

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

Date: November 13, 2024

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Shakita LaGrant, Director, Department of Health and Human Services

Subject: An informational report from the Director, Department of Health and Human Services, providing an update on achieving racial equity in contracting processes

File Type: Informational Report

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**REQUEST**

DHHS considers the contracting process a sound business practice that, when properly executed, protects both the County and the provider. However, DHHS recognizes that in some instances the imposition of rigid contracting procedures may pose an undue administrative burden on community partners seeking to provide health and social services to DHHS consumers. Many smaller DHHS provider agencies face challenges participating in County contracting processes with access to capital, administrative capacity, and staff training presenting challenges.

This can result in inadequate resources and knowledge gaps to complete administrative requirements in the DHHS contracting process. These providers often encounter differences in the RFP process or network application process moving from one provider network to other networks, or to other service areas with DHHS.

The focus of this report is to update policymakers on DHHS’s contract procurement strategy and efforts to expand the DHHS provider networks to ensure that its diversity is representative of those served by DHHS.

**POLICY**

Milwaukee County Code of General Ordinances:	Chapter 108
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**BACKGROUND**

On April 17, 2020, the Milwaukee County Board of Supervisors adopted File No. 20-173 which created Chapter 108, “Achieving Racial Equity and Health,” of the Milwaukee County Code of General Ordinances. DHHS is in alignment with this ordinance as DHHS leadership continues to focus on social determinants of health as well as racial and health

equity through the work it does internally with its operations and externally, with its participants, contracted provider organizations, system, and community partners.

Milwaukee County is ranked 70 of 72 in a composite of health indicators among Wisconsin counties. Milwaukee County has higher than the State average rates of infant mortality, sexually transmitted infections, cancer (breast, cervical, lung and prostate), violence, teen pregnancy, childhood lead poisoning, and mortality due to unintentional injuries. Through DHHS research, stakeholders identified racism and a variety of disparities, including housing, employment, transportation, and healthcare, among others, as major barriers to health in Milwaukee County.

Racial equity in contracting is one area identified by DHHS leadership in which there is an opportunity to address structural barriers and advance equitable policies and practices. One of the major themes in the Department's strategic plan focuses on ensuring that our staff, contracted providers, and agencies reflect the diversity of DHHS program participants, and that the ecosystem of nonprofit providers DHHS contracts with are supported in a manner in which they can prosper, be financially healthy, and deliver quality services. The availability of capacity-building services and assistance to local agencies, ensuring they have the knowledge and capabilities that reflect Milwaukee County values is a top priority in the DHHS *Strategic Plan*.

In addition, DHHS established a collaborative Racial Equity in Contracting Workgroup to assess its institutional practices through a racial equity lens. Its goal is to develop DHHS's capacity to improve its work with providers and institutional partners to ensure a consistent process that addresses their needs.

The flowchart below shows the relationship between institutional practices, social determinants and the power to make changes that impact Health Outcomes.



Part of this effort involved engaging a consultant, Kairo Communications, in an analysis of DHHS contracting and procurement policies and procedures which examined institutional practices that impact barriers to Racial and Health Equity in the contracting process. This work subsequently resulted in a related report from Kairo that identified specific recommendations and tactics to achieve greater racial equity in the department's contracting process. To that end, DHHS Contract Administration has increased outreach efforts and continues to streamline processes, reduce red tape and increase ease and efficiency for prospective applicants and proposers. It has reduced required RFP submission items by approximately 50% and continues to look for additional ways to reduce red tape and complexity. It has increased its outreach efforts to community providers and more than doubled the number of public informational sessions and media outlets in which it advertises.

In the fall of 2020, DHHS Contract Administration undertook a Request for Information (RFI) effort to establish base-line data on racial and ethnic provider participation in order to assess the current provider state with the goal of ensuring that contracted provider diversity is representative of those served by DHHS. As a continuation of this effort, Contract Administration issued a similar survey in the fall of 2021. The results of the RFI process are summarized in the tables below.

**2023 DHHS Agency Ownership Race/Ethnicity Data  
 2023 Payments to Minority Agencies**

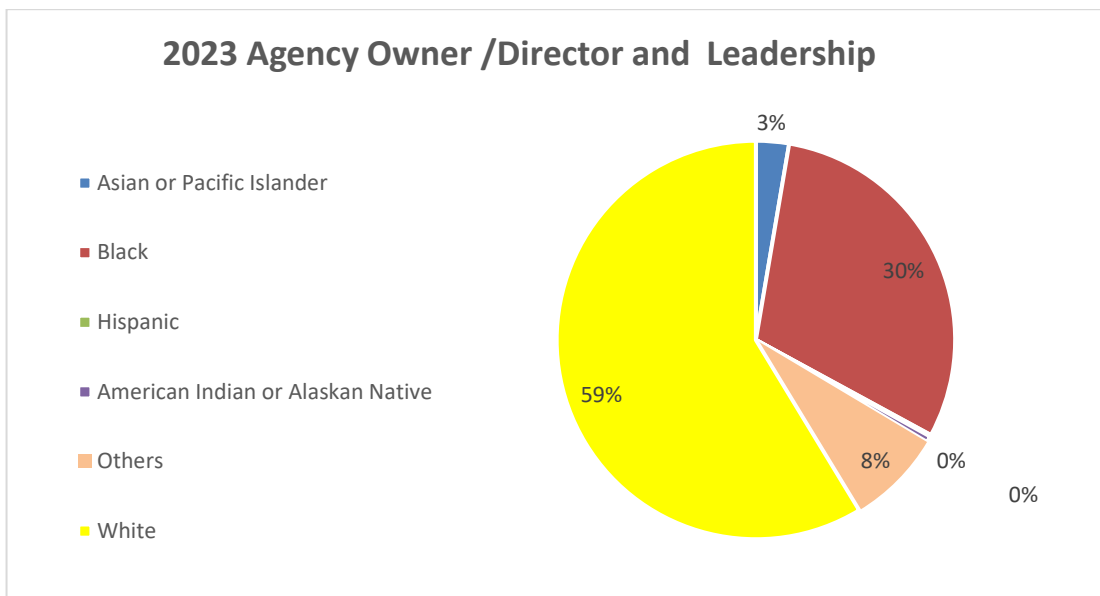
The first table below shows the amount and percentage of DHHS contract payments that went to minority owned or led agencies. Of \$248,039,529 in contract payments, \$90,428,515, or 36.46%, went to minority led organizations.

DHHS PAYMENTS		
Total payment	Minority	Minority %
\$ 248,039,529	\$ 90,428,515	36.46%

This second table, **Board of Directors/Agency Owners/Stockholders and Administrative Leadership** is broken out by Race, Ethnicity, Gender Identification and Disability. It shows that there are 1,235 leaders out of 2,989 that are of minority populations, which is roughly 42% of all leaders within organizations having DHHS contracts. The pie chart further breaks out racial/ethnicity data indicating that African American leadership represents about 30% of all leaders, Asian or Pacific islander represents about 3% of all leaders, Hispanic leadership and Indigenous Americans represent less than 1%. All other minority races or ethnic groups comprise approximately 8%.

**BOARD OF DIRECTORS/AGENCY OWNERS/STOCKHOLDERS AND ADMINISTRATIVE LEADERSHIP - DIRECTORS/ADMINISTRATORS DEMOGRAPHICS**

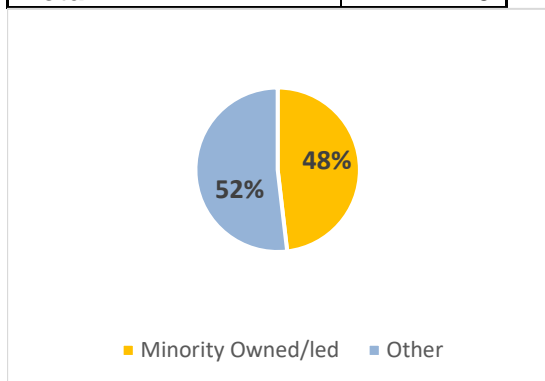
Race/Ethnicity	Female	Male	Non-Binary	Disabled	Total
Asian or Pacific Islander	49	31	-	2	80
Black	544	355	5	15	904
Hispanic	2	2	-	-	4
American Indian or Alaskan Native	11	4	-	-	15
Others	126	106	-	6	232
White	963	789	2	45	1,754
<b>Grand Total</b>	<b>1,695</b>	<b>1,287</b>	<b>7</b>	<b>68</b>	<b>2,989</b>



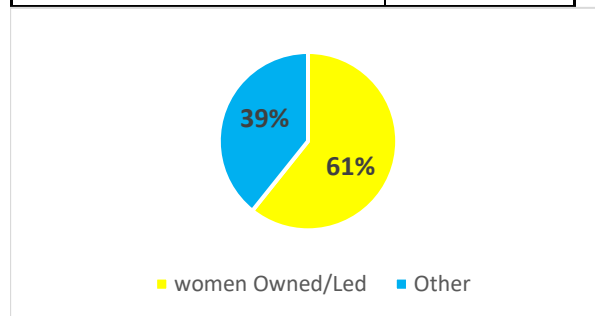
Milwaukee County has an overall goal of increasing the number of dollars sourced to minority and women-owned businesses. The table below, **2023 Data, # of Agencies**, shows that **270** agencies responded to the RFI. Of those 270 agencies, 130 are either minority owned, or minority led, which represents about 48% of DHHS contracted agencies, which is represented as orange in the blue and orange pie chart (2023 Minority Owned). By contrast, 61% of contracted agencies were women owned or led in 2023.

**2023 Data      # of Agencies**

<b>Minority Owned/led</b>	<b>130</b>
<b>Other</b>	<b>140</b>
<b>Total</b>	<b>270</b>



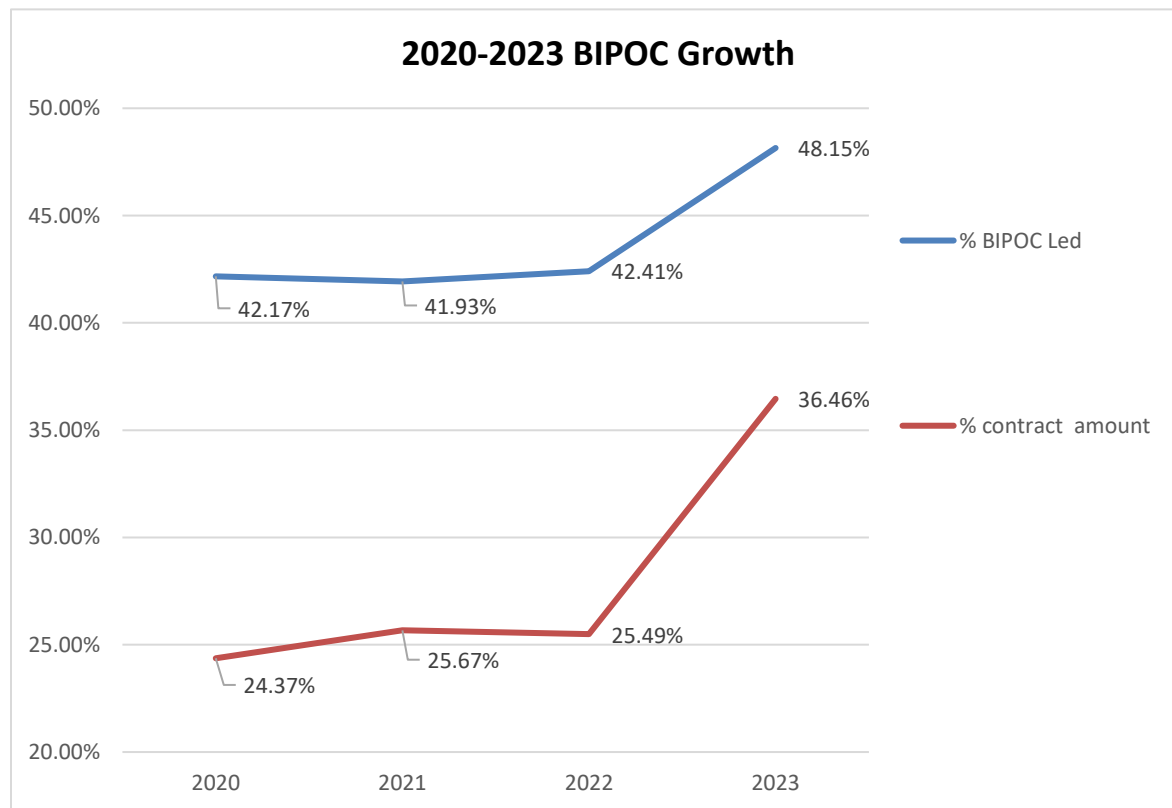
<b>Women Owned/Led</b>	<b>164</b>
<b>Other</b>	<b>106</b>
<b>Total</b>	<b>270</b>



The next table provides contract data over a four-year period, 2020 – 2023, and reflects an upward trend in the number of contracted agencies that are minority led. While the overall percentages of minority-led agencies held fairly steady during the period 2020 through 2022, the raw number of minority contractors increased each year and shows a sharp increase in both percentage of minority-led contractors and the percentage of total contract dollars going to minority agencies in 2023. Although there is no one factor to account for this, accelerated growth in Medicaid Waiver Programs, such as Comprehensive Community Services (CCS) and Childrens Long Term Support (CLTS), and a simplified application process for these fee-for-service networks accounts for much of the increase in minority participation.

### CONTRACTING DATA FOR MINORITY-OWNED/MINORITY-LED AGENCIES OVER PAST 4 YEARS

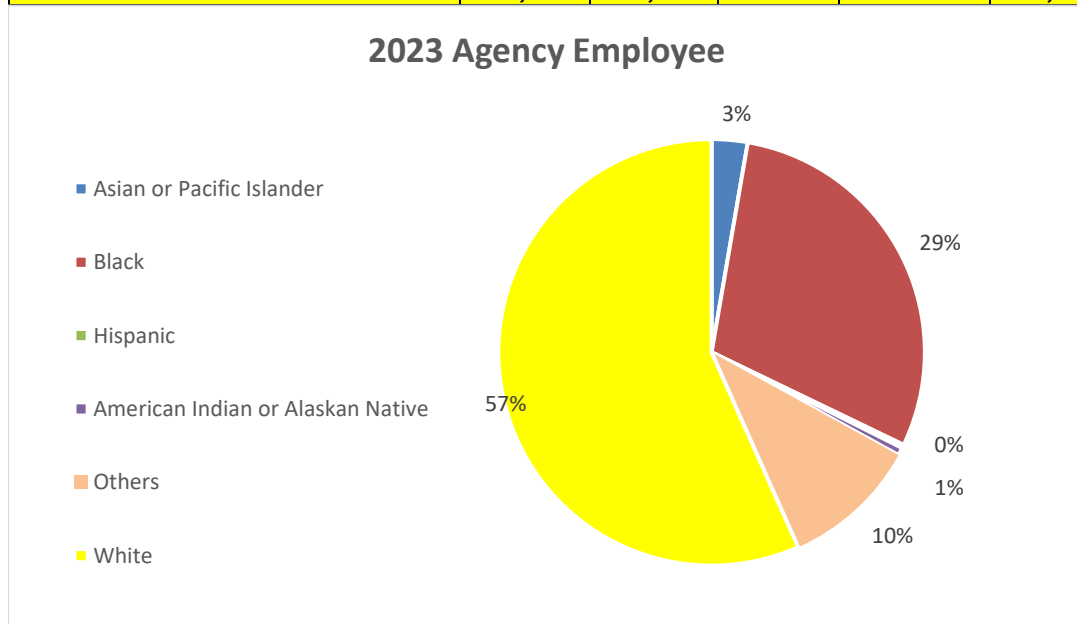
Year	% of Contracted partners that are Minority-led	# of Minority contracted partners	Overall # of contracted partners	% of total dollars contracted
2020	42.17%	70	166	24.37%
2021	41.93%	91	217	25.67%
2022	42.41%	109	257	25.49%
2023	48.15%	130	270	36.46%



The next table, **2023 CONTRACTOR AGENCYWIDE EMPLOYEE DEMOGRAPHICS SUMMARY**, represents data on all employees at contracted agencies that responded to the RFI. This table shows that there are 11,837 provider employees that are of minority populations out of a total of 27,309 employees, which is roughly 43% of all agency staff. The pie chart further breaks out racial/ethnic data indicating that African American employees represent about 29% of all contractor employees; Asian or Pacific Islander represents about 3% of all employees, Hispanic and Indigenous Americans represent about 1%. All other minority races or ethnic groups comprise approximately 10%.

**2023 AGENCYWIDE EMPLOYEE DEMOGRAPHICS SUMMARY**

Race/Ethnicity	Female	Male	Non-Binary	Disabled	Total
Asian or Pacific Islander	490	249	3	13	742
Black	6,077	1,953	8	156	8,038
Hispanic	47	23	-	3	70
American Indian or Alaskan Native	110	51	-	5	161
Others	1,941	869	16	99	2,826
White	11,148	4,276	48	470	15,472
<b>Grand Total</b>	<b>19,813</b>	<b>7,421</b>	<b>75</b>	<b>746</b>	<b>27,309</b>





### **Limitations, Challenges and Opportunities**

The above data is for DHHS as a whole and does not break data out by the fee-for-service network or purchase of service contracts. The data is at a point in time (fall of 2023). And the data categories are the categories used by the Wis. Dept. of Health Services (DHS).

Many smaller agencies face challenges with administrative capacity and staff training. These providers often encounter differences in the RFP process moving from one provider network to another provider network, or to other service areas.

DHHS has implemented several measures that have helped providers successfully compete in the RFP process. Specifically, leveraging technology in capacity building efforts, technical assistance, and web-based workforce professional trainings and workshops can improve and ensure a more equitable contracting process for DHHS. In an effort to enhance these measures, DHHS has converted many of its policies and procedure to trainings using the HealthStream web-based platform and doubled the number of public information and technical assistance sessions held for prospective RFP applicants and the period for which RFP solicitations remain open.

The minimum number of required RFP review panel members scoring proposals has increased from three (3) to five (5), and outside reviewers from the community are now reimbursed with a fee for each proposal they review. In 2022, DHHS released a solicitation for Request for Reviewers (RFR) for a permanent standing pool of community review panel members to draw upon. The RFR has increased the fee per proposal reviewed to \$150 and removed the cap on the maximum reimbursement available per reviewer.

The continued trend toward fee-for-service contracting within multiple DHHS FFS networks, and the move away from cost-reimbursement purchase of service contracts with a more onerous RFP process further reduces barriers to contracting with DHHS. More frequent open application periods or continuous solicitation for services with these networks provides further opportunities for emerging or small first-generation businesses to successfully participate within these networks.

While it may be more organizationally efficient to work with large providers with stronger administrative capacity, this does not guarantee better health outcomes for impacted populations. DHHS benefits from partnerships with providers that specialize in serving specific populations. Often, institutional, and implicit biases can lead to negative evaluations of organizations servicing specific populations and may work against smaller providers. The practice of looking at the contracting process through a racial equity lens has identified measures to help expand the DHHS provider networks and encourage non-profit diversity, which positively impacts the talent pool that is available to Milwaukee County. One of the



recommendations coming out of the DHHS Racial Equity in Contracting initiative and related consultant’s report from Kairo Communications was to place greater importance on diversity, equity and inclusion through the contracting and RFP process. DHHS has implemented this recommendation by encouraging and rewarding diversity and cultural intelligence through the RFP evaluation process. The implementation of this and other recommendations coming out of this initiative have led to other efforts in the process that have advanced health equity in contracting, address social determinants of health and address reducing disparities in health outcomes among marginalized populations.

**Summary**

Milwaukee County DHHS is committed to providing person-centered, high-quality services through practices and policies that enhance and advance racial and health equity to the clients and communities that it serves.

**Recommendation**

This report is for informational purposes only, and no action is required.

Related File No’s:	20-173, 21-588
Associated File No’s (Including Transfer Packets):	
Previous Action Date(s):	4/17/2020

**ALIGNMENT TO STRATEGIC PLAN**

While efforts to address structural barriers and advance equitable policy and practice in DHHS contracting addresses many, if not all, of the county’s strategic objectives, the ones most relevant include the following:

- Increase the number of County contracts awarded to minority and women-owned businesses
- Break down silos across County government to maximize access to and quality of services offered
- Apply a racial equity lens to all decisions
- Dismantle barriers to diverse and inclusive communities

**FISCAL EFFECT**

This report is informational and has no fiscal impact.

**TERMS**

Not applicable.

**VIRTUAL MEETING INVITES**

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**APPROVED BY:**

*Shakita LaGrant-McClain*  
Shakita LaGrant-McClain, DHHS Director

**ATTACHMENTS:**

None

CC: County Executive David Crowley  
Sup. Willie Johnson Jr., Chair, Finance Committee  
Sup. Shawn Rolland, Chair, Health Equity, Human Needs, & Strategic Planning Committee  
Liz Sumner, Comptroller, Office of the Comptroller  
Mary Jo Meyers, Chief of Staff, County Executive's Office  
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors  
Joseph Lamers, Director, Office of Strategy, Budget and Performance  
Steve Cady, Research & Policy Director, Office of the Comptroller  
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