

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: February 21, 2014

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by Geri L. Lyday, Administrator, Disabilities Services Division

SUBJECT: **Report from the Director, Department of Health and Human Services, requesting authorization to retroactively increase 2013 Disabilities Services Division purchase of service contracts and extend and increase 2014 purchase of service contracts for Birth-To-Three agencies**

Issue

The Director, Department of Health and Human Services (DHHS), is requesting authorization for DHHS to retroactively increase 2013 purchase of service (POS) contracts and increase and extend 2014 purchase of service contracts for the Birth-To-Three provider agencies within the Disabilities Services Division (DSD). These allocation recommendations are based on the recent submittal of 2013 year-end financial and agency performance measurement data completed as part of a new Birth-To-Three data reporting methodology.

Introduction

This report is requesting the following actions be taken:

1. The first is to reallocate 2013 funding from the Next Door Foundation, a former Birth-To-Three provider. This agency discontinued providing Birth-To-Three services during 2013 (please see detail below). In addition, the division is seeking to allocate \$150,000 in new funding from 2013 to help cover agency costs and units of service above the original 2013 allocations.
2. The second request pertains to the allocation of remaining 2014 funding and extension of existing 2014 six-month contracts to 12 months and to allocate the budgeted \$150,000 in new funding to the base contracts. We also have allocated four months of funding to cover the increase in CAPTA (Child Abuse Prevention and Treatment Act) Screens from Next Door Foundation to Curative Care network.

Background and Rationale

The Birth-To-Three program is an entitlement in Milwaukee County and provides critical early intervention services to children age zero to three years who demonstrate developmental

delays. Provided services are critical to the identification of early intervention strategies that can assist children to reach their maximum potential and actively participate in their communities. Services delivered by this program are provided by contracted community-based agencies that have expertise in working in this area and have been the providers of Birth-To-Three services in this community for some time.

Birth-To-Three services continue to be invaluable to families who have a child with a developmental delay. Provider agencies are key partners in the process through the delivery of effective early intervention services in partnership with families and Milwaukee County. During CY 2013, one of the long-standing agencies in the provider network, Next Door Foundation, notified DSD that they would not be continuing to provide services. DSD is issuing a request for proposals (RFP) to identify a new provider.

In December 2013, the County Board authorized DSD to enter into 2014 contracts with the Birth-To-Three agencies starting January 1 through June 30, 2014. At the time, the division did not recommend full year funding pending review of year-end financial information in order to achieve a performance-based contracting allocation methodology. Over the last year, DSD has implemented performance-based contracting focused on Federal indicators, review of unit rates, volume of services provided and other measurements including provision of services in the natural environment. DSD worked collaboratively with contract agencies and performed a modification to the collection of program and fiscal data during 2013. In order to allocate new funding available in a manner consistent with agency performance, it was determined that DSD would begin this new data reporting methodology during 2013.

In addition, in 2013 DSD budgeted \$150,000 in additional funding for Birth-To-Three services to address the ongoing budget imbalance caused by steadily increasing agency costs, increased number of referrals and number of children served and limited or no State and Federal funding increases. However, allocation of this funding was tied to the implementation of a new reporting requirement that compares financial performance data across agencies. To accurately allocate the new funding, it was critical to have year-end reporting data from all agencies.

New Data Reporting Methodology

As noted above, new reporting requirements were implemented in 2013 to allow for more detailed service information that could be utilized to compare agency performance and service volume equally across various agencies. DSD worked with DHHS Contract Administration and the Birth-To-Three agencies to institute the new requirements as well as provide technical assistance on the new requirements.

In order to accurately allocate the \$150,000 in new funding as well as reallocate existing funding, it was important for the agencies to provide more complete financial and performance based 2013 year-end data. It was also clear that the extra costs and service units provided by

both Curative Care Network and Milwaukee Center for Independence which provided services for cases previously served by Next Door Foundation were not able to be verified until the year-end agency data was available.

DSD now has complete 2013 year end data from all agencies and has allocated funding based on the new allocation methodology. To illustrate several of the key components included in the analysis, the allocations were based on, but not limited to, the following considerations:

- Units Provided
- Costs Reported
- Unit Cost (Actual)
- Number of Children Served
- Federal Indicator Performance
- Family Outcome Survey Performance
- Natural Environment Compliance
- Other Special Considerations or Exceptional Agency Program Innovation

Recommendations for the 2013 retroactive contract increase will allocate additional funding budgeted in 2013 as well as compensate those agencies that provided assistance with the transition of cases previously served by the Next Door Foundation (please see Attachment 1 for more detailed information). The following 2013 contract increases are being recommended:

Agency	2013 Contract	2013 Recommended Increase	New 2013 Contract Amount
Center for Communication, Hearing & Deafness	\$81,588	\$22,500	\$104,088
Curative	\$1,229,846	\$43,281	\$1,273,127
Easter Seals	\$545,402	\$15,000	\$560,402
Lutheran Social Services	\$246,532	\$0	\$246,532
Milwaukee Center for Independence	\$388,970	\$47,900	\$436,870
Penfield	\$1,175,598	\$22,500	\$1,198,098
St. Francis	\$459,170	\$22,500	\$481,670
Vision Forward	\$82,720	\$22,500	\$105,220
Total	\$4,209,826	\$196,181	\$4,406,007

The recommendations below reflect the allocations of the remaining funding available in 2014 and an extension of the existing contracts from July 1 to December 31, 2014. This funding includes \$2,104,913 in base funding for the last six months of the year, the additional \$150,000 and four months of funding (\$7,500) to cover the services formerly provided by Next Door Foundation for a total of \$2,262,413. These services are temporarily being provided by the

Curative Care network pending the outcome of the RFP. These services relate to administering Child Abuse Prevention and Treatment Act (CAPTA) screens.

The 2014 allocation methodology listed below includes several of the factors mentioned above as part of the 2013 allocation as well as consideration of the historical performance of the agencies to provide units of service above their contract limits (please see Attachment 1 for more detailed information).

Agency	2014 Contract	2014 Recommended Increase	New 2014 Contract Amount
Center for Communication, Hearing & Deafness	\$40,794	\$50,794	\$91,588
Curative	\$614,923	\$652,423	\$1,267,346
Easter Seals	\$272,701	\$282,701	\$555,402
Lutheran Social Services	\$123,266	\$123,266	\$246,532
Milwaukee Center for Independence	\$194,485	\$224,485	\$418,970
Penfield	\$587,799	\$617,799	\$1,205,598
St. Francis	\$229,585	\$259,585	\$489,170
Vision Forward	\$41,360	\$51,360	\$92,720
Total	\$2,104,913	\$2,262,413	\$4,367,326

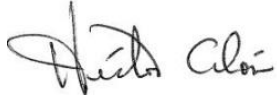
It should be noted that agencies will need to continue to maintain compliance with Federal indicators to keep pace with the high number of new referrals and continue to perform well on quality Birth-To-Three measures including the annual parental survey and family outcomes. Collectively, all of this information folds into our ability to award allocations based on performance.

Recommendation

It is recommended that the County Board of Supervisors authorize the Director, DHHS, or his designee, to retroactively increase 2013 purchase of service contracts and to increase and extend 2014 purchase of service contracts with Birth-To-Three provider agencies per the narrative above and in the amounts specified in the above table and detailed on the attached resolution.

Fiscal Effect

Funding for these POS contract increases is included in DSD's 2013 and 2014 Adopted Budgets. There is no additional tax levy impact associated with this request. A fiscal note form is attached.



Héctor Colón, Director
Department of Health and Human Services

Attachments

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
Kelly Bablitch, County Board
Don Tyler, Director, DAS
Josh Fudge, Interim Fiscal & Budget Administrator, DAS
CJ Pahl, Assistant Fiscal & Budget Administrator, DAS
Matthew Fortman, Fiscal & Management Analyst, DAS
Steve Cady, Director of Research – Comptroller's Office
Janelle Jensen, County Clerk's Office
Jodi Mapp, County Clerk's Office