

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: March 20, 2017

TO: Theodore Lipscomb, Chairman, 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 2016 Disabilities Services Division purchase of service contracts in the amount of \$300,000**

Issue

The Director, Department of Health and Human Services (DHHS), is requesting authorization for DHHS to retroactively increase 2016 purchase of service (POS) contracts for the Birth To Three provider agencies within the Disabilities Services Division (DSD). These allocation recommendations are based on the recent submittal of 2016 year-end financial and agency performance measurement data.

Introduction

This report is requesting the following action be taken:

1. This request is recommending the reallocation of unspent surplus funds in the Department of Health and Social Services, Disabilities Services Division of \$300,000 to the Birth to Three agencies CY 2016 contracts. This is a one-time only allocation to assist the agencies with a \$1 million shortfall in 2016.

Background and Rationale

The Birth-To-Three program is an entitlement in Milwaukee County and provides critical Special Education 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.

Provider agencies are key partners in the process through the delivery of effective early intervention services in partnership with families and Milwaukee County.

Birth to Three 2016 Partner Agency Financial reports demonstrate that each agency have overspent their contracts with a total shortfall of \$1 million exceeding their current 2016 contract allocation by 137%. This is due to an increase in the number of referrals and lack of new funding from the state Department of Health Services. Milwaukee County has not received a contract increase in Birth to Three funding for at least 8 years.

The department reviewed the last three years of contract allocations to the Birth to Three agencies, their expenses and units utilized. The data revealed that the agencies have experienced a gradual increase in their shortfall of contract dollars awarded and actual units provided. See chart below:

Calendar Year	Contract	Lower of Net Expenses/Net Units Earned	Deficit	# of Referrals
2014	4,517,605	5,408,820	(891,215)	2,965
2015	4,525,105	5,330,574	(805,469)	2,916
2016	4,525,105	5,611,554	(1,086,449)	3,714

The Birth to Three providers have been invaluable partners in serving children and families in this community. As the chart demonstrates most of them have continued to provide services without adequate funding for over three years. Their commitment to providing high quality services and for collectively assuring that every child referred receive services is remarkable. We are grateful for their willingness to step up to the plate and we strongly support the reallocation of this funding to assist them with an enormous financial shortfall. Our fear is without some assistance the boards of these not-for-profit agencies will, at some point, refuse to accept new referrals beyond the availability of dollars within their contracts.

As an early intervention program there is a small window of opportunity to assist these children to reach their developmental milestones to be prepared to enter school at age three. It is also essential that parents develop the skills to work with their child in reaching their maximum potential. We are fortunate to have great partners willing to work with us toward this end.

The recommendations below reflect the allocations of the funding by each agency in 2017 to cover a partial 2016 shortfall. The allocations were based on the following criteria:

- 25% based on agency deficit
- 25% based on budgeted units delivered
- 25% based on agency meeting 100% service provided in use of natural environments as a Federal indicator and outcome
- 25% based on child's improvement in social and emotional development indicator and outcome

The allocations are as follows:

Agency Name	Criteria 1	Criteria 2			Criteria 3	Criteria 4	Average Weight of all 4 Criteria	Amount Allocated (based on equal weight)
	Deficit (\$) (Lower of Net Expenses/Net Units Earned less Contract)	Budgeted (County Units)	County Units Provided	County Units Over Budgeted units	Federal Outcome (Natural Environment)	Federal Outcome (Progress in Socio Emotional and other Skills Average)		
Badger Assoc. Vision Forward	29,503	9,500	6,460	-	98%	100%	6.32%	18,951
Hear Wisconsin Inc.	141,600	2,734	7,136	4,402	100%	100%	11.08%	33,251
Curative Care	148,302	49,152	79,454	30,302	98%	98%	23.68%	71,034
Easter Seals Kind Care	73,287	37,670	30,489	-	93%	99%	7.14%	21,432
LSS	41,678	9,600	11,518	1,918	91%	96%	7.21%	21,640
Curative Screens	186,883	3,877	16,302	12,425	98%	98%	15.90%	47,697
MCFI	86,253	21,497	24,022	2,525	98%	100%	8.83%	26,500
Penfield	191,103	189,000	148,874	-	98%	99%	10.02%	30,049
St. Francis	187,839	34,000	30,649	-	94%	99%	9.82%	29,447
Total	1,086,449	357,030	354,903	51,570			100.00%	300,000

Agency Name	Contract (Current)	Additional Allocation	Revised Contract Amounts
Badger Assoc. Vision Forward	92,720	18,951	111,671
Hear Wisconsin Inc.	91,588	33,251	124,839
Curative Care	1,267,346	71,034	1,338,380
Easter Seals Kind Care	555,402	21,432	576,834
LSS	246,532	21,640	268,172
Curative Screens	157,779	47,697	205,476
MCFI	418,970	26,500	445,470
Penfield	1,205,598	30,049	1,235,647
St. Francis	489,170	29,447	518,617
Total	4,525,105	300,000	4,825,105

It should be noted that this is a one-time only adjustment for 2016 and may not be able to occur annually. The department along with the Combined Community Services Board and the Birth to Three agencies are working together to advocate for additional dollars in 2017.

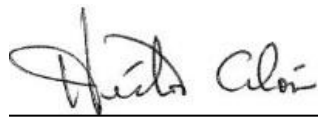
The State department has included in the Governor's budget a provision that would allow counties to draw down on additional Federal Medicaid funding to cover the cost of teachers. This would bring new dollars into the system and maximize the existing funding.

Recommendation

It is recommended that the County Board of Supervisors authorize the Director, DHHS, or his designee, to retroactively increase 2016 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 2016 budget. There is no additional tax levy impact associated with this request.



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
County Supervisor Supreme Moore-Omokunde, County Board
County Supervisor Eddie Cullen, County Board
Teig Whaley-Smith, Director, DAS
Steve Kreklow, Director, Office of Performance, Strategy & Budget
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