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(ITEM) From the Director of Family Care, requesting authorization to transfer the family care program to a non-profit corporation, with appropriate compensation to Milwaukee County, and to allow services to continue to be provided to adults with disabilities and frail elderly persons who presently receive assistance, by recommending adoption of the following:

A RESOLUTION

WHEREAS, the Milwaukee County (the County) Department of Family Care (operating as My Choice Family Care [MCFC]) administers long-term care and support services to adults with disabilities and frail elderly persons through the State of Wisconsin Family Care program (the Program); and

WHEREAS, all persons served by MCFC receive primary and acute healthcare services through Medicaid; and

WHEREAS, MCFC administers long-term care and support services to approximately 8,400 persons in the County and seven other counties in Wisconsin; and

WHEREAS, since 2000, MCFC has successfully provided the Family Care benefit to over 25,000 individuals, while maintaining high quality standards for members and being cost efficient; and

WHEREAS, MCFC has contracts with over 1,100 community agencies and directly employs over 70 County employees; and

WHEREAS, over 300 care managers and nurses are employed by MCFC in the community; and

WHEREAS, under Chapter 46, Wisconsin Statutes, as amended by 2015 Wisconsin Act 55 (Act 55), in order to remain a participating care organization under the Program after December 31, 2016, MCFC must obtain Health Maintenance Organization (HMO) licensure; and

WHEREAS, neither the County nor MCFC operating as a department of the County can obtain HMO licensure; and

WHEREAS, pursuant to Chapter 613, Wisconsin Statutes, MCFC has created a nonprofit, non-stock, corporation (“the MCFC Successor”) to obtain HMO licensure, and to provide the services, presently offered by MCFC; and

WHEREAS, MCFC will need sufficient time to establish a robust provider network of hospital systems and clinics, including primary, acute, and specialty care beyond its current network of long-term care providers; and

47 WHEREAS, in order to enable the Program to continue providing services to
48 eligible persons with physical, developmental, and intellectual disabilities or frail elderly
49 individuals, it is necessary to transfer the Program, including Program assets, to the
50 MCFC Successor; and

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52 WHEREAS, the Committee on Health and Human Needs, at its meeting of
53 January 27, 2016, recommended adoption of the director's request (vote 6-0); now,
54 therefore,

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56 BE IT RESOLVED, the Milwaukee County Board of Supervisors (County Board)
57 hereby authorizes My Choice Family Care (MCFC) to take the necessary steps to
58 develop and present to the County Board for final approval all agreements necessary
59 for transfer of the Program, including all Program assets, to the MCFC Successor,
60 including terms as provided herein; and

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62 BE IT FURTHER RESOLVED, Corporation Counsel is directed to represent the
63 interests of Milwaukee County (the County) in negotiating the transfer agreements with
64 MCFC, which will be represented by outside counsel; and

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66 BE IT FURTHER RESOLVED, the MCFC Successor will appoint a qualified
67 member to its the Board of Directors selected from among members of the County
68 Board, representing the best interests of the public, and the MCFC Successor will also
69 appoint a person to its Board of Directors who represents the interests of the enrolled
70 membership; and

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72 BE IT FURTHER RESOLVED, the articles and/or bylaws of the MCFC
73 Successor will provide that wage policies currently used by or through MCFC will
74 continue for Supportive Home Care workers employed by the MCFC Successor
75 contracted Supported Home Care Employment Services agencies; and

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77 BE IT FURTHER RESOLVED, the articles and/or bylaws of the MCFC
78 Successor will provide that, to the extent allowed by State laws or regulations, and
79 subject to the approval of the State of Wisconsin Office of the Commissioner of
80 Insurance, in the event that MCFC Successor is voluntarily dissolved, assets held by
81 the corporation upon completion of dissolution shall be returned, transferred, or
82 conveyed to the County; and

83 BE IT FURTHER RESOLVED, except as provided elsewhere herein or as
84 otherwise agreed, the transfer agreements will provide for the transfer of all assets of
85 the Department of Family Care (DFC) to the MCFC Successor, including all balances in
86 deposit and cash accounts, reserve and risk reserve accounts or balances, other funds,
87 all tangible personal property, accounts receivable, prepaid expenses, provider
88 contracts or other arrangements for the treatment of eligible beneficiaries of the
89 Program, such other contracts or arrangements for providing services to MCFC as the
90 MCFC Successor may designate, and any other assets, including intellectual property,
91 required for the continued operation of the Program; and

92 BE IT FURTHER RESOLVED, the transfer agreements will provide that to the
93 extent permitted by law and regulation, current MCFC employees shall have the option
94 to remain as County employees, and the MCFC Successor will engage them or their
95 services on a contract basis, paying the County a mutually agreed upon rate for the
96 services of those employees; and

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98 BE IT FURTHER RESOLVED, the transfer agreements will provide that the
99 County shall retain from the transfer of assets to the MCFC Successor the following:

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101 a. payment equal to the actuarially determined unfunded pension obligation
102 (legacy costs) for current and retired MCFC employees, as established by Buck
103 Consulting; and

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105 b. payment equal to the accumulated sick leave payout of current MCFC
106 employees, as established by Milwaukee County Retirement Plan Services and
107 the Comptroller; and

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109 BE IT FURTHER RESOLVED, the transfer agreements will provide that MCFC
110 will pay the ongoing County share of the healthcare premium for MCFC retirees, as
111 established by Willis of Wisconsin Inc.; and

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113 BE IT FURTHER RESOLVED, the transfer agreements will provide that MCFC
114 will provide to the County payment equal to the fair market value of any tangible
115 personal property, including proprietary computer software or programs, trademarks,
116 and any intellectual property (the "Assets") transferred to the MCFC Successor; and

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118 BE IT FURTHER RESOLVED, the transfer agreements will provide that fair
119 market value of the Assets will be established as follows: MCFC will appoint an
120 appraiser; an appraiser will be appointed by the Comptroller on behalf of the County, to
121 be paid for by MCFC out of non-County funds; if the higher appraisal is within 110
122 percent of the lower, the amount to be paid by MCFC will be the average of the two; if
123 the higher appraisal is more than 110 percent of the lower, the two appraisers will select
124 a third appraiser (to be paid for by MCFC out of non-County funds) to set a fair market
125 value between the two original appraisals; and

126 BE IT FURTHER RESOLVED, the MCFC Successor shall assume all liabilities of
127 the Program for obligations to Program beneficiaries and for performance of MCFC
128 contracts assigned to the MCFC Successor; and

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130 BE IT RESOLVED, MCFC shall bring forward a subsequent resolution to the
131 County Board seeking approval of transfer agreements consistent with the above; and

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133 BE IT FURTHER RESOLVED, County officers and employees are authorized
134 and directed to execute all agreements, bills of sale, conveyances, and other
135 instruments reasonably required or requested to accomplish or document the transfer of
136 the Program and assets as authorized by and in compliance with this or subsequent
137 resolutions.

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