

**Chairperson:** Thomas Lutzow  
**Research Analyst:** Kate Flynn Post, (414) 257-7606  
**Board Liaison:** Jodi Mapp, (414) 257-5202

**MILWAUKEE COUNTY MENTAL HEALTH BOARD  
FINANCE COMMITTEE**

**Thursday, December 2, 2021 - 1:30 P.M.**  
**Teleconference Meeting**

**MINUTES**

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

**SCHEDULED ITEMS:**

**1. Welcome.**

Chairman Lutzow welcomed everyone to the December 2, 2021, Mental Health Board Finance Committee's quarterly remote/virtual meeting.

**2. Professional Services Contracts Recommendation.**

- 2021 Contracts and Contract Amendments
  - Evaluation Research Services, LLC
  - Kane Communications Group\*
  - Ubuntu Research and Evaluation\*
  - Wellpath, LLC\*
- 2022 Contracts
  - 2-Story Creative, LTD\*
  - Mental Health Emergency Center, Inc.

Professional Services Contracts focus on facility-based programming, supports functions critical to patient care, and are necessary to maintain hospital and crisis services licensure. An overview was presented of all hospital/operations services provided.

Questions were raised regarding the Ubuntu Research and Evaluation contract to facilitate comprehensive training. The Committee was informed the contract is covered by carryover dollars from the Systems of Care Substance Abuse and Mental Health Services Administration (SAMHSA) grant. This allowed for expansion of the training to cover the whole Department of Health and Human Services.

The Finance Committee, except for Committee Member Neubauer who was not present at the time the recommendation was made, unanimously agreed to recommend approval of the Professional Services Contracts to the Board as delineated in the corresponding report.

### **SCHEDULED ITEMS (CONTINUED):**

3.	<p><b>Purchase-of-Service Agreements Recommendation.</b></p> <ul style="list-style-type: none"><li>• 2021 Agreements Report</li><li>• 2022 Agreements Report</li></ul> <p>Purchase-of-Service Agreements for the Provision of Adult and Child Mental Health Services and Substance Use Disorder Services were reviewed. An overview was provided detailing the youth and adult services agreements.</p> <p>Chairman Lutzow requested the Committee be provided with a report demonstrating the increase/expansion of community services are indeed occurring and reflects less investment in institutional care and more investment in community care. Everyone knows it's happening. It should be reflected in a document and made easily visible for the community to see how the shift is occurring and crystalize the success of the shift. A report should be produced to show how significant the shift has happened both on the financial side and by numbers served. This will be the best way to show and celebrate the success.</p> <p>The Finance Committee unanimously agreed to recommend approval of the 2021 and 2022 Purchase-of-Service Agreements and Agreement Amendments to the Board as delineated in the corresponding reports.</p>
4.	<p><b>Fee-for-Service Agreements Recommendation.</b></p> <ul style="list-style-type: none"><li>• 2022 Agreements Report</li></ul> <p>Fee-for-Service Agreements are for the Provision of Adult and Child Mental Health Services and Substance Use Disorder Services. An overview was provided detailing the program agreements, which provide a broad range of support services for adults and children with serious emotional disturbances and their families.</p> <p>The Committee's attention was drawn to the inaccurate amount listed for the Hearts of Harmony contract, which also impacts the "Total" calculation. The contract amount should read \$200,000, and the total calculation should read \$2,422,000. A revised report will be submitted prior to the December full Board meeting.</p> <p>The Finance Committee unanimously agreed to recommend approval of the 2022 Agreements to the Board with the corrections to the corresponding report as stated.</p>
5.	<p><b>Transition of the Behavioral Health Division's Wraparound Wellness Clinic to a Youth and Young Adult Community-Based Outpatient Clinic.</b></p> <p>Under a Department of Health Services 35 license, the Behavioral Health Division will establish a community-based outpatient clinic, which provides medication management and psychotherapy services to serve youth and young adults enrolled in Wraparound Milwaukee or</p>

**SCHEDULED ITEMS (CONTINUED):**

	<p>youth Comprehensive Community Services (CCS). The future goal is to serve youth and young adults in the community at large. The location will be at 1919 West North Avenue. There will be 5,894 square feet of rentable space. Highlights of the presentation include the timeline, outputs to achieve the goal, credentials and licensing of the clinic, the delivery model, evaluation and data, facilities planning, information technology (IT) tools, marketing, and policy and procedure.</p> <p>The financials include the base rent of \$10.50 per square foot and an additional maintenance cost of \$3.50 per square foot for a total annual rent of \$82,516. There is some initial construction needed on the shared parking lot along with rehabilitation of the interior. There are also IT and exterior signage costs. These one-time costs are in addition to the annual rent amount. The start-up costs are being integrated into a healthcare infrastructure grant request recently submitted. If the grant is not approved, there will be an opportunity for potential supplemental block grant funds to apply to this project. The rates are competitive, and the location is in a great area.</p> <p>Questions and comments ensued.</p> <p>A recommendation was made related to setting productivity assumptions and goals.</p> <p>The Finance Committee unanimously agreed to recommend approval of the funds needed for the Young Adult Community-Based Outpatient Clinic to the Board.</p>
6.	<p><b>Employment Agreements.</b></p> <p>The Department of Human Resources, Corporation Counsel, and the Compensation Division established a personnel policy allowing for employment agreements for specific classified, unclassified, and exempt physician, psychologist, and advanced practice nurse classifications within Milwaukee County.</p> <p>There are two employment agreement amendments. They are needed to cover transitions and keep staff through closure of the hospital. It incentivizes them to renegotiate other options they may have to stay as long as possible. Vacancies would have to be filled with Locums staff. Having committed individuals to stay longer would be more cost effective. The amendments would move the positions up in the pay range and add a critical fill bonus, which is a similar mechanism to what has been put in place for nursing and other staff. This is the best way to approach the limited time left until closure of the inpatient units.</p> <p>The Finance Committee unanimously agreed to recommend approval of the Employment Agreement Amendments to the Board.</p>

**SCHEDULED ITEMS (CONTINUED):**

7.	<p><b>A Request for Authorization to use Behavioral Health Division (BHD) Reserve Funding for the Buildout and Improvement of Existing Space at the Marcia P. Coggs Human Services Center in Support of Youth Services Administration Relocation and Tenant Improvements.</b></p> <p>A lengthy real estate search was done in an effort to find a new location for the Behavioral Health Division's Administrative Services after the hospital closes. There was interest in co-locating the administrative staff with the rest of Health and Human Services (DHHS) administrative staff. There were several options identified through the search. Ultimately, the decision was made to relocate to the Coggs facility. An overview was provided of the Coggs center. Renovations are needed and can be done with the use of County American Rescue Plan Act (ARPA) funds and County bond funding. Reinvestment in Coggs aligns with DHHS' strategic plan, places staff and services physically closer to residents served, and allows for flexibility of building control.</p> <p>Renovation plan highlights were discussed in detail.</p> <p>Questions and comments ensued.</p> <p>The Finance Committee unanimously, except for Committee Member Lehrman who was no longer present, agreed to recommend approval of the funds needed for the buildout and improvement at the Coggs Center for Youth Services Administration relocation to the Board.</p>
8.	<p><b>2021 Third Quarter Dashboard.</b></p> <p>An overview was provided of the 2021 Quarter 3 fiscal report detailing combined reporting, inpatient hospital annual projections, and 2021 year-to-date revenues and expenses. The County is projecting a major fringe benefits surplus. The surplus benefiting the Behavioral Health Division could be as much as \$3.8 million.</p> <p>Program Dashboards for acute adult inpatient, child and adolescent inpatient (CAIS), Psychiatric Crisis Services (PCS), Wraparound, Targeted Case Management (TCM), Comprehensive Community Services (CCS), and Community Support Programs (CSP) were all reviewed. Year-end financial highlights included information on inpatient and Psychiatric Crisis Services (PCS) deficit, personnel services abatement, state institutions deficit, capital spending, Wisconsin Medicaid Cost Reporting (WIMCR) settlement, and community aids funding.</p> <p>Questions and comments ensued.</p> <p>This item was informational.</p>

**SCHEDULED ITEMS (CONTINUED):**

9.	<p><b>September 2021 Financial Reporting Package.</b></p> <p>The information contained in this report is similar to what was presented in the dashboards highlighted in the previous item and provides a historical reference.</p> <p>This item was informational.</p>
10.	<p><b>Update on Financial Vulnerabilities, Risks, and Progress on Initiatives Related to the 2021 Budget.</b></p> <p>An ongoing risk for the Behavioral Health Division (BHD) is the general financial health of Milwaukee County and its struggles with structural budget issues. BHD has a statutory tax levy floor of \$53 million. There has been an expenditure reduction in the form of a \$2 million structural deficit item in BHD's 2022 Budget. To cover the difference, new revenues will be needed, or expenses must be reduced.</p> <p>Inpatient revenue loss remains a concern due to ongoing inpatient bed capacity reductions. Bed capacity limitations remain a risk as staffing becomes more challenging during the hospital closure.</p> <p>BHD anticipates full closure of the hospital, which includes the inpatient psychiatric hospital, the Psychiatric Crisis Services emergency room, and administrative space by the first half of 2022. Unexpected delays in any of these three transitions could lead to substantial unanticipated costs.</p> <p>In 2020, the State Department of Health Services issued interim rate increases for Crisis Intervention services assuming counties would continue or even expand services. Since the pandemic, there has been a decline in crisis intervention services being provided and is causing a less favorable Crisis Intervention cost settlement payment for Milwaukee County in 2021.</p> <p>Both BHD's hospital and network are finding it challenging to hire and retain staff. The County has limited ability to apply increases without increases to local, state, or federal revenue to offset increased costs.</p> <p>There is an opportunity for American Rescue Plan Act (ARPA), additional supplemental block grant, as well as opioid settlement funding over the next several years. Allocation of the funding is still to be determined. These are one-time increases aimed at assisting the community recover from the pandemic and opioid epidemic.</p> <p>With all the state and federal grants, only a 10% overhead rate can be used, which does not cover all the overhead costs for any of the new grants. This is not sustainable as BHD continues to rely more and more on grant funding for direct services. The Department of Health and Human Services is partnering with the new Department of Administrative Services</p>

**SCHEDULED ITEMS (CONTINUED):**

	<p>Grants Office and the Comptroller to obtain a Negotiated Indirect Cost Rate Agreement (NICRA) for Milwaukee County. This could create immediate tax levy savings and allow BHD to continue to expand services with new grant opportunities.</p> <p>Questions and comments ensued.</p> <p>This item was informational.</p>
11.	<p><b>Quarterly Fund Transfers.</b></p> <p>This year, the Behavioral Health Division (BHD) has had substantially more transfers than usual. This is because BHD has been granted more awards than usual. Most of the transfers are related to internal accounting adjustments and recognizing new grants awarded, which were described in detail.</p> <p>This item was informational.</p>
12.	<p><b>Quarterly Update and Reserve Analysis Overview.</b></p> <p>The year 2021 ended with an anticipated \$4.3 million deficit. Funds to cover the deficit will come from the Wrap, capital hospital structure, and general surplus reserves. With all of the known reserve items for 2022, there are also a lot of unknown items. Once all reserve items are accounted for, it will bring the balance close to the statutory minimum. This means balances above \$10 million can be used at the Board's discretion for any mental health purpose. Any amount below \$10 million can only be used to cover deficits.</p> <p>This item was informational.</p>
13.	<p><b>Mental Health Board Finance Committee 2022 Meeting Schedule.</b></p> <p>The 2022 Finance Committee meeting schedule was provided to Committee Members in its final draft. All Committee Members should have received calendar invitations for the meetings.</p>
14.	<p><b>Adjournment.</b></p> <p>Chairman Lutzow ordered the meeting adjourned.</p>

**SCHEDULED ITEMS (CONTINUED):**

This meeting was recorded. The official copy of these minutes and subject reports, along with the audio recording of this meeting, are available on Milwaukee County's Legislative Information Center website, which can be accessed by clicking the link below.

Length of meeting: 1:35 p.m. to 3:39 p.m.

Adjourned,

*Jodi Mapp*

Jodi Mapp  
Board Administrative Liaison  
Milwaukee County Mental Health Board

**The next meeting of the Milwaukee County Mental Health Board  
Finance Committee is Thursday, February 24, 2022, at 8:00 a.m.**

**To View All Associated Meeting Materials,  
Visit the Milwaukee County Legislative Information Center at:  
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<https://county.milwaukee.gov/EN/DHHS/About/Governance#MCMHBRecords>**