

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 3/25/13

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** The Department of Family Care is requesting authorization to settle the lawsuit filed by Independent Journey's, Inc., Case No. 10-CV-019296.

**FISCAL EFFECT:**

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|---|--|
| <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 checked="" type="checkbox"/> Increase Operating Expenditures<br>(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 checked="" 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.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	\$34,000	
	Revenue		
	Net Cost	(\$34,000)	
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## 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.<sup>1</sup> 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.

Corporation counsel has been representing the Milwaukee County Department of Family Care (MCDFC) in a lawsuit filed by the plaintiff Independent Journey's, Inc., a supportive home care provider who provided services to a MCDFC member who enrolled into the Family Care program. Prior to the member's enrollment into Family Care the provider Independent Journeys had received a Medicaid rate of \$616.47 per day. Upon the member's enrollment into Family Care MCDFC was able to identify a less expensive alternative at a rate of \$170.66 per day. Independent Journeys, Inc. is seeking restitution for services provided at the higher rate in the amount of \$80,065.80. A key witness for MCDFC has since retired and is not responding to numerous efforts made by corporation counsel to cooperate on behalf of MCDFC. Corporation Counsel has been successful in reaching a tentative agreement to settle the matter and is recommending settlement in light of the inability to gain cooperation from the key witness.

Settlement of the requested action would require MCDFC to pay the sum of \$34,000 from its current year operating budget which is substantially lower than the plaintiff seeks of \$80,065.80. Based on initial operating results for 2013 MCDFC is operating with a small surplus and has the funding available within its 2013 operating budget. In addition, MCDFC receives no incremental tax levy to fund the Family Care program so the requested authorization to pay the sum of \$34,000 would not impact the Milwaukee County General Fund and current year operating budget. In the event, MCDFC's 2013 operating results do not meet budget, MCDFC would still have the funding available through the department's working capital reserve a requirement by the Wisconsin Department of Health Services and Office of Commissioner of Insurance

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<sup>1</sup> 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.

