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**MILWAUKEE COUNTY MENTAL HEALTH BOARD
FINANCE COMMITTEE**

Thursday, March 23, 2023 - 1:30 P.M.
Microsoft Teams Meeting

MINUTES

PRESENT: Jon Lehrmann, Mary Neubauer, and Thomas Lutzow
EXCUSED: Kathie Eilers and Dennise Lavrenz

SCHEDULED ITEMS:

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| 1. | <p>Welcome.</p> <p>Chairman Lutzow welcomed everyone to the March 23, 2023, Mental Health Board Finance Committee's remote/virtual meeting.</p> |
| 2. | <p>Fiscal Year 2023 Adopted Budget and State Budget Update.</p> <p>Governor Evers recently released the State Budget plan. A lot of the items included affect social services in Wisconsin. The main items impacting mental health are changes to the Community Support Program (CSP). Counties pay the non-federal share of the program. The proposal is to shift it to resemble the Comprehensive Community Services (CCS) program where the State takes on the burden of paying the non-federal share. There would still be some County costs associated. This would allow for increased rates for CSP providers. It would also help to expand the program.</p> <p>Other items in the Budget include funding for room and board for residential substance use treatment and the expansion of certified peer specialists. Two big asterisks include proposal implementation and the fact the proposals only exist as recommendations. The outcome won't be known until July. Behavioral Health Services' 2024 Budget request will be prepared assuming none of the items are included in the State budget. If necessary, adjustments can be made after the fact.</p> <p>Vice-Chairwoman Neubauer provided information on State Budget changes to 1915i.</p> <p>This Item was informational.</p> |
| 3. | <p>March 16, 2023, Budge Hearing Update.</p> <p>It was a robust public hearing community feedback session. There were peer specialists who spoke to their work, being underfunded, and the shortage. Behavioral Health Services</p> |

SCHEDULED ITEMS (CONTINUED):

	<p>is hoping to counteract the shortage with the new peer specialist training academy, which should be up and running sometime in 2023, with adding more bandwidth and capacity for 2024. Other topics included the need for housing, workforce development, and prevention and early intervention.</p> <p>Discussion ensued at length.</p> <p>This Item was informational.</p>
4.	<p>2022 Year-End Dashboard.</p> <p>The 2022 Budget was created anticipating a deficit due to the overlap of sunseting the Behavioral Health Services operated psychiatric hospital and emergency room, while also concurrently funding Granite Hills and the Mental Health Emergency Center (MHEC). Both Granite Hills and MHEC were not functional by the targeted early June timeline.</p> <p>Financial highlights include the one-time payment for the MHEC startup, a state institute deficit, the Wisconsin Medicaid Cost Reporting shortfall, Community Support Program (CSP) surplus due to lower utilization, and a deficit in Wraparound. An important detail the Board should be aware of is the disparity between Comprehensive Community Services (CCS) rates and CSP rates. CCS rates are higher. This has created a significant problem statewide. Because CCS is fully reimbursed and have higher rates, CCS programs are poaching CSP staff. Until there is some parity to the reimbursement, CSPs will continue to struggle.</p> <p>Questions and comments ensued.</p> <p>This Item was informational.</p>
5.	<p>December 2022 Financial Reporting Package.</p> <p>The report associated with this item reflects similar information presented in Item 4. It is a historical numeric representation document, which helps track changes and provides a more detailed financial view.</p> <p>This Item was informational.</p>
6.	<p>Update on Financial Vulnerabilities, Risks, and Progress on Initiatives Related to the 2021 Budget.</p> <p>Wraparound Milwaukee residential care center costs continue to be the major item on the list of risks and vulnerabilities. State general purpose revenue funds are currently being used since the State has disallowed the use of Medicaid funds. Those funds are set to expire fully in 2025. It will either need to be backfilled with tax levy or other revenue sources will need to be identified to fund the level of care.</p>

SCHEDULED ITEMS (CONTINUED):

	<p>Behavioral Health Services' (BHS) is struggling internally, and the provider network is finding it challenging to hire and retain staff. Rate increases continue to be requested, and BHS continues to evaluate those requests.</p> <p>The combination of payments between the Granite Hills budget and state institute budget is somewhat level. However, if BHS begins to see more placements at state institutes, it could quickly get out of hand. This situation is being monitored closely.</p> <p>Revenue opportunities include opioid settlement funds and the exploration of generating new federal funding for initiatives currently being funded through tax levy.</p> <p>Milwaukee County does not have a negotiated indirect cost rate agreement (NICRA), which means whenever a new grant award is received from the state or federal government, the draw down can only be 10% of indirect costs, which does not cover the full costs of supporting these grant opportunities. BHS is working with the Comptroller's Office to get a NICRA in place, which can be used to fully fund new opportunities and potentially backfill tax levy used to support other programs.</p> <p>Questions and comments ensued.</p> <p>This Item was informational.</p>
7.	<p>Quarterly Fund Transfers Update.</p> <p>Four transfers were submitted in the last quarter related to the youth CORE grant, personnel move costs, expenditures and revenues related to the Community Mental Health Services Block Grant, and new activity code categories to better track grant funding.</p> <p>This Item was informational.</p>
8.	<p>Quarterly Reserve Fund Update.</p> <p>For the purpose of clarity, the numbers reflected are not final. There is work still to be done with the Comptroller's Office on the final break-even analysis. The report before the Committee is just an estimate. The numbers should be finalized within the next two months. The Wraparound reserve is anticipated to be reduced based on the deficit previously discussed. There was some spending from the capital reserve for the Mental Health Emergency Center, which brought the account down to zero. The Comptroller's Office will determine whether or not it's appropriate to leave the account open. The general surplus reserve is going down due to the operational deficit.</p> <p>Reserve impacts include detoxification service increase, relocation costs, youth residential costs, and state institute payments.</p>

SCHEDULED ITEMS (CONTINUED):

	This Item was informational.
9.	Adjournment. Chairman Lutzow ordered the meeting adjourned.
<p>This meeting was recorded. The official copy of these minutes and subject reports, along with the audio recording of this meeting, is available on Milwaukee County's Legislative Information Center website, which can be accessed by clicking the link below.</p> <p>Length of meeting: 1:34 p.m. to 2:22 p.m.</p> <p>Adjourned,</p> <p><i>Jodi Mapp</i></p> <p>Jodi Mapp Board Administrative Liaison Milwaukee County Mental Health Board</p>	
<p>The next meeting of the Milwaukee County Mental Health Board Finance Committee will be on Thursday, April 27, 2023, at 8:00 a.m.</p> <p>To View All Associated Meeting Materials, Visit the Milwaukee County Legislative Information Center at: Milwaukee County - Calendar (legistar.com)</p> <p>Visit the Milwaukee County Mental Health Board Web Page at: https://county.milwaukee.gov/EN/DHHS/About/Governance</p>	