

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 10/16/13

*Revised*

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** The Department of Family Care is requesting authorization to extend the existing Professional Services Contract with Wisconsin Physicians Service Insurance Corporation (WPS) to provide Third Party Administrator (TPA) Services for the Managed Care Organization (MCO) under Family Care for the period January 1, 2014, through December 31, 2014

**FISCAL EFFECT:**

- No Direct County Fiscal Impact
- Existing Staff Time Required
- Increase Operating Expenditures  
(If checked, check one of two boxes below)
  - Absorbed Within Agency's Budget
  - Not Absorbed Within Agency's Budget
- Decrease Operating Expenditures
- Increase Operating Revenues
- Decrease Operating Revenues
- Increase Capital Expenditures
- Decrease Capital Expenditures
- Increase Capital Revenues
- Decrease Capital Revenues
- Use of contingent funds

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	1,723,207	1,683,497
	Revenue		
	Net Cost	1,723,207	1,683,497
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

The resolution authorizes that the Director of the Milwaukee County Department of Family Care (MCDFC) to extend the existing Professional Services Contract with Wisconsin Physicians Service Insurance Corporation (WPS) to provide Third Party Administrator (TPA) Services for the Managed Care Organization (MCO) under Family Care for the period January 1, 2014, through December 31, 2014, and to award \$1,683,497 in vendor service fees to be paid to WPS for the year 2014 with an annual adjustment made based on yearly changes to enrollment and \$ 276,112,593 in pass through dollars for member service payments to be paid to agencies providing services to Family Care members.

The resolution is necessary to allow the Third Party Administrator (TPA) who acts on behalf of the MCO to adjudicate MCO member claims and to pay providers for authorized services.

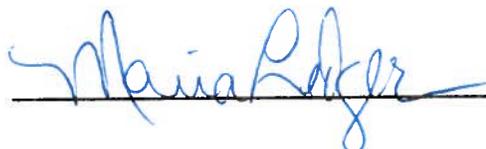
Funding is derived from payments by the State based on a primary comprehensive capitated rate and a secondary revenue source from member obligations to the program.

The adoption of this resolution will require an appropriation of funds, to be provided from the MCDFC capitation rate, thereby having no effect on the tax levy of Milwaukee County.

The resolution has no fiscal impact in 2013 other than the allocation of staff time required to prepare the accompanying report and resolution.

Department/Prepared By Jim Hodson

Authorized Signature



<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

Did DAS-Fiscal Staff Review?

Yes

No

Did CDBP Review?<sup>2</sup>

Yes

No

Not Required