

6/24/2022

Dear Residential Provider Partner,

When Lakeland Care implemented updates to the residential rate model in April 2021, we made the following promise: "Lakeland Care will continue partnering with Residential providers by sharing any recognized Operating Income as identified on our 2021 annual audit report, with providers who have taken a contracted rate decrease in 2021." We promised you as partners that if Lakeland Care realized a profit, you would share in that with us.

We are pleased to report that Lakeland Care did record an Operating Income in 2021. In part, this was due to an unprecedented funding boost from a Family Care shared risk pool that far exceeded prior experience. Due to this additional funding, and our updated rate model, Lakeland Care was able to exceed projected income. Thus, as promised, all the residential providers who took a contracted rate decrease in 2021 will be receiving a one time "bonus" payment.

The share of the Operating Income that was promised has been divided among qualifying providers, resulting in each provider receiving an individualized payment. Checks are expected to be cut and delivered no later than July 31, 2022. The check will be issued by WPS, and will say "one-time bonus" (either on the check stub or the provider remittance).

Lakeland Care wants to express our sincere gratitude to you for working with us during this transition. We value our partnerships with you, our providers, and we truly value all you do for the members we jointly support.

Sincerely,



Angie Kieffer
Provider Relations and Contracting Director

CC: Jen Harrison, COO
Sara Muhlbauer, CEO
Dan Bizub, CFO