

**COUNTY OF MILWAUKEE**  
**Behavioral Health Division Administration**  
**Inter-Office Communication**

**DATE:** February 25, 2013

**TO:** Supervisor Marina Dimitrijevic, Chairwoman – Milwaukee County Board

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

**SUBJECT:** **Informational Report from the Director, Department of Health and Human Services, on the Status of the State Plan Amendment for Community Recovery Services (CRS) 1937 Medicaid Benchmark Plan**

**Issue**

In July 2012, the Health and Human Needs Committee (HHN) and the Milwaukee County Board of Supervisors approved adding Milwaukee County to the state plan amendment (SPA) for the 1937 Medicaid Benchmark Plan for CRS (File Number 12-575). Since that time the Behavioral Health Division has been in close contact with the State regarding the progress of the SPA. After a delay at the State Department of Health Services, the SPA was submitted in October 2012. The plan has not been approved by the Centers for Medicaid and Medicare Services (CMS) and it appears as though it may take years to resolve an issue raised by CMS for its approval.

**Discussion**

There is a significant and rather problematic delay with the 1937 SPA at the federal/state level that may have an impact on implementation of the program in Milwaukee County. CMS has asked the state to withdraw its SPA for CRS and resubmit it for two reasons: 1) To address CMS' identified cost reporting issues between the state and all the counties; and, 2) So the clock resets itself. The bigger issue is regarding the cost reporting. CMS has asked the State to completely overhaul how counties complete their report to the State for all Medicaid locally matched services. The State is arguing that the requested changes are not related to cost reporting but in fact are related to accounting principles and practices. The State is also arguing that in order to make the requested CMS changes it would take at least a decade to change this practice as all counties would need to implement an entirely new cost reporting system that is based on accounting practices and not included in the currently utilized cost reporting system. In order to make the requested changes to Medicaid cost reporting, the State anticipates that it will easily take years. Obviously this leaves Milwaukee County in quite a dilemma for the implementation of CRS.

The SPA that the State submitted for CRS was in essence requesting one thing, to move the program from one section in the Social Security Act - 1915i - to a different section, 1937. From a

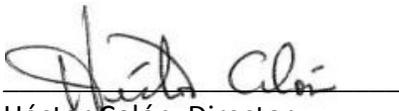
programmatically the services and individuals eligible for CRS services did not change. CRS is a co-participation benefit and would add two additional services: supported employment and community living support services; and, one additional provider: a certified peer specialist for clients already participating in BHD programs. In 2010, Milwaukee County's application was approved by the State to implement 1915i. At that time, the County lacked Board approval to implement the program. Both 1915i and 1937 are entitlements and it was presented to the Board in July under the framework of an entitlement.

Waiting a decade for resolution to the SPA for the 1937 Benchmark Plan is not a good solution for Milwaukee County. Therefore, BHD has asked the Continuum of Care Action Team of the Mental Health Redesign and Implementation Task Force to be the lead committee in exploring the risks and benefits of implementing CRS under 1915i as opposed to waiting for the cost reporting issues to be resolved between the State and CMS. A summary of its findings will be presented at the April 2013 HHN Committee meeting for further action if warranted.

**Recommendation**

This is an informational report. No action is necessary.

Respectfully Submitted,



Héctor Colón, Director  
Department of Health and Human Services

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