

COUNTY OF MILWAUKEE
Behavioral Health Division Administration
INTER-OFFICE COMMUNICATION

DATE: June 19, 2012

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by: Paula Lucey, Administrator, Behavioral Health Division

SUBJECT: **From the Director, Department of Health and Human Services, submitting an informational report regarding the plan to change the implementation of WIS. ADM. CODE DHS 1 at the Behavioral Health Division with respect to the discharge of liability under the Uniform Fee System for the Department of Health Services**

Background

The Uniform Fee System contained in the State of Wisconsin Department of Health Services 1 (DHS 1) regulation requires that the Behavioral Health Division (BHD) bill for services and that the rate billed be based upon actual costs. The regulations strive to strike a balance between the needs of the client and the taxpayer. They provide for computation of a maximum monthly payment (MMP) based upon income and family size and for adjustments where financial hardship exists. Ultimately, parties with no ability to pay and no insurance will not be pursued for payment.

Discussion

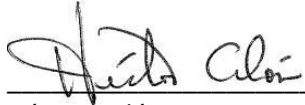
In the past BHD has interpreted DHS 1 in a manner that identified distinct discharge of liability methods depending upon the client's treatment status. Discharge of a liability means that the client no longer is responsible for outstanding amounts owed and BHD writes off the revenue. As required by the regulation, inpatient services are billed at the MMP until the full liability has been met, even when the client is no longer receiving services. If an adult client received inpatient services and has an MMP of \$100 and a liability of \$1,000 at the end of a month, they would be billed \$100 and the remaining liability (\$900) would be added to the liability for the following month until such time as the liability has been paid in full. Discharge of liability for outpatient services and children receiving inpatient services currently differs from the adult inpatient methodology. Clients receiving outpatient services and children receiving inpatient services are billed at the MMP each month and the remainder of the liability for that month is written off. For example, a day treatment program client with an MMP of \$100 may receive \$1,000 in services in a month. At the end of the month, the client will be billed \$100 and the remaining \$900 will be discharged, leaving the client with no remaining liability.

In February 2012, the Office of Corporation Counsel provided BHD with an analysis of the current implementation of DHS 1. Corporation Counsel recommends that BHD revise its billing practices as it implements its new electronic medical record system. They recommend, and BHD concurs, that DHS 1 should be applied in a consistent, equitable manner for discharge of liability regardless of the nature of the services provided. Therefore, beginning this fall with the first phase of implementation of the new electronic medical record system, billing will continue until the liability has been met, unless there are exceptions. This approach will best balance the interest of clients and taxpayers as required by the

Uniform Fee System. BHD is currently analyzing the impacts of this change including developing procedures for approving exceptions, such as where billing would be contrary to treatment goals, as allowed under DHS 1.

Recommendation

This is an informational report. No action is necessary.



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
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