

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: May 10, 2011

TO: Supervisor Lee Holloway, Chairman – Milwaukee Co. Board of Supervisors

FROM: Geri Lyday, Interim Director, Department of Health and Human Services

SUBJECT: **Report from the Interim Director, Department of Health and Human Services, requesting authorization to enter into 2011 contracts with the State of Wisconsin for reimbursement for county staff performing Income Maintenance and Child Care program administration under State management**

Issue

The Interim Director of the Department of Health and Human Services (DHHS) is requesting authorization to enter into 2011 contracts with the State Departments of Health Services (DHS) and Children and Families (DCF) for the Income Maintenance (IM) and Child Care Programs. In addition, the lease with DHS for the Marcia P. Coggs Center is included as an attachment to the DHS contract.

In 2009, section 49.825 of the Wisconsin Statutes authorized DHS to assume responsibility for managing the administration of the IM program in Milwaukee County. This involved the establishment of a Milwaukee County Enrollment Services unit (MILES) to determine eligibility and administer the Food Share and BadgerCare public assistance programs. Section 49.825 (2)(d)(1) provides for the reimbursement to the County of all approved, allowable costs related to the County staff assigned to this unit in excess of the county's minimum required contribution of \$2.7 million. In addition, subsection (2)(c) authorizes DHS to contract with the County for certain administrative functions under this subsection.

Similarly, 49.826 of the statutes authorized DCF to establish a child care provider services unit (Milwaukee Early Care Administration - MECA) to support the Wisconsin Shares child care subsidy program. Section 49.826 (2)(c) provides that DCF shall reimburse the county for all approved, allowable costs that are incurred by the county.

Background

During the January cycle, DHHS submitted an informational report to the County Board concerning the primary changes to the 2011 contracts and lease compared to 2010. At that time, outstanding issues still remained requiring further discussion with the State. These issues have now been resolved and the contracts and lease have been finalized.

The contracts reimburse Milwaukee County for the personnel costs of county staff managed by the State, shared services, Medical Assistance Transportation program and the actual lease.

Shared services are provided to the State by county employees in the areas of Human Resources, Record Center Services, Medical Transportation administration and Mail Services.

The following narrative highlights major changes to the 2011 contract and lease compared to 2010. These changes are also identified in Attachment 1.

State/County Lease Agreement

The proposed lease reflects 86,152 square feet of space in the Coggs Center and a term of January 1 through December 31, 2011. This reflects an increase in square footage of 11,652 compared to 2010. The lease anticipates a monthly payment from the State of \$141,763 for building operations or \$1,701,156 annually. This compares to \$131,917 per month or \$1,583,004 annually in 2010.

State DHS has verbally indicated that it will likely continue to lease space through the end of 2011 at the Coggs Center. However, in light of the 2011-2013 Governor's Budget which centralizes the Income Maintenance program statewide, DHS may require less space as the year progresses. If DHS decides to vacate space at the Coggs Center, the lease requires that the space vacated be contiguous, exceed 5,000 square feet and the State provide 90 days written notice to allow the county time and adequate space to secure new tenants.

DHS IM Contract Changes

IT Services: In 2010, Milwaukee County Information Technology Services Division (IMSD) provided Information Technology (IT) services to DCF and DHS at the Coggs Center. IMSD worked collaboratively throughout 2010 to adjust IT service levels based upon feedback from the state throughout the year. For 2011, IMSD has once again worked collaboratively with the State to devise a mutually agreeable IT support model, which is included in the overall contracts with each agency. IMSD anticipates charging \$3,799 per month to DCF and \$64,234 per month to DHS for a combined total monthly charge of \$68,033.

Medical Assistance Transportation: As part of the contract, DHHS will process invoices related to common carrier transportation services for Wisconsin Medicaid and BadgerCare Plus Standard Plan. This was done prior to the takeover and continues for the first six months of 2011 until State DHS implements a transportation broker as of July 1, 2011. The State will fully reimburse the County for all transportation provider costs incurred prior to July 1 as well as the county's administrative costs related to this service.

General Assistance Burials: As part of the 2010 contract, the county paid for a portion of the personnel costs associated with eligibility reviews for the county's General Assistance Burials program. For 2010, this cost was \$24,000 and will remain the same in 2011.

Interim Disability Assistance Program (IDAP): In 2010, the State provided eligibility services to the county for IDAP at no cost. The cost to the county for 2011 is \$50,000 for one dedicated FTE to the program.

DCF Child Care Contract Changes

The DCF proposed contract is a separate contract. There are no major changes to this contract for 2011 compared to 2010. Unlike the IM contract, which has a required county contribution, personnel costs are reimbursed 100% under the Child Care contract.

Fiscal Effect

The County is reimbursed based on monthly invoices submitted to the State for personnel costs for County employees, shared services, IT services and space rental. Please note that there are two fiscal notes attached to this report: one for revenues associated with DHHS and other for IT services provided by IMSD.

Recommendation

The Interim Director of the Department of Health and Human Services (DHHS) recommends approval of the 2011 contracts with the State Departments of Health Services (DHS) and Children and Families (DCF) for the Income Maintenance and Child Care Programs. This action will allow the County to begin receiving monthly reimbursement for costs related to County personnel, Medical Assistance Transportation, shared services and the lease.



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