


**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: January 6, 2012

TO: Chairman Lee Holloway, Milwaukee County Board of Supervisors
Supervisor Johnny Thomas, Chair, Committee on Finance and Audit
Supervisor Peggy Romo West, Chair, Committee on Health and Human Needs

FROM: Maria Ledger, Director, Department of Family Care 

SUBJECT: Request authorization to execute a contract with the State of Wisconsin Department of Health Services (DHS) to operate a managed care organization (MCO) to provide the Family Care benefit in the geographic area that includes Kenosha and Racine Counties for the period commencing upon certification by DHS through December 31, 2012, and to accept the funding thereunder.

I respectfully request that the attached resolution be scheduled for consideration by the Committee on Health and Human Needs at its meeting on January 26, 2012, and the Committee on Finance and Audit at its meeting on January 27, 2012.

The state authorized the long-term care program known as Family Care via enactment of 1999 Wisconsin Act 9. Milwaukee County was one of five pilot counties authorized to provide the Family Care benefit to eligible residents and Milwaukee County has provided the Family Care benefit to residents of Milwaukee County since July 2000 and currently through the Milwaukee County Department of Family Care.

The State of Wisconsin Department of Health Services (DHS) and the legislature authorized the expansion of Family Care to additional geographic areas, including all adults with a developmental disability, physical disability or frailties of aging over the age of 18 who reside in Racine and Kenosha County. The Family Care benefit has been available to eligible and enrolled adult residents in this geographic area since 2007.

The process for awarding contracts to continue to provide the Family Care benefit is set forth at s. 46.284 (2) of the Wisconsin Statutes as follows:

“The department may contract with counties, long-term care districts, the governing body of a tribe or band or the Great Lakes Inter-Tribal Council, Inc., or under a joint application of any of these, or with a private organization that has no significant connection to an entity that operates a resource center. Proposals for contracts under this subdivision shall be solicited under a competitive sealed proposal process under s. 16.75 (2m) and the department shall evaluate the proposals primarily as to the quality of care that is proposed to be provided, certify those applicants that meet the requirements specified in sub. (3) (a), select certified applicants for contract and contract with the selected applicants.”

In June 2011 the State of Wisconsin issued a Request for Proposals (RFP #1720-DLTC-JB) to provide the Family Care benefit in Kenosha and Racine Counties consistent with the above-referenced statute. RFP #1720-DLTC-JB provided in part that "DHS will offer an initial contract for the duration of the calendar year in which the contract begins, with the option for annual one-year renewals, not to exceed five years in total, if the MCO continues to meet performance requirements."

DFC submitted a timely response to RFP #1720DLTC-JB. Following review of the response to the RFP submitted by DFC, DHS on September 2, 2011 issued a Letter of Intent to pursue contract negotiations with DFC for Long-Term Managed Care in Racine and Kenosha in 2012 as described in the above-referenced RFP with the option for one-year contract renewals for calendar years 2013, 2014, 2015 and 2016. An adequate capitation rate to meet the service needs of enrolled members will be based upon the DHS actuarially sound rate-setting methodology applied to the projected enrolled members in this geographic area.

The Director, Department of Family Care, requests authority to execute a contract with the Department of Health Services enabling the Milwaukee County Department of Family Care to serve as a managed care organization (MCO) in a geographic area that includes Racine County and Kenosha for the period upon certification by DHS through December 31, 2012 and to accept the funding provided thereunder.

Contract performance by Milwaukee County Department of Family Care will be contingent upon continued funding from the State of Wisconsin, Department of Health Services for administration and delivery of the family care benefit by the Department of Family Care.

The Director of the Milwaukee County Department of Family Care will request further County Board authorization for participation by the Department of Family Care as a Managed Care Organization (MCO) for any additional renewal for any date of service after December 31, 2012.

If you have questions concerning the proposed professional services contract between MCDFC and the State of Wisconsin Department of Health Services, please contact Maria Ledger at 287-7610.

Attachment

Cc: County Executive Chris Abele
Amber Moreen, Chief of Staff, Office of the County Executive
Terry Cooley, Chief of Staff, County Board
Patrick Farley, Director, DAS
Pam Bryant, Interim Fiscal and Budget Administrator
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

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4 (ITEM NO. __) From the Department of Family Care (DFC), requesting authorization to
5 execute a contract with the State of Wisconsin Department of Health Services (DHS) to
6 operate a managed care organization (MCO) to provide the family care benefit in a
7 geographic area that includes Kenosha County and Racine County for the period
8 commencing in 2012 immediately upon certification by DHS and continuing through
9 December 31, 2012, and to accept the funding thereunder, by recommending the
10 adoption of the following:

11
12 **A RESOLUTION**

13
14 WHEREAS, the state authorized the long-term care program known as Family
15 Care via enactment of 1999 Wisconsin Act 9; and

16
17 WHEREAS, Milwaukee County was one of five pilot counties authorized to
18 provide the family care benefit to eligible residents and Milwaukee County has provided
19 the family care benefit to residents of Milwaukee County since July 2000 and currently
20 through the Milwaukee County Department of Family Care; and

21
22 WHEREAS, the State of Wisconsin Department of Health Services (DHS) and
23 the legislature authorized the expansion of family care to additional geographic areas,
24 including all adults with a developmental disability, physical disability or frailties of aging
25 over the age of 18 who reside in Racine and Kenosha County, and the family care
26 benefit has been available to eligible and enrolled adult residents in this geographic
27 area County since 2007; and

28
29 WHEREAS, the process for awarding contracts to continue to provide the family
30 care benefit is set forth at s. 46.284 (2) of the Wisconsin Statutes as follows: "The
31 department may contract with counties, long-term care districts, the governing body of a tribe or band or
32 the Great Lakes inter-tribal council, inc., or under a joint application of any of these, or with a private
33 organization that has no significant connection to an entity that operates a resource center. Proposals for
34 contracts under this subdivision shall be solicited under a competitive sealed proposal process under s.
35 16.75 (2m) and the department shall evaluate the proposals primarily as to the quality of care that is
36 proposed to be provided, certify those applicants that meet the requirements specified in sub. (3) (a),
37 select certified applicants for contract and contract with the selected applicants."; and

38
39 WHEREAS, in June 2011 the State of Wisconsin issued a Request for Proposals
40 (RFP #1720-DLTC-JB) to provide the family care benefit in Kenosha and Racine
41 Counties consistent with the above-referenced statute; and

42
43 WHEREAS, RFP #1720-DLTC-JB provided in part that "DHS will offer an initial
44 contract for the duration of the calendar year in which the contract begins, with the option for annual one-
45 year renewals, not to exceed five years in total, if the MCO continues to meet performance requirements."

46
47 WHEREAS, DFC submitted a timely response to RFP #1720DLTC-JB; and

48 WHEREAS, following review of the response to the RFP submitted by DFC, DHS on
49 September 2, 2011 issued a Letter of Intent to pursue contract negotiations with DFC for Long-
50 Term Managed Care in Racine and Kenosha in 2012 as described in the above-referenced RFP
51 with the option for one year contract renewals for calendar years 2013, 2014, 2015 and 2016,
52 and
53

54 WHEREAS, an adequate capitation rate to meet the service needs of enrolled members
55 will be based upon the DHS actuarially sound rate-setting methodology applied to the projected
56 enrolled members in this geographic area, therefore,
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58 BE IT RESOLVED, The Director, Department of Family Care is hereby
59 authorized to execute a contract with the Department of Health Services enabling the
60 Milwaukee County Department of Family Care to serve as a managed care organization
61 (MCO) in a geographic area that includes Racine County and Kenosha for the period
62 upon certification by DHS through December 31, 2012 and to accept the funding
63 provided thereunder, and
64

65 BE IT FURTHER RESOLVED, that contract performance by Milwaukee County
66 Department of Family Care shall be contingent upon continued funding from the State of
67 Wisconsin Department of Health Services for administration and delivery of the family
68 care benefit by the Department of Family Care, and
69

70 BE IT FURTHER RESOLVED, further County Board authorization is required for
71 participation by the Department of Family Care as a Managed Care Organization (MCO)
72 for any additional renewal for any date of service after December 31, 2012,
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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 1/6/12

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: The Department of Family Care is requesting authorization to execute a contract with the State of Wisconsin Department of Health Services (DHS) to operate a managed care organization (MCO) to provide the Family Care benefit in the geographic area that includes Kenosha and Racine Counties for the period commencing upon certification by DHS through December 31, 2012, and to accept the funding thereunder.

FISCAL EFFECT:

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

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.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	1,480,876	0
	Revenue	1,480,876	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

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. ¹ 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.

Milwaukee County has a stable and successful history of providing the Family Care benefit with revenues meeting or exceeding the expenses necessary to provide services to all enrolled members. Expansion to a new service area is permitted by state law and provides an opportunity for greater continued growth and even greater stability for this highly successful program. An adequate capitation rate to meet the service needs of enrolled members will be based upon the DHS actuarially sound rate-setting methodology applied to the projected enrolled members in this geographic area.

Through the state's competitive procurement process and Notice of Intent to contract with this Department received from the State of Wisconsin Department of Health Services, Milwaukee County has been awarded a non-exclusive right to contract for up to five (5) years in this geographic area. The Milwaukee County Department of Family Care will evaluate performance during the term of this agreement and seek further authority from the Board to continue operation in this geographic area for any period after December 31, 2012.

Department/Prepared By Jim Hodson/Jim Hennen

Authorized Signature



Did DAS-Fiscal Staff Review? Yes No

¹ 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.