

COUNTY OF MILWAUKEE

Inter-Office Communication

DATE: May 20, 2020

TO: Supervisor Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

FROM: Shakita LaGrant-McClain, Interim Director, Department of Health and Human Services and Department on Aging
Prepared by David Muhammad, Deputy Director, Department of Health and Human Services

SUBJECT: **An informational report from the Interim Director, Department of Health and Human Services, providing an update on racial equity and contracting**

Background

On April 17, the Milwaukee County Board of Supervisors adopted File No. 20-173 which created Chapter 108, "Achieving Racial Equity and Health," of the Milwaukee County Code of General Ordinances. DHHS is in alignment with this ordinance as DHHS leadership continues to focus on social determinants of health as well as racial and health equity through the work it does internally with its operations and externally, with its participants, contracted provider organizations, system, and community partners. Racial Equity and Contracting is one area identified by DHHS leadership in which there is an opportunity to address structural barriers and advance equitable policy and practice. The primary goal is to assess DHHS's contract procurement strategy and develop additional tactics to address structural barriers to expand the provider network and ensure that its diversity is representative of those served in DHHS.

Currently, DHHS does most of its work through contracted provider organizations. In fact, over 50 percent of the budget is comprised of outside contracts. The vast majority of these are nonprofits and traditional diversity procurement strategies do not fully address the needs of this sector. In response, DHHS seeks to establish a collaborative Racial Equity in Contracting Workgroup to assess our institutional practices through a racial equity lens. It is our goal to develop DHHS's capacity to improve its work with providers and institutional partners to ensure a consistent process that addresses their needs.

Challenges and Opportunities

Our initial assessment found that many smaller agencies face challenges with administrative capacity and staff training. These providers often encounter differences in the Request for Proposals (RFP) process moving from provider networks to other divisions. Additionally, there are key indicators to help providers successfully compete in the RFP process. This includes data on staff turnover, examples of how cultural competency is addressed, and emergency management plans. Specific capacity building efforts and workshops can improve and ensure a more equitable contracting process for DHHS.

While it may be more organizationally efficient to work with large providers with stronger administrative capacity, this does not guarantee better outcomes for impacted populations. The utilization of the GARE RE Tool will allow for the consideration of racial equity and help address the disparities in the social determinants of health. There is also a need to develop greater internal capacity to measure outcomes for providers that serve specific needs of targeted populations. DHHS benefits from partnerships with providers that specialize in servicing specific populations. Often, a lack of institutional diversity can promote narrative bias against smaller providers. Therefore, this process may allow for the identification of measures to expand the provider network and encourage non-profit diversity which may positively impact the talent pool that is available to Milwaukee County. The following are some Challenges and Opportunities to achieving an expanded and diverse talent pool of providers:

Challenges

- 1) DHHS has received appeals for decisions and there has historically been a disparity between smaller institutions and larger, less diverse institutions being awarded.
- 2) Costs associated with securing DBE status, insurance requirements, training, and crisis plans may disadvantage smaller organizations.
- 3) Distinction between fee for services and purchase of services has varying implications on different types of organizations.
- 4) Knowledge gaps and capacity for dedicated bandwidth to complete administrative requirements.
- 5) Current scoring rubric advantages larger, often less diverse institutions.

Opportunities:

- 1) Opportunity exists to advance diverse leadership in this region due to the symbiotic relationship between the non-profit sector and public sector. Currently, there is not a clear path for diverse leaders to enter Milwaukee County or advance from within Milwaukee County. Furthermore, this has implications to Milwaukee County's institutional commitment which is highlighted in the five to three-year objectives of the strategic plan outline in file #20-173, "Milwaukee County leadership, management, and staff will reflect the demographics (including but not exclusively racial) of Milwaukee County."
- 2) Championing equitable contracting processes is not only the right thing to do, it is a key factor in Milwaukee County's ability to increase access to care that is acceptable and appropriate to meet the needs of individuals, children, and families with dignity and quality.
- 3) The utilization of the RE Tool will allow for greater transparency which may enable DHHS and Milwaukee County to build trust with the community and key-stakeholders. The RE Tool has a specific component that focuses on community engagement, which will enable this.

- 4) Utilizing the RE Tool to review the current scoring rubric, RFP requirements, and other items associated with contracting may reveal additional areas for increased equity.

DHHS Participant Demographics and Racial Equity

The overwhelming majority of DHHS contract providers are non-profits that are not reached by traditional Disadvantaged Business Enterprise (DBE) or Targeted Business Enterprise (TBE) efforts. Diversity is measured in the RFP process and efforts are underway to track representation in the provider network. There is a diversity gap that DHHS can address by encouraging the advancement of professionals of color in the human service sector. The demographics of our participants speak to this need at all organizational levels.

According to the most recent figures from the United States Census Bureau, Milwaukee County’s total population is 948,201. Females comprise 51.6 percent of the population. And the racial breakdown is 51 percent White, 27 percent African American, 5 percent Asian, 15 percent Latino and 1 percent American Indian. DHHS provides services to all 19 cities with the City of Milwaukee being the largest service consumer.

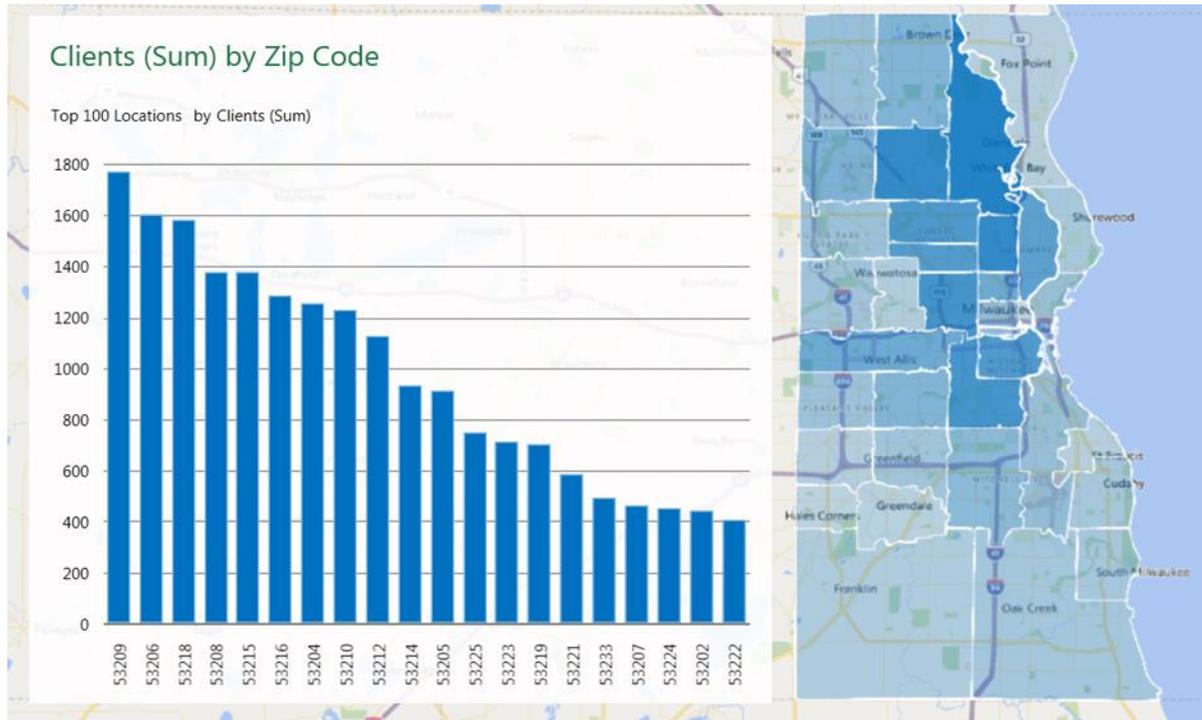
In 2018, DHHS served 84,778 individuals throughout its divisions and Energy Assistance Program. The breakdown of participants is as follows:

- DYFS: 1,452 (2 percent)
- BHD (excluding Wraparound Milwaukee): 13,017 (15 percent)
- DSD: 5,843 (7 percent)
- Housing Division: 2,385 (3 percent)
- Wraparound: 1,306 (2 percent)
- Energy Assistance: 60,775 (72 percent)

Data Snapshot

Males received the majority of services provided by BHD (61 percent) and Wraparound (65 percent) while DYFS’ participant population was 79 percent male. Housing and the Disabilities Services Division (DSD) each served over 50 percent females in its programs with Housing being slightly over 66 percent. The racial breakdown for participants is as follows with all other groups being at less than 1 percent:

Division	African American	White	Latino
DYFS 2018	77%	13%	9%
DSD 2018	68%	28%	0%
Housing 2019	69%	30%	0%
BHD 2018 (ex. Wrap)	49%	33%	7%
Wraparound 2018	64%	14%	14%



Note that in the graphic above, the vast majority of DHHS participants are from Milwaukee and concentrated within several zip codes.

Racial Equity and DHHS Contracting Best Practices

Successful contracting for racial equity and achieving greater participation of diverse organizations may consider the following factors:

- Representation of people of color on board of directors, administration, or ownership;
- Composition of the agency’s overall staff diversity, not just Milwaukee County specific program staff; and
- Consider how the organization’s mission and vision statement addresses targeting populations of color and historically underserved communities.

DHHS has already undertaken the following actions:

- Expanded DHHS-BHD RFP review panels from 3 reviewers to 5 panelists to minimize outlier scores;
- Implemented requirement that all review panels be racially diverse before proceeding with any scoring process;
- Held preliminary interviews with internal and external stakeholders regarding potential and reported barriers to the RFP Process
- Assess the current diversity of provider network and report out data

- Scheduled June/July RFP technical assistance session for upcoming opportunities
- Evaluated internal racial equity efforts to increase cultural competency in DHHS as a part of “No Wrong Door” Future State efforts

The Racial Equity in Contracting Workgroup will evaluate potential strategies to expand contracting opportunities for diverse organizations utilizing the RE Tool. Opportunities may include, but are not limited to the following:

- Determine potential maximum contract amounts that that could be carved out and available for smaller providers that serve targeted populations; it could, for example, be a contract threshold of \$250,000.
- For certain RFP opportunities that serve specific populations or niche providers, identify a maximum annual budget of an organization to qualify for potential contract opportunities; it could for example be an annual budget of \$2 million, or \$2.5 million. This would provide a pathway for smaller entities that provide services to priority populations.
- Review implications of purchase of service contract payment methodology versus fee for service. In some cases, there may be advantages that best meet the needs of newer or smaller entities.
- Reassess insurance requirements for contractors that are sole proprietors. If they are single proprietors with no employees, workman’s comp requirements can be a challenge.
- Include providers in the program design process to better inform quality assurance functions and for RFP opportunities to address specific social determinants of health for specific populations.
- Review the scoring rubric for weighted factors that may advantage larger institutions (training budgets for example) but also increase points for those factors that promote diversity.
- Create RFP standing review panels by division to ensure diversity and community participation.
- Implement participatory budget sessions to inform priorities and promote transparency.

According to the Governmental Alliance for Racial Equity (GARE), there are several best practices which should be implemented during a contracting equity program. DHHS is in alignment with GARE and seeks to advance the following tactics:

<p>Ensure RFP process is clear and accessible</p>	<ul style="list-style-type: none"> • Revision of scoring process and rubric • Review communication tactics and technology platforms which house RFP announcements, materials and submission forms 	<ul style="list-style-type: none"> • Increase number of diverse-led organizations who successfully apply for RFPs and submit all required documents • Decreased number of appeals for RFP decisions
<p>Evaluate progress and lead a continuous</p>	<ul style="list-style-type: none"> • Include internal QA/QI staff and assess current capacity 	<ul style="list-style-type: none"> • Fidelity measures to know if the policies and practices are being

<p>process of enhancing the program</p>	<ul style="list-style-type: none"> • Establish DHHS standards for how cultural competency is defined • Include external partners in the setting of metrics 	<p>implemented consistently across the department</p> <ul style="list-style-type: none"> • Diversity of contracted provider admin/board leadership • Diversity of participants
<p>Drive culture change to promote an inclusive procurement and contracting environment</p>	<ul style="list-style-type: none"> • Track and collect demographic data of providers in alignment with CBDP process • Establish goals for provider network diversity 	<ul style="list-style-type: none"> • Incorporate internal partners (OAAA, Procurement, DAS) and external partners to evaluate outcomes • Measure economic impact to communities of color alongside program outcomes

Racial Equity and Contracting Action Workgroup

This action team will be composed of members from the Milwaukee County community, government employees and elected officials who are diverse in race, ethnicity, gender, ability, sexual orientation, leadership and work level, experience, discipline, etc. This group will assist DHHS Leaders to intentionally and critically examine race, ethnicity and health equity when analyzing problems, proposing solutions and measuring success of contracting processes.

Proposed Objectives:

- Develop processes based on the GARE Best Practices, Milwaukee County Vision and DHHS strategic priorities, and community voice to advance greater contracting equity within DHHS
- Ensure power dynamics are considered to determine the beneficiary of the task, strategy or solution
- Establish metrics to measure impact on Human Service Provider network, social determinants of health, and economic impact
- Identify and assess differential impacts, unintentional and/or intentional, that result from contracting processes
- Create communication and engagement tactics for stakeholders
- Champion the establishment of an overall policy that advances equity within DHHS and can inform best practices countywide

Next Steps

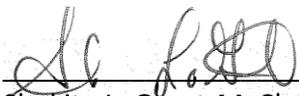
DHHS plans to establish a Racial Equity and Contracting Action Workgroup that includes representation from the Office on African American Affairs (OAAA), County Board, provider network, community, DHHS team, and other leadership as determined by the County Executive’s office. This workgroup will accomplish the following:

- Drafting of Workgroup charter, metrics, and timeline
- Apply the GARE Racial Equity Tool to guide the work and evaluate recommendations
- Review and draft recommendations of internal policy and RFP practices
- Oversee the creation of a policy white paper and report regarding diversity in DHHS contracting and the department's overall economic impact on communities of color
- Identify strategies to address structural barriers to ensure a diverse provider network
- Hire external evaluator and create advisory structure for implementation

Timeline: Completed by the end of 2020

Recommendation

This report is informational and no action is required.



Shakita LaGrant-McClain, Interim Director

Department of Health and Human Services and Department on Aging

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