


**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: September 4, 2012

TO: Supervisor Peggy Romo-West, Chair, Committee on Health and Human Needs

FROM: Maria Ledger, Director, Department of Family Care 

SUBJECT: Informational report on Milwaukee County Department of Family Care
2013 Budget Request

I respectfully request that the attached informational report be scheduled for consideration by the Committee on Health and Human Needs at its meeting on September 19, 2012.

The Milwaukee County Department of Family Care Budget Request for 2013 highlights the challenges and opportunities we expect to face in the coming year.

The Department of Family Care is a Managed Care Organization serving over 7,960 older adults and people age 18-59 with physical and developmental disabilities. Milwaukee County has offered the Family Care benefit since 2000 and has served over 18,700 members since then.

The Department operates the Managed Care Organization (MCO) under a contract with the State Department of Health Services and a permit by the State Office of the Commissioner of Insurance and utilizes no County tax levy.

Revenues and expenditures are expected to increase from \$240,663,916 in 2012 to 294,522,931 in 2013, which represents a 22% increase. We have a robust provider network with over 800 community providers of such services as residential services, home delivered meals, supportive home care, day care, etc....

The Department's major programmatic changes are:

- Enrollment Cap lifted by Wisconsin Department of Health Services. As the Board is aware, Governor Walker's 2011-2013 budget capped enrollment into Family Care from July 1, 2011 until March 2012. With the caps lifted, we are seeing more enrollments into the program.
- Continued competition with other Managed Care Organizations in Milwaukee County as well as the State's Self-Directed Supports Waiver - IRIS
- Developing integrated service model to meet future vision of Family Care
- Provide the Family Care benefit to Racine and Kenosha counties

As we have informed the Board in previous cycles, the Department of Family Care's capitated rate in 2012 decreased, resulting in the department modifying its expenditures for member services. The Department of Family Care has not received notification on its 2013 capitation rate so as always, the current capitation rate is used for budgeting capitation revenues for budget year 2013. The Department is currently projecting that we will access approximately \$1.2 million dollars from Department reserves. However, a small increase in MCDFC's capitation rate for 2013 would likely eliminate the need to access the reserves.

All positions that have been abolished are vacant and the newly created positions will greatly assist in providing excellent services and supports to the program. The Department is creating the following positions:

Medicare Specialist
Therapy Specialist
Business Research Manager
Nutrition Coordinator

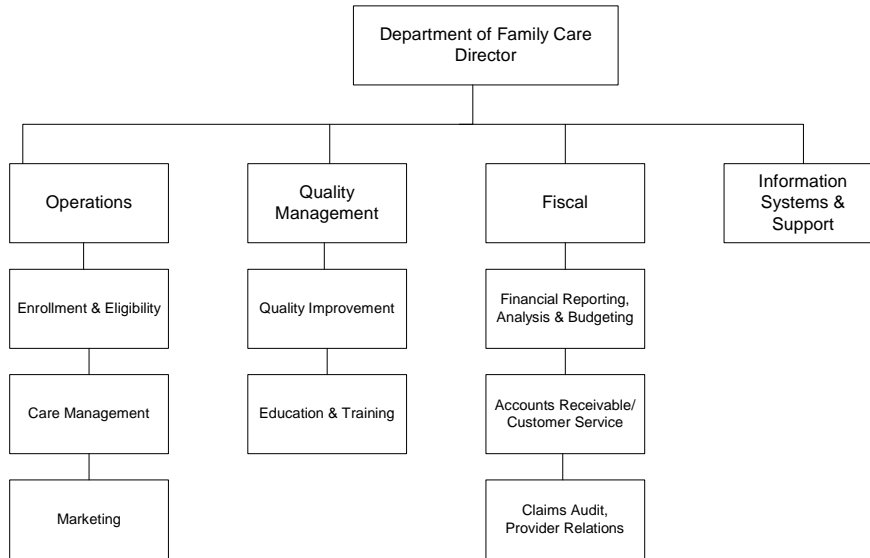
Each of these will allow the Department to improve services to members and to assist our Interdisciplinary Teams in making cost effective decisions with members as well as maximizing other payer sources for services in the Family Care benefit package.

The Department is leasing its IT system to two other Managed Care Organizations in Wisconsin with a third to start in January 2013. Revenues from these leases offset the Department's administrative expenses.

Attachment

Cc: County Executive Chris Abele
Chairwoman Marina Dimitrijevic, County Board
Amber Moreen, Chief of Staff, Office of the County Executive
Supervisor Willie Johnson, Jr., County Board
Kelly Bablitch, Chief of Staff, County Board
Patrick Farley, Director, DAS
Craig Kammholz, Fiscal & Budget Administrator, DAS
Toni Bailey-Thomas, Fiscal & Management Analyst, DAS
Steve Cady, Analyst, County Board Staff
Jennifer Collins, Analyst, County Board Staff
Jodi Mapp, Committee Clerk, County Board Staff
Jim Hodson, Chief Financial Officer, MCDFC

DEPARTMENT OF FAMILY CARE (7990)



MISSION

Milwaukee County's Department of Family Care (MCDFC) respects the dignity and personal autonomy of each member by honoring choice and promoting the member's continued participation in the life of their community, by providing a continuum of quality cost-effective long-term care to its members, and by supporting their families and caregivers. As a comprehensive and flexible long-term care service delivery system, Family Care strives to foster an individual's independence and quality of life while recognizing the need for interdependence and support.

Budget Summary

	2013	2012/2013 Change
Expenditures	294,522,931	61,150,488
Revenue	294,522,931	61,150,488
Levy	0	0
FTE's	64.6	0.1

Major Programmatic Changes

- Enrollment Cap lifted by Wisconsin Department of Health Services
- Continue to compete with other Managed Care Organizations in Milwaukee County as well as the State's Self-Directed Supports Waiver - IRIS
- Develop integrated service model to meet future vision of Family Care
- Provide the Family Care benefit to Racine and Kenosha counties

OBJECTIVES

Provide high quality, cost-effective long-term care services to eligible adults and individuals with physical and developmental disabilities age 18 to 59.
 Streamline administrative infrastructure and provider service delivery model to meet the challenges of a reduced capitation rate and a competitive market while maintaining solvency.
 Continue to improve the Self-Directed Supports option that is available within the Family Care benefit.

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Enhance Care Management Unit education and training curriculum.
Heighten public awareness of the Milwaukee County Department of Family Care.
Continue to enhance coordination of acute and primary care services and work towards provision of a model that integrates acute and long-term care.

GOALS:

ACCESS

QUALITY

CHOICE

COST - EFFECTIVENESS

The goal of the Department is to insure that enrolled Family Care members have access to and choices regarding supports and services that meet their established outcomes and adequately address their health and safety needs in a cost effective manner that helps insure the sustainability of the program.

DEPARTMENTAL PROGRAM DESCRIPTION

The Department administers the Family Care benefit for both the aging (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 and or Kenosha. MCDFC is responsible for creating a comprehensive plan of care for each client; contracting with a wide range of service providers; and monitoring the quality of services that clients receive. MCDFC has and continues to deliver member-centered, community-based, outcome-focused, managed long-term care services and member-centered care planning for all Family Care members. The department has successfully served more than 18,627 members during the past twelve years by embracing a set of core values and a philosophy that is the foundation of the Family Care program.

MCDFC currently meets all statutory requirements for a Family Care Governing Board (the Board), s.46.284 (6), including having a board that reflects the ethnic and economic diversity of the geographic area served. The membership of the Board is required to include representation by at least five people or their family members, guardians, or other advocates who are representative of the membership. The remaining Board membership must consist of people residing in Milwaukee County with recognized ability and demonstrated interest in long-term care and managed care and up to three members of the Milwaukee County Board of Supervisors or other elected officials. The 16 member Governing Board is responsible for providing MCDFC with guidance and oversight in carrying out its mission under the Family Care program to include policy recommendations and other actions meeting improvements in operations, fiscal accountability and reporting, and quality assurance.

MCDFC consists of the following four divisions:

The **Operations Division** includes Enrollment & Eligibility, Care Management, Marketing and the Placement Team. Enrollment & Eligibility is responsible for monitoring eligibility for Family Care clients, ensuring MCDFC receives its capitation payments, ensuring that clients receive the best care management services by assigning them to an Interdisciplinary Team (IDT) upon enrollment. IDTs are the care management units responsible for identifying member outcomes, developing a comprehensive care plan, authorizing services from the provider network, coordinating the member's health care and monitoring the member's plan of care. Marketing oversees advertising, community outreach, meetings, and conferences for the Department and takes the lead on member contact and retention. The Placement Team works actively to relocate members from institutional to community settings.

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The **Quality Management Division** of MCDFC includes the Best Practice Team (BPT), Training and Education, Member Rights, and Grievance and Appeals. This division is responsible for ensuring the best possible care is provided to members by engaging in a process of continuous quality improvement activities such as improvement initiatives, on the ground support to the care management teams, training and education for staff new to the Family Care model, and quality evaluations. The BPT is a unit of social workers, nurses and therapy specialists that provides ongoing support to the interdisciplinary care management teams and conducts regular quality audits of member records. If quality issues are identified, the Best Practice Team and the Training and Education Unit collaborate to ensure that teams have immediate access to the information they need to improve. Additionally, the Training and Education Unit develops and implements a comprehensive multidimensional training program for all of the interdisciplinary care management teams that includes demonstration of competency in the Family Care - Care Management model. Finally this division conducts and coordinates a variety of quality evaluations. The results of these evaluations and audits assess the relative success of current quality improvement initiatives and identify opportunities for further improving the quality of the Family Care program.

The **Fiscal Division** is responsible for fiscal oversight while assisting with the integration of financial services with operations to support the strategic plan and insure cost effectiveness and that financial solvency is maintained. The major functions of this division are budget preparation, financial accounting and reporting, accounts receivable, customer service to members, data and trend analysis, developing provider networks and contracting, provider education and training on billing, monitoring departmental expenditures and revenues, reviewing audits and insuring that the program remains in compliance with the Health and Community Supports Contract.

The **Information Systems & Support Division** manages the department's web-based information system, Member Information Documentation and Authorization System (MIDAS) specific to operating the Family Care Program. This system houses each member's information such as, assessments, case notes, team care plan, eligibility information, level of care information, service authorizations, medication information, advance directives, placement information, support contacts, diagnosis information, wellness information, immunization information, member obligation payment history, state capitation payments received, provider rates and demographics, and cost history.

2013 BUDGET

Approach and Priorities

- Maintain a solvent, high quality, outcome-based program
- Budget to maintain the Family Care benefit in Milwaukee, Racine and Kenosha Counties
- Continue to work towards improving service delivery systems to meet the challenges of a declining reimbursement environment
- Continue to work towards development of MIDAS system to meet the resource needs of MCDFC and other MCO operations who lease the system
- Continue to enhance coordination of acute and primary care services and work towards provision of a model that integrates acute and long-term care.

Programmatic Impacts

- Continue to maintain the program to serve individuals with disabilities age 18-59 years old and older adults.
- Projected increase in current total enrollment population of 4.0% (approximately 314 members)
- State budgetary constraints will likely continue to place a strain on funding for Family Care.

Summary

The 2012 Adopted budget and does not include the budget transfers for the Milwaukee County and Racine/Kenosha County operations that were submitted for the June 2012 cycle. The transfers of \$44,593,138 and \$5,962,577 were submitted for County Board Finance and Audit committee approval and seeks to amend the 2012 Adopted budget. The 2013 budget highlights summarized below compares the 2013 budget request to the

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2012 Adopted budget. Because the 2012 Adopted budget does not include the budget transfers the amount of the 2013 request will be distorted for several revenue and expenditure categories. A summary by revenues and expenditures is as follows:

Revenues

The Department of Family Care's capitated rate in 2012 decreased, resulting in the department modifying its expenditures for member services. The Department of Family Care has not received notification on its 2013 capitation rate so the 2012 capitation rate is used for budgeting capitation revenues for budget year 2013. Revenues for member obligation reflect a modest growth of 2%. The increase in enrollment in Milwaukee due to the lifting of the enrollment cap and expansion into Racine and Kenosha counties has a direct impact on capitation and member obligation revenues. Miscellaneous revenues reflect the lease of the Department's MIDAS application to three MCO's. The increase in revenues is as follows:

Capitation	\$50,906,775
Member Obligation	\$ 8,515,966
Miscellaneous	\$ 497,384
Contribution from reserves	\$ 1,218,680

Expenses

Due to the capitation rate budgeted at 2012's rate, all member service expenditures have no budgeted rate increases for providers. Thus, member service expense increases reflect changes in enrollment for Milwaukee, Racine and Kenosha counties. The competitive market and changing health care environment has caused the Department of Family Care to evaluate its staff resource needs. Staff changes are noted below. All abolished positions are vacant positions. Increases in professional services – data reflect the hiring of additional IT resources to provide ongoing technical support and development for the Department of Family Care and three other MCO' who lease MIDAS. The increase in expenses is as follows:

Member Service Expense	\$52,398,434
Care Management Expense	\$7,670,953
Bad Debt Expense	(\$683,960)
Advertising Expenses	\$130,000
Professional Services – Data	\$472,663
Professional Services – Admin (Best practice, WPS and A&O)	\$902,800
Building & Space rental	\$83,000
R/M Office Equip	\$10,000
Other Repair and Maintenance	\$11,000
Education/Seminars	\$14,000
Conference Expenses	\$12,000
Office Supplies	\$7,500
Minor Office Equipment	\$6,000

Staffing (\$52,210)

The Department of Family Care re-evaluated its human capital needs and the financial impact is a decrease of \$(52,210) with salaries and fringe benefits a net FTE decrease of .7 FTE.

The following vacant positions have been abolished:

- 1.0 FTE Program Admin Coordinator – CMO (\$97,786)
- 1.0 FTE Secretarial Assistant (\$52,180)
- 1.0 FTE Accountant 2 (\$62,604)

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- 1.0 FTE Marketing Coordinator (\$106,488)
- 0.7 FTE Program Coordinator (ASD) (\$58,864)
- 1.0 FTE Nursing Program Co - ord (\$92,244)
- 1.0 FTE Contract Manager CMO (\$122,246)

Newly created positions are as follows:

- 1.0 FTE Business Research Development Manager (\$105,006)
- 1.0 FTE Medicare Administrative Coordinator (Family Care)(\$90,576)
- 1.0 FTE Nutrition Program Coordinator (Family Care)(\$85,948)
- 1.0 FTE Rehabilitation Services Supervisor(\$90,576)
- 1.0 FTE Accountant IV (\$75,780)
- 1.0 FTE Nursing Adm. Co ord – Family Care (\$92,244)

Not listed in the newly created positions was the creation of an Assistant Director position as a current year action.

BUDGET SUMMARY				
Account Summary	2011 Actual	2012 Budget	2013 Budget	2012/2013 Change
Personal Services (w/o EFB)	\$ 3,718,147	\$ 3,947,137	\$ 4,011,262	\$ 64,125
Employee Fringe Benefits (EFB) Services	3,104,829	3,067,443	3,202,502	135,059
Commodities	4,528,586	4,293,393	5,959,145	1,665,752
Other Charges	117,997	128,157	143,387	15,230
Debt & Depreciation	260,875,179	220,660,175	279,866,179	59,206,004
Capital Outlay	0	0	0	0
Capital Contra	86,939	37,000	37,800	800
County Service Charges	0	0	0	0
Abatements	1,270,573	1,239,138	1,302,656	63,518
Total Expenditures	\$ 273,643,570	\$ 233,372,443	\$ 294,522,931	\$ 61,150,488
Direct Revenue	283,292,014	233,372,443	294,522,931	61,150,488
State & Federal Revenue	27,999	0	0	0
Indirect Revenue	0	0	0	0
Total Revenue	\$ 283,320,013	\$ 233,372,443	\$ 294,522,931	\$ 61,150,488
Direct Total Tax Levy	(9,676,443)	0	0	0

PERSONNEL SUMMARY				
	2011 Actual	2012 Budget	2013 Budget	2012/2013 Change
Position Equivalent (Funded)*	79.1	64.4	64.6	0.2
% of Gross Wages Funded	100.0	100.0	100.0	0.0
Overtime (Dollars)	\$ 12,490	\$ 32,712	\$ 32,556	\$ (156)
Overtime (Equivalent to Position)	0.0	0.6	0.6	(0.0)

* For 2011 actuals, the Position Equivalent is the budgeted amount.

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PERSONNEL CHANGES						
Job Title/Classification	Title Code	Action	# of Positions	Total FTE	Division	Cost of Positions (Salary Only)
Fiscal Asst 2	04041	Abolish	(2)	(2.00)	DFC	\$ 0*
Fiscal Analyst - CMO	04756	Abolish	(1)	(1.00)	DFC	0*
Contract Serv. Coord (CMO)	55733	Abolish	(1)	(1.00)	DFC	0*
Contract Serv. Coord (CMO)Supv.	56705	Abolish	(1)	(1.00)	DFC	0*
Human Service Wkr Aging	56160	Abolish	(3)	(3.00)	DFC	0*
Program Coord - CMO	58027	Abolish	(1)	(1.00)	DFC	0*
Quality Assurance Specialist	58035	Abolish	(1)	(1.00)	DFC	0*
RC- Child Probation Officer	57300	Abolish	(1)	(1.00)	DFC	0*
Quality Impvt. Coord (CMO)	58011	Abolish	(1)	(1.00)	DFC	0*
Exdir 2-Asst Dir Dept Aging	80091	Abolish	(1)	(1.00)	DFC	0*
Info and Outreach Coor Ag	56711	Abolish	(1)	(1.00)	DFC	0*
Secretarial Assistant	00066	Abolish	(1)	(1.00)	DFC	\$ (30,118)
Accountant 2	04756	Abolish	(1)	(1.00)	DFC	(38,584)
Program Coord - ASD	56561	Abolish	(1)	(1.00)	DFC	(39,220)
Contract Manager CMO	12268	Abolish	(1)	(1.00)	DFC	(87,012)
Marketing Co ordinator	41420	Abolish	(1)	(1.00)	DFC	(74,220)
Program Admin. Co ord (CMO)	4509	Abolish	(1)	(1.00)	DFC	(67,144)
Nursing Program Co ord	45110	Abolish	(1)	(1.00)	DFC	(62,648)
Accountant 4 - NR	4350	Create	1	1.00	DFC	49,286
Rehabilitation Services Supv.	53355	Create	1	1.00	DFC	55,310
Medicare Adm Coord FC	Z0013	Create	1	1.00	DFC	61,300
Nursing Program Co ord FC	Z0016	Create	1	1.00	DFC	57,534
Busines Systems Proj. Mgr.	02740	Create	1	1.00	DFC	73,000
Nursing Adm. Coord FC	45111	Create	1	1.00	DFC	62,648
					TOTAL	\$ (39,868)

*These positions were abolished in 2012, for no fiscal effect.

All Abolished positions are vacant.

All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."