

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: March 22, 2019

TO: Supervisor Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

FROM: Mary Jo Meyers, Director, Department of Health and Human Services
Prepared by Michael Lappen, Administrator, Behavioral Health Division

SUBJECT: **An informational report from the Director, Department of Health and Human Services, providing an update on the Universal Health Services (UHS) contract with the Behavioral Health Division**

Issue

Last October, the Director for the Department of Administrative Services (DAS) submitted an informational report (File No. 18-748) to the County Board providing an overview of the UHS contract.

In March, the Milwaukee County Board requested an update regarding the oversight and standards the administration and/or the Milwaukee County Mental Health Board (MCMHB) have established to provide oversight of a contract with Universal Health Services (UHS) as the provider for inpatient psychiatric care. In response, BHD Administrator Michael Lappen provided a verbal report to the Health and Human Needs Committee in the March cycle and DHHS is now following up with a written report.

Background

Beginning in September 2014, the Milwaukee County Behavioral Health Division (BHD) was directed by the MCMHB to explore options for replacing the Acute Inpatient Hospital currently operated by BHD. Over the next four years, several options were explored. After a lengthy due diligence period, a single national operator, Universal Health Services (UHS), remained as a potential bidder to serve as BHD's Receiving Facility under Chapter 51 for people in need of involuntary inpatient psychiatric care.

On February 22, 2018, MCMHB directed BHD Administration to move forward with formal negotiations with UHS and on September 26, 2018, the MCMHB approved a contract with UHS. Over the next few months, there were some edits required to the contract including some clarifying language on when the contract rates could be raised, and the contract was finally executed on February 15, 2019. The new facility is anticipated to open in January 2021.

Proposed Facility

UHS is the largest provider of inpatient psychiatric services in the United States. Per their contract with BHD, UHS will build and operate a state-of-the-art facility in Milwaukee. The facility is expected to have 120 inpatient beds (96 adult and 24 youth and adolescent) and will have Joint Commission accreditation. The new facility, as with all hospitals, will operate in an extremely closely regulated industry, and will have to stand up to regular reviews by State, Federal, and Joint Commission surveyors.

BHD and the MCMHB have designated UHS to become the primary inpatient receiving facility for individuals who have been deemed to be dangerous to themselves or others under Chapter 51 of the Wisconsin Statutes. Historically, BHD has operated its own receiving facility, but most Wisconsin counties satisfy the requirement to identify a receiving facility through contracts with private hospital providers. BHD has provided inpatient services to less than half of the customers needing this level of care over the past several years. Insured patients are transferred to local hospitals operated by Ascension, Aurora and Rogers under long-standing Memorandums of Understanding (MOUs).

Under the contract, UHS will become the primary receiving facility for most involuntary cases and must exhaust all other payer options first, leaving BHD as the “payor of last resort” for such cases. Over the past several years, BHD has averaged between 12 and 15 individuals with no payor option in the inpatient hospital. For this reason, the projected contract cost to UHS was built on 15 cases per day in 2021, with a full year estimated to be \$5.2 million. BHD basically becomes a payor source for individuals in need of emergent care who do not have the financial resources to pay. For these individuals, BHD will be purchasing a highly regulated service from UHS on their behalf.

Contract Oversight

On the issue of oversight, in addition to Joint Commission accreditation, and the conditions of participation regulated by the Centers for Medicare and Medicaid Services (CMS), UHS has 120 days from the execution of the contract to present a local Complaints, Grievances and Appeals Procedure to be approved by the BHD Administrator. The BHD Client Rights Specialist will also be available to service recipients authorized by BHD and will assist our consumers to file complaints as allowed under Wisconsin State law.

As an industry leader in behavioral health, UHS has a very strong quality and consumer satisfaction program. The most recent report is attached. It shows extremely positive patient satisfaction results gathered from almost 320,000 UHS patients representing a 67 percent response rate. As part of the contract, the first year will be focused on establishing local baseline data to be incorporated into future quality measures and quality and outcome expectations.

Medical Oversight

As part of the State and Federal regulatory requirements for hospitals, UHS must have physicians involved in quality, peer review, and credentialing oversight for any patient in their care. To ensure that BHD has direct input in hospital oversight, the contract requires two Milwaukee County staff to serve ex-officio on their governing board responsible for overseeing the clinical and administrative operations of the facility. While non-voting, these representatives will be able to monitor quality issues for all consumers of the facility and make sure that UHS honors its promise to serve the individuals historically served by the BHD Acute Inpatient hospital.

The BHD Medical Director or his Treatment Director Designee will maintain the responsibility for the Treatment Director's Supplement (TDS) which must be completed within 24 hours to verify that individuals meet the criteria for involuntary inpatient psychiatric admission under Chapter 51. This insures that a BHD physician has clinical oversight for every involuntary case.

Additionally, the BHD Medical Director has a significant role in Section 31 of the UHS contract regarding the admissions process, medical necessity questions, discharge issues, and day-to-day utilization and quality review. The BHD Medical Director leads the BHD quality effort and would be closely monitoring all BHD inpatient referrals to UHS, their outcome data and performance measures, and would lead the investigation into complaints or quality concerns.

Location

UHS has 120 days from contract execution to deliver a location and final floor plan to the BHD Administrator for approval. The offer to purchase the land is pending and is expected to be complete by the end of April 2019, with the floor plan due to the BHD Administrator by May 15, 2019. The location will be made public on or before the May 15 due date.

Recommendation

This report is informational and no action is required.



Mary Jo Meyers, Director
Department of Health and Human Services

Attachment

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
County Supervisor Supreme Moore-Omokunde
Tom Lutzow, Chairman, MCMHB
Steve Cady, Research Director, Comptroller's Office
Lisa Wozny, Fiscal & Management Analyst, DAS
Lottie Maxwell-Mitchell, Research & Policy Analyst, Comptroller's Office