

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: July 2nd, 2014

To: Supervisor Willie Johnson Jr, Chair, Finance, Personnel and Audit Committee
Supervisor David Cullen, Co-Chair, Finance, Personnel 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, 2014 through May 31, 2014 (**Consolidated**)

The attached report summarizes the Milwaukee County Department of Family Care (MCDFC) Consolidated Income Statement of the MCO for the period January 1 through May 31, 2014. In addition, it shows the variance of those results to the 2014 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 five months of the year.

The MCO is showing an unaudited actual Net Loss of (\$1,024,253) for the five months ending May 31, 2014 for all operations of the MCO. Comparing this to the adjusted budgeted Net Loss of (\$2,770,178) creates a positive Net Loss Variance of \$1,745,925. The unaudited favorable net variance is attributable to position vacancies currently being filled, lower utilization of member services and better than expected performance from outlying county operations resulting in actual expenditures operating below the adjusted budget.

Average total enrollment for all of the MCO's operations for the first five months is **8,208** members and **8,230** members for the month of May. The five month average enrollment represents an average net increase of **160** members from the 4th quarter of 2013.

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

Attachment

cc: Chris Abele, County Executive
Raisa Koltun, Chief of Staff, Office of the County Executive
Supervisor Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle Jensen, Senior Committee Coordinator, Milwaukee County Clerk's Office
Jodi Mapp, Committee Clerk, Milwaukee County Clerk's Office
Don Tyler, Director, DAS
Mathew Fortmann, Fiscal & Management Analyst, DAS
Molly Pahl, Budget and Management Coordinator, Office of the Comptroller
Steve Cady, Research and Policy Director, Office of the Comptroller
Jim Hodson, Chief Financial Officer, MCDFC

MCDFC-MCO Income Statement
For the period of January 1 thru May 31, 2014

Consolidated

<u>Revenues</u>	<u>1/1/2014 - 5/31/14 Actual</u>	<u>1/1/2014 - 5/31/14 Budget</u>
Capitation Revenues	\$104,019,948	\$104,059,422
Member Obligation Revenues	\$13,654,883	\$13,654,007
Other Revenues	\$470,863	\$569,132
Total Revenues	\$118,145,694	\$118,282,561
<u>Expenses</u>		
Member Service Expenses	\$112,985,767	\$113,996,623
Administrative Expenses:		
---Labor & Fringes	\$2,931,129	\$3,167,716
---Vendor Contracts	\$1,844,821	\$2,189,140
---Cross Charges/internal transfers	\$573,703	\$570,334
---Other expenses (supplies, mileage, etc.)	\$834,527	\$1,128,926
---Est. contribution to reserve	\$0	\$0
Total Expenses	\$119,169,946	\$121,052,739
Net Income/(Loss)	<u>(\$1,024,253)</u>	<u>(\$2,770,178)</u>

<u>May 2014 Enrollment</u>	
Nursing Home (Comprehensive):	
59 and Under	2,077
60 and Over	5,990
Non-Nursing Home (Intermediate):	
59 and Under	103
60 and Over	60
Total Members Served	8,230

Note: The financial report above represents 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.

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: July 2nd, 2014

To: Supervisor Willie Johnson Jr, Co-Chair, Finance, Personnel Audit Committee
Supervisor David Cullen, Co-Chair, Finance, Personnel 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, 2014 through May 31, 2014 (**Milwaukee County**)

The attached report summarizes the Milwaukee County Department of Family Care (MCDFC) Milwaukee County Operations Income Statement of the MCO for the period January 1 through May 31, 2014. In addition, it shows the variance of those results to the 2014 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 five months of the year.

The MCO is showing an unaudited actual Net Loss of (\$1,573,166) for the five months ending May 31, 2014 for the Milwaukee County operations of the MCO. Comparing this to the adjusted budgeted Net Loss of (\$3,344,852) creates a positive Net Loss Variance of \$1,771,686. The unaudited favorable net variance is attributable to position vacancies currently being filled and lower utilization of member services resulting in actual expenditures operating below the adjusted budget.

Average total enrollment for MCDFC's Milwaukee County operations for the first five months is **8,057** members and **8,061** members for the month of May. The five month average enrollment represents an average net decrease of **35** members from the 4th quarter of 2013. Member enrollment continues to decline in the Milwaukee County region as members enrolled in June are currently at **8,023**.

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

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**MCDFC-MCO Income Statement
For the period of January 1 thru May 31, 2014**

Milwaukee County

<u>Revenues</u>	1/1/2014 - 5/31/14 Actual	1/1/2014 - 5/31/14 Budget
Capitation Revenues	\$101,676,159	\$101,699,359
Member Obligation Revenues	\$13,409,226	\$13,397,405
Other Revenues	\$470,863	\$569,132
Total Revenues	\$115,556,248	\$115,665,896
<u>Expenses</u>		
Member Service Expenses	\$110,967,341	\$111,993,983
Administrative Expenses:		
---Labor & Fringes	\$2,931,129	\$3,167,716
---Vendor Contracts	\$1,832,816	\$2,170,994
---Cross Charges/internal transfers	\$573,703	\$570,334
---Other expenses (supplies, mileage, etc.)	\$824,425	\$1,107,721
---Est. contribution to reserve	\$0	\$0
Total Expenses	\$117,129,414	\$119,010,748
Net Income/(Loss)	(\$1,573,166)	(\$3,344,852)

May 2014 Enrollment

Nursing Home (Comprehensive):	
59 and Under	1,998
60 and Over	5,902
Non-Nursing Home (Intermediate):	
59 and Under	103
60 and Over	59
Total Members Served	8,061

Note: The financial report above represents 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.

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: July 2nd, 2014

To: Supervisor Willie Johnson Jr, Co-Chair, Finance Personnel and Audit Committee
Supervisor David Cullen, Co-Chair, Finance, Personnel 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, 2014 through May 31, 2014 (**Racine/Kenosha Counties**)

The attached report summarizes the Milwaukee County Department of Family Care Managed Care Organization (MCDFC-MCO) Racine and Kenosha County Operations Income Statement of the MCO for the period January 1 through May 31, 2014. In addition, it shows the variance of those results to the 2014 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 first five months of the year.

The MCO is showing an unaudited actual Net Income of \$437,566 for the five months ending May 31, 2014 for the Racine and Kenosha county operations of the MCO. Comparing this to the adjusted budgeted of \$464,845 creates a negative Net Income Variance of (\$27,279).

Average total enrollment for MCDFC's Racine and Kenosha county operations for the first five months is **128** members and **136** members for the month of May. The five month average enrollment represents an average net increase of **23** members from the 4th quarter of 2013.

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

Attachment

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MCDFC-MCO Income Statement
For the period of January 1 thru May 31, 2014

Racine and Kenosha Counties

<u>Revenues</u>	1/1/2014 - 5/31/14 Actual	1/1/2014 - 5/31/14 Budget
Capitation Revenues	\$1,971,814	\$1,985,214
Member Obligation Revenues	\$227,814	\$238,285
Other Revenues	\$0	\$0
Total Revenues	\$2,199,628	\$2,223,499
<u>Expenses</u>		
Member Service Expenses	\$1,742,713	\$1,723,299
Administrative Expenses:		
---Labor & Fringes	\$0	\$0
---Vendor Contracts	\$10,144	\$15,541
---Cross Charges/internal transfers	\$0	\$0
---Other expenses (supplies, mileage, etc.)	\$9,205	\$19,814
---Est. contribution to reserve		
Total Expenses	\$1,762,063	\$1,758,654
Net Income/(Loss)	\$437,566	\$464,845

<u>May 2014 Enrollment</u>	
Nursing Home (Comprehensive):	
59 and Under	68
60 and Over	67
Non-Nursing Home (Intermediate):	
59 and Under	0
60 and Over	1
Total Members Served	136

Note: The financial report above represents 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.

COUNTY OF MILWAUKEE
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Date: July 2nd, 2014

To: Supervisor Willie Johnson Jr, Co-Chair, Finance Personnel and Audit Committee
Supervisor David Cullen, Co-Chair, Finance, Personnel 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, 2014 through May 31, 2014 (**Walworth, Waukesha, Washington, Ozaukee and Sheboygan Counties**)

The attached report summarizes the Milwaukee County Department of Family Care Managed Care Organization (MCDFC-MCO) Walworth, Waukesha, Washington, Ozaukee and Sheboygan County Operations Income Statement of the MCO for the period January 1 through May 31, 2014. In addition, it shows the variance of those results to the 2014 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 first five months of the year.

The MCO is showing an unaudited actual Net Income of \$111,348 for the five months ending May 31, 2014 for the county operations of the MCO. Comparing this to the adjusted budgeted of \$109,829 creates a positive Net Income Variance of \$1,519.

Average total enrollment for MCDFC's Walworth, Waukesha, Washington, Ozaukee and Sheboygan county operations' for the first five months is **23** members and **33** members for the month of May. The five month average enrollment represents an average net increase of **12** members from the 4th quarter of 2013.

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

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Jim Hodson, Chief Financial Officer, MCDFC

MCDFC-MCO Income Statement
For the period of January 1 thru May 31, 2014

Region 6 (Waukesha, Washington, Walworth, Ozaukee and Sheboygan
Counties)

<u>Revenues</u>	<u>1/1/2014 - 5/31/14 Actual</u>	<u>1/1/2014 - 5/31/14 Budget</u>
Capitation Revenues	\$371,974	\$374,849
Member Obligation Revenues	\$17,843	\$18,317
Other Revenues	\$0	\$0
Total Revenues	\$389,818	\$393,166
<u>Expenses</u>		
Member Service Expenses	\$275,712	\$279,341
Administrative Expenses:		
---Labor & Fringes	\$0	\$0
---Vendor Contracts	\$1,860	\$2,605
---Cross Charges/internal transfers	\$0	\$0
---Other expenses (supplies, mileage, etc.)	\$897	\$1,391
---Est. contribution to reserve		
Total Expenses	\$278,470	\$283,337
Net Income/(Loss)	\$111,348	\$109,829

<u>May 2014 Enrollment</u>	
Nursing Home (Comprehensive):	
59 and Under	11
60 and Over	22
Non-Nursing Home (Intermediate):	
59 and Under	0
60 and Over	1
Total Members Served	33

Note: The financial report above represents 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.