

Action Required  
 Finance Committee

WHEREAS, department requests for transfers within their own accounts have been received by the Department of Administrative Services, Fiscal Affairs, and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administrative Services, is hereby authorized to make the following transfers in the 2010 appropriations of the respective listed departments:

	<u>From</u>	<u>To</u>
1) <u>7995 Care Management Units</u>		
3726 - A6CC Care Mgmt Org Capitation		\$6,010,698
8126 - A6PC CMO Services (Personal Care)	\$2,068,286	
8126 - A6MM CMO Services (Meals)	1,679,568	
8497 - A6A2 Bad Debt Expense	1,225,355	
8126 - A6DM CMO Services (Durable Medical Equipment)	930,177	
8126 - A6MI CMO Services (Misc. In home Support)	107,312	

The Interim Director of the Department of Family Care requests a fund transfer of \$6,010,698 to realign revenues and expenditures within the department.

On December 17, 2009, the County Board Adopted resolution File No. 09-449, authorizing the County Executive to execute a contract with the Wisconsin Department of Health Services to enable the Milwaukee County Department on Aging to serve as Care Management Organization (CMO), under Family Care for the period January 1 through December 31, 2010 and to accept the funding provided thereafter. This authorization extends to the newly created Department of Family Care.

The Care Management Organization capitation rate is a blended rate consisting of a two-year inflationary trend, administration allowance, and 2008 expenses for three target groups: Developmentally Disabled (DD), Physically Disabled (PD), and the Frail Elderly (FE). The capitation rate is applied per member per month. As enrollment decreases, capitation revenues also decrease, resulting revenue reductions.

This transfer is to realign the capitation revenue for changes that have occurred as a result of decreased enrollments due to multiple Managed Care Organizations (MCO) in the same servicing county, a reduction in member acuity payments from the Department of Health Services (DHS), and changes in net capitation revenue received for member cost share deductions. To reflect this change, the CMO-Nursing home level of care revenue will be reduced \$6,010,698.

To offset this revenue reduction, service provider expenditures have been reduced by \$6,010,698 and consist of the following expenses: \$1,225,355 in Bad Debt expense, \$930,177 in Durable Medical Equipment, \$107,132 in Miscellaneous in Home Support, \$1,679,568 in Meals, and \$2,068,286 in Personal Care.

This transfer would allow the department to realign revenues and expenditures accordingly. Approval of this transfer results in no tax levy impact.

TRANSFER SUBMITTED TO THE COUNTY EXECUTIVE 01/18/11.