

LRB-RESEARCH AND ANALYSIS SECTION

PUBLIC SAFETY COMMITTEE

ITEM 8, FILE # 070514

JULY 19, 2007

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File # 070514 is a resolution authorizing the cancellation of uncollectible receivables from the Sight Center, a former participant in the Municipal Health Services Program.

Background

1. The United States Health Care Finance Administration Centers for Medicaid and Medicare provided funding to the Milwaukee Health Services Program (MHSP) under a waiver program that has now ended.
2. An audit conducted by the Federal Government determined that overpayments were made by the MHSP to the Sight Center in the amount of \$126,062.89 from 1996 to 2002. Federal payments to the MHSP were adjusted accordingly.
3. The Sight Center also occupied space at the Isaac Coggs Health Center and failed to pay rent-related invoices for amounts due to the City totaling \$104,078.16 accrued between January of 1998 and March of 2003.
4. The Sight Center is no longer operating and is without any known assets. Efforts by the Health Department, the Comptroller and the City Attorney (Kohn Law Firm) to collect upon the total debt of \$230,141.05 have not been successful.

Discussion

1. It is projected that cancellation of the Sight Center receivables through a write-off against the MHSP Program Income Account will not exhaust the account even contemplating the further write-off against this account proposed in the resolution at Council File # 070515 canceling receivables from the Milwaukee Health Services, Inc.
2. Adjustments in accounts related to the MHSP are continuing as the program is closing out. The Health Department continues to work closely with the staff of the Comptroller's Office to assure proper account management.

Fiscal Impact

1. This resolution will result in writing-off \$230,141.05 of uncollectible receivables against amounts in the MHSP Program Income Account.

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July 17, 2007

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