NOA issued) of CMR portion of MetaStar review	47.5%	50%	55%
MCDFC will increase the number of members served in expansion counties	193	215	240

⁴ The 2014 Budget is the MCDFC Budget for the Milwaukee County Region. Since the adoption of the budget, a fund transfer has been approved that changed the numbers above due to changes in enrollment and the 2014 capitation rates. The final budget after the fund transfers is as follows: Average Enrollment 8,027 Expenditures \$282,367,125 Revenue \$276,556,432 Net Income / (Loss) (\$5,810,693)

⁵ 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 2015 were used to establish the 2016 budget as the 2016 capitation rates are unavailable from the Wisconsin Department of Health Services. Total 2016 Family Care capitation revenues have increased by \$14,932,845 primarily due to an increase in the Milwaukee county enrollment at the Nursing home level of care by 319 members - - Member obligation revenue increased \$2,030,883. Member service expenses increased by \$17,631,898 of which \$3,713,000 represents cost increases attributable to the living wage ordinance.

Professional Service contract expenditures increased by \$252,476 due to the Wisconsin Physician Services (WPS) MCDFC's Third Party Administrator (TPA) costs increasing from a budgeted increase in Milwaukee County enrollment, services of a Medical Director and Acute and Primary professionals. Contractual short – term staffing increased by \$40,000 to provide temporary staffing support during unexpected staff vacancies and special projects within the department.

Miscellaneous revenue is decreased by \$350,000 as a result of the MCO ContinuUs opting not to renew their lease of the MCDFC IT system for 2016. The loss of revenue was partially offset by an increase in revenue from -, Lakeland Care District and Care Wisconsin First as they expand their operations in the Northeast part of the state. Each MCO pays a rate based on the number of enrollees it serves.

4.0 FTE is created and 6.0 FTE are abolished.

Strategic Program Area 2: Family Care Racine and Kenosha

Service Provision: Committed

Strategic Outcome: Quality of Life

The table below presents the 2015 Capitation rates used in 2016 Budget.

Capitation Rate Summary (Per Member Per Month)		
Location	Nursing Home Level of Care	Non-Nursing Home Level of Care
Racine Kenosha	\$2,971.26	\$550.36

What We Do: Activity Data			
Activity	2014 Actual	2015 Budget	2016 Budget
Average Annual Enrollment			
Racine and Kenosha	151	189	205

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How We Do It: Program Budget Summary					
Category	2014 Budget ⁶	2014 Actual	2015 Budget	2016 Budget	2016/2015 Variance
Expenditures	\$4,133,511	\$5,349,416	\$6,136,894	\$7,341,913	\$1,205,019
Revenues	\$4,239,462	\$6,226,914	\$7,824,046	\$7,851,763	\$27,717
Tax Levy	(\$105,951)	(\$877,498)	(\$1,687,152)	(\$509,850)	\$1,177,302
Impact on Reserves⁷	(\$105,951)	(\$877,498)	(\$1,687,152)	(\$509,850)	\$1,177,302
FTE Positions	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 2015 were used to establish the 2016 budget as 2016 capitation rates are unavailable from the Wisconsin Department of Health Services. Total 2016 capitation revenues have decreased by \$68,745 due to the 2015 rate decrease in the Racine and Kenosha, however, an increase in enrollment and an increase of \$96,462 in member obligation revenue has resulted in a total revenue increase of \$27,717. Total member service expenditures increased by \$1,183,563 as a result of the increase in enrollment and increased complexity in care needs of the current members being served.

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 presents the 2015 capitation rates used in the 2016 budget,

Capitation Rate Summary (Per Member Per Month)		
Location	Nursing Home Level of Care	Non-Nursing Home Level of Care
Washington/Waukesha	\$3,239.79	\$523.80
Ozaukee/Walworth/Sheboygan	\$3,042.36	\$553.19

What We Do: Activity Data			
Activity	2014 Actual	2015 Budget	2016 Budget
Average Annual Enrollment			
Region 6 (Five Counties)	42	70	89

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

⁷ Draw from / (Contribution to)

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How We Do It: Program Budget Summary					
Category	2014 Budget⁸	2014 Actual	2015 Budget	2016 Budget	2016/2015 Variance
Expenditures	\$1,438,267	\$1,685,087	\$2,012,932	\$3,288,172	\$375,240
Revenues	\$1,446,781	\$1,688,811	\$2,856,563	\$3,352,392	\$495,829
Tax Levy	(\$8,514)	(\$3,724)	(\$843,631)	(\$64,220)	\$779,411
Impact on Reserves⁹	(\$8,514)	(\$3,724)	(\$843,631)	(\$64,220)	\$779,411
FTE Positions	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 2015 were used to establish the 2016 budget as 2016 capitation rates are unavailable from the Wisconsin Department of Health Services. Family Care capitation and member obligation revenues have increased by \$208,647 and \$257,790 due to an increase in the Region 6 enrollment which is based on historical experience and current trends. Total member service expenditures increased by \$1,248,564 as a result of the increase in enrollment and the complexity of the care needs of the current population being served.

⁸ 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 final budget after the fund transfer is as follows: Average Enrollment 37 Expenditures \$1,091,173 Revenues \$1,513,064 Net Income / (Loss) \$421,891

⁹ Draw from / (Contribution to)