


COUNTY OF MILWAUKEE

Inter-Office Communication

Date: May 23rd 2013

To: Supervisor Willie Johnson Jr, Chair, Finance and Audit Committee
Supervisor Peggy Romo West, Chair, Health and Human Needs Committee

From: Maria Ledger, Director, Department of Family Care 

Subject: Milwaukee County Department of Family Care Income Statement for the period January 1, 2012 through December 31, 2012 (**Milwaukee County**)

The attached information only report summarizes the Milwaukee County Department of Family Care Managed Care Organization (MCDFC-MCO) Milwaukee County Operations Income Statement for the period January 1 through December 31, 2012. In addition, it shows the variance of those results to the 2012 adjusted budget.

The actual amounts are preliminary and unaudited (see the recurring Note on the attached MCDFC-MCO Income Statement for further information). The budget amounts reflect the cumulative monthly budget for the twelve months of the year.

The MCO is showing an unaudited actual Net Income of \$2,617,581 for the twelve months ending December 31, 2012 for the Milwaukee County operations of the MCO. Comparing this to the adjusted budgeted Net Loss of \$3,173,826 creates a positive Net Income Variance of \$5,791,407. The unaudited favorable net variance is attributable to actual revenues above those in the adjusted budget and actual expenditures lower than the adjusted budget for the year.

Average total enrollment for MCDFC's Milwaukee County operations for the month of December was **7,970** members. This represents a net increase of **268** members for the year ending December 31, 2012.

If you have questions concerning the attached income statement, please contact Director Ledger at 287-7610.

Attachment

cc: County Executive Chris Abele
Chairwoman Marina Dimitrijevic, County Board
Amber Moreen, Chief of Staff, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board
Don Tyler, Director, DAS
Josh Fudge, Interim Fiscal and Budget Administrator, DAS
Mathew Fortman, Fiscal & Management Analyst, DAS
Steve Cady, Analyst, County Board Staff
Jennifer Collins, Analyst, County Board Staff
Jodi Mapp, Committee Clerk, County Board Staff
Alexis Gassenhuber, Committee Clerk, County Board Staff.
Jim Hodson, Chief Financial Officer, MCDFC

MCDFC-MCO Income Statement - Unaudited
For the Period Ending January 1 through December 31, 2012

Milwaukee County

<u>Revenues</u>	1/1/2012 - 12/31/2012 <u>Unaudited</u>	1/1/2012 - 12/31/2012 <u>Budget</u>
Capitation Revenues	\$246,518,259 (1)	\$243,324,284
Member Obligation Revenues	\$30,758,214	\$31,112,820
Other Revenues	\$548,780	\$590,111
Total Revenues	\$277,825,253	\$275,027,215
<u>Expenses</u>		
Member Service Expenses	\$261,325,629	\$262,287,255
Administrative Expenses:		
---Labor & Fringes	\$5,999,029	\$7,014,580
---Vendor Contracts	\$4,017,930	\$4,502,359
---Cross Charges/internal transfers	\$1,255,397	\$1,239,138
---Other expenses (supplies, mileage, etc.)	\$2,609,686	\$3,157,709
---Est. contribution to reserve	\$0	\$0
Total Expenses	\$275,207,672	\$278,201,041
Net Surplus/(Deficit)	\$2,617,581	(\$3,173,826)

December 2012 MCO Enrollment:

Nursing Home (Comprehensive):	
59 and Under	1,769
60 and Over	6,098
Non-Nursing Home (Intermediate):	
59 and Under	68
60 and Over	36
Total Members Served - 12/31/2012	7,970

Note (1): The above results reflect an increase capitation revenue of \$1,021,200 for new expansion members (i.e., waiver program) based on an increase in acuity (i.e. members requiring higher care plan needs) as measured by the long-term functional screen.

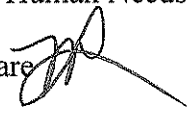
Note: The above financial summary represent actual results as of the reporting date, however, the results can change due to changes occurring in member service utilization (IBNR), outstanding receivables, internal charges or other regulatory changes. Any change from a prior period is accounted for in the year-to-date aggregate results. Prior period reporting is not restated.

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Inter-Office Communication

Date: May 23rd 2013

To: Supervisor Willie Johnson Jr, Chair, Finance and Audit Committee
Supervisor Peggy Romo West, Chair, Health and Human Needs Committee

From: Maria Ledger, Director, Department of Family Care 

Subject: Milwaukee County Department of Family Care Income Statement for the period January 1, 2013 through March 31, 2013 (**Milwaukee County**)

The attached report summarizes the Milwaukee County Department of Family Care Managed Care Organization (MCDFC-MCO) Milwaukee County Operations Income Statement of the MCO for the period January 1 through March 31, 2013. In addition, it shows the variance of those results to the 2013 adjusted budget.

The actual amounts are preliminary (see the recurring Note on the attached MCDFC-MCO Income Statement for further information). The budget amounts reflect the cumulative monthly budget for the three months of the year.

The MCO is showing an unaudited actual Net Income of \$441,182 for the three months ending March 31, 2013 for the Milwaukee County operations of the MCO. Comparing this to the adjusted budgeted Net Loss of (\$24,097) creates a positive Net Income Variance of \$465,279. The unaudited favorable net variance is attributable to actual expenditures operating well below the adjusted budget creating a favorable variance that offsets the unfavorable total revenue variance.

Average total enrollment for MCDFC's Milwaukee County operations for the month of March was **7,903** members. This represents a net decrease of **67** members for the first quarter of 2013.

If you have questions concerning the attached income statement, please contact Director Ledger at 287-7610.

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cc: County Executive Chris Abele
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Alexis Gassenhuber, Committee Clerk, County Board Staff
Jim Hodson, Chief Financial Officer, MCDFC

MCDFC-CMO Income Statement
For the period of January 1 thru March 31, 2013

Milwaukee County

<u>Revenues</u>	1/1/2013 - 3/31/13 Preliminary Actual	1/1/2013 - 3/31/13 Budget
Capitation Revenues	\$62,562,346	\$61,874,023
Member Obligation Revenues	\$7,692,376	\$8,144,658
Other Revenues	\$302,873	\$568,355
Total Revenues	\$70,557,595	\$70,587,036
<u>Expenses</u>		
Member Service Expenses	\$67,102,131	\$66,882,177
Administrative Expenses:		
---Labor & Fringes	\$1,165,270	\$1,735,768
---Vendor Contracts	\$1,086,367	\$1,224,934
---Cross Charges/internal transfers	\$325,751	\$321,822
---Other expenses (supplies, mileage, etc.)	\$436,894	\$446,431
---Est. contribution to reserve	\$0	\$0
Total Expenses	\$70,116,412	\$70,611,133
Net Surplus/(Deficit)	\$441,182	(\$24,097)

March 2013 Enrollment

Nursing Home (Comprehensive):	
59 and Under	1,836
60 and Over	6,015
Non-Nursing Home (Intermediate):	
59 and Under	40
60 and Over	12
Total Members Served	7,903

Note: The above financial summary represent actual results as of the reporting date, however, the results can change due to changes occurring in member service utilization (IBNR), outstanding receivables, internal charges or other regulatory changes. Any change from a prior period is accounted for in the year-to-date aggregate results. Prior period reporting is not restated.