

Reply to Common Council File No. 140239
From DOA-Budget and Management Division

May 28, 2014

Ref: 14007

Common Council File 140239 contains a resolution appropriating up to \$190,000 from the 2014 Common Council Contingent Fund for the purpose of providing a loan to Milwaukee Health Services Incorporated (MHSI) to assist in their organizational sustainability plan.

Milwaukee Health Services Incorporated (MHSI) has provided quality health services to the medically underserved in Milwaukee for 25 years and is a federally qualified health center (FQHC) operating under Section 330 of the federal Public Health Service Act from two locations within the city. MHSI served approximately 26,000 patients during 2013, of whom approximately 72% are eligible for Medicaid assistance. MHSI is an integral component to the health care safety net for Milwaukee residents.

The Contingent Fund transfer will provide appropriation authority for a loan agreement between the City of Milwaukee and MHSI. The loan will fund an upgrade to MHSI's electronic health record (EHR) system, as well as past due vendor payments with an approximate cost of \$190,000.

The loan documents provide for a 60-month term at 0% interest, with the first payment due in February, 2016.

The American Recovery and Reinvestment Act (Recovery Act) of 2009 provides for incentive payments for Medicaid eligible professionals who adopt, implement, upgrade, or "meaningfully use" certified electronic health record (EHR) technology in their first year of participation in the program and successfully demonstrate meaningful use in subsequent years. Milwaukee Health Services, Inc.'s current version of GE does not meet the revised federal "meaningful use" standards and this prevents applying meaningful use reimbursement processes to several of its health care providers. This upgrade is also essential in order for MHSI to qualify for the meaningful incentives for the remaining eligible providers. The key changes are related to enhancing clinical patient care coordination and achieving higher levels of quality care.

The loan will provide for the upgrade to Version 12 from GE Centricity as well as enable other payments to GE Centricity, which in total require approximately \$190,000. The upgrade is expected to enable MHSI to recover \$288,000 via the "meaningful use" provision. It is fair to say that a timely upgrade is essential to the continued feasibility of MHSI's operational sustainability.

The upgrade will provide MHSI with enhanced functionality in the following areas:

- Physician Orders and Medication management through Order sets;
- ePrescribing (electronic);

- Comprehensive demographics (population management and needs assessment);
- Clinical decision support tools;
- Visit summaries;
- Care plans and patient reminders.

This enhanced functionality will allow MHSI to improve their financial management and financial condition. Some improvements include:

- Computerized physician order entries to improve revenue and enhance payment coding;
- Improved coordination of patient care that also reduces waste and improves efficiency of care for patients;
- Enhanced communication with local hospitals;
- Reduced duplicate testing;
- Streamlining the patient reminder system;
- Interface with the Wisconsin Immunization Registry;
- Electronic Patient Portal Access.

Deficiencies in the old financial system have contributed to financial problems at MHSI. MHSI has initiated an organizational sustainability plan to improve its financial condition. This plan includes multiple changes in operations and a reduction of 76 staff positions, or a 30% decrease. The EHR system upgrade is also part of this plan. Approximately three-fourths of MHSI's employees reside in the City of Milwaukee, so MHSI's financial success helps stabilize the local economy and stabilizes health care access for thousands of Milwaukeeans.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER 140239



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MN:dmr

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