

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: September 1, 2022

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

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

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

File Type: Informational Report

REQUEST

Many smaller DHHS provider agencies face challenges participating in County contracting processes with access to capital, administrative capacity, and staff training. 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 Request for Proposals (RFP) process or network application process moving from one provider network to other networks, or to other service areas with the Department.

POLICY

Wisconsin State Statutes:	
Milwaukee County Code of General Ordinances:	Chapter 108
Specific Adopted Budget:	
Specific Adopted Budget Amendment:	
Specific Adopted Capital Project:	

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. Racial Equity and Contracting is one area identified by DHHS leadership in which there is an opportunity to address structural barriers and advance equitable policy and practice. The primary goal is to assess DHHS's contract

procurement strategy and develop additional tactics to address structural barriers to expand the provider network and ensure that its diversity is representative of those served in DHHS.

Whereas, as a governmental body, Milwaukee County recognizes its power to make change at a systemic level, on April 17, 2019, 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. BHS is in alignment with this ordinance as BHS 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 and 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*.

The primary goal of this report is to assess DHHS’s contract procurement strategy and develop additional tactics to address structural barriers to expand the DHHS provider networks and ensure that its diversity is representative of those served by DHHS. In response, 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 below flowchart exams 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 Request for Information (RFI) process are summarized in the tables below.

**2021 DHHS Agency Ownership Race/Ethnicity Data
2021 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 \$262,767,850 in contract payments, \$67,446,817, or 26%, went to minority led organizations.

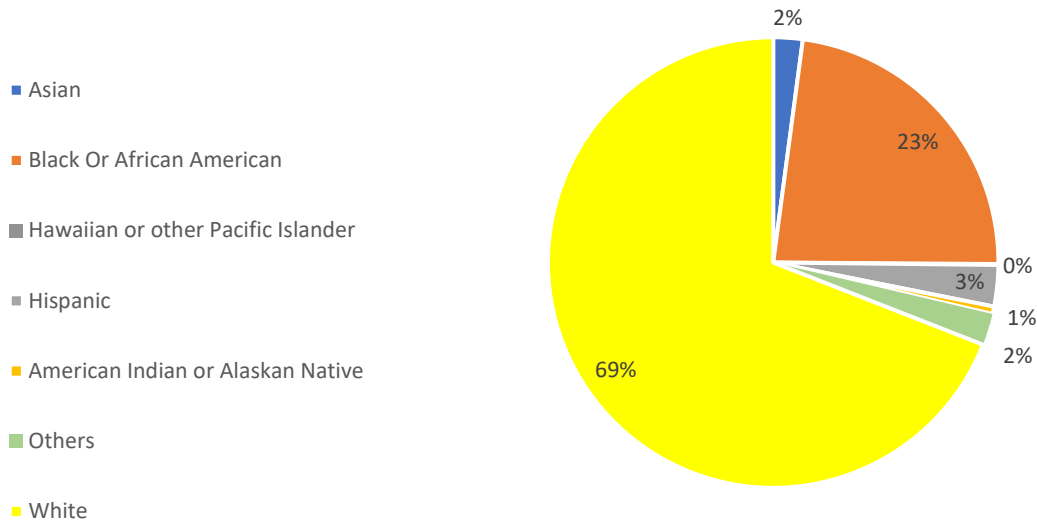
DHHS PAYMENTS		
Total payment	Minority	Minority %
\$ 262,767,850	\$ 67,446,817	26%

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 1,336 leaders out of 4,318 that are of minority populations, which is roughly 31% of all leaders within organizations having DHHS contracts. The pie chart further breaks out racial/ethnicity data indicating that African American leadership represents about 23% of all leaders, Hispanic leadership represents about 3%, Asian represents about 2% of all leaders, and Indigenous Americans represent less than 1%. All other minority races or ethnic groups comprise approximately 2%.

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

Race/Ethnicity	Female	Male	Non-Binary	Disabled	Total
Asian	50	40	1	-	91
Black Or African American	621	372		35	993
Hawaiian or other Pacific Islander	3				3
Hispanic	67	60	1	-	128
American Indian or Alaskan Native	14	9		-	23
Others	66	32	-	46	98
White	2,012	963	7	19	2,982
Grand Total	2,833	1,476	9	100	4,318

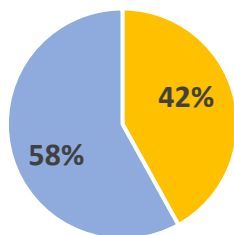
Agency Owner /Director and Leadership



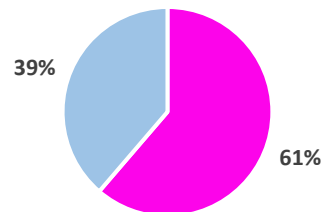
Milwaukee County has an overall goal of increasing the number of dollars sourced to minority and women-owned businesses. The below table, **2021 Data, # of Agencies**, shows that **217** agencies responded to the Request for Information. Of those 217 agencies, 91 are either minority owned, or minority led, which represents about 42% of DHHS contracted agencies, which is represented as orange in the blue and orange pie chart (2021 Minority Owned) below the table. By contrast, 61% of contracted agencies were women owned or led in 2021.

2021 Data	# of Agencies
Minority Owned or Led	91
Other	126
Total	217

Women Owned	133
Other	84
Total	217



■ Minority owned ■ Other

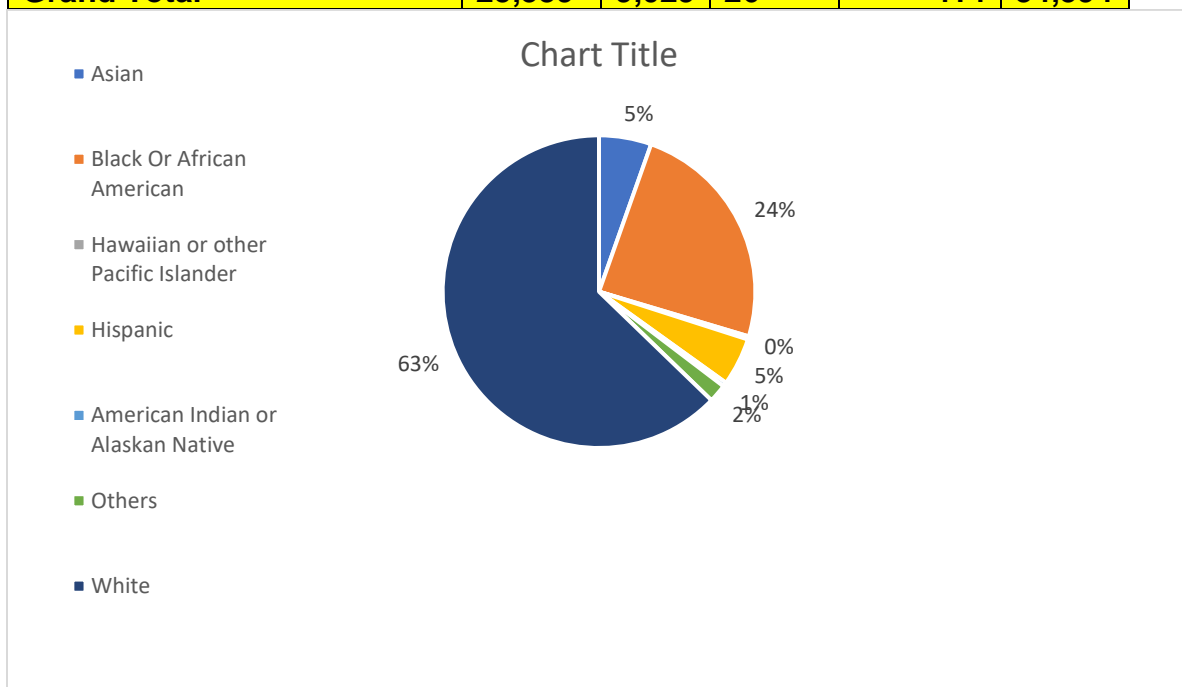


■ Women Owned ■ Other

The next table, **2021 AGENCY-WIDE EMPLOYEE DEMOGRAPHICS SUMMARY**, represents data on all employees at contracted agencies that responded to the Request for Information (RFI). This table shows that there are 12,878 provider employees that are of minority populations out of a total of 34,594 employees, which is roughly 37% of all agency staff. The pie chart further breaks out racial/ethnic data indicating that African American employees represent about 24% of all employees; Hispanic staff represents about 5%, Asian represents about 5%, and American Indian or Alaskan Native less than 1% of all agency employees. All other minority races or ethnic groups comprise approximately 2%.

2021 AGENCY-WIDE EMPLOYEE DEMOGRAPHICS SUMMARY

Race/Ethnicity	Female	Male	Non-Binary	Disabled	Total
Asian	1,138	734	1	9	1,873
Black Or African American	6,012	2,354	7	106	8,373
Hawaiian or other Pacific Islander	90	25	-	6	115
Hispanic	1,279	436	-	-	1,715
American Indian or Alaskan Native	104	47	-	4	151
Others	486	163	2	29	651
White	16,430	5,270	16	260	21,716
Grand Total	25,539	9,029	26	414	34,594





Limitations, Challenges and Opportunities

The above data is for DHHS as a whole and does not break data out by Fee-for-Service Network or Purchase of Service Program. The data is at a point in time (fall of 2021). 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 Request for Proposals (RFP) process moving from one provider network to another provider network, or to other service areas (divisions). Additionally, there are key indicators that help providers successfully compete in the RFP process. Specifically, capacity building efforts, technical assistance and workshops can improve and ensure a more equitable contracting process for DHHS. In an effort to enhance some of these indicators, DHHS has both doubled the number of public information and technical assistance sessions held for prospective applicants and the period of time for which RFP solicitations remain open.

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

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 racial and health equity through the contracting processes and have helped address social determinants of health and the 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

Shakita.LaGrant@milwaukeecountywi.gov
david.muhammad@milwaukeecountywi.gov
dennis.buesing@milwaukeecountywi.gov

PREPARED BY:

David Muhammad, Deputy Director, Department of Health and Human Services

APPROVED BY:

Shakita LaGrant-McClain

Shakita LaGrant-McClain, DHHS Director

ATTACHMENTS:

None

cc: County Executive David Crowley
Sup. Liz Sumner, Chair, Finance Committee
Sup. Shawn Rolland, Chair, Health Equity, Human Needs, and Strategic Planning
Mary Jo Meyers, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk
Steve Cady, Research Director, Comptroller's Office
Dan Laurila, Operating Budget Manager