



# Milwaukee County

## Legislation Details (With Text)

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**File created:** 1/11/2011      **In control:** County Clerk's Office  
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**Title:** From the Interim Director, Department of Health and Human Services (DHHS), submitting an informational report regarding the use of fee-for-service agreements by the Behavioral Health Division. (INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)

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Date	Ver.	Action By	Action	Result
1/26/2011	1	Health and Human Needs Committee	DISCUSSED WITH NO ACTION TAKEN	
1/24/2011	1	Milwaukee County Board of Supervisors	Assigned	

From the Interim Director, Department of Health and Human Services (DHHS), submitting an informational report regarding the use of fee-for-service agreements by the Behavioral Health Division. **(INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

### Background

At the December 8, 2010 meeting of the Health and Human Needs Committee, an informational report was requested regarding the use of fee for service agreements by the Behavioral Health Division (BHD). The BHD has been utilizing fee for service agreements for several years, particularly for programs in the Community Services Branch and Wraparound Milwaukee, and continues to transition some of its purchase of services contracts to fee for service agreements.

### Discussion

The Community Services areas within BHD, for children and adults, have traditionally used both purchase of service and fee for service systems to pay vendors for providing services to BHD clients. In recent years, the trend in Wisconsin and the US for the provision of community services is to transition more services to fee for service networks. This allows greater monitoring of the allocation of service units instead of using a not-to-exceed contract approach. BHD has followed this trend and is using more fee for service agreements to pay vendors.

In a fee for service network, a group of providers is identified and authorized to supply prescribed services to

enrolled clients. This is a different approach to the provision of services because it puts the client in charge of where to “spend” their service vouchers since often there is more than one provider offering a specific service. In behavioral health settings, this can encourage ownership on the part of the client, as they are taking an active role in determining the provider for their treatment and recovery services. Providers are paid at a pre-established rate based on the service provided and the number of clients served. In the fee for service system, providers do not have fixed amount contracts; rather, they are reimbursed as services are rendered. BHD then monitors service credits approved for clients rather than contracts to project and monitor spending for the year. The move from contracts to a fee for service network has resulted in a change in the reports given to the Board regarding purchase of service contracts, but has not caused a reduction in expenditures for service areas or in the number of clients served under the programs.

Below is a summary of each area within BHD that has fee for service networks including specific services and actual expenditures.

#### *Adult Community Services - Alcohol and Other Drug Abuse Services (AODA)*

Wiser Choice is the adult public sector community-based substance abuse system for Milwaukee County. The Wiser Choice system serves Milwaukee County residents ages 18-59, and pregnant women of all ages, with an emphasis on both the general and corrections substance abuse populations. Functioning much like a managed care entity, the Wiser Choice system is currently funded by 11 different funding streams and uses a mechanism of behind the scenes “braided funding” to leverage the various forms of funding with one another to achieve maximum fiscal efficiency and a seamless provision of service to the clients as well as payment to the providers. The system has functioned as a fee for service network since its inception.

In Milwaukee County, Wiser Choice is the central access point for Milwaukee County residents requiring substance abuse services. Services are accessed at any number of Central Intake Units (CIU) in the community. When a client arrives at a CIU, they receive a comprehensive screen, which helps to identify the severity of the substance abuse issue and in turn determine an appropriate level of care for treatment. Immediately, while still at the CIU, the client chooses an agency/team who will provide their Recovery Support Coordination or Case Management, and also chooses a treatment provider who provides the level of care for which they have been determined eligible. The goal is that the client will be reviewing a menu of agencies complete with accurate descriptors, so that the choices they are making are adequately informed.

The Wiser Choice network has 80 agencies, at more than 100 site locations, to provide a broad array of services. Wiser Choice has annual written agreements with all providers in the network, developed in conjunction with the Milwaukee County DHHS Contract Administration. Wiser Choice has a team of Quality Assurance professionals who work to develop service descriptions in accordance with any applicable state statutes and laws and establish unit rates for services. The Quality Assurance team conducts regular audits of providers and also verifies the credentials of all new providers entering the system. Service authorizations are tracked and monitored by BHD staff.

Below is a summary of the fee for service agreements in the Adult Community Services - AODA area.

**Fee for Service Agreements - Adult Community Services (AODA)**

Service Area	Actual Spent (January - December 27, 2010)
Primary Treatment Services	\$ 7,437,424
Recovery Support Coordination	\$ 1,899,738
Ancillary Recovery Support Svcs	\$ 738,697
<b>TOTAL</b>	<b>\$ 10,075,859</b>

*Adult Community Services - Mental Health*

Adult Community Services is composed of community-based services for persons having a serious and persistent mental illness and for persons having substance abuse problems or a substance dependency. The majority of services in the mental health program area are provided through contracts with community agencies. In 2009 and 2010, BHD began transitioning all direct service community contracts to fee for service and will continue this conversion in 2011. The federal Substance Abuse and Mental Health Services Administration (SAMHSA) provides Wisconsin with \$7 million in block grants for mental health services, which ensures a base for community services and fosters system transformation. There are reporting requirements under the federal block grant programs and the federal government is encouraging states to develop systems that collect claim-like, encounter-level data. A two-year phase-in period is being planned by the State to comply with these changes. Fee for service agreements support the collection of encounter level detail that will be required under block grant reporting.

Mental health residential treatment programs were the first to be converted from purchase of service contracts to fee for service agreements beginning September 1, 2009. BHD is preparing to convert Target Case Management (TCM) contracts to fee for service by the end of 2011. At the same time, BHD will be developing the infrastructure and provider network identified in the 2011 Budget for additional outpatient capacity to purchase up to \$360,000 of psychotherapy services for trauma counseling and the related medication costs annually. All Outpatient and Community Support Program contracts will be converted to fee for service within the two year phase in period.

Another significant benefit of implementing fee for service agreements on the mental health side is that the community mental health and substance abuse delivery systems will be much more closely aligned in terms of infrastructure and business processes. Historically, individuals with co-occurring mental health and substance use disorders received sequential or parallel treatment from the separate mental health and substance abuse treatment systems, resulting in fragmented and duplicative care. Establishing the same management information platform for both systems sets the stage to pursue co-occurring integrated care, and create clinical, operational, and cost efficiencies within one system.

Below is a summary of the fee for service agreements in the Adult Community Services - Mental Health area.

**Fee for Service Agreements - Adult Community Services (Mental Health)**

<b>Service Area</b>	<b>Actual Spent (January - December 31, 2010)</b>
Residential	\$ 4,921,256
<b>TOTAL</b>	<b>\$ 4,921,256</b>

*Wraparound Milwaukee*

Wraparound Milwaukee is a special Medicaid Managed Care entity under a 1915 federal waiver that provides mental health and supportive services to children with serious emotional and mental health needs. As a type of HMO, responsible for the provision of mental health, social and out-of-home services, it must have a very comprehensive service array available to individualize care for seriously emotionally disturbed children and their families. Community providers are brought together in an organized network of over 200 agencies that provide everything from outpatient and substance abuse treatment to mentors, job coaches, and crisis 1:1 stabilizers, to treatment foster care, group home and residential care centers.

Wraparound Milwaukee develops service descriptions, establishes unit rates for services, and authorizes the provision of these services on a child-by-child basis. There are no guaranteed contracts or volume of business to any of the network providers as families chose the services and providers that best align with their child's and family's needs.

There are currently 70 different services, 200 agencies and several thousand individual providers of care. Wraparound Milwaukee has annual written agreements with all providers in the network, developed in conjunction with Milwaukee County DHHS Contract Administration. Wraparound Milwaukee and Contract Administration conduct regular audits of providers. BHD-Wraparound Milwaukee credentials all new providers based on state/federal certification standards and has a credentialing committee chaired by the Medical Director for licensed clinical providers.

Below is a summary of the fee for service agreements in the Wraparound Milwaukee area.

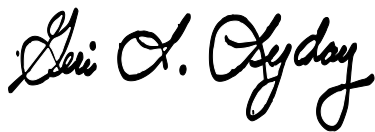
**Fee for Service Agreements - Wraparound Milwaukee**

<b>Service Area</b>	<b>Actual Spent (January - October 2010)</b>
AODA	\$ 76,536
Crisis	\$ 2,486,760
Day Treatment	\$ 112,033
Foster	\$ 3,268,788
Group Home	\$ 3,789,255
Independent Living	\$ 309,474
Mental Health	\$ 2,888,115
Residential	\$ 9,816,947
Supportive Services	\$ 1,542,256
<b>TOTAL</b>	<b>\$ 24,290,164</b>

### Recommendation

This is an informational report. No action is necessary.

Respectfully Submitted:



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Department of Health and Human Services

cc: County Executive Lee Holloway  
Renee Booker, DAS Director  
Allison Rozek, Fiscal & Management Analyst - DAS  
Jennifer Collins, Analyst - County Board  
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