

LRB-FISCAL REVIEW SECTION ANALYSIS

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

ITEM 8, FILE # 050370

JULY 19, 2005

MARK A. RAMION

File # 050370 is a resolution to amend an agreement attached to resolution 031612, authorizing the use of Community Block Grant Reprogramming funds for health care of uninsured persons and Milwaukee Health Services, Inc.

Background

This resolution amends an agreement attached to resolution 031612, authorizing the use of Community Block Grant Reprogramming funds - \$150,000 - for health care of uninsured persons and Milwaukee Health Services, Inc.(MHS), by releasing Milwaukee Health Services, Inc. from its requirement to hold a letter of credit.

Discussion

1. Resolution 030162 included an attachment that amended the service agreement between the City of Milwaukee and Milwaukee Health Services, Inc.
2. The amended service agreement required that, in order to provide financial protection to the City of Milwaukee in the event of negative cost adjustments against Milwaukee Health Services by the Centers of Medicare and Medicaid, Milwaukee Health Services was to obtain a letter of credit in the amount of \$93,000 which could be drawn upon by the City in the event that a program year ended with a negative balance for MHS in its financial obligation to the City.
3. The Milwaukee Health Department is satisfied that the financial situation and outlook for Milwaukee Health Services has improved to the point that this letter of credit is no longer required.

Fiscal Effect

There is no fiscal effect related to the adoption of this resolution. However, in the event that Milwaukee Health Services ends its program year with a negative balance, MHS will need to pursue another avenue of funding to meet its financial obligation to the City.

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LRB-Fiscal Review Section
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