


**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: July 6th, 2011

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

FROM:  Maria Ledger, Interim Executive Director, Department of Family Care

SUBJECT: Informational report on Milwaukee County Department of Family Care 2012 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 July 20, 2010.

The Milwaukee County Department of Family Care Budget Request for 2012 highlights the challenges and opportunities we expect to face in the coming year.

As you know, Governor Walker's 2011-2013 budget caps enrollment into Family Care. These enrollment caps will have far reaching effects on the program and the members we hope to serve. However, the Milwaukee County Department of Family Care remains determined to provide a solvent, high quality, outcome-based program.

While we continue to work within the constraints imposed by the enrollment caps, we are also actively pursuing the development of a service delivery model that integrates acute/primary care with long-term care.

Due to the enrollment caps and the other options available for long term care services in Milwaukee County, we have projected an over all enrollment decrease of 13%.

Expenditures are also expected to decrease (\$22,901,057) from \$263,564,973 in 2011 to \$240,663,916 in 2012.

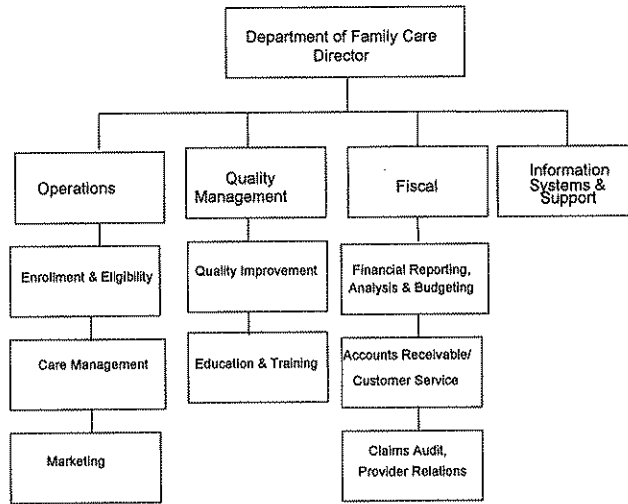
We anticipate that our provider network will shrink as businesses adjust their operations to account for a lack of growth in their population served.

As always, we have not budgeted for an increase in our capitation rate. A transfer of \$1,002,200 is made from reserves to cover the revenue shortfall.

Attachment

cc: County Executive Chris Abele
Chairman Lee Holloway, County Board
George Aldrich, Chief of Staff, Office of the County Executive
Terry Cooley, Chief of Staff, County Board
Patrick Farley, Director, 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 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		
	2012	2011/2012 Change
Expenditures	240,663,916	(22,901,057)
Revenue	240,663,916	(22,901,057)
Levy	0	0
FTE's	66.4	(12.7)
Major Programmatic Changes		
<ul style="list-style-type: none"> • Enrollment Cap imposed by Wisconsin Department of Health Services • Continue to compete with other Managed Care Organizations in Milwaukee County as well as the Self-Directed Supports Program - IRIS • Develop integrated service model to meet future vision of Family Care 		

2012 BUDGET REQUEST

DEPT: Department of Family Care

UNIT NO. 7990

FUND: Fund 2

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 the freeze on enrollment while maintaining solvency.
- Continue to improve the Self-Directed Supports option that is available within the Family Care benefit.
- Enhance Care Management Unit education and training curriculum.
- Heighten public awareness of the Milwaukee County Department of Family Care.
- By 12/31/12 have a developed integrated model.

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. DFC 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. DFC 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 17,301 members during the past eleven years by embracing a set of core values and a philosophy that is the foundation of the Family Care program.

DFC 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 DFC 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.

DFC consists of the following four divisions:

The **Operations Division** includes Enrollment & Eligibility, Care Management and Marketing. This division is responsible for monitoring eligibility for Family Care clients to MCDFC receives its capitation payments, and ensuring that clients receive the best care management services by assigning them to an Interdisciplinary Team (IDT) upon enrollment. These teams are 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. In addition the Operations Division oversees all Community Outreach and provides information on Family Care benefits and the Department of Family Care. The Marketing Coordinator also coordinates advertising, meetings, and conferences for the Department and oversees member contact and retention.

The **Quality Management Division** of DFC includes the Best Practice Team, 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 Best Practice Team, a unit of social workers and nurses, provides ongoing support to the interdisciplinary care management teams. This team also 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

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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, 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.

2012 BUDGET

Approach and Priorities

- Maintain a solvent, high quality, outcome-based program;
- Budget to maintain the Family Care benefit in Milwaukee County despite the cap on enrollment;
- Develop integrated model by 12/31/12
- Continue to work towards improving service delivery systems to meet the challenges of the freeze on enrollment.

Programmatic Impacts

- Continue to maintain the program to serve individuals with disabilities ages 18-59 years old and older adults.
- Projected decrease in the June 2011 enrollment of over age 60 population of 25.95% (approximately 1,650 members) due to the enrollment cap on Family Care and the many long-term care options available in the Milwaukee County Service Area.
- State budgetary constraints will likely decrease funding for Family Care.

Budget Highlights

Cap on Family Care Enrollment

The Governor's biennial budget proposes an enrollment cap on Family Care to be implemented effective July 1, 2011 through June 30, 2013. The actual implementation of the cap has not yet been formalized, therefore, the actual effects at this time are unknown. However, MCDFC has conservatively budgeted for a decrease in its enrollment for the 2012 budget. In addition, MCDFC anticipates the cap on enrollment to also have an adverse impact to MCDFC's provider network potentially causing provider businesses to close their doors for lack of business. The department has already experienced three care management agencies who have terminated their

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FUND: Fund 2

contracts for services with MCDFC and others have been forced to lay off staff. Presently, MCDFC has more than 900 service providers in its network providing creating jobs of 7,424 within the Milwaukee County community to provide community-based services to MCDFC's members.

As a result of this freeze on enrollment, expenditures have decreased \$(22,901,057) from \$263,564,973 in 2011 to \$240,663,916 in 2012.

Decreased Enrollments Resulting in Fewer Staff

\$929,184

Due to the cap on enrollment the following vacant positions have been abolished from the MCDFC's 2012 budget resulting in a savings of salary and active fringe benefits of \$929,184.

- 2.0 FTE Fiscal Assistant 2
- 1.0 FTE Fin. Analyst - CMO
- 1.0 FTE Contract Serv. Co ord (CMO)
- 3.0 FTE Human Service Worker Aging
- 1.0 FTE RC-Child Probation Officer
- 1.0 FTE Contract Serv. Co ord Supv.
- 1.0 FTE Info And Outreach Coor Aging
- 1.0 FTE Quality Imprvt. Coord CMO
- 1.0 FTE Program Coord - CMO
- 1.0 FTE Quality Assurance Specialist

The position RC-Child Probation Officer, title code 57300 was a red circle position and abolished when the incumbent retired.

Capitated Rate

The Department of Family Care Capitated rate in 2012 is budgeted at the 2011 Nursing home level of care rate and non nursing home level of care. Preliminary rate data had not been provided to the Department of Family Care at the time of the budget.

Advertising Expenses

Due to continued competition for members and providers, the advertising expenditures are at \$225,000 in 2012. The department will work to maintain the number of enrollees by effective advertising and marketing which includes, printing and distributing brochures, regular newsletters, information sharing, and sponsoring events for the aging and disabled population.

Transfer From Reserves

Due to the assumed decrease in enrollment resulting from a competing managed care organization, the other long-term care option called IRIS and the enrollment cap a transfer of \$1,002,200 is made from reserves to cover the revenue shortfall. In addition, no increase in the capitation rate is assumed for 2012.

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FUND: Fund 2

BUDGET SUMMARY				
Account Summary	2010 Actual	2011 Budget	2012 Budget	2011/2012 Change
Personal Services (w/o EFB)	\$ 4,026,762	\$ 4,853,615	\$ 4,199,120	\$ (654,495)
Employee Fringe Benefits (EFB)	3,158,354	3,475,741	3,245,155	(230,586)
Services	4,533,125	5,235,867	4,552,893	(682,974)
Commodities	233,177	108,466	128,157	19,691
Other Charges	246,869,376	248,505,859	227,219,437	(21,286,422)
Debt & Depreciation	0	0	0	0
Capital Outlay	112,325	37,000	37,000	0
Capital Contra	0	0	0	0
County Service Charges	2,315,316	1,401,614	1,341,999	(59,615)
Abatements	(84,368)	(53,189)	(59,845)	(6,656)
Total Expenditures	\$ 261,164,067	\$ 263,564,973	\$ 240,663,916	\$ (22,901,057)
Direct Revenue	264,019,823	263,564,973	240,663,916	(22,901,057)
State & Federal Revenue	50,000	0	0	0
Indirect Revenue	0	0	0	0
Total Revenue	\$ 264,069,823	\$ 263,564,973	\$ 240,663,916	\$ (22,901,057)
Direct Total Tax Levy	(2,905,756)	0	0	0

PERSONNEL SUMMARY				
	2010 Actual	2011 Budget	2012 Budget	2011/2012 Change
Position Equivalent (Funded)*	90.1	79.1	66.4	(12.7)
% of Gross Wages Funded	100.0	100.0	100.0	0.0
Overtime (Dollars)	\$ 25,199	\$ 46,056	\$ 32,712	\$ (13,344)
Overtime (Equivalent to Position)	0.4	0.9	0.5	(0.4)

* For 2010 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)
Health Care Plan Specialist II	04950	Abolish	(1)	(1.00)	CMO	0*
Human Service Worker Aging	56160	Abolish	(1)	(1.00)	CMO	0*
Service Provider Training Spec.	12662	Abolish	(1)	(1.00)	CMO	0*
Performance Evaluator III	12661	Abolish	(1)	(1.00)	CMO	0*
Unit Supervisor - LTS	56690	Abolish	(1)	(1.00)	CMO	0*
Health Care Plan Supv.	04905	Abolish	(1)	(3.00)	CMO	0*
RN 2 Dept on Aging	44890	Abolish	(3)	(1.00)	CMO	0*
RN 2 Adult Servs Div.	44720	Abolish	(0.25)	(0.25)	CMO	0*
Human Service Worker	56300	Abolish	(7.50)	(7.50)	CMO	0*
Fiscal Asst 2	04041	Abolish	(2)	(2.00)	CMO	\$ (60,832)
Fiscal Analyst - CMO	04756	Abolish	(1)	(1.00)	CMO	(65,028)
Contract Serv. Coord (CMO)	55733	Abolish	(1)	(1.00)	CMO	(54,494)
Contract Serv. Coord (CMO)Supv.	56705	Abolish	(1)	(1.00)	CMO	(55,466)
Human Service Wkr Aging	56160	Abolish	(3)	(3.00)	CMO	(120,660)
Program Co ord - CMO	58027	Abolish	(1)	(1.00)	CMO	(55,466)
Quality Assurance Specialist	58035	Abolish	(1)	(1.00)	CMO	(34,220)
RC- Child Probation Officer	57300	Abolish	(1)	(1.00)	CMO	(56,962)
Quality Impvt. Coord (CMO)	58011	Abolish	(1)	(1.00)	CMO	(56,572)
Info and Outreach Coor Ag	56711	Abolish	(1)	(1.00)	CMO	(47,766)
					TOTAL	\$ (607,466)

*These positions were abolished in 2011, 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."