

**Chairperson:** Thomas Lutzow  
**Senior Executive Assistant:** Jodi Mapp, 257-5202

**MILWAUKEE COUNTY MENTAL HEALTH BOARD  
FINANCE COMMITTEE**

**Thursday, December 7, 2017 - 1:30 P.M.**  
**Milwaukee County Mental Health Complex  
Conference Room 1045**

**MINUTES**

**PRESENT:** Thomas Lutzow, Michael Davis, Jon Lehrmann, and Maria Perez

**SCHEDULED ITEMS:**

1.	<p><b>Welcome.</b></p> <p>Chairman Lutzow welcomed everyone to the December 7, 2017, Mental Health Board Finance Committee meeting.</p>
2.	<p><b>2016 Behavioral Health Division Comprehensive Annual Financial Report.</b></p> <p>The corresponding report is comprised of a Balance Sheet and a Schedule of Revenues, Expenses, and Changes in Net Position. Information contained within the report is collected and maintained by the County's Comptroller's Office. The Behavioral Health Division's fiscal area closely monitors Cash and Patient Receivables listed under the "Current Assets" heading due to revenue. A key area highlighted listed under the "Net Position-Restricted for:" heading is where all reserve accounts are captured. This includes the Operational Reserve, which is the general surplus, the Capital Reserve, and the Title 19 Capitation Reserve. Commitments also fall under this category, are the encumbrances carried over from year-to-year, and represents 2016 through 2017. In addition, there are two trust funds, one for research and a patient activity trust fund. Patient experience ideas, with a focus on children, are being explored for the use of the patient activity trust fund.</p> <p>Questions and comments ensued.</p>
3.	<p><b>2017 Financial Results.</b></p> <p>An overview was provided of the Third Quarter 2017 Fiscal Report detailing combined reporting, inpatient hospital annual projections, the status of 2017 Budget Initiatives, and 2017 year-to-date revenues and expenses. Program Dashboards for acute adult inpatient, child and adolescent inpatient, Psychiatric Crisis Services (PCS), Wraparound, Targeted Case Management (TCM), Comprehensive Community Services (CCS), Community Support Programs (CSP), and Community Recovery Services (CRS) were all reviewed. Third Quarter financial highlights include a projected deficit for the year with</p>

**SCHEDULED ITEMS (CONTINUED):**

	<p>another revenue hit looming. There could be some positive offsets, which will not be known until the books close for November. State plan amendment revenue, Wisconsin Medicaid Cost Reporting (WIMCR), inpatient census, staffing, and the payor mix were all discussed.</p> <p>Questions and comments ensued.</p>
4.	<p><b>2018 Budget Update.</b></p> <p>2018 Budget assumptions are based on a \$4 million reduction in tax levy; assumes the current payor mix; and includes adult inpatient bed capacity and write-off percentage, child/adolescent inpatient services (CAIS) census; a comprehensive community services (CCS) increase of \$5.7 million for the adult program and \$1.7 million for the children's program, a \$1 million investment for the continued partnership with the Housing Division's initiative to end chronic homelessness, \$1.3 million designated to the Electronic Medical Records system, \$0.7 million to alcohol and other drug abuse (AODA) capacity, and \$0.4 million to support the integrated system and practice model to transform the Behavioral Health Division's system to identify, access, enroll, and serve participants and their families in all programs and services, which will yield better outcomes and in turn, healthier communities.</p> <p>2018 Budget financial risks include adult inpatient census, adult inpatient payor mix, children and adolescent inpatient census, and Wisconsin Interim Medicaid Cost Report (WIMCR).</p> <p>2018 Budget financial opportunities were identified as Medicaid inpatient and outpatient rates, State Plan Amendment, and Institution for Mental Disease (IMD) Exclusion Waiver for alcohol and other drug abuse (AODA) residential services.</p>
5.	<p><b>2019 Budget Timeline Schedule.</b></p> <p>A timeline was provided on the sequence of events that will guide the Behavioral Health Division's budget process. As indicated in the timeline, the process will start early again this year to allow for a thorough review with multiple opportunities for public input.</p>
6.	<p><b>Affordable Care Act (ACA) Subsidies Project Status Update.</b></p> <p>There were no new updates to report. A legal opinion is forthcoming.</p>
7.	<p><b>Corporation Counsel's Legal Opinion Regarding Legacy Costs and the Impact on Allocated Tax Levy.</b></p> <p>Corporation Counsel was directed by the Mental Health Board to explore whether Act 203 explicitly addresses legacy costs in terms of the tax levy consistent with the Board's statutory obligation to fund institutional and community services. The history of Act 203</p>

**SCHEDULED ITEMS (CONTINUED):**

	<p>was provided. Although it created an independent governing body for the Behavioral Health Division (BHD), BHD, nonetheless, remains a County entity under the purview of the County Comptroller, the County's elected fiscal agent. The Comptroller sets fiscal constraints County-wide, inclusive of BHD. This includes cross-charges for Risk Management, Information Technology, and costs for both active and legacy fringe. Legacy costs are daunting. The prediction is that by 2024 – 2029, the tax levy County-wide will be consumed by retiree obligations. This is a looming crisis as it relates to providing key services, especially when the Board is statutorily mandated to provide mental health services for Milwaukee County.</p> <p>Act 203 does not explicitly address legacy costs. However, legacy costs were considered, and thought to be included, when the amount of tax levy dedicated was identified. Initially, Act 203 had a minimum funding based on an expenditure commitment. For this to be considered and subsequently passed, it had to become a property tax commitment. It was devised by looking at the Budget for 2014. 2014 had the tax levy amount in the \$57 million range. The floor and ceiling for the tax levy is \$53 million and \$65 million.</p> <p>Eric Peterson, the County Executive's Liaison/Lobbyist, and Scott Manske, Milwaukee County's Comptroller, plan to attend the Mental Health Board's December meeting to discuss the particulars.</p> <p>Questions and comments ensued.</p>
8.	<p><b>Mental Health Board Finance Committee Professional Services Contracts Approval Recommendations.</b></p> <ul style="list-style-type: none"><li>• UW-Milwaukee Substance Abuse and Mental Health Services Administration (SAMHSA) Grant</li><li>• Cambio Solutions, LLC</li><li>• Robert Half Technology</li><li>• Vistelar, LLC</li><li>• Evaluation Research Services</li><li>• Kane Communications Group</li></ul> <p>Professional Services Contracts focus on facility-based programming, supports functions that are critical to patient care, and are necessary to maintain hospital and crisis services licensure. Background information was provided on services the contracted agencies provide, which include program evaluation, consulting, information technology, training, grant management, and communications management services. Approvals are for amendments to existing contracts.</p> <p>The Finance Committee unanimously agreed to recommend approval of the Professional Services Contract Amendments as delineated in the corresponding report to the full Board.</p>

**SCHEDULED ITEMS (CONTINUED):**

9.	<p><b>Mental Health Board Finance Committee Purchase-of-Service Contracts Approval Recommendations.</b></p> <p>Purchase-of-Service Contracts for the Provision of Adult and Child Mental Health Services and Substance Use Disorder Services were reviewed. An overview was provided detailing the various program contracts.</p> <p>Questions and comments ensued.</p> <p>The Finance Committee unanimously agreed to recommend approval of the Purchase-of-Service Contracts delineated in the corresponding report to the full Board.</p>
10.	<p><b>Mental Health Board Finance Committee Fee-for-Service Agreements Approval Recommendations.</b></p> <p>Fee-for-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 various program agreements, which provide a broad range of rehabilitation and support services to adults with mental health and/or substance use disorders and children with serious emotional disturbances.</p> <p>The Finance Committee unanimously agreed to recommend approval of the Fee-for-Service Agreements delineated in the corresponding report to the full Board.</p>
11.	<p><b>2018 Committee Meeting Dates.</b></p> <p>The Finance Committee was informed the 2018 meeting dates provided have been confirmed. Calendar invitations should have been received by all Committee Members.</p>
12.	<p><b>Adjournment.</b></p> <p>Chairman Lutzow ordered the meeting adjourned.</p>

**SCHEDULED ITEMS (CONTINUED):**

This meeting was recorded. The aforementioned agenda items were not necessarily considered in agenda order. The official copy of these minutes and subject reports, along with the audio recording of this meeting, is available on the Milwaukee County Behavioral Health Division/Mental Health Board web page.

Length of meeting: 1:30 p.m. to 3:05 p.m.

Adjourned,

Jodi Mapp  
Senior Executive Assistant  
Milwaukee County Mental Health Board

**The next meeting of the Milwaukee County Mental Health Board  
Finance Committee is Thursday, February 22, 2018, at 7:00 a.m., at the  
Zoofari Conference Center  
9715 West Bluemound Road**

**Visit the Milwaukee County Mental Health Board Web Page at:**

<http://county.milwaukee.gov/BehavioralHealthDivi7762/Mental-Health-Board.htm>