


COUNTY OF MILWAUKEE

Inter-Office Communication

Date: November 23rd 2012

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

From: Maria Ledger, Director, Department of Family Care 

Subject: Information Only report on the Milwaukee County Department of Family Care
Income Statement for the period January 1 through September 30, 2012

The attached report summarizes the Milwaukee County Department of Family Care (MCDFC) Income Statement of the Managed Care Organization (MCO) for the period January 1, 2012 through September 30, 2012. In addition, it shows the variance of those results to the 2012 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 first nine months of the year.

The MCO is showing a preliminary actual Net Loss of (\$392,322) for the first nine months of 2012. Comparing this to the adjusted budgeted Net Loss of (\$2,370,874) creates a positive Net Income Variance of \$1,978,552.

MCO enrollment as of September 30, 2012 was 7,943 members, a net increase of 227 members from the June 30, 2012 enrollment of 7,716 members

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
Raisa Koltun, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board
Patrick Farley, Director, DAS
Craig Kammholz, Fiscal and 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

MCDFC-MCO Income Statement
For the period of January 1 thru September 30, 2012

Consolidated

<u>Revenues</u>	1/1/2012 - 9/30/2012 Preliminary Actual	1/1/2012 - 9/30/2012 Budget
Capitation Revenues	\$182,976,633 (1)	\$185,820,990
Member Obligation Revenues	\$22,928,075	\$23,639,831
Other Revenues	\$286,873	\$440,818
Total Revenues	<u>\$206,191,582</u>	<u>\$209,901,639</u>
<u>Expenses</u>		
Member Service Expenses	\$197,028,909	\$200,022,376
Administrative Expenses:		
---Labor & Fringes	\$4,502,651	\$5,239,948
---Vendor Contracts	\$3,027,756	\$3,628,055
---Cross Charges/internal transfers	\$937,521	\$925,646
---Other expenses (supplies, mileage, etc.)	\$1,087,067	\$2,456,487
--- Est. contribution to reserve	\$0	\$0
Total Expenses	<u>\$206,583,904</u>	<u>\$212,272,512</u>
 Net Surplus/(Deficit)	 <u><u>(\$392,322)</u></u>	 <u><u>(\$2,370,874)</u></u>

September 2012 MCO Enrollment

Nursing Home (Comprehensive):	
59 and Under	1,753
60 and Over	6,082
Non-Nursing Home (Intermediate):	
59 and Under	71
60 and Over	37
Total Members Served - 9/30/12	7,943

Note (1): The above results does not reflect an accrual to increase capitation revenue 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. There may be a potential increase in revenues to reflect increased member acuity and associated costs, MCDFC estimates this potential to be as high as approximately \$795,430. An accrual will not be made until MCDFC receives confirmation from the Wisconsin Department of Health Services on MCDFC's estimates.

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.