


COUNTY OF MILWAUKEE

Inter-Office Communication

Date: June 4, 2012

To: Supervisor Willie Johnson Jr, Chair, Finance 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, 2012 through March 31, 2012

The attached report summarizes the Milwaukee County Department of Family Care (MCDFC) Income Statement of the MCO for the period ending January 1, 2012 through March 31, 2012. In addition, it shows the variance of those results to the 2012 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 three months of the year.

The MCO is showing a preliminary actual Net Loss of (\$344,020) for the three months ending March 31, 2012. Comparing this to the adjusted budgeted Net Loss of (\$21,405) creates a negative Net Loss Variance of (\$322,615). The preliminary results for first quarter 2012 show actual revenues and expenditures exceeding those in the adjusted budget and the variance in expenditures is larger than the variance in revenues for the period.

Average MCO member enrollment for the month of March 31, 2012 was 7,678 members, a net decrease of 41 members from the 2011 average fourth quarter enrollment of 7,719 members.

If you have questions concerning the attached income statement, please contact Maria Ledger, MCO Director, at 287-7610.

Attachment: 2012 First Quarter Income Statement

cc:

County Executive Chris Abele
Chairwoman Marina Dimitrijevic, County Board
Amber Moreen, Chief of Staff, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board
Patrick Farley, Director, DAS
Craig Kammholz, Fiscal and Budget Administrator, DAS
Toni Thomas-Bailey, 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

MCDFC-MCO Income Statement
For the period of January 1 thru March 31, 2012

<u>Revenues</u>	1/1/2012 - 3/31/2012 Preliminary Actual	1/1/2012 - 3/31/2012 Budget
Capitation Revenues	\$60,218,814 (1)	\$55,635,783
Member Obligation Revenues	\$7,601,948	\$6,762,105
Other Revenues	\$73,873	\$77,665
Total Revenues	\$67,894,636	\$62,475,553
<u>Expenses</u>		
Member Service Expenses	\$65,154,208	\$58,560,449
Administrative Expenses:		
---Labor & Fringes	\$1,452,859	\$1,877,856
---Vendor Contracts	\$1,009,528	\$1,056,457
---Cross Charges/internal transfers	\$348,963	\$331,727
---Other expenses (supplies, mileage, etc.)	\$273,097	\$622,436
--- Est. contribution to reserve		\$48,033
Total Expenses	\$68,238,656	\$62,496,957
Net Surplus/(Deficit)	(\$344,020)	(\$21,405)

March 2012 MCO Enrollment:

Nursing Home (Comprehensive):	
59 and Under	1,546
60 and Over	6,056
Non-Nursing Home (Intermediate):	
59 and Under	29
60 and Over	47
Total Members Served - 3/31/2012	7,678

Note (1): The Wisconsin Department of Health Services has made a policy decision to not provide additional funding for acuity during the 1st quarter of 2012 as the enrollment cap was not lifted until the second enrollment quarter. An adjustment for acuity will be available beginning in the second quarter of 2012 and will be based on all members not just new expansion members. In this situation it is possible the adjustment could reflect a revenue decrease if the acuity of the Department of Family Care's member population improves.

Note: The above financial summary represent 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.