


COUNTY OF MILWAUKEE

Inter-Office Communication

Date: May 23rd 2013

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 December 31, 2012 **(Consolidated)**

The attached information only report summarizes the Milwaukee County Department of Family Care Managed Care Organization (MCDFC-MCO) Consolidated Income Statement of the MCO for the period January 1 through December 31, 2012. In addition, it shows the variance of those results to the 2012 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 twelve months of the year.

The MCO is showing an unaudited actual Net Income of \$2,661,819 for the twelve months ending December 31, 2012 for all operations of the MCO. Comparing this to the adjusted budgeted Net Loss of \$3,173,826 creates a positive Net Income Variance of \$5,835,645. The unaudited favorable net variance is attributable to actual revenues above those in the adjusted budget and actual expenditures lower than the adjusted budget for the year.

Average total enrollment for all of the MCO's operations for the month of December was **8,014** members. This represents a net increase of **312** members for the year ending December 31, 2012.

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

Attachment

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
Don Tyler, Director, DAS
Josh Fudge, Interim Fiscal and Budget Administrator, DAS
Mathew Fortman, Fiscal & Management Analyst, DAS
Steve Cady, Analyst, County Board Staff
Jennifer Collins, Analyst, County Board Staff
Jodi Mapp, Committee Clerk, County Board Staff
Alexis Gassenhuber, Committee Clerk, County Board Staff
Jim Hodson, Chief Financial Officer, MCDFC

MCDFC-MCO Income Statement - Unaudited
For the Period Ending January 1 through December 31, 2012

Consolidated

| | 1/1/2012 - 12/31/2012 Unaudited | | 1/1/2012 - 12/31/2012 Budget |
|---|---------------------------------------|-----|------------------------------------|
| <u>Revenues</u> | | | |
| Capitation Revenues | \$247,094,246 | (1) | \$243,991,058 |
| Member Obligation Revenues | \$30,812,206 | | \$31,158,878 |
| Other Revenues | \$548,780 | | \$590,111 |
| Total Revenues | \$278,455,232 | | \$275,740,045 |
| <u>Expenses</u> | | | |
| Member Service Expenses | \$261,813,569 | | \$262,854,666 |
| Administrative Expenses: | | | |
| ---Labor & Fringes | \$6,020,188 | | \$7,014,580 |
| ---Vendor Contracts | \$4,094,573 | | \$4,631,782 |
| ---Cross Charges/internal transfers | \$1,255,397 | | \$1,239,138 |
| ---Other expenses (supplies, mileage, etc.) | \$2,609,686 | | \$3,173,705 |
| ---Est. contribution to reserve | \$0 | | \$0 |
| Total Expenses | \$275,793,413 | | \$278,913,871 |
| Net Surplus/(Deficit) | \$2,661,819 | | (\$3,173,826) |

December 2012 MCO Enrollment:

| | |
|--|--------------|
| Nursing Home (Comprehensive): | |
| 59 and Under | 1,791 |
| 60 and Over | 6,119 |
| Non-Nursing Home (Intermediate): | |
| 59 and Under | 68 |
| 60 and Over | 35 |
| Total Members Served - 12/31/2012 | 8,014 |

Note (1): The above results reflect increase capitation revenue of \$954,018 for new expansion members (i.e., waiver program) based on an increase in acuity (i.e. members requiring higher care plan needs) as measured by the long-term functional screen.


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.

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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, 2013 through March 31, 2013 **(Consolidated)**

The attached report summarizes the Milwaukee County Department of Family Care Managed Care Organization (MCDFC-MCO) Consolidated Income Statement of the MCO for the period January 1 through March 31, 2013. In addition, it shows the variance of those results to the 2013 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 three months of the year.

The MCO is showing an unaudited actual Net Income of \$494,592 for the three months ending March 31, 2013 for all operations of the MCO. Comparing this to the adjusted budgeted Net Loss of (\$24,097) creates a positive Net Income Variance of \$518,689. The unaudited favorable net variance is attributable to actual expenditures operating well below the adjusted budget creating a favorable variance that offsets the unfavorable total revenue variance.

Average total enrollment for all of the MCO's operations for the month of March was **7,955** members. This represents a net decrease of **59** members for the first quarter ending March 31, 2013.

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

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cc: County Executive Chris Abele
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Jim Hodson, Chief Financial Officer, MCDFC

MCDFC-MCO Income Statement
For the period of January 1 thru March 31, 2013

Consolidated

| | 1/1/2013 - 3/31/13 Preliminary Actual | 1/1/2013 - 3/31/13 Budget |
|---|---|------------------------------|
| <u>Revenues</u> | | |
| Capitation Revenues | \$63,000,305 | \$63,906,405 |
| Member Obligation Revenues | \$7,725,536 | \$8,345,121 |
| Other Revenues | \$302,873 | \$568,355 |
| Total Revenues | \$71,028,713 | \$72,819,881 |
| <u>Expenses</u> | | |
| Member Service Expenses | \$67,487,407 | \$68,983,770 |
| Administrative Expenses: | | |
| ---Labor & Fringes | \$1,165,270 | \$1,735,768 |
| ---Vendor Contracts | \$1,118,800 | \$1,322,334 |
| ---Cross Charges/Internal transfers | \$325,751 | \$321,822 |
| ---Other expenses (supplies, mileage, etc.) | \$436,894 | \$480,284 |
| ---Est. contribution to reserve | \$0 | \$0 |
| Total Expenses | \$70,534,121 | \$72,843,978 |
| Net Surplus/(Deficit) | \$494,592 | (\$24,097) |

March 2013 Enrollment

| | |
|---|--------------|
| Nursing Home (Comprehensive): | |
| 59 and Under | 1,836 |
| 60 and Over | 6,015 |
| Non-Nursing Home (Intermediate): | |
| 59 and Under | 68 |
| 60 and Over | 36 |
| Total Members Served | 7,955 |

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.