

**MILWAUKEE COUNTY  
DEPARTMENT OF FAMILY CARE**

**Inter-Office Communication**

Date: January 3, 2011  
To: Finance and Audit Committee  
Lee Holloway, Interim County Executive

From: Maria Ledger, Interim Executive Director.  
Subject: Agency 7990 – Department of Family Care.  
Revenue Deficit Report

As required under County Ordinance 56.02 this Inter-Office communication is to report that a revenue deficit greater than \$75,000 in 2010 will occur in the major Revenue account in the Department of Family Care is as identified below:

| Revenue Account | Fund | Description                 | Budget Amount | Actual as of 09/30/2010 | Projected Amount | Budget Surplus (deficit) |
|-----------------|------|-----------------------------|---------------|-------------------------|------------------|--------------------------|
| 3726            | 002  | Care Mgmt<br>Org Capitation | \$236,918,727 | \$208,876,466           | \$230,907,829    | (\$6,010,698)            |

There are corresponding expense decreases to offset any adverse revenue impact from the above reduction in capitation revenue. The expense decreases are reflected in the submitted budget transfer to align Milwaukee County Department of Family Care Revenue and Expenses. The reason to decrease Care Management Organization Capitation revenue is due to changes in enrollment as a result of a competing MCO operating in Milwaukee County, capitation payments received from the Department of Health Services (DHS) for changes in member acuity, and changes in net capitation revenue received for the member cost share deductions. The budget transfer has a net impact of zero.

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Maria Ledger, Interim Executive Director  
Department of Family Care.

CC: Carol Mueller  
Steve Cady  
Dept. of Administrative Services

