

Issues related to CDBG funding  
for Milwaukee Health Services,  
Inc.

Seth Foldy, MD  
Health Commissioner

# What is Milwaukee Health Services, Inc. (MHSI)?

- Provides primary health care and other services (e.g., WIC, dental, HIV, behavioral health)
- Operates clinics at
  - Isaac Coggs Community Health Center (2770 N. 5<sup>th</sup>)
  - 2555 N. Martin Luther King Jr. Drive
  - North Division High School
- Provides care regardless of ability to pay (sliding-fee scale for low-income uninsured)
- Receives federal and state support to help care for un- and underinsured (cost-based Medicaid reimbursement, grants)

# What is the Municipal Health Services Program (MHSP)?

- Special US MEDICARE (mostly elderly) demonstration program since 1979; for all City of Milwaukee citizens who are Medicare Eligible.
- Health Dept. operates 2 sites in Milwaukee providing special Medicare benefits incl. primary care, dental, eye care and pharmacy services.
  - Isaac Coggs Community Health Center (N. 5<sup>th</sup>)
  - Johnston Community Health Center (1230 W. Grant)
- Closed to new enrollees since August 5<sup>th</sup>, 1997 and scheduled to expire in 2006.

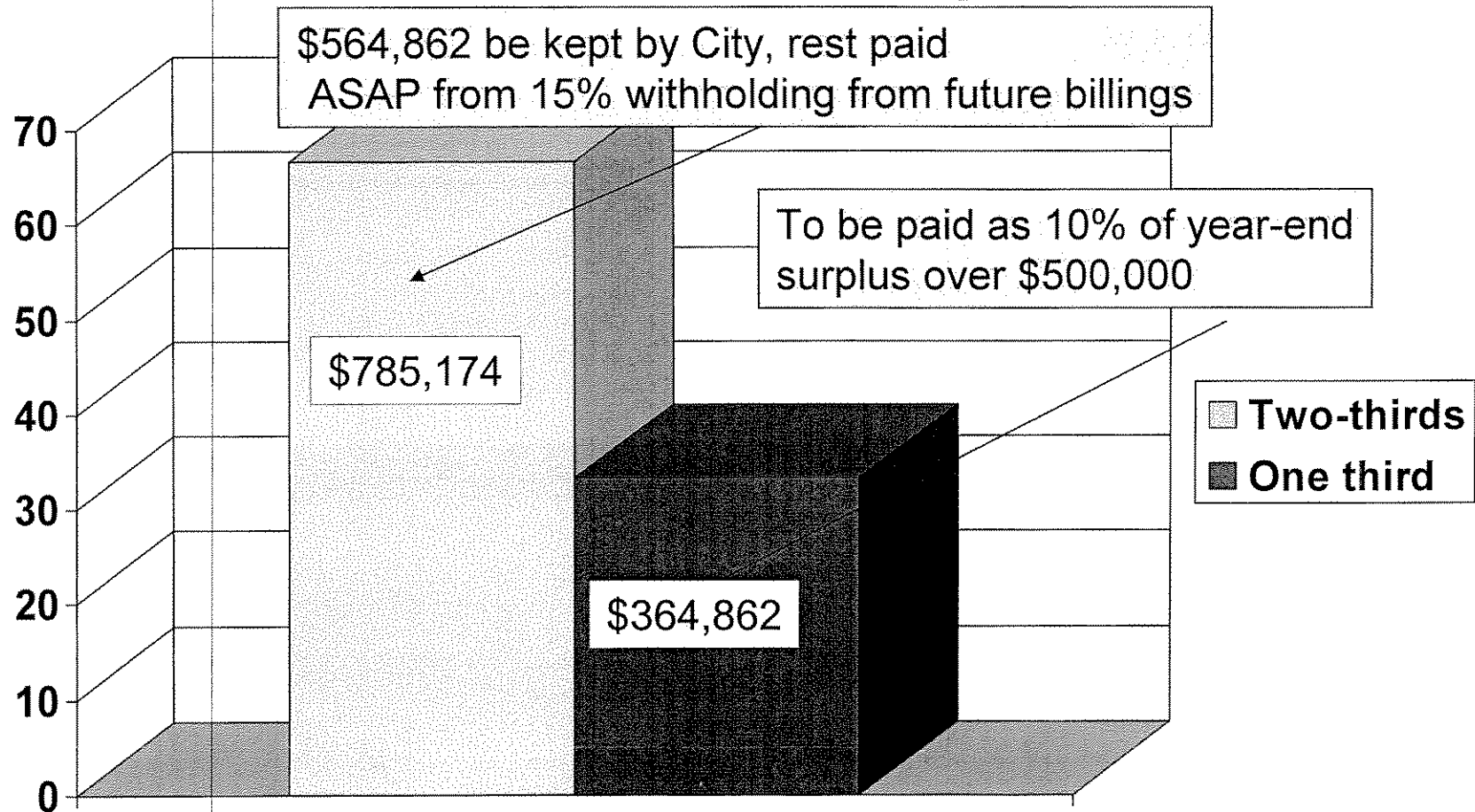
# What is MHSI's relationship to City in MHSP?

- Provides primary care and pharmacy services at Isaac Coggs Health Connections (along with Marquette Dental School, Curative Rehab and Baccorp Optical)
- MHSI bills Medicare for services through the City.
- City must sometimes obtain negative retroactive adjustments from providers when required by Medicare
- Providers pay for Occupancy (building upkeep, heat, grounds maintenance) and Operations (e.g., reception, telephone, cleaning, security and similar costs)
- MHSI also uses ICCHC space for Behavioral Health and other services for which it also pays occupancy costs.

# Does MHSI Owe City \$\$?

- MHSI fell in arrears in 1999 for occupancy/operations costs --\$1,177,762 is past due
- City holding \$632,336 that would ultimately be payable to MHSI
- Agreement reached regarding past due amounts – city will withhold funds and 2/3 of overall indebtedness will be paid as soon as practical (see next slide)

# Past due costs to be paid without interest under following conditions



# Who else is pitching in to keep MHSI working?

- Outstanding debt once as high as \$3.8 million
- Debts have been substantially discounted by many public and private entities to help MHSI survive: University of Wisconsin Med School (\$225,000), DynaCare Laboratory (\$60,000); pharmacies (\$720,000) and Department of Commerce (\$94,000)
- Medicare permitted extension of back-billing time limit
- Special Federal grants received
- Aurora granted \$240,000 for extended hours

# Why Not Demand Immediate Payment?

- Center provides important primary care services to underserved neighborhoods
- City would lose primary care partner serving elderly in MHSI—not clear if a replacement could be found
- City likely to lose funds owed it until/unless MHSI regains financial health



# Looking to Future & CDBG

- City will work with MHSI to reduce occupancy and operating costs to minimum
- MHSI will reimburse city fully for these costs
- CDBG funds will help MHSI provide a commensurate amount of free care, helping stabilize MHSI and serving more city residents
- MHSI is a critical partner in expanding primary care and reducing pressure on emergency rooms
- MHSI cash flow may be highly variable as the Municipal Health Services Program winds down

# The Bottom Line: Care for the Community

- MHSI has expanded hours at the MLK site (7:00 am to 9:00 pm and Saturday mornings) to provide care for working families
- MHSI has brought on new physicians, dentists and nurse providers
- MHSI a partner in Alliance of hospitals and community health centers to expand primary care and cut health care costs
- MHSI still committed to care for uninsured patients
- Current administration has slashed debt and costs, and increased visits and billings

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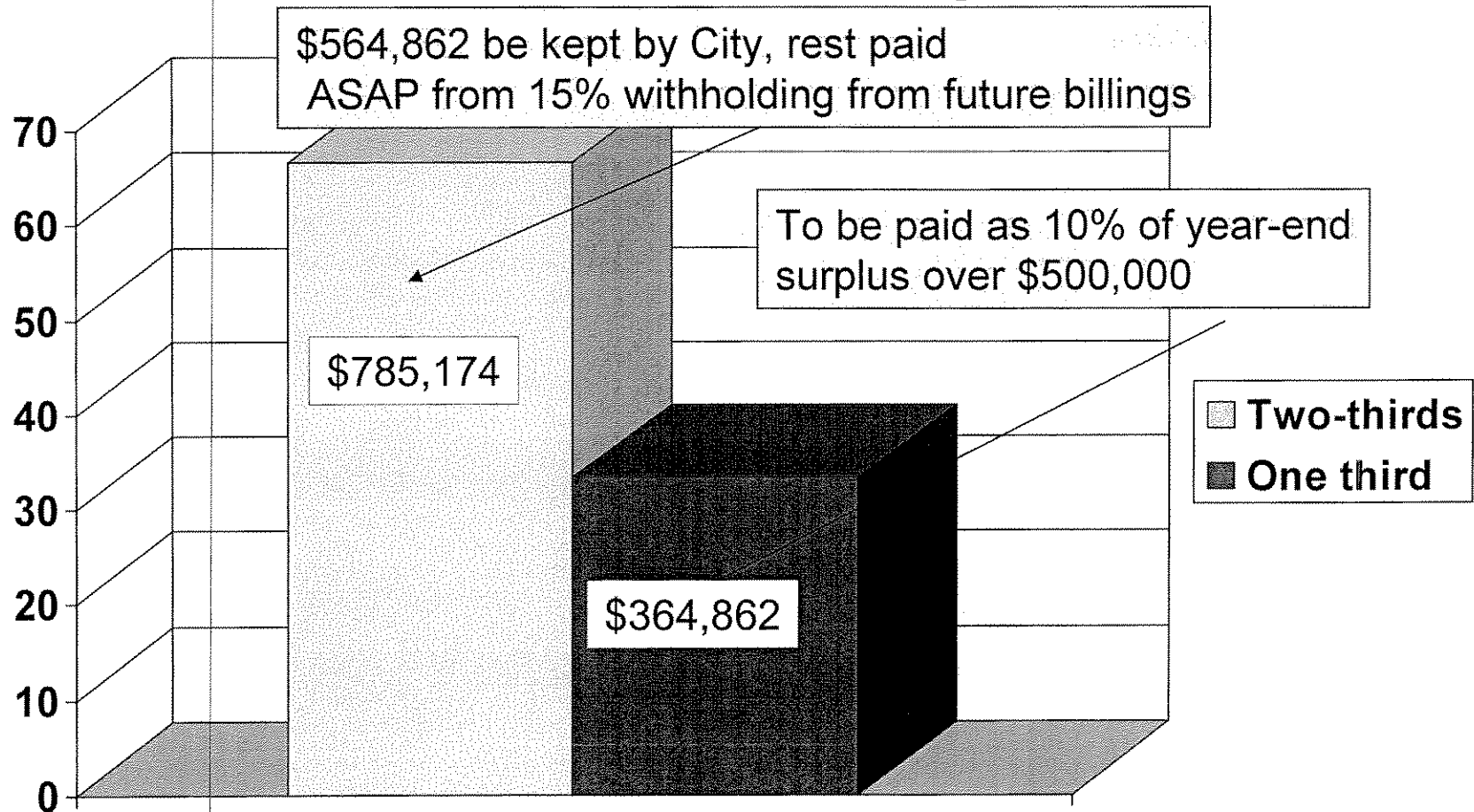
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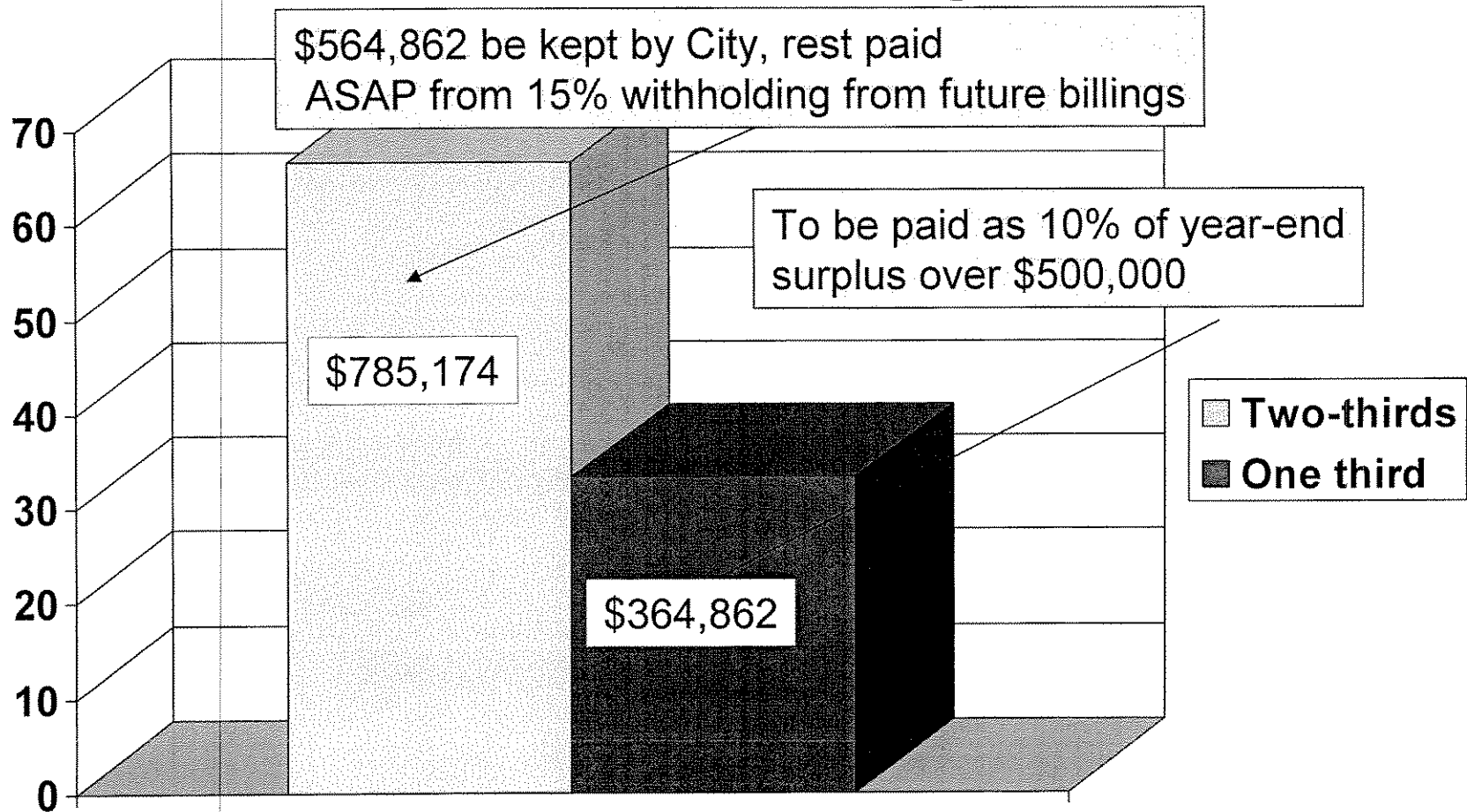
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