

LRB-FISCAL REVIEW SECTION ANALYSIS

PUBLIC SAFETY COMMITTEE

ITEM 9, FILE # 040756

SEPTEMBER 30, 2004

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File # 040756 is a resolution relative to application, acceptance and funding of the Federally Qualified Health Center Grant.

Background

1. This resolution authorizes the Milwaukee Health Department to apply for, accept and fund the Federally Qualified Health Center (FQHC) Grant from the Health Resources and Services Administration of the U.S. Department of Health and Human Services.
2. This is a new grant although MHD has received FQHC funds previously for the provision of health care to the medically underserved of the city.
3. New federal guidelines and a restructured governing board have changed the accounting structure of this program.
4. The Omnibus Budget Reconciliation Acts of 1989, 1990, and 1993 amended section 1905 of the Social Security Act to create a new category of facility under Medicaid and Medicare known as Federally Qualified Health Centers (FQHCs). The Social Security Act § 1905(1)(2))B) definition of an FQHC included an entity which, based on the recommendation of the Health Resources and Services Administration (HRSA), is determined to meet the requirements of the section 330 grant program but does not receive the grant. *This category of health centers has been labeled FQHC Look-Alikes.*

The FQHC Look-Alikes receive no section 330 Federal funding but are eligible for cost-based reimbursement under Medicaid and Medicare and participate in the 340(b) Federal Drug Pricing program.

Discussion

1. The purpose of this program is to serve the medically underserved citizens and at-risk community members of the City of Milwaukee.
2. This program will be located at the Johnston Community Health Center and serve, primarily, zip codes 53207, 53221, 53215 and 53204.
3. Aurora Health will be the provider of health services. MHD is the fiscal agent and applicant of these funds. The governance of this program rests with the board of directors, the FQHC Look Alike Board.
4. The board of directors is comprised of 11 members from the community and private sectors.

5. This grant encompasses the period of September 16, 2004 through September 15, 2005.

Fiscal Impact

1. The total amount of this grant is \$1,106,500, entirely from the grantor with 98% of the budget for contractual services. \$1,000,000 is included for “pass through” to Aurora Health for services. \$75,000 is included for a contract with an executive director as well as \$15,000 for an audit contract.
2. The remaining 2% of the grant (\$15,500) includes funds for miscellaneous materials, supplies, equipment and services.

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LRB-Fiscal Review Section
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