



CEO Message

Monumental and ground-breaking events took place in Southwest Wisconsin in 2008. It was an amazing experience for me to participate as eight counties formed a unique partnership built on the strengths and skills of each participating agency. The unique model of contracting with County agencies for care management maintains the long-established relationship between each County and its citizens. On June 30, 2008, the Southwest Family Care Alliance Board held its organizational meeting, and Southwest Family Care Alliance became a new managed care organization on July 1, 2008.

Early in 2008, Coalition partners created a detailed plan for Family Care expansion. As a testament to the commitment of the many people who worked diligently to assure the creation of Southwest Family Care Alliance, we met every milestone as planned and came in under budget.

I wish to recognize the work of the Alliance staff in 2008. On many occasions during the year I was in awe of the tremendous amount of work being accomplished in a very short timeframe. In many situations, the same staff were responsible to oversee the operation of the managed care organization as well as develop new business practices for expansion.

Family Care is a model that will provide citizens served in the eight-county area a true choice by being able to enroll and receive community services when they need them. Over 25 people came off Sauk County's waiting list and were served by Southwest Family Care Alliance in 2008, some of whom have been waiting for services for over six years.

This partnership has not always been easy. Change brings us all into uncharted territory. However, by using high quality, person-centered, outcome based care as landmarks to guide our path, we will stay true to our course into 2009 and beyond.

It has been an honor to serve as the CEO for Southwest Family Care Alliance in 2008. Thank you to the Board of Directors, partnering counties, providers, and Alliance staff. I wish to give special thanks to you, our members, for choosing the Alliance to provide your long term care services!

A handwritten signature in black ink that reads "Teri Buros".

Teri Buros
Chief Executive Officer- Interim



Board of Directors



Left – right, seated: Harvey Mandel, David Hammer, Ray Schmitz, Larry Wolf, Jeanetta Kirkpatrick, and Dave Wyttenbach; standing: Beverly Larson, Ron Leys, Joan Fordham, Betty Broadbent, Elizabeth Irwin, Dwayne Hiltbrand, Carla Cady; not pictured: Philomena Poole and Karen Thomas.

Ray Schmitz, Chair	Richland County
Larry Wolf, Vice-Chair	Grant County
Betty Broadbent, Secretary	Crawford County
Carla Cady	Sauk County
Joan Fordham	Sauk County
David Hammer	Lafayette County
Dwayne Hiltbrand	Iowa County
Elizabeth Irwin	Sauk County
Jeanetta Kirkpatrick	Richland County
Beverly Larson	Juneau County
Ron Leys	Crawford County
Harvey Mandel	Green County
Philomena Poole	Richland County
Karen Thomas	Green County
David Wyttenbach	Green County



SFCA Management Team



Left- Right: Tammy Garrelts, Joan Hansen, Patty Kemerling, Stacy Hach, Sherrie Sime, Teri Buros

Chief Executive Officer-Interim
Chief Financial Officer-Interim
Business Systems Supervisor
Human Resource Manager
Provider Network Manager
Quality Manager

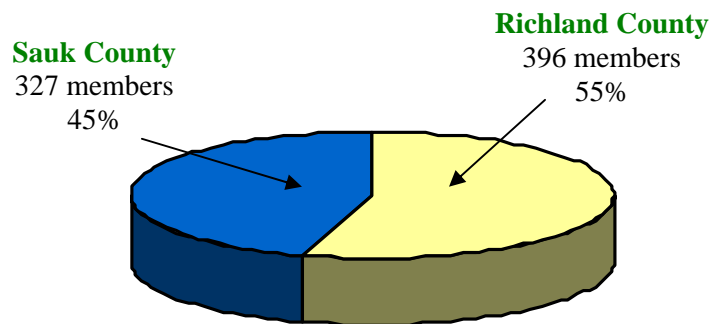
Teri Buros
Stacy Hach
Tammy Garrelts
Sherrie Sime
Patty Kemerling
Joan Hansen



Our Year in Review

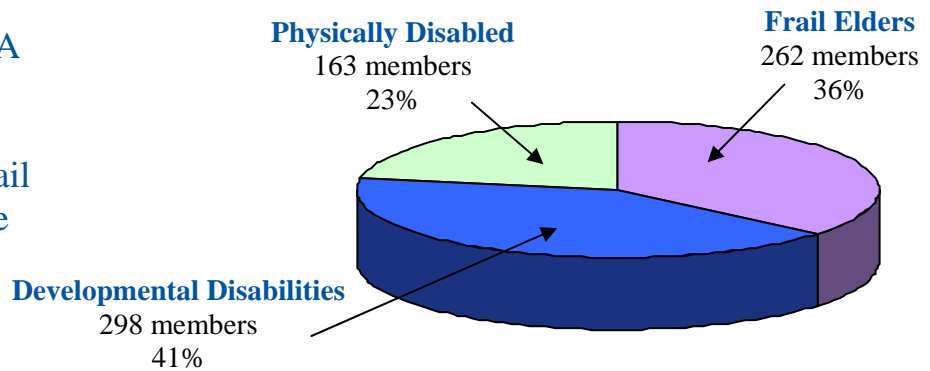
Residency of SFCA Members

In 2008, SFCA served a total of 723 members, 45% of whom were residents of Sauk County and 55% of whom were residents of Richland County.



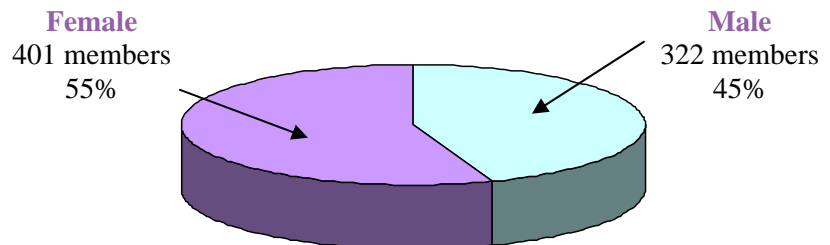
Target Group of SFCA Members

In 2008, 41% of SFCA members were developmentally disabled, 36% were frail elders, and 23% were physically disabled.



Gender of SFCA Members

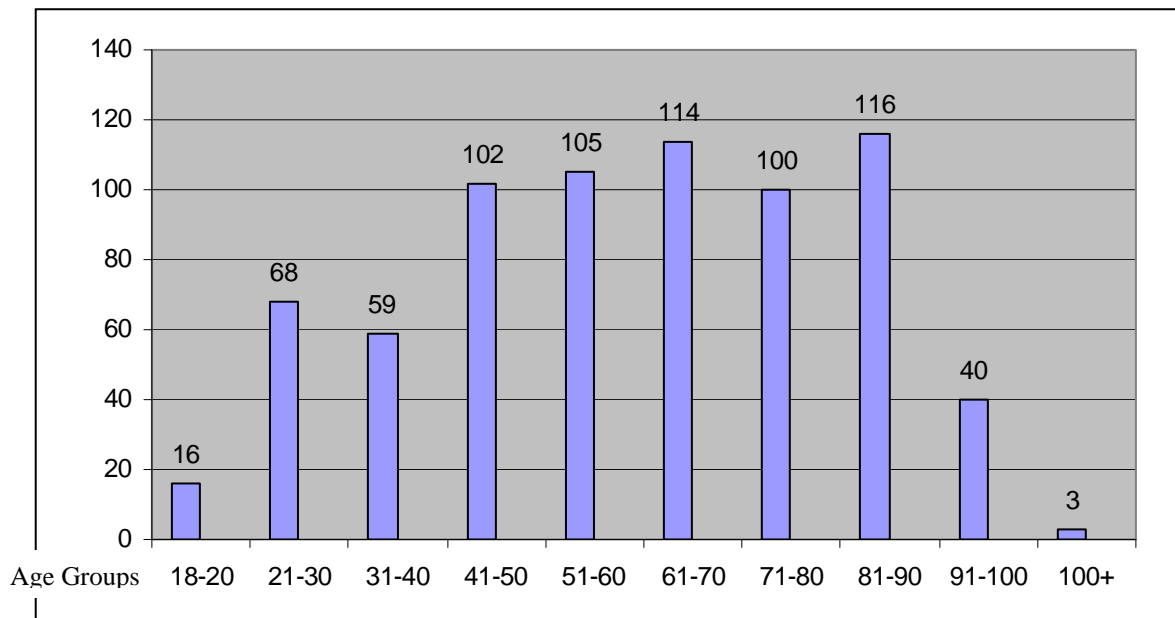
In 2008, 55% of SFCA members were female, 45% were male.





Our Year in Review

Ages of SFCA Members

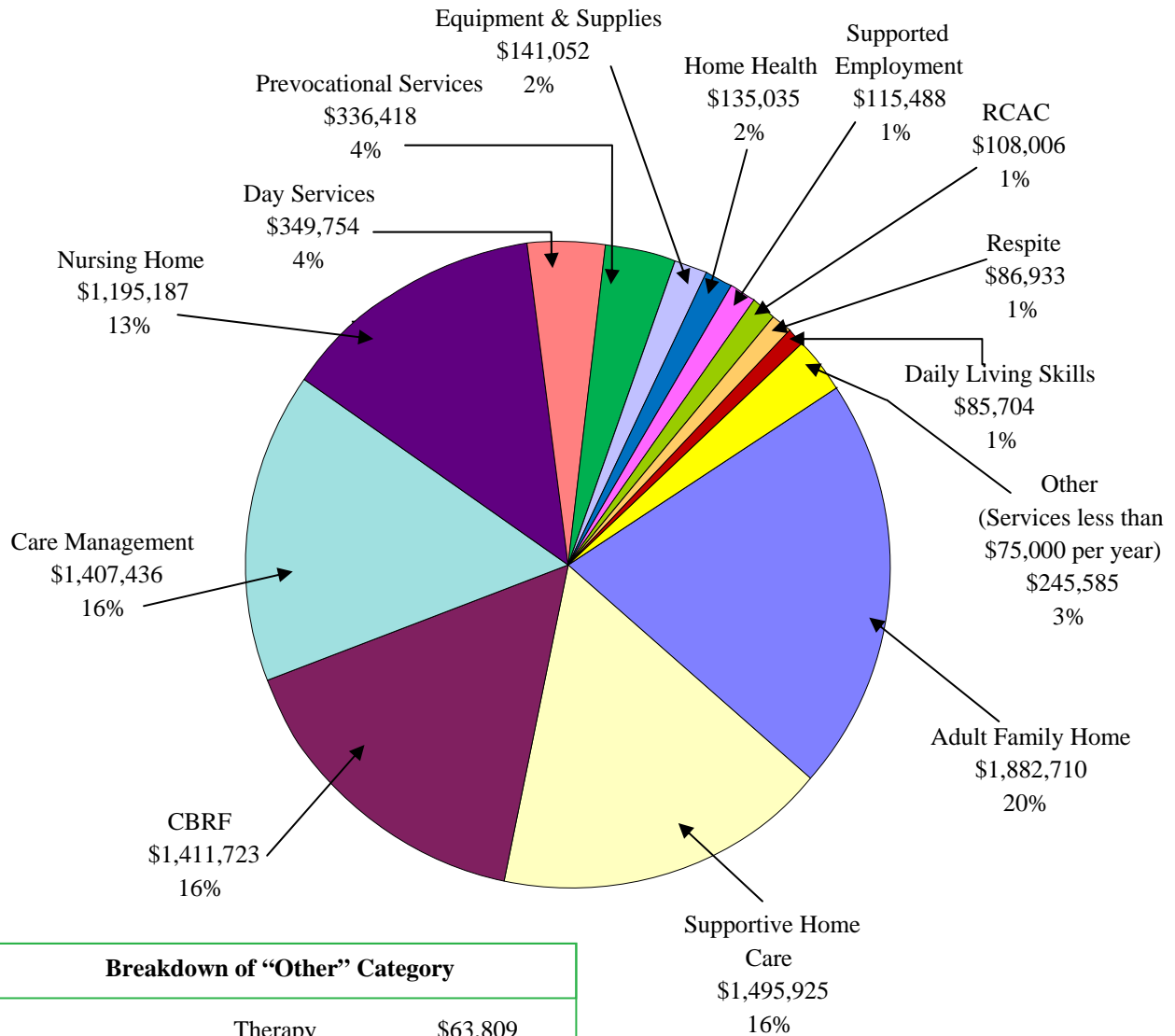


In 2008, SFCA served three people who are over the age of 100.
Approximately 22% (or 159) of our members are over the age of 80.



Our Year in Review

Program Service Costs



Breakdown of "Other" Category	
Therapy	\$63,809
Home Delivered Meals	\$59,157
Transportation	\$55,204
Financial Management	\$28,430
Skilled Nursing	\$18,076
Community Support Program	\$15,989
Miscellaneous	\$4,916
TOTAL	\$245,585



Department Reports

Fiscal

As of July 2008, when Southwest Family Care Alliance opened its doors, the fiscal department sent out 130 invoices for cost share and room and board, paid 2,554 claims for 388 members served by 90 providers. In contrast, in December of 2008, the fiscal department sent out 249 invoices for cost share and room and board, paid 4,414 claims for 696 members served by 181 providers. The capitation income in July 2008 was approximately \$950,000 and the capitation payment in December 2008 was approximately \$1,850,000. In our first six months of operation, Southwest Family Care Alliance was able to handle growth and end the year with a very positive financial success.

During all of the growth and transition, the fiscal department was also able to transition payroll to an outside payroll firm, transition to a new accounting system, learn and develop an information technology system to fit the organization's needs, transition to a third party claims processor, and set up a new banking relationship as of January 1st, 2009. The following employees worked in the Fiscal Department, Kathy Allbaugh, Gaye Cosgrove, and Sharon Pasold, Accounting Specialists; Neil Heidenreich, Accounting Supervisor; and Jon Ulfig, Data Analyst. The fiscal department was responsible for the transition and reconciliation of accounts during the transition from Richland County. This transition allowed SFCA staff time to organize and become a business.

Stacy Hach
CFO-Interim

Information Technology

The first quarter of 2008 was focused on separation from Richland County Health and Human Services' phone, email, network and computer systems. By mid- 2008 more SFCA staff members were being added to systems, IT was interviewing current managed care organizations regarding their experience using a third party administrator for claims processing, reviewing software options for supporting Family Care expansion and making changes to the current applications to support the September 1 expansion in Sauk County. The latter part of 2008 included reviewing payroll providers, accounting software packages, prepping file server for accounting software, training care managers on the MIDAS application, training providers on WPS processes and converting files to be imported into the new Family Care software solutions – MIDAS and WPS systems for a go live date of January 1, 2009.

Tammy Garrelts
Business Systems Supervisor



Department Reports

Human Resources

Human Resources became an official department in October of 2008. The goals of this department were threefold: to get employees enrolled in benefits under the Southwest Family Care Alliance umbrella effective January 1, 2009; to recruit the staff needed by other departments in January; and to organize the move to a new building. In addition, Human Resources worked with the other members of the management team to develop and implement personnel policies and procedures that would be necessary once the administrative contract with Richland County ended and Southwest Family Care Alliance would be the employer of record and on its own. While the last quarter of 2008 was amazingly hectic and mercurial, the spirit of teamwork, excitement and professionalism that prevails at Southwest Family Care Alliance made accomplishing the work rewarding.

Sherrie Sime
Human Resources Manager

Provider Network

2008 was a busy year that was spent not only laying the ground work for our expansion into eight counties, but also adding hundreds of new providers to our provider network. Receiving certification of the provider network by the State for Richland, Sauk and Green County was also completed.

Laying the ground work included writing and adopting policies and procedures regarding how we do business, as well as finalizing contract templates and obtaining the State's approval for those templates. We also created a system for accurately obtaining provider information and adding it to our data base. Systems for contract processing were also developed and implemented. Numerous trainings were provided for care managers, and we participated in three provider-related business meetings with county managers in both Sauk and Green County Human Service agencies. Two provider forum sessions were also held in Sauk County. We started 2008 with only one employee, the Network Manager, Patty Kemerling and added Kris Willey, Expansion Coordinator and Angela Young, Network Developer. Sarah Brehm, Data & Communications Specialist and Sue Fruit, Secretary were also added to our department during 2008.

In addition to our expansion activities, we continued to follow up on provider complaints, and quality concerns. We worked closely with care managers to ensure adequate network services (especially residential providers) were available.

The addition of weekly operation meetings with both Sauk County and Richland County also added many hours to everyone's schedule. Both the split from Richland County on July 1st and the addition of Sauk members to SFCA on September 1st, generated many, many questions and concerns. These in turn, generated the development of additional procedures and protocols essential to smooth operations. Expansion is, indeed, a process!

Patty Kemerling
Provider Network Manager



Department Reports

Quality

The Quality Department began or continued a number of activities during the last six months of 2008 including providing training to care managers about Family Care, successfully completing the requirements to be certified as a managed care organization in the State of Wisconsin, and continuing to meet the State's contract standards.

During the period of July 1, 2008 through December 31, 2008, SFCA provided training to staff in the Green Care Management Unit (CMU) to prepare for transition to Family Care on January 1, 2009. This training was provided on-site in Green and included topics such as member outcomes, Resource Allocation Decision (RAD) Methodology, Member-Centered Planning, assessment and risk assessment. A course of training was also provided for Crawford, Juneau and Lafayette, and Grant CMUs. This training addressed topics such as Pre-Enrollment, Family Care 101, risk assessment and the comprehensive assessment process. In addition, two sessions of RAD training were conducted in Sauk during the last half of 2008.

We coordinated the certification of Sauk and Green CMUs and the re-certification of Richland CMU. This involved the following activities:

- creating policies and procedures under the Southwest Family Care Alliance banner.
- participating in two Site Readiness Visits with the Department of Health Services and both the Sauk and Green CMUs.

The Quality Department also began tracking data for the Depression Performance Improvement Project, and compiled monthly statistics on the Dementia Pay for Performance project and reported the information to the Richland CMU, which was actively involved in the project.

The Quality Department saw a slight increase in staffing during the last half of 2008. We started in July with three employees, Joan Hansen, Quality Manager; Dave Folks, Care Management and Quality Project Coordinator; and Jeanie Nielsen, SFCA and Quality Clerical Assistant. In the third quarter of 2008 we added Mari Wipperfurth, Quality Assurance Specialist to the Quality Department. Linda Overbeek, Executive Assistant, provided support functions to the Board of Directors and County Director's Work Group.

Joan Hansen
Quality Manager



Our Financial Status

**SOUTHWEST FAMILY CARE ALLIANCE MCO
INCOME STATEMENT
Period Ending December 31, 2008
(Unaudited*)**

	YTD Jul-Dec
<u>REVENUE</u>	
Capitation Payments	\$9,059,835
Member Cost Share	\$216,066
Member Room & Board	\$559,728
Claims Refunds	\$6,606
Other	<u>\$87,862</u>
TOTAL REVENUE	\$9,930,097
<u>EXPENSES</u>	
Administrative:	
Administrative	\$517,378
Building Operations	<u>\$62,058</u>
Total Administrative	\$579,436
CMO Provided Services:	
Care Management	(\$159)
Care Management and other Services Richland	\$903,424
Care Management Sauk	<u>\$461,537</u>
Total CMO Provided Services	\$1,364,802
Member Services by Outside Providers	\$7,621,632
IBNR carried forward to pay prior year expenses	<u>\$1,625</u>
	\$7,623,257
TOTAL EXPENSES	\$9,567,495
NET INCOME (LOSS)	\$362,602

*The information presented has been reviewed by the external auditor. Based on these numbers, SFCA may be in Risk Sharing with DHS, which would reduce 2008 net income.



The Future

2009 promises to be as dynamic as 2008:

- Additional growth in members as Green (January 1), Crawford, Juneau, and Lafayette (July 1) Counties officially transition into Family Care resulting in a projected growth of over 500 members.
- A continuous movement of people off the waiting list in Sauk, Green, Crawford, Juneau and Lafayette Counties.
- A final separation from Richland County. Southwest Family Care Alliance will be responsible for all human resource, accounting, investment management, and claims processing functions.
- A transition from Lifespan, the business system utilized by Richland County to MIDAS on January 1.
- A transition from paying claims internally to the use of WPS as a third party administrator on January 1.
- The continued development of the Southwest Family Care Alliance Board of Directors including the development of Board policies.
- A physical move to a new office location in January.
- The continued expansion of the provider network.
- The addition of several new Southwest Family Care Alliance employees as expansion continues.
- The development and implementation of staff training to Southwest Family Care Alliance staff and Care Management Unit care managers.
- The continued development of the Southwest Family Care Alliance web site.
- Agency-wide strategic planning to identify and address the critical issues facing Southwest Family Care Alliance in the future.
- The development of an in-depth plan to assure care and services to members comes under the principles of managed care.
- The development and implementation of internal policies and procedures based on a regional model of services.
- Initial planning activities in Grant and Iowa Counties who will transition into Family Care in April 2010.
- The continued monitoring of the risk reserve and solvency requirements.