

(ITEM) From the Director of Family Care, requesting authorization to transfer the family care program to a non-profit corporation, with appropriate compensation to Milwaukee County, and to allow services to continue to be provided to adults with disabilities and frail elderly persons who presently receive assistance, by recommending adoption of the following:

AN AMENDED RESOLUTION

WHEREAS, the Milwaukee County (the County) Department of Family Care (operating as My Choice Family Care [MCFC]) administers long-term care and support services to adults with disabilities and frail elderly persons through the State of Wisconsin Family Care program (the Program); and

WHEREAS, all persons served by MCFC receive primary and acute healthcare services through Medicaid; and

WHEREAS, MCFC administers long-term care and support services to approximately 8,400 persons in the County and seven other counties in Wisconsin; and

WHEREAS, since 2000, MCFC has successfully provided the Family Care benefit to over 25,000 individuals, while maintaining high-quality standards for members and being cost efficient; and

WHEREAS, MCFC has contracts with over 1,100 community agencies and directly employs over 70 County employees; and

WHEREAS, over 300 care managers and nurses are employed by MCFC in the community; and

WHEREAS, under Chapter 46, Wisconsin State Statutes (State Statutes), as amended by 2015 Wisconsin Act 55 (Act 55), in order to remain a participating care organization under the Program after December 31, 2016, MCFC must obtain Health Maintenance Organization (HMO) licensure; and

WHEREAS, the Federal Agency, Centers for Medicare and Medicaid Services, must also approve a waiver requested by the State of Wisconsin, which would permit statewide privatization of the Family Care program; and

WHEREAS, neither the County nor MCFC operating as a department of the County can obtain HMO licensure; and

WHEREAS, pursuant to Chapter 613, State Statutes, MCFC has created a nonprofit, non-stock, corporation ("the MCFC Successor") to obtain HMO licensure, and to provide the services presently offered by MCFC; and

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48 WHEREAS, MCFC will need sufficient time to establish a robust provider network
49 of hospital systems and clinics, including primary, acute, and specialty care beyond its
50 current network of long-term care providers; and

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52 WHEREAS, in order to enable the Program to continue providing services to
53 eligible persons with physical, developmental, and intellectual disabilities or frail elderly
54 individuals, it is necessary to transfer the Program, including Program assets, to the
55 MCFC Successor; and

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57 WHEREAS, the Committee on Health and Human Needs, at its meeting of
58 January 27, 2016, recommended adoption of the Director's request (vote 6-0); now,
59 therefore,

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61 BE IT RESOLVED, the Milwaukee County Board of Supervisors (County Board)
62 hereby authorizes My Choice Family Care (MCFC) to take the necessary steps to
63 develop and present to the County Board for final approval all agreements necessary
64 for transfer of the Program, including all Program assets, to the MCFC Successor,
65 including terms as provided herein; and

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67 BE IT FURTHER RESOLVED, that Milwaukee County (the County) opposes the
68 Federal waiver to privatize Family Care statewide but, if granted, supports efforts to
69 allow MCFC to obtain Health Maintenance Organization licensure; and

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71 BE IT FURTHER RESOLVED, Corporation Counsel is directed to represent the
72 interests of the County in negotiating the transfer agreements with MCFC, which will be
73 represented by outside counsel; and

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75 BE IT FURTHER RESOLVED, the MCFC Successor will appoint a qualified
76 member to its the Board of Directors selected from among members of the County
77 Board, representing the best interests of the public, and the MCFC Successor will also
78 appoint a person to its Board of Directors who represents the interests of the enrolled
79 membership; and

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81 BE IT FURTHER RESOLVED, the articles and/or bylaws of the MCFC
82 Successor will provide that wage policies currently used by or through MCFC will
83 continue for Supportive Home Care workers employed by the MCFC Successor
84 contracted Supported Home Care Employment Services agencies; and

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86 BE IT FURTHER RESOLVED, the articles and/or bylaws of the MCFC
87 Successor will provide that, to the extent allowed by State laws or regulations, and
88 subject to the approval of the State of Wisconsin Office of the Commissioner of
89 Insurance, in the event that MCFC Successor is voluntarily dissolved, assets held by
90 the corporation upon completion of dissolution shall be returned, transferred, or
91 conveyed to the County; and

BE IT FURTHER RESOLVED, except as provided elsewhere herein or as otherwise agreed, the transfer agreements will provide for the transfer of all assets of the Department of Family Care (DFC) to the MCFC Successor, including all balances in deposit and cash accounts, reserve and risk reserve accounts or balances, other funds, all tangible personal property, accounts receivable, prepaid expenses, provider contracts or other arrangements for the treatment of eligible beneficiaries of the Program, such other contracts or arrangements for providing services to MCFC as the MCFC Successor may designate, and any other assets, including intellectual property, required for the continued operation of the Program; and

BE IT FURTHER RESOLVED, the transfer agreements will provide that to the extent permitted by law and regulation, current MCFC employees shall have the option to remain as County employees, and the MCFC Successor will engage them or their services on a contract basis, paying the County a mutually agreed upon rate for the services of those employees; and

BE IT FURTHER RESOLVED, the transfer agreements will provide that the County shall retain from the transfer of assets to the MCFC Successor the following:

a. payment equal to the actuarially determined unfunded pension obligation (legacy costs) for current and retired MCFC employees, as established by Buck Consulting

b. payment equal to the accumulated sick leave payout of current MCFC employees, as established by Retirement Plan Services and the Comptroller

; and

BE IT FURTHER RESOLVED, the transfer agreements will provide that MCFC will pay the ongoing County share of the healthcare premium for MCFC retirees, as established by Willis of Wisconsin Inc.; and

BE IT FURTHER RESOLVED, the transfer agreements will provide that MCFC will provide to the County payment equal to the fair market value of any tangible personal property, including proprietary computer software or programs, trademarks, and any intellectual property (the "Assets") transferred to the MCFC Successor; and

BE IT FURTHER RESOLVED, the transfer agreements will provide that fair market value of the Assets will be established as follows: MCFC will appoint an appraiser; an appraiser will be appointed by the Comptroller on behalf of the County, to be paid for by MCFC out of non-County funds; if the higher appraisal is within 110 percent of the lower, the amount to be paid by MCFC will be the average of the two; if the higher appraisal is more than 110 percent of the lower, the two appraisers will select a third appraiser (to be paid for by MCFC out of non-County funds) to set a fair market value between the two original appraisals; and

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138 BE IT FURTHER RESOLVED, the MCFC Successor shall assume all liabilities of
139 the Program for obligations to Program beneficiaries and for performance of MCFC
140 contracts assigned to the MCFC Successor; and

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142 BE IT RESOLVED, MCFC shall bring forward a subsequent resolution to the
143 County Board seeking approval of transfer agreements consistent with the above; and

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145 BE IT FURTHER RESOLVED, County officers and employees are authorized
146 and directed to execute all agreements, bills of sale, conveyances, and other
147 instruments reasonably required or requested to accomplish or document the transfer of
148 the Program and assets as authorized by and in compliance with this or subsequent
149 resolutions.

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