City of Milwaukee

W. Martin Morics, C.P.A.
Comptroller

John M. Egan, C.P.A.
Deputy Comptroller

Michael J. Daun
Special Deputy Comptroller

Anita W. Paretti, C.P.A.
Special Deputy Comptroller

Office of the Comptroller

January 29, 2002

To the Honorable Common Council
Committee on Judiciary & Legislation
City of Milwaukee
Room 205 City Hall

RE: File Number 011002

Dear Committee Members:

The above-referenced file (number 011002) was heard by this Committee on November 19, 2001. At that time, the Committee authorized this office to disburse 75% of interim payments received from the federal government for services performed by the Municipal Health Services Inc. The Committee gave this authorization through January 2002, which date corresponded to MHSI's fiscal-year end.

The Committee also directed the agency and its consultants to present a viable debt-recovery plan. On January17, 2002, this office, together with the Health Department, the City Attorney's Office and Bersch Accounting, met with representatives from the federal government, its subcontractors, the new CEO of MHSI and Representative Spencer Coggs, Chairman of the Board.

Information presented at that meeting has been reviewed by Bersch Accounting, S.C., an independent accounting and auditing firm under contract with the City.

The reports, dated January 24, 2002 and January 28, 2002, are attached. The first letter, dated January 24, 2002, sets out the errors made by the federal government's sub-contractors in calculating amounts owed to the City. The second letter, dated January 28, 2002, comments on the lack of substance in the debt-recovery plan.

Also enclosed is a summary of the cash advances provided to MHSI, which the City is recovering at the rate of 25% of interim payments received (current year cash flow) and 100% of tentative settlements for prior cost report years.

Given the facts and circumstances, disclosure before this honorable committee appeared appropriate before any additional funds are disbursed.

Very truly yours,

W. Martin Morics
Comptroller

WMM:AWP:sb
cc: Representative Spencer Coggs
C.C. Henderson, CEO, MHSI
Ms. Marvia J. Williams, Deputy Director, HRSA
Seth Foldy, M.D., Commissioner of Health
Mr. Michael J. Soika, Chief of Staff
Ms. Ellen Tangen, Assistant City Attorney
Mr. Bevan Baker, Director of Health Operations

Summary
Cash Flow Advances
Milwaukee Health Services, Inc.
1996 through January 17, 2002

Program Year	Balance Due To/(From) Bersch Draft Audit (12/30/00)	Net 1996 & 1997 Program Years	Payment Reductions 1/1/01 thru 1/17/02	Total Balance Due To/(From) as of 1/17/02
1996-Closed	($326,376)	$13,725	$312,651	$0
1997-Closed	13,725	(13,725)		0
1998	(547,476)		260,429	(287,047)
1999	(220,631)			(220,631)
2000	157,085			157,085
2001	Unavailable			Unavailable
Totals	($923,673)	$0	$573,080	($350,593)
		Rent Due as of 12/28/01:		(515,711)
				($866,304)

Note: The above schedule reflects the application at 100% of a $287,550 payment received on 12/7/01 for a tentative settlement for Program Year 1999. It is the practice of this Office to hold all tentative settlements until the Program Year is finally closed.

Had this payment been applied with only a 25% withhold, the total amounts above would be as follows:

Totals	($923,673)	$0	$357,418	($566,255)
		Rent Due as of 12/28/01:		(515,711)
				($1,081,966)

Payments withheld in 2001:	$568,347
Payments withheld in 2002:	4,733
Total	$573,080

Office of the Comptroller
01/29/02
MRF:mhsisum1_17_02

Medicare Waiver Settlement Analysis

	Per Bersch Worksheet	Per MHSI
1996	$ (326,376.00)	$ (326,376.00)
1997	$ 13,725.00	$ 13,725.00
1998	$ (649,506.00)	$ (390,018.00) (1)
1999	$ (184,698.00)	$ 287,550.00 (2)
	$ (1,146,855.00)	$ (415,119.00)
Less:		
Adjustment	$ 102,030.00	$
Payment	$ 16,953.00	$ 16,953.00
Payment	$ 27,473.00	$ 27,473.00
Payment	$ 31,631.00	$ 31,631.00
Payment	$ 72,450.00	$ 72,450.00
Payment	$ 40,712.00	$ 40,712.00
Payment	$ 39,160.00	$ 39,160.00
Payment	$ 13,030.00	$ 13,030.00
Payment	$ 32,849.00	$ 32,849.00
Payment	$ 33,486.00	$ 33,486.00
Payment	$ 4,233.00	$ 4,233.00
Payment	$ 185,259.00	$ 185,259.00
Payment	$ 26,492.00	$ 26,492.00
Payment	$ (81,878.00)	$ (81,878.00)
Payment	$ 78,861.00	$ 78,861.00
	$ (524,114.00)	$ 105,592.00
Other Withhold******	$ 78,861.00	$ 78,861.00
	$ 11,049.00	$ 11,049.00
	$ 54,727.50	$ 54,727.50
	$ 2,054.00	$ 2,054.00
	$ 287,550.00	$ 287,550.00
Due To/(From) MHS	$ (89,872.50)	$ 539,833.50 (3)/(4)

****** Transactions occurring after Bersch Summary

Undated and untitled document provided by subcontractor (Bob Linder) hired by Federal Government for MHSI Consulting. Supplied to Comptroller's Office on 1/17/02.

BERSCH ACCOUNTING *s.c.*

Certified Public Accountants

633 W. Wisconsin Ave., Suite 405
Tel: 414-272-8800
Fax: 414-223-4070

Milwaukee, Wisconsin 53203
www.berschaccounting.com
email: bersch@execpc.com

January 28, 2002

Mr. W. Martin Morics
Office of the Comptroller
City of Milwaukee
200 E. Wells Street, Room 404
Milwaukee, WI 53202-3560

Seth Foldy, M.D., Commissioner of Health
Health Department
841 N. Broadway, 3rd Floor
Milwaukee, WI 53202-3653

Dear Sirs:

One of the reasons you asked us to attend the January 17, 2002 meeting with Milwaukee Health Services Inc. (MHSI) was to compare what MHSI thinks they owe the City, on both the Waiver program and rent, with the actual balances on the City's books as presented to us for audit. We have covered that matter in a separate letter to you, in which we explained their errors and differences, and stated that the City's balances are correct.

The other reason was to hear and observe MHSI's plan for working out their past due balances with the City and all their other creditors, including their plans to seek forgiveness or adjustments of debts, mutually agreed to by all creditors.

To that end, MHSI presented a document which consisted almost entirely of narrative, in which they appeared to represent that compromises had already been agreed to by some creditors, and because of those compromises, the City ought to join the other creditors in somehow adjusting its position. We made a number of comments at the meeting, and for the record, I will summarize and confirm in this letter what we said in that meeting, and had also brought up at earlier meetings.

Here are our comments:

- Total accounts payable of MHSI is listed as $4.3 million in October 2001 and as $3.7 million in January 2002, but no real evidence was presented of an actual compromise by any creditors.
- An additional $2 million is listed as potentially due to Medicaid but is not shown in the above amounts.

- The balances between MHSI and the City, as discussed in our letter of January 24, 2002, as recognized by MHSI were so far from correct that it was not possible to hold a rational discussion on them.
- There was no timetable given to pay off any remaining debt.
- No cogent presentation was made to demonstrate a plan for survival. In a mutual creditor arrangement, there is ordinarily an incentive for any creditor to join the others to keep the debtor entity alive, since its collapse would cause the devaluation of assets and interruption of cash flows, and diminish the possibility of collecting anything.
- Apart from totally unsupported assurances by MHSI, there was no evidence presented that MHSI could continue to operate and thus pay off future obligations even if all their debts were forgiven.

  Therefore the City has no reason to offset its past due receivables in favor of collecting future cash flows, if it doesn't even have evidence that by doing so it will keep the health care available to the community. It then behooves the City to seek other means to provide the health care services.
- No current financial statements or projections have been ever been presented to the City. Several months ago MHSI and their consultants were asked to furnish such projections. Nothing even approaching usable information in any form has been forthcoming so far, and no prudent person could have any sort of confidence level in what has been presented.
- A proper presentation requires financial projections. It is the only language of commerce. These projections require the iteration of the assumptions they are based on, such as:
  - The volume of services across a time period
  - The cost of providing such services
  - The revenue produced by such services
  - The timing of the cost stream versus the revenue stream
  - The cash and/or working capital necessary to pay the cost before the receivables are collected
  - The amount of profit generated to pay past debts
  - The amount of the debt at the starting point
  - The confidence level that the assumptions can be achieved
  - The willingness of present creditors to adjust or forego payments to the extent necessary that debt service requirements will not exceed the cash flow generated by future operations

- MHSI and their consultants have not seen fit either to share their work product, if any exists, with the City, nor have they seen fit to accept the City's offer to make us available to visit them.

The most encouraging sign is that the new manager at MHSI, who has no ownership stake in its past troubles, evidences a professional and cooperative attitude. The City may be able to look to him to assemble the materials and written commitments necessary for sound decision-making.

We are indeed mindful of the health care needs of the community served by Coggs and its provider associates, and nothing in our comments has ever been, or will be intended to hamper or interfere with the provision of those services by MHSI or anyone else. But MHSI is the provider in place, is in trouble, and needs to participate in the problem solving process, using the tried and true methods by which this is normally done. That requires acceptance of reality, complete openness, free flow of information, and a sense of urgency in attending in a professional way to the gathering and presentation of the facts, and of their plan, if one actually exists.

MHSI may be putting healthcare services of the community at risk by failing to bring forth written commitments of creditors and viable plans for recovery while pressing the City to compromise. In no way would the City be well advised at this time to be pushed into any sort of debt compromise, given the existing fact set and atmosphere.

Very truly yours,

Bersch Accounting s.c.

Bersch Accounting s.c.

cc: Rep. Spencer Coggs
C.C. Henderson, CEO, MHSI
Marvia Williams, Deputy Director, HRSA
Michael Soika, Mayor's Office
Ellen Tangen, Asst. City Attorney
Bevan Baker, Health Department

BERSCH ACCOUNTING *s.c.*

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January 24, 2002

Mr. W. Martin Morics
Office of the Comptroller
City of Milwaukee
200 E. Wells Street, Room 404
Milwaukee, WI 53202-3560

Seth Foldy, M.D., Commissioner of Health
Health Department
841 N. Broadway, 3rd Floor
Milwaukee, WI 53202-3653

Dear Sirs:

We attended a meeting in the Comptroller's office on January 17, 2002, during which consultants for Milwaukee Health Services, Inc. (MHSI) presented an undated document they called "Medicare Waiver Settlement Analysis". (*See attached copy*) We have reviewed their analysis and are sending this letter to explain the differences and errors in the numbers that they presented at the meeting. None of them require any adjustment to our reports to you.

- For the 1998 open program year, MHSI has wrongly treated a tentative settlement amount of $(390,018) as if it were their final balance with the City of Milwaukee.
- In the line for 1999, MHSI this time wrongly applies a tentative settlement for $287,550 as the total amount due to them from the City for the 1999 program year.
- MHSI applies the same $287,550 a second time as an amount due from the City to MHSI.
- MHSI also includes twice an amount of $78,861 withheld for the 2001 open program year.
- Rent due to the City of $515,711 is not shown.
- An amount withheld by the City of $4,733 is not included.

We have presented you with an audit of the Municipal Health Services Program at December 31, 1999, and a review at December 31, 2000. In the table below, we have shown those balances, and have brought them forward to January 17, 2002 by using the City's records of HCFA reimbursements and amounts withheld by the City in calendar 2001. The correct balances as of January 17, 2002 are as follows:

	Due To/ (From)
1996	$ (326,376.12)
1997	13,724.63
1998	(547,476.10)
1999	(220,631.02)
2000	157,085.26
Withheld in 2001	573,080.50
MHSP Balance as of 1/17/02	$ (350,592.85)
Rent	(515,711.21)
Total	$ (866,304.06)

Our comments expanding on the bullet points are as follows:

Under the column heading "Per MHSI", the analysis appears to agree with our audit for the 1996 & 1997 closed program year balances.

For the 1998 open program year, MHSI has wrongly treated a tentative settlement amount of $(390, 018) as if it were their final balance with the City of Milwaukee. This amount is actually an adjustment to the amounts that HCFA had previously approved, and not a final balance between MHSI and the City. Through 12/31/00 the City has paid MHSI $4,105,220.00 against accrued costs of $3,557,743.90 resulting in an overpayment of $547,476.10 as shown above.

On MHSI's analysis worksheet under the sub-heading *Less:* is an adjustment in the amount of $102,030.00. This amount is reflected in our balance for the 1998 program year and is in fact the difference between the ($649,506.00) and ($547,476.00) at 12/31/00. The accrued costs are based on approved Medicare costs multiplied by the cost ratio in effect at 12/31/00. The Municipal Health Services Program's "Provider Manual" discusses the procedures for applying cost ratios.

In the line for 1999, MHSI this time wrongly applies a tentative settlement for $287,550 as the total amount due to them from the City for the 1999 program year. In fact, the workpapers attached to their analysis are only an interim recap of approvals by the MHSP manager, not yet subjected to our audits and adjustments to proper cost ratios. Through 12/31/00 the City has paid MHSI $2,319,941.00 against accrued costs of $2,099,309.98 resulting in an overpayment of $220,631.02 as shown above. Again, the accrued costs are based on approved Medicare costs multiplied by the cost ratio in effect at 12/31/00.

No balance for the 2000 program year is shown on the MHSI analysis. Our review of the 2000 program year shows a balance due to MHSI by the City of $157,085.26. This is the difference between the accrued costs of $1,029,454.26 and payments through 12/31/00 of $872,369.00.

The remaining lines labeled "Payment" and "Other Withhold" appear to be the difference between individual check requests from the MHSP Program Manager and the amount of the checks disbursed by the City to MHSI. Although they are unlabelled, these "withheld" individual amounts relate to various program years from 1998 thru 2001. Specifically, on MHSI's analysis sheet, the amount of $33,486.00 and all lines above are included in our work.

The remaining line items should reflect amounts withheld by the City in 2001 and 2002 and total $573,080.50.

Therefore, our analysis reflects a total amount due to the City by MHSI of $350,592.85 as of January 17, 2002. Additionally, the City shows rent payments due of $515,711.21 bringing the total amount due to the City from MHSI to $ 866,304.06.

As was stated several months ago and at the meeting last week; we have offered to make our workpapers and ourselves available to MHSI to reconcile any differences that they may have with our report. As of this date we have not heard from anyone at Milwaukee Health Services.

Sincerely,

Bersch Accounting s.c.

Bersch Accounting s.c.

Enc.

cc: Rep. Spencer Coggs
C.C. Henderson, CEO, MHSI
Marvia Williams, Deputy Director, HRSA
Michael Soika, Mayor's Office
Ellen Tangen, Asst. City Attorney
Bevan Baker, Health Department

Medicare Waiver Settlement Analysis

	Per Bersch Worksheet	Per MHSI	
1996	$ (326,376.00)	$ (326,376.00)	
1997	$ 13,725.00	$ 13,725.00	
1998	$ (649,506.00)	$ (390,018.00)	(1)
1999	$ (184,698.00)	$ 287,550.00	(2)
	$ (1,146,855.00)	$ (415,119.00)	
Less:			
Adjustment	$ 102,030.00	$ -	
Payment	$ 16,953.00	$ 16,953.00	
Payment	$ 27,473.00	$ 27,473.00	
Payment	$ 31,631.00	$ 31,631.00	
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Payment	$ (81,878.00)	$ (81,878.00)	
Payment	$ 78,861.00	$ ~~78,861.00~~	
	$ (524,114.00)	$ 105,592.00	
Other Withhold******	$ 78,861.00	$ 78,861.00	
	$ 11,049.00	$ 11,049.00	
	$ 54,727.50	$ 54,727.50	
	$ 2,054.00	$ 2,054.00	
	$ 287,550.00	$ ~~287,550.00~~	
Due To/(From) MHS	$ (89,872.50)	$ 539,833.50	(3)/(4)

****** Transactions occurring after Bersch Summary

MILWAUKEE HEALTH SERVICES, INC.

FACSIMILE TRANSMITTAL SHEET

Isaac Coggs Health Connection [ ]
2770 N. 5th Street
Milwaukee, WI 53212
Phone (414) 286-8882
Fax (414) 286-8877

MLK - Heritage Health Center [ ]
2555 N. Martin Luther King Dr.
Milwaukee, WI 53212
Phone (414) 372-8080
Fax (414) 372-5758

DATE: 01/16/02

TO: Bevan Baker Fax # 286-8174

FROM: C.C. Henderson

Number of pages including transmittal: 2

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Comments: New Numbers for the Re-Org. Plan. Please call C.C. and Co. to discuss tomorrow

Initials of Sender: CC

MILWAUKEE HEALTH SERVICES
ACCOUNTS PAYABLE
As of January 14, 2002

Total Vendor	As of 10-2001	Current	
Prime Med	859,058	575,000	
North Milwaukee State Bank	497,929	497,929	Payments are current
City of Milwaukee	406,589	441,553	
North Milwaukee State Bank	219,806	218,055	Payments are current
Dynacare Laboratories	209,544	215,000	Discounts from $275,000 over 15 months
Milwaukee County-Gamp	0	206,922	Subject to Medicaid Settlement of claims
Wisc. Depart. of Commerce	117,281	117,281	Possible discounts of $57,000 due to job creations
Walgreen Company	109,991	111,619	
Medicare Wavier	524,114	89,873	(In Dispute)
Aurora Medical Group	281,702	322,952	Discussed discounts on balance
Total Balance	**3,226,014**	**2,796,184**	
Other Accounts Payable	**1,077,387**	**981,715**	
Total Accounts Payable	**4,303,401**	**3,777,899**	

December 21, 2001

Mr. Bevan Baker
Health Operations Director, MHD
841 North Broadway, 3rd Floor
Milwaukee, Wisconsin 53202-3653

Dear Mr. Baker:

As per your request, please find attached the revised Re-Organization Plan for Milwaukee Health Services, Inc. (MHSI). This revision was submitted on December 14, 2001 as part of MHSI's request for continued funding and support from HRSA's Bureau of Primary Health Care.

The Re-Organization Plan included items/activities that are currently in progress. Other items/activities; i.e., negotiations with vendors/stakeholders for debt retirement over a 3-5 year period are still on-going. MHSI is projecting to resolve this activity by having more concrete agreements in place prior to the start of the fiscal year, February 1, 2002. To date, MHSI has responses from DynaCare Lab, Milwaukee Economic Development Corp, North Milwaukee State Bank, PrimeMed and on-going negotiations with Aurora Health Systems.

On December 8, 2001, MHSI's Board of Directors was primarily reconstituted where only three (3) former Board remain and four (4) new members were elected. Also, at that time a new Chief Executive Officer was recruited. While the Re-Organization Plan remains in motion, some activities have been tabled in order to appropriately transition the new Board and CEO, after which all activities are expected to proceed at "full-speed".

An update of debt retirement activities will be forwarded to your office no later than January 14, 2002.

Thank you for your continued support and assistance.

Sincerely,

Carol Lightsey, Interim CEO

CC: Rep. Spencer Coggs, MHSI Board Chairperson

Dr. Seth Foldey, Commissioner of Health

REORGANIZATION PLAN
REVISION SUBMITTED December 14, 2001

1. **PROGRESS REPORT NARRATIVE:**

   a. **PROJECT UPDATE:**

ENVIRONMENT:

Milwaukee Health Services, Inc. is currently going through a "metamorphosis". In order to appreciate this change, a journey must be made into the past and ultimately come full circle to the present. In this section describing the "Environment", a brief overview, or Introduction of MHSI will describe the journey taken.

Overview of the Health Center:

Milwaukee Health Services, Inc., originally known as The Isaac Coggs Connection (ICHC), was established in 1989 by a small group of community leaders seeking to provide primary health care services for the African American population in Milwaukee's inner city north side. In 1990, this group's planning efforts and diligence was rewarded through their application to the Bureau of Primary Health Care where their first PHS funding was received. This very same year, the center began service to over 2000 residents of the north side, which consisted of over 95% African Americans.

That very first year of operation, under the banner of The Isaac Coggs Connection, led to several years of continual growth of service area use that led to program expansions. To list just a few chronologically these included:

- 1991 Prenatal care and Teach school based clinic initiated;
- 1992 Planning for expansion as client numbers quadrupled;
- 1994 Ground breaking for new 26,000 sq. ft facility;
- 1994 Outpatient Mental Health Services initiated;
- 1995 New Health Center – MLK Heritage Health Services, opens;
- 1995 Corporation renamed to Milwaukee Health Services, Inc.;
- 1995 Oral Health Clinic Opens
- 1996 Outstation for General Assistance Medical Program (GAMP)
- 1997 MHSI provides $3.5 million in health care to the uninsured and becomes the largest GAMP provider;
- 1998 MHSI initiates planning for expansion, potential loss of Medicare Waiver Program to Milwaukee --- consequently began advocating for continuation for program continuance to provide services to the elderly;
- 1999 Medicare Waiver Program extended for 2 years;
- 1999 Behavioral Health Services Center doubles capacity via County funding;
- 1999 Pharmacy Services expanded;
- 1999 WIC expands contracted service and onsite BadgerCare initiated;

- 2000 Outsource pharmacy services and plan expansion of Oral Health Clinic;
- 2001 Organization encounters "growing pains" resulting in financial difficulties;
- 2001 Organization identifies the need to "Re-organize" to assure ongoing financial viability.

Milwaukee Health Services, Inc.(aka Isaac Coggs Health Connection, Inc.) throughout its journey has provided patient services for more than 10 years and has been a BPHC funded Community Health Center since 1990. It operates out of two facilities that are less than .5 miles of each other. In addition, the organization provides School Linked services in a neighboring middle-high school. MHSI also founded the Heritage Limited Corporation, a for profit company. Information to date reveals the corporation has not been active for more than 2 years and has reported fluid assets of less than $1,000.

Milwaukee Health Services, Inc.'s (located in the northern portion of Milwaukee) environment continues to be challenged from every direction. Two other BPHC funded CHC's are located in the southern and western portions of the city, and staff indicates that they do not compete for MHSI patients. However, MHSI is experiencing increasing competition for its Medicaid/other third party covered patients from primary care sites sponsored by local hospitals. State reform initiatives and/or managed care development in the community and State which impact the Center include the continuation of the FQHC Waiver programs to include reimbursement to an FQHC of up to 100% of reasonable cost; the General Assistance Medical Program (GAMP) which provides funding for indigent medical care in Milwaukee County; and, of course the Badger Care program, implemented July 1999, that insures working poor families. In addition, MHSI participates in a State funded CHC program for all FQHC's and Look A Likes that provide funding for expanding access through the expansion of service hours to an organization's current hours of operations.

Current statistics indicate the total population of the City of Milwaukee is 587,394 residents. According to the 2000 Census, Wisconsin's African American population numbers 305,729, or approximately 5.7% of all races in the state. The City of Milwaukee population includes 191,255 African Americans, which is 78.21% of all African Americans in Wisconsin. MHSI targets the urban, inner city-north health provider shortage area (HPSA) of Milwaukee, Wisconsin (medical, dental and mental health provider shortages) which includes census tracts 24-26, 39, 41-43, 45-47, 64-70, 81-88, 100-106 with a population of approximately 90,058. This community is located primarily in the 5th Congressional District and is home to a population which is 90% African American. Including the Center's contiguous area, the total African American population reaches 155,476, or 65% of all African Americans in the state. Approximately 43.2% of the population in the service area lives below the federal poverty level, and an additional 25.4% live between 100% and 200% of the poverty level. Among MHSI's clients, 74.6% have incomes at or below 100% of the federal level. The contiguous areas of Milwaukee Health Services, Inc., service area has 32% of its residents living below the federal poverty level and an additional 22.5% living between 100% -200% of the poverty level.

The MHSI service area population is younger than the city population as a whole, and younger than the nation as a whole. One-third of the service area residents are under age 15. Within the service area, 47.2% of the total population is male, of which 35.8% is under age 15. The female

population comprises 52% of the area, of which 31.3% is under age 15. Persons over age 65 constitute 6.8% of the population, including 5.8% of all males and 7.7% of all females.

This community is faced with many social and environmental factors, which negatively impact good health. These include deteriorating housing; violence; high substance use; mental health problems; increasingly high unemployment; un and underinsured persons; higher than average infant mortality; low birth weights; poor nutrition; dental disease; asthma; chronic diseases which occur at higher frequency in African Americans, such as cardiovascular, diabetes, arthritis, cancers and HIV (all according to the 2000 census data). However, a review of the top five diagnoses in MHSI's direct service area indicated those illnesses prior to a 2000 census data report.

The Wisconsin Health Status Survey reports that 35% of all Americans in Wisconsin are uninsured, as compared to 11% of the total population. Sixty-two (62) percent of all employed African Americans under age 64 are without private insurance, Medicaid or Medicare coverage. This differential reflects the high proportion of African Americans who work at low paying or part-time jobs that do not offer health insurance benefits. Among MHSI's patients in 1998, 26% have no insurance, 38% have Medicaid, and 18% have Medicare.

MHSI's SERVICE SITES

Isaac Coggs Health Center (ICHC) is the original site for service for MHSI.

Martin Luther King Jr.-Heritage Health Center (MLK) is a 29,000 square foot facility built by MHSI in 1995.

Behavioral Health Services Center (BHSC) is located in the ICHC.

North Division Health Center (NDHC)

RANGE OF SERVICES

Prenatal Care Coordination
Pediatrics
Well Women Clinic
Family Practice
HIV Primary & Specialty Care
Diabetic Services
Mental Health
Cardiology
OB/GYN
Women Infants Children
Internal Medicine
HIV Counseling & Testing
Oral Health
Nutrition
Substance Abuse Services
Infectious Disease

HOSPITAL AFFILIATIONS

Sinai Samaritan
Columbia/St. Mary's
Children's Hospital

PROJECT CHANGES:

"Give us the tools and we will do the job!" Maybe not as dramatic as Churchill's England at the start of World War II, Milwaukee Health Services, Inc. has been nonetheless caught up in a storm of circumstances that affected their function: financial problems surfacing that required funding draw downs of over 50% of BPHC grants in less than two months of the 2001 Budget period; turnover of personnel (in particular the Medical Providers), conflicts between administrators and providers, and between Board and Administrators; clients in need, yet not always being aware of that need, subtle and not so subtle barriers to care; federal and state bureaucratic requirements (in particular- the Medicare Waiver Program); and the constant struggle to stay afloat, literally, on top of things, in the midst of an extremely grim financial picture. Despite all these hassles, nearly everyone involved in the operations of MHSI, in particular those individuals providing direct care to the residents of the northside of Milwaukee, have been and continue to be dedicated to doing a quality job WELL and to the best of their abilities.

The Health Care Plan and Business Plan, along with the summaries of each will highlight some of the accomplishments of the Center to date during these challenging times.

The following summarizes the activities over an eight month period into the 2001 grant year that ultimately resulted in a Reorganization Plan that will address the aforementioned concerns:

2001 GRANT YEAR:

February 2001	NOGA Received from BPHC
March 2001	MHSI draws down 50% of 2001 Award
April 2001	BPHC requires Diagnostic Review of MHSI
May 2001	BPHC requires follow-up Diagnostic Review of MHSI
June 2001	Region V requests feed back on recommendations from reviews
June 2001	MHSI severs ties with Pharmacy Contractors –impacting Med/W
June 2001	MHSI experiences significant provider turnover
July 2001	MHSI's financial/operations demonstrate marginal improvements
July 2001	MHSI's cash flow problem exacerbates
August 2001	MHSI Board engages Interim Management Team
August 2001	MHSI's CEO, COO, and CMO resign
August 2001	Interim Mgt Team's Initial Review Reveals Higher Debt
August 2001	Interim Team Clinical Advisor's report indicates Provider Re-Org.
August 2001	Interim Team Clinical Advisor reveals need for Patient Services Reorganization
August 2001	Interim Team Clinical Advisor indicates need to revisit POPractice
Sept. 2001	Interim Team presents findings to Board – debt $4million plus.
Sept. 2001	Interim Team presents 4 options to Board addressing debt status
October 2001	Board presents plan to BPHC and other stakeholders
October 2001	Board accepts plan and moves forward toward Reorganization
October 2001	Interim Team begins implementation of plan and revisions as needed

November 2001	Reorganization Plan A presented to City of Milwaukee and other stakeholders
December 2001	Board convened Annual Meeting and elected new members/officers.

The burning questions that are often asked are; "How did this happen? Just how did MHSI get to the point of Reorganization? and, Where do we go from here?"
In responding to questions one and two, the following is offered. MHSI had several factors that are likely to have caused or contributed to the organization's financial instability that stem back as far as 1996. Based on available information, MHSI's payor mix shifted from third party to numbers of self-pay sliding fee patients over the last four to five years. Although total users appear to have increased by 1,597 or 10% from 16,899 in 1998 to 18,496 in 2000, Medicaid users have declined by 1,182 or 18% from 6, 421 in 1998 to 5,239 in 2000. Self-pay patients have increased by 813 or 19%, from 4,294 in 1998 to 5,207 in 2000. MHSI's revenues have also declined over the past four-five years, from approximately $10 million in 1998, to $8 million in 1999 to $6 million in 2000. One major culprit for this decline appears to have been the loss of $1.8 million in pharmacy revenue when it was outsourced in 1999. Although patient revenues were declining, accounts payables continued to increase to the tune of approximately $5 million in mid 2001.

Unfortunately, there were inadequate reserves. MHSI had not established reserves necessary for cash flow or contingencies. In addition, there was lack of information necessary to make informed decisions. MHSI converted from an aging Monnette automated information system to a new, more powerful Business Computer Applications (BCA) automated billing system. At or around the same time MHSI converted from a Monnette general ledger system to Great Plains. Two problems resulted from difficult general ledger and MIS conversions; (a) patient billings were delayed during 2000, and (b) timely and accurate information necessary to make informed decisions about planning, budgeting and operational performance was not made available. The final conversion process did not occur until late spring of this year (2001). Other problems include activities prior to these system conversions, such as negative cash balances from prior periods and liabilities associated with staff pension plans, as well as 1996 and 1997 Medicare waiver program activity that required nearly a $600,000 payback to the City of Milwaukee.

In addition to all of the aforementioned, MHSI in mid 1999 hired a new Chief Executive Officer, Chief Medical Officer and Chief Financial Officer. All of which had little or no experience in managing a Federally Qualified Health Center. The challenges that existed at MHSI were and remain monumental. These kinds of issues required the management of individuals who were experienced and seasoned in the management of a FQHC and, in particular, resolving/reviving troubled Centers; hence, the introduction of the Interim Management Team in mid-August of this year (2001).

The Interim Management Team initially consisted of an Interim CEO, COO and Financial and Clinical Advisors. After a very few weeks of diagnostic review by all of these parties, organization financial, clinical and management reports were generated that offered several options to the Board of Directors for their consideration as to the continued operations of MHSI. (Interested readers can request these complete reports for additional details.) The Readers Digest Version of the results of much discussion with most of the Board and other major stakeholders of

the MHSI, a Reorganization Plan was developed and presented for consideration. This led the Center to its present challenge of implementing a Reorganization Plan that recommends some severe changes.

NOTE: What has not been discussed and should be understood throughout this entire document, is that MHSI's existing staff is extremely dedicated and have and continue to demonstrate a "vested interest" in the continued viability of the organization; not just for their own security, but for the well being of the community. This is extremely important during these "trying times" and should not be overlooked.

Question number three, Where do we go from here? Let us introduce a Summary of the Health Care and Reorganization Plan, aka the Business Plan, which will give MHSI the "tools" and "mechanisms" to go forward. They can be found in greater detail within the Health Care and Business Plan Tables.

REORGANIZATION PLAN:

Health Care Plan Overview:

MHSI has undergone a great deal of change during the past year, which included almost a 90% turnover of physicians and mid-year, the loss of its Chief Medical Officer. There has been a complete turnover of key administrative staff and the Center has just embarked upon a reorganization plan, which includes significant re-tooling of clinical activities. Despite the year's upheaval, the staff has many accomplishments of which to be proud.

The Agency has been nationally recognized for its participation in the General Assistance Medical Program (GAMP). MHSI is the largest provider of medical and dental services in the County for the indigent population. Moreover, the Agency has collaborated with the County to provide benefits counseling and registration within the facility to increase access for patients.

Other accomplishments included the institution of a Patient Assistance Program to assist uninsured patients in obtaining prescription medications. This program is currently being managed through the on-site pharmacy. Current negotiations with the proposed Pharmacy Vendor include maintaining this service under its umbrella.

The Center was one of only 3 sites in the Midwest to receive a SAMSHA grant to provide additional behavioral health services to patients with HIV. Additionally, the Center has also been able to facilitate HIV patient's ability to take part in 2 drug trials and a research study. MHSI's Title II and Title III Program services not only the 5th Congressional District, but has collaborated with two other Health Centers whose services span the fourth and fifth congressional districts.

As MHSI approaches its new fiscal/grant, staffs have begun to work on goals that are addressed in the reorganization plan. The CQI committee, whose activities have been minimal for some time has been "jump started" and will be one of the avenues used by staff to make the

improvements necessary to continue to offer quality service and address the signaled health care needs of the community.

New and revised agency-wide policies and procedures are being put into place in virtually every department. Cross training of staff is beginning in order to facilitate patient flow. Medical protocols and peer review are being adopted to ensure that the practice is meeting established medical standards.

The health care plan has been pared down to proportions that will allow us to measure our success at providing both preventive and chronic disease care across all life cycles. At the same time, through CQI, systems will be revised and re-developed to allow us to examine a wider range of health care issues in the future.

The Agency's collaboration with the City's Well Women's Program will be expanded to provide increased access to women. The Benefit's department will now be able to sign eligible women up for the program at their initial visit to the Center, along with providing a wider range of available services through the primary care provider.

BUSINESS PLAN NARRATIVE:

This Reorganization Plan is presented in three parts. Part I outlines the recommended staffing, funding levels, and service area(s) adjustments for MHSI based on a User Population of approximately 17,000 area residents. This plan initially reduced staffing from 121 to 107.5 resulting in 14.4 layoffs. In addition there were approx. 20 temp positions that have been eliminated. Additional revisions to the plan have further reduced staffing to approximately 98 positions. Part II offers suggestions for retiring MHSI's debt of approximately 5-6 million dollars. Part III addresses the Governance and Management of MHSI. This plan is recommended in keeping with the Board's objective(s) to reduce cost and improve the efficiency of all operations of the organization while maintaining its Mission "to ensure and maintain access to quality comprehensive health services for Milwaukee residents and the medically underserved population in a managed care environment."

PART I

Milwaukee Health Services, Inc. currently operates four service sites in three locations. The Corporate office and primary care site located at 2555 North Dr. Martin Luther King, Jr. Drive; the Isaac Coggs Health Center located at 2770 North 5th Street houses primary adult care, HIV Program, and the Behavioral Health Services Center; and the Teach Program at the North Division High School.

Services at all sites will continue to be provided as previously offered. However the services at the Isaac Coggs site will be consolidated from three (3) floors to two (2) floors as follows:

First Floor:

1. Primary Care
2. Registration/Scheduling
3. Medical Records
4. Case Management
5. X-ray
6. Lab
7. Heart Clinic
8. Patient Information
9. Triage

Second Floor:

1. Human Resources – Rm 206
2. Administration - Rm 206
3. Pharmacy – Rm 220 and 221
4. Billing to Heart Clinic
5. Behavioral Health
6. HIV

This plan relocates pharmacy and billing to the second floor and eliminates any MHSI services on the 2R Floor. Human Resources will be relocated to the 2nd floor from the sub 1R floor. These two moves will reduce the amount of space (sq. ft.) required for MHSI services thereby reducing the rental expenses at the Isaac Coggs Site. The Heart Clinic will be housed and incorporated into the primary care clinic to allow for continuity of care.

An analysis of the current activity at Isaac Coggs reveals high utilization in primary care by the senior citizen population. It also reveals that peak hours of services are primarily between 8:30 a.m. - 1:00 p.m. Therefore, Primary Care services will be offered at this site Monday – Friday from 8:00 a.m. – 1:00 p.m. and on Monday and Wednesday from 8:00 a.m. – 5:00 p.m. These times will still allow for building patient capacity (increase in users) in this category.

Further cost saving that will be implemented via this Reorganization Plan is to Outsource Pharmacy (Lease Pharmacy to be serviced in-house) and to Outsource Lab Services. X-Ray Services will be conducted at both sites with alternating schedules.

Personnel By Position: Total number of Personnel by Position Type can be found in the budget section of this application. See Attached Proposed New Organization Chart

PART II

The current Accounts Payable records for MHSI lists 156 vendors/accounts that total approximately $4.7 million. It should be noted that not included in the debt figure is the possible obligation of a "payback" to Medicaid for overpayment over the past five years. The Medicaid audit is in process; however, based on results from a sample conducted by the State of Wisconsin's Medicaid office it "suggests" that overpayment may be attributed to approximately 25% of inflated encounters for the past five years. Based on this, a review and calculation of the past five years was conducted by ACS (financial consultant) which indicate a possible exposure of approximately $2 million.

MHSI's A/P lists seven (7) vendors/accounts that exceed $100,000. These vendors account for over 50% of the debt.* They are:

City of Milwaukee	$377,013 (Med Waiver) $406,589 (Rent)
North Milwaukee State Bank	$717,735
PrimeMed	$913,047
Aurora Health Systems	$457,030
DynaCare Lab	$209,544
Wisconsin Department of Commerce	$117,281
Walgreen	$111,583

***Please note that these amounts are fluid and/or increasing/decreasing as time passes.**

Assumptions for retiring the debt are based on the following:

- Refinance MLK Health Center Building, which is currently valued at $2.5 million. If an additional $1 million can be received from this effort, these funds can be used toward alleviating the debt.
- Request from City a reduction of rent payback of approximately 75%
- Med Waiver Pay Back to be achieved through accounts receivables on encounters and pharmacy activity now being billed for 1999.
- Re-negotiating outstanding invoices with PrimeMed...anticipating (at a minimum) a 40% reduction in current A/P amount. Will negotiate a payout plan over the next 3-5 years.
- Requesting a total forgiveness from Aurora Health System or a 50% payback on outstanding amount. (Center delivers only at Sinai which is part of the Aurora Health System)
- Renegotiating with DynaCare Lab for payback of $.70 on the dollar. Also, will outsource lab services to DynaCare.
- Negotiating with Wisconsin Department of Commerce to reduce debt by 50% based on job creation.
- Renegotiate with Walgreen to reduce debt by 40% based on agreements made between Walgreen and Center in the early 90's for provision of reduced cost of meds for Saturday Clinic patients.

Negotiations will be held with the remaining vendors to establish a payment plan over the next 3-5 years.

The Center, under its new Reorganization plan, expects to realize approximately $390,000 annually. This excess program income will be used to retire debt.

PART III

MHSI's GOVERNANCE AND MANAGEMENT:

Over the past year the Governing Board of the Health Center has probably endured more challenges than it has ever had to tackle over the past ten years. Over eighty percent of the membership included individuals who have given over five-ten years of service. These have been individuals who have volunteered their time and energy and have given substantive input into the health center's strategic direction and policy. It should be noted that over 70% of the membership utilized the health center as their principal source of primary health care.

Most recently the MHSI Board held its Annual meeting and elected new Board Members and Officers. The current status of the Board presents basically a reconstituted Board of Directors with only three members remaining from the 2001 Board of Directors. A list of all of the Board Members and the new officers is attached. The Board size is expected to be nine members. Board orientation and training is planned for the first quarter of 2002 FY.

The Board understands that a strong management team is essential to the success of MHSI and the continued implementation of the Reorganization Plan. A new Chief Executive Officer and Chief Medical Officer are currently being recruited. Until the Chief Executive Officer is selected, the Interim Management Team will continue with the implementation of the Reorganization Plan.

End Progress Report Narrative 10 Pages

BUSINESS PLAN

Problem Statement # 1

Milwaukee Health Services, Inc. must have the commitment of the Board of Directors and an efficient Management Team to ensure the Center's viability in the Milwaukee Northside community.

Goals & Objectives	Program Funding	Action Steps	Outcomes/ Evaluation	Comments
Goal A To maintain a Board that has the appropriate skill set(s) for the oversight and Policy Development of MHSI.	CHC	A.1.1. Review current Board member status and recruit and develop additional Board members to ensure that representation reflects targeted patient population, skill sets and service area.	Board convenes annual meeting in December 2001 and elects new members and officers.	
Objective A.1 Board will ensure that it is maintaining an optimal level of performance in the programmatic/financial oversight and planning of MHSI that are efficient, appropriate and in accordance with all funding source regulations and requirements during the grant year.		A.1.2. Board will engage in a self-evaluation at least annually to ascertain that the Board and its Committees are functioning in accordance with the organization By-Laws, annual goals/objectives and Corporate mission.	Review of Board minutes and evaluation results.	
Objective A.2. To complete orientation and train all new and existing Board members within the first quarter of the grant year.		A.2.1. Contract with appropriate Consultant to conduct Board training(s) and staff and Board Team Building Sessions. A.2.2. With assistance Consultant develops an Orientation Package and Program to be used by Board for all new members.	Board is negotiating with Consultant with BPHC experience to conduct a training session(s). Successful development of Orientation Package by February 2002.	
Objective A.3 Develop a short/long-term strategic plan for MHSI to include the current Re-organization Plan, through a process involving Board, Management and appropriate parties by the second quarter of the grant year.		A.3.1. Create a working group of Board and Management Team to design/carry out planning process. A.3.2. Develop information summarizing needs/opportunities for growth and outline planning assumptions.	Review Board minutes to ensure planning process continues.	

Goals & Objectives	Program Funding	Action Steps	Outcomes/ Evaluation	Comments
		A.3.3. Prepare follow-up analysis for review of Re-organization Plan and Strategic Plan. A.3.4. Board reviews process of Re-organization Plan and other related strategic plan activities on a monthly basis.	Review of Board minutes and CEO's Board reports.	
Objective A.4 Establish and implement a plan to evaluate overall Human Resource needs to comply with all organizational-wide Re-organization and additional planning efforts within the first quarter of the grant year.		A.4.1. Immediately recruit (if not already completed) a CEO followed by the CEO recruiting a CMO and Director of Operations. A.4.2. Personnel Committee of Board to review Human Resource Policies and Procedures to include a summary review of job descriptions that include age specific requirements and competencies. A.4.3. Revisit the opportunity to engage volunteers in appropriate areas of MHSI. A.4.4. Provide on going training of staff for the care and sensitive treatment of all individuals. A.4.5. Review/revise credentialing policies for comprehensiveness and compliance with funding regulations and other affiliate/vendor agreements.	New Board completes negotiations and hires new CEO by January 2002. Review Board minutes. Review Board minutes and Personnel Committee report. Review CEO's report to Board. Review Board minutes for specific provider issues to include credentialing.	

Goals & Objectives	Program Funding	Action Steps	Outcomes/ Evaluation	Comments
Goal B MHSI will strive to maintain and continue to improve upon its position as a prominent provider of primary ambulatory care services in the Northside of Milwaukee.		B.1.1. Continue to network with key regulatory and legislative leadership to emphasize the potential role MHSI plays in the provision of health care services to the Milwaukee community--- especially to those in the "life cycle of poverty".	Review Board minutes and CEO reports to Board.	
Objective B.1 Reaffirm current relations and access to key regulatory, legislative and political processes to impact positively and pro-actively upon MHSI's role in the provision of health care services in Milwaukee throughout the period of this plan.		B.1.2. Provide a blueprint for Board members to understand their role in the community which will support and promote this goal.	Review Board minutes and CEO reports to Board.	
		B.1.3. Identify key individuals on the Board, staff and other interested parties who will provide support and technical assistance in terms of public relations in support of the importance of MHSI in the City of Milwaukee.	Review Board minutes and CEO reports to Board.	
Objective B.2 To ensure that MHSI has a "Healthy Report Card" within the first six months of the grant year.		B.2.1 Conduct a diagnostic assessment of MHSI's total program operations.	Review Board minutes and CEO reports to Board.	
		B.2.2. Conduct an external and internal assessment that would identify new program and service expansion opportunities.	Review Board minutes and CEO reports to Board.	
		B.2.3 Review/revise and update all administrative and fiscal policies to ensure that appropriate policies are in place for management of program and in accordance to requirements of all regulatory and funding sources.	Review Board minutes and CEO reports to Board.	
Objective B.3 Continue to maintain and restore (where needed) the reputation as a responsive provider to the evolving health care needs of its current and potential patients/clients.		B.3.1 Reassess and make appropriate revisions to marketing strategies to enhance the perception and image of MHSI.	Review Marketing Plan submitted to Board.	
		B.3.2. Budget, specifically for this objective via funding from private sources to be identified within the first six months of this grant year.	Review Board minutes and CFO's report to Board.	

Goals & Objectives	Program Funding	Action Steps	Outcomes/ Evaluation	Comments
		B.3.3. Design activities to bring more focus to the Medicare Waiver Program-Adolescents-and Maternal and Child Health activities of MHSI.	Review CEO's report to Board.	
Goal C Enhance MHSI affiliates to expand services that will enhance its current operations that are appropriate and in accordance with all reimbursement and funding source regulations and requirements.		C.1.1. Research and plan for a partnership/alliance with at least two other FQHC's for such activities as purchasing, insurance, billing services, human resources, etc.	Review Board minutes for progress on all items in Goal C.	
		C.1.2. Develop relationships with area resources to incorporate a mechanism to share in-service training for providers and other staff to ensure that all staff remain current on issues related to their specific department and/or specialty.	Increased relationships with outside agencies.	
		C.1.3. Reach out to physician groups and acute care institutions to discuss collaborative relationships for services not currently planned or offered on site.	Center offers more services to patients utilizing outside resources.	

Problem Statement #2 FISCAL

Milwaukee Health Services, Inc. operates within an environment which is reliant on government funded insurance, grants, and programs which supplement costs of care. In order to maintain fiscal integrity, Milwaukee Health Services, Inc. must structure itself in a manner to function effectively and be fiscally accountable.

Goals & Objectives	Program Funding	Action Steps	Progress/Outcomes/ Evaluation	Comments
Goal A **Stabilize and improve financial position of Agency** **Objective A.1** Reduce Outstanding short-term debt due to vendors and others	CHC	A.1.1 Refinance Current mortgage to obtain 1 million in cash. A.1.2 Use cash proceeds to negotiate with vendors to buy $2 of debt for each $1 of cash payment. A.1.3. Increase cash collections from all sources to gain cash position and pay vendors till refinancing can be accomplished A1.4 egotiate with vendors a timetable to spread out payments to those who will not accept meaningful discount.	A-1.1. Contact Mortgage holder to discuss refinancing plan. Meetings held December, 2001 A.1.1 Complete Annual audits for the years ended 1/31/01 and 1/31/02. Field work started December, 2001 A.1.2 Contact significant vendors about financial position and seek discount on amounts due. Discussion held November/December 2001 A.1.3 Greatly improve encounter processing time and subsequent billing. Billings per week have increased 100% from average$90,000 per week to $200,000+ A.1.4. Discuss delayed payment schedule with vendors. Ongoing	
Objective A.2 Improve collections from third party payers.	CHC	A.2.1. Develop policies and practices related to completion and processing of encounter forms, coding and transmission of bills and collection, follow-up and disposition of all claims. A.2.2 Identify, enroll and bill for clients eligible for special programs.	A.2.1 Contract with outside individual to evaluate and provide policies and practices. Ongoing A.2.1 Provide training to registration (intake), providers (services/diagnosis), billing (coding/processing) and collection. A.2.1 Formulate Internal accounts receivable reports including aging and cash collection reports by payer source.	

Goals & Objectives	Program Funding	Action Steps	Progress/Outcomes/ Evaluation	Comments
			A.2.1 Increase gross charge structure by 25%. Currently charges are less than 100% of cost.	
		A.2.3 Review Mental Health Services and related billing.	A.2.2 Reinforce Front Desk staff related to Wisconsin Well Womens Health Program.	
			A.2.2 Process clients through enrollment, identify within patient information system.	
			A.2.2 Update Billing practices and procedures.	
			A.2.2 Report monthly encounters , charges and collections.	
			A.2.3 Update charge structure and monitor Mental Health related encounters, billing and collections.	
Objective A.3 Improve collections from self-pay clients	CHC	A.3.1. Revise current sliding fee scale.	A.3.1. Redistribute discount levels evenly.	
			A.3.2. Present to Board at January meeting for approval.	
		A.3.2. Increase minimum fee to $20.00.	A.3.2 Conduct specific training of front desk on collection procedures.	
			A.3.3 Identify level 3 and 4 Dental services.	
		A.3.3. Review Dental practice for services not subject to sliding fee scale.	A.3.3. Set net charges.	
			A.3.3. Develop patient contract agreements.	
Objective A.4 Develop additional grant revenue sources.	CHC	A.4.1. Determine services agency provides or could provide and identify health care benefit to community.	A.4.1. Identify and match Federal, State, Local and Private Foundation programs.	

Goals & Objectives	Program Funding	Action Steps	Progress/Outcomes/ Evaluation	Comments
Objective A.2 Improve collections from third party payers. **Objective A.3** Improve collections from self-pay clients **Objective A.4** Develop additional grant revenue sources.	CHC CHC	A.2.1. Develop policies and practices related to completion and processing of encounter forms, coding and transmission of bills and collection, follow-up and disposition of all claims. A.2.2 Identify, enroll and bill for clients eligible for special programs. A.2.3 Review Mental Health Services and related billing. A.3.1. Revise current sliding fee scale. A.3.2. Increase minimum fee to $20.00.	A.2.1 Contract with outside individual to evaluate and provide policies and practices. Ongoing A.2.1 Provide training to registration (intake), providers (services/diagnosis), billing (coding/processing) and collection. A.2.1 Formulate Internal accounts receivable reports including aging and cash collection reports by payer source. A.2.1 Increase gross charge structure by 25%. Currently charges are less than 100% of cost. A.2.2 Reinforce Front Desk staff related to Wisconsin Well Womens Health Program. A.2.2 Process clients through enrollment, identify within patient information system. A.2.2 Update Billing practices and procedures. A.2.2 Report monthly encounters , charges and collections. A.2.3 Update charge structure and monitor Mental Health related encounters, billing and collections. A.3.1. Redistribute discount levels evenly. A.3.2. Present to Board at January meeting for approval.	

			A.3.2 Conduct specific training of front desk on collection procedures.	
		A.3.3. Review Dental practice for services not subject to sliding fee scale.	A.3.3 Identify level 3 and 4 Dental services.	
			A.3.3. Set net charges.	
			A.3.3. Develop patient contract agreements.	
	CHC	A.4.1. Determine services agency provides or could provide and identify health care benefit to community.	A.4.1. Identify and match Federal, State, Local and Private Foundation programs.	

Objective A.5 Establish Internal Reporting and Budgeting Systems	CHC	A.5.1 Purchase and install General Ledger accounting system. (Window based) including revised chart of accounts, financial statement and layout and reporting.	A.5.1. Contact vendors and select Accounting Package. A.5.2 Purchase separate server to run and maintain package separate from AS 400. A.5.3 Develop monthly reports that include Balance Sheet, Comparative Income Expense Statement and Cash Flow Report. Revenue and Expense Reports to compare results by Month and Year to Date to Current Year Budget and Prior Year Results. Reports to be generated no later than 15th of each Month and included in Board Package	
Objective A.6 Monitor and increase Provider Productivity	CHC	A.6.1 Evaluate Patient appointment and processing practices A.6.2 Establish Monthly Provider Productivity Reports.	A.6.1 Identify areas for improvement of patient flow. A.6.2 Report to include actual month and year to date to prior period and budget expectations. Report to be prepared by 15th of each Month and included in Board Package.	
Objective A.7 Collect revenues related to Provider off-site activities.		A.7.1. Develop system to track and report physician hospital visits. A.7.2. Process activity into patient information system.	A.7.1. Develop off-site activity form. A.7.1. Educate physicians on completion of form. A.7.1. Provide Incentive Plan. A.7.2. Train Billing staff on hospital visit and coding.	

Goal B Reestablish creditability with Stakeholders and other Outside Agencies **Objective B.1** Meet contract and reporting requirements within standards of agreements.	CHC	B.1.1 Review all contracts and Grants including Medicare and Medicaid. B2.1. Detail and comply with payment agreements with vendors and stakeholders.	B1.1 Establish timetable for due dates for applying for grants, generating required activity reports and filing of all cost reports. B1.2 Maintain, close and prepare support of financial data. B1.3 Schedule Annual Audits to begin no later than March 15 of each year. B2.1 Prepare detailed listing of vendors, payment schedule and payments due.	
Goal C Meet or exceed Reorganization Plans. **Objective C.1** Monitor Reorganization Plan	CHC	C.1.1 Evaluate and report expectations vs. actual result of revenues, expenses, visits and cash position.	C.1.1. Maintain and update Financial Model on monthly basis. C.1.1. Report result to Management and Board.	

End of Business Plan 10 Pages

HEALTH CARE PLAN

Problem Statement #1: Perinatal Health

Pregnant women in the inner city north area served by Milwaukee Health Services, Inc. are statistically more likely to be single and living in poverty, receive little or no prenatal care, to smoke during their pregnancy and to have smaller infants than those in the city as a whole. (Source: City of Milwaukee Health Department, Vital Records Data,1999)

Goals & Objectives	Program Funding	Action Steps	Outcomes/ Evaluation	Comments
Goal A: To improve pregnancy outcomes for target population pregnant women. **Objective A.1** To increase 1st trimester enrollment by 10% by 1/31/03 **Objective A.2** To decrease preventable complications of pregnancy by 10% by 1/31/03. **ObjectiveA.3** To increase the number of post partum 6-week visit checks to 95% of those clients delivered through the Milwaukee Health Services, Inc. program by 1/31/03.	CHC	A.1.1. Offer pregnancy testing on a walk-in basis. A.1.2. Provide interconceptual counseling as a part of routine visits for women of childbearing age. A.1.3. Upon confirmation of pregnancy, assist women to enroll in prenatal care services. A.1.4. Provide pregnancy testing and counseling services at the TEacH clinic site. A.2.1. Initiate risk screening and prenatal laboratory testing at time of enrollment into prenatal care. A.2.2. Provide comprehensive, continuing prenatal, intra-partal and post-partal care to all women enrolled in the practice, with referrals to outside specialists as appropriate. A.2.3 Assess risk status on an on-going basis throughout the pregnancy and adapt plan of care as needed. A.2.4 Establish a culturally sensitive relationship and provide case management for each client A.2.5. Follow-up on all referrals to ensure adequate care A.2.6. Track all prenatal clients to assure continuous care. A.3.1 Schedule appointment for post-partum visit before hospital discharge. A.3.2 Case manager will contact patient to remind of appointment, and assist with transportation and childcare if needed A.3.3 Discuss family planning options and importance of 6-week exam, prenatally or by 28 weeks gestation. A.3.4 Patients failing appointment will be contacted by case manager and rescheduled.	Monitor and track patient census through the use of prenatal logs and monthly reports Documentation of provider/case manager consultation; review of care plan at least bimonthly to re-adjust if needed Quarterly report from prenatal tracking logs	As a consequence of the complete turnover of the administrative staff, no progress report on goal achievement is available this year.

Problem Statement #2: **Pediatric Health**

Children living in the target area are likely to be born to single mothers living in poverty. This places them at increased risks for those conditions which are associated with poverty such as iron deficiency anemia, higher rates of injury and lead poisoning from poor, older housing stock. Children born in the target area also have a higher rate of cocaine and other illicit drugs present at birth.

Goal A To improve the overall health care status of children in the practice. **Objective A.1** To maintain 1700 pediatric patients in continuous, comprehensive pediatric care by 1/31/03. **Objective A.2** Identify and intervene with children at risk for physical and/or developmental problems to reduce the impact of those problems **Objective A.3** Increase immunization levels in the population by 10% by 1/31/03 **Objective A.4** To improve nutritional status of project children (decreased anemia, appropriate weight gain) by 1/31/03	CHC	A.1.1. Prenatal case manager will assist mother to make initial well child appointment in the immediate post-partum period. A.1.2. Provide comprehensive physical exam including developmental assessment and anticipatory guidance and immunization as per AAP guidelines. A.1.3 Refer parents to other resources as appropriate A.2.1. Screen for common problems in the population e.g. Lead poisoning, anemia, sickle cell). A.2.2 Provide education and referrals to appropriate resources for evaluation and intervention. A.2.3.Track referrals, response and compliance. A.3.1. Provide increased education to parents regarding the importance of immunization. A.3.2. Immunize children at any available opportunity in accordance with ACID standards. A.3.3. Tickler/tracking of file for immunizations. Parents to be reminded of need to follow-up. A.4.1. Provide nutritional assessment and recommendations to parents during well child exams. A.4.2. Plot and monitor growth charts. A.4.3. Refer all nutritionally at-risk patients to nutritionist and to WIC as appropriate. A.4.4. Documentation of provider/nutritionist consultation.	1. Documentation of appropriate care, education at each visit. 2. Referral logs 1. Referral logs 2. Documentation of adequate follow-up. Documentation of immunization status. 1. Documentation of appropriate care, education at each visit. 2.Referral logs.	

Problem Statement #3 **Adolescent Health (age 12-19)**

Adolescents in the Milwaukee Health Services, Inc. target population face a higher than average risk of death due to accidents, homicide and high-risk behavior. Adolescents are well known for seeking only urgent care and therefore having decreased access to risk behavior counseling. High teen pregnancy rates are associated with behaviors, which also increase the risks of STDs including HIV. Welfare reform has contributed to unstable insurance coverage, further reducing the likelihood of continuing preventative care.

Goal Improve health status of the adolescent population in the project's target area. **Objective A.1** Decrease teen pregnancy rate within the project population by 15% by 1/31/03 **Objective A.2** Decrease incidence of sexually transmitted diseases in adolescents by 15% by 1/31/03.	CHC	A.1.1. Provide opportunities for adolescents to discuss sexual activity, concerns during all visits to the project. A.1.2. Provide both group and individual education regarding sexual activity. A.1.3. Encourage abstinence during all visits. A.1.4. Provide education and contraception to all sexually active adolescents, both at Coggs and MLK clinic visits and at the North Division High School TEacH site A.2.1. Provide opportunities for adolescents to discuss sexual activity, concerns during all visits to the project. A.2.2. Provide both group and individual education regarding sexual activity. A.2.3. Encourage abstinence during all visits. A.2.4. Provide education and contraception to all sexually active adolescents. A.2.5. Provide condoms to all sexually active adolescents.	1. Documentation of decrease in pregnancy rate. 2. Documentation of appropriate care, education at each visit. 1. Documentation of decrease in STD rate. 2. Documentation of appropriate care, education at each visit.	

Problem Statement #4 **Adult Health (age 20-64)**

The adult population served by MHSI is primarily African American. Statistically, they are at increased risk of hypertension and related cardiovascular disease and diabetes. They have a higher rate of cancers than the general population, seeking care at a later stage of the disease. Behaviors such as smoking and poor nutrition, along with violence in the community and job related injuries increase the likelihood of early morbidity and mortality.

Goals & Objectives	Program Funding	Action Steps	Outcomes/ Evaluation	Comments
Goal A To improve the health status of adults enrolled in the project **Objective A.1** To maintain blood pressure levels at less than 140/90 for 60% of clinic hypertensive patients.	CHC	A.1.1. Develop and implement hypertensive care standard for practice in accord with nationally established standards of care by 3/31/02. A.1.2. Monitor medication use, side effects, and BP control at each visit. A.1.3. Monitor BP every 2 weeks until control is achieved. A.1.4. Screen for HTN-related complications and refer to specialist for evaluation as appropriate	1. Documentation of appropriate care, education at each visit. 2. Documentation of normal blood pressure readings. 3. Evidence of adoption of medical care standard.	
Objective A.2 To improve Hgb A_1C levels for 60% of diabetic patients by 3 points. **Objective A.3** Increase the number of MHS women ages 35-64 screened for breast and cervical cancers by 10% over 2001.	CHC CHC City of Milwaukee	A.2.1. Develop and implement diabetes care standard for practice in accord with nationally established standards of care by 3/31/02. A.2.2. Monitor medication use, side effects, and glucose control at each visit. A.2.3. Monitor glucose closely until control is achieved. A.2.4. Screen for diabetes-related complications and refer to specialist for evaluation as appropriate. A.2.5. Maintain patients blood pressure below 135/85. A.2.6. Refer patients for yearly ophthalmic exams. A.2.7. Refer all patients to the nutritionist for dietary education. A.2.8. Refer patients to DDS for evaluation. A.3.1.Continue collaboration with City of Milwaukee for well women's program A.3.2.Provide risk assessments, education regarding cancer screening and other chronic diseases A.3.3. Perform annual exams including breast and pelvic A.3.4. Refer or complete yearly pap, and refer age appropriate women for mammograms A.3.5. Track and ensure follow-up of all abnormal pap smears and mammograms. A.3.6. Participate in events promoting wellness	Evidence of adoption of medical care standard. Documentation of appropriate care, education at each visit. Documentation of Hgb A_1C levels Documentation of normal blood pressure readings. Documentation of nutrition education Referral logs and documentation of follow-up Documentation reflects appropriate risk assessments, exams and interventions. Tracking logs document all abnormals and their disposition Documentation of participation in wellness events	

Problem Statement #5 **Geriatric (over age 65)**

As with the adult population served by MHSI, the geriatric population has a high incidence of hypertension, coronary artery disease, cancer, diabetes and cerebral vascular disease. Due to economic constraints, they are less likely to follow through with medical appointments and therapies, experience more in-home injuries and therefore experience high rates of hospitalization.

Goals & Objectives	Program Funding	Action Steps	Progress/Outcomes/ Evaluation	Comments
Goal To assist older adults to maintain optimal levels of health **Objective A:** To reduce hospitalizations within the population by 10% by 1/31/03	CHC	A.1.1. Aggressively treat chronic illnesses, adhering to the adult standards of care. A.1.2. Assess ADLs and safety risks at least semi-annually and intervene appropriately. A.1.3. Educate family members/care givers of signs of decreased physical/mental health. A.1.4. Assess nutritional status and intervene or refer as appropriate.	1. Documentation of patient vital statistics remains within normal limits. 2. Documentation of risk assessments and interventions 3. Documentation of education during visits 4. Referral logs 5. Documentation of a decrease in hospitalizations by 10%.	

Problem Statement #6 **HIV Services**

African Americans experience the greatest risk for HIV transmission per National and Local statistics of seroprevalence. In the past year, Milwaukee has had the highest incidence of HIV in the State of Wisconsin. Due to the social, educational and environment issues, which limit Milwaukee targeted community, clients with HIV have less knowledge of health care and support systems than they need. Additionally, in the targeted service area, most clients with HIV have limited or no insurance to access medical services. Because of this, the majority of Milwaukee Title III Clients do not seek services, including dental and persist in having poor oral health that directly impacts HIV treatment outcomes.

Goals & Objectives	Program Funding	Action Steps	Outcomes/ Evaluation	Comments
Goal A Increase accessibility to primary and specialized HIV care for inner city Milwaukee residents. **Objective A.1** Maintain service to 290 ongoing clients.	Ryan White II & III	A.1.1. Provide primary medical care per standardized protocol quarterly based on intake date. A.1.2. Provide on site psychosocial case manager to triage client co-factors, which inhibit or support health maintenance. Initiate new contract 7/02. A.1 3. Provide Nurse Case Manager to coordinate primary and HIV specialty medical care scheduling, referral, and client medical follow through. Assign Nurse Case Manager at intake. A.1.4. Increase Nurse Case Manager position to 3.0FTE pending funding increase. A.1.5. Evaluate client financial status and stabilize source of payment for medical care. Monthly or as needed A.1.6.Provide access to HIV clinical trials. A.1.7. Maintain access to pharmacy through utilization of state and other drug reimbursement resources (ADAP). A.1.8. Integrate nutritional assessment and internal referral for 125 clients.	Collate data logs from all sites Provide case management services to all HIV clients Maintain lists of referrals to off-campus providers	
Goal B Increase access to HIV counseling and testing for African Americans. **ObjectiveB.1.** Test 1,000 high risk behavior African Americans from the service area	Ryan White Title III & II	B.1.1. Hire 1.5FTE Counseling and Testing staff to provide Counseling and Testing. B.1.2. Maintain status as state counseling and testing site. B.1.3. Utilize state lab to pay for tests for the. B.1.4.Provide outreach to OB/GYN, Pediatric, Family Practice, WIC, Dental and Behavioral Health clients and their families	Retrieve computer data on # of HIV tests done	

Goals & Objectives	Program Funding	Action Steps	Outcomes/ Evaluation	Comments
Goal C: Increase Client and family awareness of HIV care information and County Agency services available. **Objective C.1.** Provide various means of information and training to increase Client knowledge	Ryan White III & II	C.1.1. RNCM provides on-going, issue specific education about disease and treatment specific materials. C.1.2. Case Manager provides assistance with information and access to county services. C.1.3. Mental Health, Dental and Nutritional staff provide intervention /treatment plans which support the increase of HIV knowledge, compliance and incorporation into their life.	Educational pamphlets are available for patients. Provide continuing educational sessions and document in patient charts. RNCM provides educational materials to primary Physicians to promote and encourage Client education. Case Manager provides Coordinator and Director with monthly reports. Documentation of service recorded in Client chart.	
Goal D: Improve the dental health of persons with HIV within the Program. **Objective D.1.** Provide access to preventative and restorative dental services to 150 persons with HIV within the Program. **Goal E:** Improve nutritional status for HIV clients enrolled in the program. **Objective E.1.** Provide educational Nutrition consultations to 125 Clients.	Ryan White III Ryan White III	D.1.1. Utilize Title III funding as payment source for Clients with NO alternate funding for preventative or restorative dental care. D.1.2. Clients eligible for other county sources of dental care payment (GAMP, ARCW, etc.) E.1.1. Utilize Title III funding as payment for Clients with NO alternate payment source for Nutritional consultations and nutritional education with Clinic Nutritionist. E.1.2. Refer Clients eligible for other sources of insurance. E.1.3. Provide nutritional supplements to uninsured clients.	Preauthorization obtained from Dentist and RNCM. RNCM referrals are documented in client chart Referrals documented in Client chart by RNCM. Referrals outside of Program documented in Client chart by RNCM. Documented via billing and prescription issued by physician	

Project Statement #7 **Dental**

Patients in the area served at Milwaukee Health Service, Inc.'s dental clinic (inner-city north) have a severe lack of access to preventive dental care in both children and adults. This results in a higher than average number of dental caries as well as earlier loss of teeth, difficulty maintaining normal masticatory function and proper jaw relationships. GA-MP does not cover preventive or restorative dental care, and due to low Medicaid reimbursement, there are few providers willing to see this population.

Goals & Objectives	Program Funding	Action Steps	Progress/Outcomes/ Evaluation	Comments
Goal A Improve the dental health of children in the community. **Objective A.1** Provide education on prevention of caries and oral hygiene to 1000 children under 18 in the target community by 1/31/03. **Objective A.2** Provide both preventive and restorative dental care to 3000 children under 18 by 1/31/03. **Objective A.3** To provide pit and fissure sealants to 200 appropriately aged children in the practice.	CHC/ State CHC funding	A.1.1. Medical staff will provide dental screenings, including oral hygiene instruction and emphasizing prevention of baby bottle tooth decay as a part of all well-child examinations. A.1.2. Dental staff provides caries prevention and oral hygiene instruction at local schools for children 4-12 years. A.2.1 Dental staff will provide dental exams and prophylaxis to all dental patients in the practice 3-18 years. A.2.2 Medical and staff will refer all appropriately aged children to dental for evaluation. A.3.1. Children receive sealants as appropriate after dental exams and prophylaxis	Quarterly audit of medical charts. Track number of children in school groups receiving dental instruction. Quarterly computer printout of services provided. Quarterly chart audit of medical clients and use of computer to tally dental referrals from medical done on an on-going basis. Documentation in dental chart	
Goal B Improve the dental health of adults in the community. **Objective B.1** Provide preventive and restorative care to 6500 clients from the project's target area. **Objective B.2** Provide appropriate preventive and restorative care to HIV patients	CHC Title III	B.1.1. Dentists provide oral examinations and appropriate dental treatment. B.1.2. Dentists educate all patients on the importance of proper oral hygiene and dental health as well as encourage routine care. B.1.3. Prophylaxis is provided to patients on a regular basis. B.2.1. Dentists provide oral examinations and appropriate dental treatment. B.2.2. Dentists educate patients on the importance of proper oral hygiene and dental health. B.2.3. Prophylaxis is provided to patients on a regular basis.	Chart review confirms appropriate treatment plans and their completion Recall system in place and functioning Chart review confirms appropriate treatment plans and their completion Recall system in place and functioning	

Problem Statement #8 **Behavioral Health**

A multitude of chronic stress conditions experienced by the inner city north community residents (poverty, unemployment, poor nutrition, violence, chronic debilitating disease, high levels of substance abuse, inadequate housing, and limited sustainable support systems) contribute to a higher risk and diagnosis of serious mental health conditions. Mental health services provided by qualified clinicians and that are accessible are severely limited.

Goals & Objectives	Program Funding	Action Steps	Outcomes/ Evaluation	Comments
Goal A To improve access for community residents to culturally appropriate mental health services	CHC Milwaukee County Grant			
Objective A.1 To provide community-based mental health services to 1,000 area residents by 1/31/03		A.1.1. Maintain state certification as outpatient mental health clinic. A.1.2. Maintain adequate staff/appointment times to serve the community	Certification current Documentation reveals continuity of care for patients	
Objective A.2 Provide substance abuse services for patients across the life span		A.2.1. Develop prevention and intervention programs for different age groups. A.2.2. Implement programs	Program outlines, specifications Report of decreased substance use.	

Problem Statement #9 WIC

Due to poverty and a multiplicity of social and environmental factors, there is a high incidence of low birth weight infants in the target area. Parents have limited access to nutritional resources for infants 0 - 5, and limited access to transportation for these same reasons. Families therefore require assistance in supplying food for their children.

Goals & Objectives	Program Funding	Action Steps	Outcomes/ Evaluation	Comments
Goal A To ensure the provision of quality nutrition services to WIC participants by qualified staff. **Objective A.1** The percentage of women and children over age 2 enrolled in the MHSI WIC program who choose a fat-free or low-fat milk WIC food package after receiving nutrition education will increase from 2 to 100 by 12/31/02. **Objective A.2.** The percentage of women who participate in the MHSI WIC program during pregnancy who initiate breastfeeding will increase from 36% to 39% by 12/31/02 **Objective A.3** Through a county-wide coordination/outreach campaign, the percentage of pregnant women enrolled in WIC in their first trimester will increase from 43% to 47% in Milwaukee County WIC projects by 12/31/02.	WIC	A.1.1 Develop nutrition education program specific to the health benefits of using 1%/skim milk. A.1.2 WIC staff will provide taste-testing, promotion during dairy month. A.1.3 WIC staff will all receive training. A.2.1. Policies, protocols and lesson plans from the Breastfeeding program will be implemented. A.2.2. The breastfeeding coordinator will complete the UCLA breastfeeding course. A.2.3 All participants will be counseled at the certification visit based on identified and prioritized needs... Project will collaborate with other agencies in developing and implementing outreach activities at locations that provide services to pregnant women (i.e. HMOs, MDs, schools, W2 agencies, PPA, MHS, PNCCs)	Annual performance evaluation. WIC reports Report of outreach activities	

End of Health Care Plan 10 Pages