

COUNTY EXECUTIVE'S 2008 BUDGET**DEPT:** DEPARTMENT ON AGING – CARE MANAGEMENT ORGANIZATION**UNIT NO.** 7990**FUND:** Fund 0002**OPERATING AUTHORITY & PURPOSE**

The Care Management Organization (CMO) Division was created in response to the Family Care initiative. In accordance with authorization initially granted by the County Board in 1997 (Resolution File No. 96-630) and 1998 (Resolution File No. 98-893), under Family Care, the Department's Care

Management Organization coordinates all long term care services, including home and community based services and institutional services for eligible elders who require publicly funded long term care services.

BUDGET SUMMARY				
Account Summary	2006 Actual	2007 Budget	2008 Budget	2007/2008Change
Personal Services (w/o EFB)	\$ 2,840,471	\$ 3,375,734	\$ 3,621,272	\$ 245,538
Employee Fringe Benefits (EFB)	1,583,081	2,128,050	2,137,647	9,597
Services	3,050,462	3,399,453	4,355,201	955,748
Commodities	35,487	31,896	57,000	25,104
Other Charges	150,606,081	151,080,944	176,112,950	25,032,007
Debt & Depreciation	0	0	0	0
Capital Outlay	60,444	36,207	19,400	(16,807)
Capital Contra	0	0	0	0
County Service Charges	1,458,560	1,970,350	2,291,036	320,686
Abatements	(636,613)	(356,771)	0	356,771
Total Expenditures	\$ 158,997,973	\$ 161,665,862	\$ 188,594,506	\$ 26,928,644
Direct Revenue	164,303,843	163,302,558	188,560,759	25,258,201
State & Federal Revenue	0	303,648	377,707	74,059
Indirect Revenue	0	0	0	0
Total Revenue	\$ 164,303,843	\$ 163,606,206	\$ 188,938,466	\$ 25,332,260
Direct Total Tax Levy	(5,305,870)	(1,940,344)	(343,960)	1,596,384

* In previous years, Department on Aging costs were reported in a single narrative. In 2008, these costs are reported in separate narratives: Org Unit 7900 – Department on Aging and Org Unit 7990 – Department on Aging – Care Management Organization.

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2006 Actual	2007 Budget	2008 Budget	2007/2008Change
Central Service Allocation	\$ 264,706	\$ 286,752	\$ 0	\$ (286,752)
Courthouse Space Rental	0	0	0	0
Tech Support & Infrastructure	18,433	12,471	0	(12,471)
Distribution Services	14,750	20,531	0	(20,531)
Telecommunications	668	6,704	0	(6,704)
Radio	0	0	0	0
Applications Charges	4,624	12,728	0	(12,728)
Apps Charges - Mainframe	0	0	0	0
HRIS Allocation	16,048	17,585	0	(17,585)
Total Charges	\$ 319,229	\$ 356,771	\$ 0	\$ (356,771)
Direct Property Tax Levy	\$ (5,305,870)	\$ (1,940,344)	\$ (343,960)	\$ 1,596,384
Total Property Tax Levy	\$ (4,986,641)	\$ (1,583,573)	\$ (343,960)	\$ 1,239,613

* In 2006 and 2007, these costs were included in other charging departmental and non-departmental budgets. They were reflected here to show the "total" amount of tax levy support for this Department. In 2008, these costs are budgeted within the receiving department to show the tax levy cost in the department.

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PERSONNEL SUMMARY				
	2006 Actual	2007 Budget	2008 Budget	2007/2008Change
Personal Services (w/o EFB)	\$ 2,840,471	\$ 3,375,734	\$ 3,621,272	\$ 245,538
Employee Fringe Benefits (EFB)	\$ 1,583,081	\$ 2,128,050	\$ 2,137,647	\$ 9,597
Position Equivalent (Funded)*	64.0	59.5	60.4	0.9
% of Gross Wages Funded***	97.2	100.0	100.0	0
Overtime (Dollars)**	\$ 46,826	\$ 70,967	\$ 70,953	\$ (14)
Overtime (Equivalent to Position)	0.0	1.5	1.4	0.0

* For 2006 Actuals, the Position Equivalent is the budgeted amount.

** Delineated for information. (Also included in personal services.)

*** Prior to 2008, Aging and Care Management Organization were reported together. This table reflects the change in reporting.

PERSONNEL CHANGES				
Job Title/Classification	Action	Number of Positions/ Total FTE	Division	Cost of Positions (Excluding Social Security & Fringe)
RN 2 Dept on Aging	Unfund	1/1.0	CMO	(64,936)
Human Srvc Wrkr (Aging)	Unfund	1/1.0	CMO	(50,390)
Prog Coord Aging	Abolish	1/1.0	CMO	0*
RN 2 Dept on Aging	Abolish	1/1.0	CMO	0*
Human Srvc Wrkr (Aging)	Abolish	5/5.0	CMO	0
Human Srvc Wrkr (Aging)	Abolish	1/1.0	CMO	(50,390)
OCC Therapist 3	Abolish	1/1.0	CMO	(56,326)
Performance Evaluator 3	Create	1/1.0	CMO	52,102
Quality Assr Spec (Bill & Pay)	Create	1/1.0	CMO	44,492
Contact Svs Coord (Qual Surv)	Create	1/1.0	CMO	61,037
			TOTAL	\$ (64,411)

*These positions were unfunded in 2007, and are abolished in 2008 for no fiscal effect.

MISSION

Using inter-disciplinary teams of nurses, human service workers, other professionals and volunteers, the Division oversees the provision of a comprehensive package of service benefits. These include Adult Day Care, Supportive Home Care, transportation, accessibility equipment and home modifications, residential care services, money management, durable medical equipment, home health care, personal care, skilled nursing services and skilled nursing home care. In return for coordinating and managing these services, the Department's CMO receives a capitated rate payment per member per month from the State.

BUDGET HIGHLIGHTS

- In 2008, the CMO begins reporting its activities in a separate budget narrative. This is to

recognize its continued expansion and distinctive programming, as well as to address the potential expansion of the Family Care program to include persons with disabilities under the age of 60, which may result in the creation of a new department or division in the 2009 Budget. The CMO remains under the authority of the Department on Aging in 2008.

- In 2007, the Department on Aging was awarded the sole contract to operate the Care Management Organization in Milwaukee County. The CMO is operated as an enterprise fund in accordance with State of Wisconsin requirements. The contract includes optional renewals through 2009.

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- Personal Services expenditures without fringe benefits increase by \$245,538 from \$3,375,734 to \$3,621,272.
- Total expenditures increase by \$26,928,644, from \$161,665,862 to \$188,594,506. Total revenues increase by \$25,332,260, from \$163,606,206 to \$188,938,466. Expenditures and revenues increase primarily due to projected growth in Care Management Organization enrollments and corresponding capitation rate receipts from the State of Wisconsin.
- Contractual services increase \$955,748, from 3,399,453 to 4,355,201, due primarily to an increase in a required third party contract for implementation of Best Practices, and an increase in contractual IT dollars to develop and maintain the MIDAS system.
- The CMO's capitated rate in 2008 is budgeted at the 2007 comprehensive, intermediate and non-MA payment rates. Preliminary rate data has not yet been provided to the CMO.
- The CMO will continue to work with the Behavioral Health Division to assist in the transition of BHD clients over the age of 60 into the Family Care program when appropriate, as well as increase its utilization of services provided by BHD to provide additional resources to CMO members.
- Due to a successful realignment of functions, the Division abolishes 1.0 FTE Program Coordinator Aging position, 1.0 FTE Registered Nurse 2 Aging position, and 5.0 FTE positions of Human Service Worker (Aging) that were unfunded in 2007, for no fiscal effect. The Division abolishes an additional 1.0 FTE Human Service Worker (Aging) and 1.0 FTE OCC Therapist 3 position for a savings of \$155,899, and unfunds an additional 1.0 FTE position of Human Service Worker (Aging) and 1.0 FTE positions of Registered Nurse 2 (Aging) for a savings of \$166,182. These actions are partially offset by the creation of 3.0 FTE positions to assist with contract compliance. 1.0 FTE Performance Evaluator 3, 1.0 FTE Quality Assurance Specialist (Billing and Payment) and 1.0 FTE Contract Service Coordinator (Quality Surveyor) are created for a salary, social security and active fringe cost of \$230,931.
- In 2005, the CMO restructured its fiscal management staff to ensure that CMO operations and finances were closely monitored. Beginning in 2007, the CMO split the functions of the Chief Operating Officer and Chief Clinical Officer. It has now become clear that both functions require full-time attention. Contractual services are increased \$125,000 to \$625,000 for this purpose.
- The Department of Health and Family Services now requires the CMO to establish a separate professional services contract with the Best Practices Team rather than include this service in the provider expense package. The 2008 budgeted contract amount increases \$330,531 to accommodate this requirement.
- Contractual Services for Data Processing increases \$481,491. In 2007, the CMO began an initiative to fund two IMSD employees in place of contracted employees in order to retain operational knowledge of the MIDAS system in the County. Due to difficulty in hiring qualified staff for the management and development of the MIDAS system, this initiative is discontinued in 2008. As part of this decision, the CMO has agreed to continue to increase its efforts to document the MIDAS system. The additional funding is for two additional web developers to maintain, support and document the MIDAS system. The cost is offset by an equal decrease in crosscharges from IMSD for internal staff. IMSD will maintain all other non-MIDAS IT systems in the CMO.
- In 2008, the CMO will increase the co-pay paid to Paratransit for clients who use that service from \$3.25 to \$7. This is still well below that actual cost of a Paratransit ride, which exceeds \$20. This results in increased revenue of \$825,000 in the Paratransit budget. The Department of Health and Human Services Disabilities Services Division undertakes a similar initiative for a revenue increase of \$1,240,264, for a total revenue increase of \$2,065,264 in the Paratransit budget.
- In 2005, the CMO and the County entered into a Commitment Agreement which establishes that,

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after meeting the State contract requirements for required working capital reserve, the County receives 50% of any surpluses generated by the CMO up to the total of the accumulated deficit. It is anticipated that at the completion of 2007, the CMO will have completely honored the Commitment Agreement with the County by paying back the full sum of \$12,217,786 for past deficits incurred.

- The CMO has established a network of providers to provide and manage care for its members. All providers must be HIPAA compliant. The CMO's contract with the Wisconsin Department of Health and Family Services requires the CMO to continually monitor the provider network to ensure service capacity and access are managed in accordance with current and anticipated member service demands.
- The 2007 Budget projected a CMO surplus of \$1,940,344. In 2008, the surplus is projected to be \$343,960.
- Departments have the authority to fill unfunded positions provided they do not incur a salary deficit.
- ECP positions are not provided step increases or performance awards in 2008 as allowed in County Ordinance Section 17.265 (3).
- The abatement of Countywide crosscharges is discontinued in 2008. The tax levy previously

held in the servicing department is redistributed to the recipient departments in an amount corresponding to the crosscharges. This results in a tax levy redistribution equal to the change in abatements. Due primarily to this change in methodology, direct tax levy for this department increased \$1,596,384. The actual change in tax levy for this department from 2007 is an increase of \$1,239,613.

- All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."