

ENROLLED ORDINANCE 177-27

MODIFY THE 2022-2026 CAPITAL PLAN AND 2022 CAPITAL PROJECT BUDGET TO CREATE
CAPITAL PROJECT #202217 MENTAL HEALTH CENTER REMODEL, FUNDED WITH
AMERICAN RESCUE PLAN ACT FUNDING REVENUE

WHEREAS, in March 2021, the federal government approved legislation authorizing and funding the American Rescue Plan Act (ARPA) allocating \$350 billion of direct aid to state and local governments through the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program; and

WHEREAS, Waukesha County's CSLFRF allocation is \$78.5 million, which must be spent or obligated by December 31, 2024 and completed by December 31, 2026; and

WHEREAS, permissible uses of the grant funding include supporting public health; responding to negative economic impacts from the public health emergency; building public sector capacity and addressing administrative needs; providing premium pay for essential workers; investing in water, sewer, and broadband infrastructure; and recovering lost revenue to fund general government services; and

WHEREAS, the Waukesha County Board previously accepted CSLFRF funding (Enrolled Ordinance 176-46); and

WHEREAS, Waukesha County staff established an ARPA Management Response team to prioritize the use of ARPA grant funds to meet the County's short and long term economic and operational recovery objectives through 12/31/2026; and

WHEREAS, areas of focus were established in the areas of community development, economic recovery/workforce development, infrastructure, and public health response and enhancement of human services; and

WHEREAS, the final rule was released in January of 2022, after which projects were reviewed against the allowable uses identified by the American Rescue Plan Act and against the strategic objectives of Waukesha County; and

WHEREAS, projects that had timeline constraints to complete within the eligible time period were selected to be submitted through ordinance, while all other projects would be included in the next budget cycle; and

WHEREAS, the department of Health and Human Services (HHS) operates a 28-bed inpatient hospital for acute mental health crises at the Mental Health Center (MHC); and

WHEREAS, for several years the MHC has operated far below this 28-bed capacity, with fewer clients due to several factors, including utilizing HHS- and other community-provided resources to more effectively transition patients back to the community following an acute inpatient stay, identifying alternatives to inpatient care, and difficulty recruiting positions to provide greater coverage; and

WHEREAS, the lower census makes it difficult to generate client fee revenues to cover the MHC's fixed cost; and

WHEREAS, a capital project to remodel the facility and reduce the inpatient acute crisis hospital to 16-beds will allow the department to reduce operational costs and generate net tax levy savings; and

WHEREAS, under Medicaid regulations, reducing the size of the inpatient hospital to 16 beds or fewer would make care provided to 21-64 year-olds eligible for reimbursement, providing additional federal funding to recover costs for clients that otherwise lack insurance coverage; and

WHEREAS, the County currently lacks a crisis stabilization facility to provide a complementary subacute level of service, meant to help transition patients from crisis inpatient care when there are challenges that prevent safe discharge to the community; and

WHEREAS, a Crisis Stabilization unit would also help HHS manage census levels at the inpatient hospital by being able to more quickly transition patients to a more appropriate level of care; and

WHEREAS, downsizing the current MHC operations would free up both financial resources and space to fund and create a Crisis Stabilization unit; and

WHEREAS, remodeling the MHC would also free up space to bring all 24/7 clinical teams under one roof, including the Crisis Services team and Court Monitoring Services that are currently housed at the Human Services Center building, helping to generate synergies and greater cross-coverage care with inpatient services; and

WHEREAS, this remodeling project would also provide replacement for old workstations, replace the existing building entrance with a more secure and energy efficient structure, and other needed upgrades; and

WHEREAS, this remodeling project is eligible for ARPA-CSLFRF funding, which may be used to address prevention, treatment, recovery, and harm reduction for mental health, substance use, and other behavioral health challenges; and

WHEREAS, HHS is seeking approval for this capital project outside of the normal capital plan review schedule, to account for longer-than-normal construction timelines that have occurred due to recent supply chain issues, so that the project is more likely to be complete in time for the 2024 budget.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that the 2022-2026 Capital Plan be modified to create capital project #202217 Mental Health Center Remodel.

BE IT FURTHER ORDAINED that the 2022 Capital Project budget in the Department of Health and Human Services – Special Purpose Grant Fund be modified to increase expenditures by \$875,000 and increase use of general government revenues from the American Rescue Plan Act by \$875,000 for capital project #202217 Mental Health Center Remodel.

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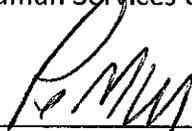
Presented by:
 Executive Committee

Approved by: Health &
 Human Services Committee

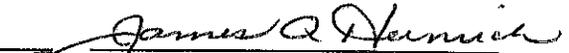
Approved by:
 Finance Committee



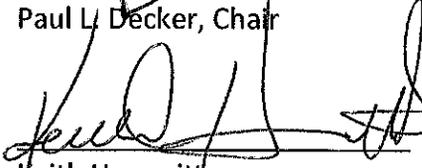
Paul L. Decker, Chair



Peter M. Wolff, Chair



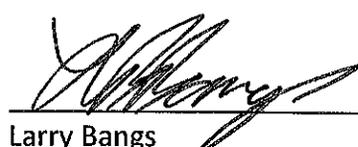
James A. Heinrich, Chair



Keith Hammitt



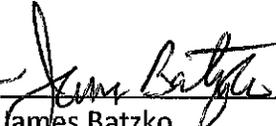
Larry Bangs



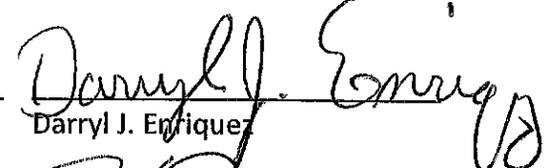
Larry Bangs



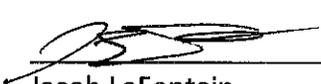
James A. Heinrich



James Batzko



Darryl J. Enriquez



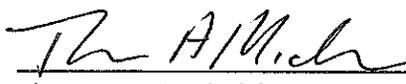
Jacob LaFontain

Absent

Jennifer Grant



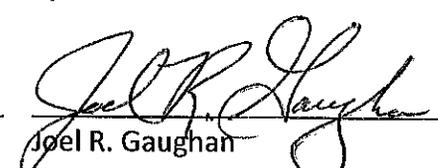
Tyler J. Foti



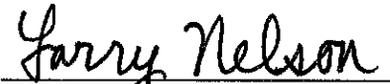
Thomas A. Michalski

Absent

Thomas J. Schellinger



Joel R. Gaughan



Larry Nelson



Jeremy Walz



Richard Morris



Peter M. Wolff



Matthew E. Weil

Absent

Ted Wysocki

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: July 1, 2022, Margaret Wartman
 Margaret Wartman, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: X

Vetoed: _____

Date: 7/8/2022, Paul Farrow
 Paul Farrow, County Executive

Project Title:	Mental Health Center Remodel	Project #:	202217
Department:	Public Works - Buildings	Project Type:	Renovation/Upgrade
Phase:	Formation	Sponsor:	Health and Human Services
Budget Action:	New	Manager:	Allison Bussler, DPW Director
Date:	June 8, 2022	Map / Image:	Click Here

CAPITAL BUDGET SUMMARY						
Year	2022	2023	2024	2025	2026	Total
Project Phase	Design/Constr	Construction				Project
Expenditure Budget	\$875,000	\$283,000	\$0	\$0	\$0	\$1,158,000
Revenue Budget	\$875,000	\$283,000	\$0	\$0	\$0	\$1,158,000
Net Costs After Revenues Applied	\$0	\$0	\$0	\$0	\$0	\$0
COST DOCUMENTATION	<u>2022</u>	<u>2023</u>	<u>Total</u>	REVENUE		
Design	\$30,000		\$30,000	American Rescue Plan		
Construction	\$782,000	\$262,000	\$1,044,000	Act Funding		
Contingency	\$63,000	\$21,000	\$84,000			
Total Project Cost	\$875,000	\$283,000	\$1,158,000	Total Revenue		\$1,158,000
EXPENDITURE BUDGET	\$875,000	\$283,000	\$1,158,000	REVENUE BUDGET		\$1,158,000

Project Scope & Description

This project is to remodel the Mental Health Center (MHC) to reduce the current inpatient care unit and convert that space unit into a new Crisis Stabilization unit service. The project also creates space for the Crisis Services and Court Monitoring teams to relocate from the Human Services Center to the MHC. This will require the remodel of approximately 2,500 square feet, which includes removing and replacing the nurse/patient service counters, offices, and room signage, as well as making patient room modifications and upgrading the entrance to be more energy efficient and provide better control and security.

This project would also upgrade the workstations for the Community Support Program unit and Treatment & Support Services Unit that are already collocated at the MHC. These programs have also grown over the years in response to increasing demand from the community for their case management services. This project would also replace cubicle workstations for both programs as well as carpeting. The project would also include some minor remodeling of other impacted areas, including converting an existing group room into a staff kitchenette and break area to replace the current space slated to be remodeled for Crisis Services/Court Monitoring.

Location

Mental Health Center, 1501 Airport Road, Waukesha, WI 53086

Analysis of Need

The Mental Health Center (MHC) was constructed in 1994 and has operated the inpatient unit for 28 years. Over the past several years the inpatient unit has been experiencing a trend in decreasing average daily census/annual patient days. The reasons behind this trend include positive developments in utilizing HHS and other community resources to more effectively transition patients back into the community following an acute inpatient stay, as well as to identify alternatives to inpatient admissions when these are avoidable. These strategies align with the mandate to seek the least restrictive environment for appropriate patient/client care. As a result, Waukesha County no longer needs to maintain a 28-bed inpatient psychiatric hospital.

In addition to declining demand for inpatient psychiatric beds at the MHC, staffing the hospital has proved increasingly challenging over the past several years. Psychiatry is a specialty that has experienced significant declines in the workforce over the past decade, coupled with increased demand for these services. This has resulted in increased challenges recruiting psychiatrists to staff the hospital. Nursing shortages can be a perennial challenge but were exacerbated by the COVID-19 pandemic and its impact on the healthcare workforce. The hospital nursing leaders have struggled over the past year in particular to find qualified candidates for open nursing and certified nursing positions as a result. Also, under Medicaid rules, reducing the size of the inpatient hospital to 16 beds or less, would make 21-64 year-olds eligible for federal funding, helping recover more costs for clients that would otherwise lack insurance coverage.

While Waukesha County benefits from having an acute care psychiatric hospital at the MHC, it lacks the complementary subacute level of care known as a Crisis Stabilization facility. Neighboring counties have these facilities and have realized the benefits of avoiding acute hospitalizations as well as transitioning patients from inpatient care to subacute care when there are other placement challenges that do not allow for a safe discharge to the community. Milwaukee County is an example, and they run several Crisis Stabilization facilities via a contracted partnership with a local nonprofit agency. The first challenge with opening these facilities is finding an appropriate location to house them. The current inpatient facility design is conducive to a remodeling plan that would enable the county to downsize the inpatient hospital to 16 beds, and also to create a 12-bed Crisis Stabilization unit.

Project Title:	Mental Health Center Remodel	Project #:	202217
Department:	Public Works - Buildings	Project Type:	Renovation/Upgrade
Phase:	Formation	Sponsor:	Health and Human Services
Budget Action:	New	Manager:	Allison Bussler, DPW Director
Date:	June 8, 2022	Map / Image:	Click Here

The MHC has become a regional resource to other neighboring counties via contracts for acute inpatient services, which helps maintain a stable census when there would otherwise be more beds available. Many of these counties also lack Crisis Stabilization facilities and have expressed interest in access to these beds as well should the county open such a facility. This would enable the Crisis Stabilization unit to serve as a regional resource for surrounding counties.

In addition, this remodel project would provide an opportunity to bring all 24/7 clinical teams under one roof because there is currently underutilized space at the MHC. The Crisis Services team is currently located at the Human Services Center (HSC) building but are space-constrained and physically separated from the inpatient team at the MHC. This project includes a plan to relocate the Crisis Services teams to the MHC. This would include the Clinical Therapists that staff the 24/7 crisis response team as well as the newly created community-based Crisis Stabilization services, and the Court Monitoring services (also currently located at the HSC). The remodeling plan would accommodate the existing teams and allow for anticipated future growth, particularly within Crisis Stabilization and Court Monitoring services. Having all these teams collocated at the MHC will allow for more synergies and cross-coverage with the inpatient services.

Alternatives

The county could continue to maintain the MHC acute crisis hospital facility without remodeling, but with fewer staff, as warranted by lower census levels. However, this would leave significant amounts of underutilized space, and the county would lose the opportunity to establish an on-site Crisis Stabilization unit and collocate all 24/7 clinical teams to enhance cross-coverage care.

Alternatives to creating a Crisis Stabilization unit at the MHC would include looking for opportunities to house this facility in the community, or contracting with another county for access to their Crisis Stabilization beds. There may be challenges to finding a suitable location for a new facility in the community, and the county would likely have limited access to this level of care with other counties, depending on bed availability.

Ongoing Operating Costs

Reducing the capacity of the Mental Health Inpatient hospital is expected to result in lower staffing and other costs of about \$760,000, partially offset by a net reduction in client fee revenue of \$382,000 from a lower budgeted census. Factoring in additional Medicaid eligibility funding for a hospital with 16 or fewer beds (mentioned previously) of \$158,000, the net levy savings from this change is estimated at \$536,000.

Department management anticipates requesting to use most of these savings to help fund its proposed new subacute Crisis Stabilization unit at the MHC. Department management estimates that this new program area would cost approximately \$1,036,000, which includes additional personnel costs for a human services supervisor to oversee the operation, contracted staffing to serve clients, and other expenses. Operational expenses would be partially offset by projected client fee revenues of about \$588,000, resulting in an increase in net levy need of about \$448,000.

The total impact of these changes are estimated at \$88,000 of net levy savings when fully operational. Department management anticipates making most of these changes in the 2024 budget to align with the completion of the capital project. Please note that these estimates are based on the latest cost information available (for 2023 budget development purposes) and will be updated for the 2024 budget process.

Previous Action

None

FISCAL NOTE

MODIFY THE 2022-2026 CAPITAL PLAN AND 2022 CAPITAL PROJECT BUDGET TO CREATE
CAPITAL PROJECT #202217 MENTAL HEALTH CENTER REMODEL, FUNDED WITH
AMERICAN RESCUE PLAN ACT FUNDING REVENUE

This ordinance modifies the 2022-2026 Capital Plan to create capital project #202217 Mental Health Center Remodel. This ordinance also modifies the 2022 Capital Project budget to increase expenditures \$875,000 in the Department of Health and Human Services – Special Purpose Grant Fund.

The county currently operates a Mental Health Center (MHC) inpatient hospital for acute crisis care with a physical capacity of 28 beds (two 14-bed units). For several years, the MHC has operated with significantly fewer clients than capacity allows for (see table 1 below). The Department of Health and Human Services (HHS) indicates that this is due to a number of factors, including utilizing HHS- and other community-provided resources to more effectively transition patients back to the community following an acute inpatient stay and identifying alternatives to inpatient care. In addition, the county has had difficulty recruiting positions at the MHC, including psychiatrists and nurses, which limits the capacity for coverage.

Table 1: Days of Care & Average Daily Population Served at Mental Health Inpatient Hospital

	2013 Act	2014 Act	2015 Act	2016 Act	2017 Act	2018 Act	2019 Act	2020 Act	2021 Act	2022 Bud
Days of Care	6,204	6,000	5,973	6,443	6,311	7,692	6,821	5,790	5,062	6,600
Avg Daily Pop.	17.0	16.4	16.4	17.6	17.3	21.1	18.7	15.8	13.9	18.1

Lower MHC census levels have made it difficult for HHS to generate client fee revenue to cover its fixed costs. The proposed project would remodel the facility to be more in-line with actual census levels, from a 28-bed facility down to a 16-bed facility. Department management believes that the smaller capacity should be able to absorb patient caseloads going forward because a new subacute Crisis Stabilization service unit (discussed below) will allow for HHS to more quickly transition patients out of the inpatient hospital into a more appropriate level of care.

This is estimated to reduce program costs at the MHC by about \$760,000 (see table 2 on next page, reference #1), which includes a reduction in staffing of about 9 FTE, including fewer psychiatric technicians, registered nurses, and other positions. There would also be smaller reductions in variable operating expenses including lower prescription drug costs, and reductions in interdepartmental charges, largely from lower technology costs related to fewer staff. Similarly, budgeting for fewer clients would result in lower budgeted client fee revenue of about \$382,000 (ref #2). This would be partially offset by an expansion in Medicaid eligibility for clients. Department management indicates that the county would receive additional Medicaid revenues, estimated at \$158,400 (ref #3), as a result of reducing the existing MHC acute crisis inpatient hospital capacity. Under current regulations, clients aged 21-64 are not eligible for Medicaid reimbursement for treatment at inpatient facilities larger than 16 beds. By reducing the capacity of the facility, the county would begin to receive revenue for clients in this age range that otherwise had no funding source (e.g., private insurance). Overall, there is a projected net favorable levy impact of \$536,000 (ref #4) from reducing the size of the inpatient hospital.

Department management anticipates requesting to use most of these savings to help fund its proposed new subacute Crisis Stabilization unit at the MHC. Department management estimates that this new program area would cost approximately \$1,036,000 (ref #5), which includes additional personnel costs for

a human services supervisor to oversee the operation, contracted staffing to serve clients and other operating expenses, and related interdepartmental charges, mostly for technology and collections services. Operational expenses would be partially offset by projected client fee revenues of about \$588,000 (ref #6), resulting in an increase in net levy need of about \$448,000 (ref #7).

The total impact of these changes is estimated to reduce tax levy need by about \$88,000 annually (ref #8) when fully operational.

Department management anticipates making most of these changes in the 2024 budget to align with the completion of the capital project. Please note that the figures presented in table 2 are based on the latest cost information available (for 2023 budget development purposes) and will be updated for the 2024 budget process.

Table 2: Project Operating Impact

Ref #	Mental Health Center - Acute Crisis Inpatient Hospital	2022 Budget Status Quo	Projected Modifications (b)	Change
	Expenditures			
	Personnel Costs	\$ 5,166,708	\$ 4,485,976	\$ (680,732)
	Operating Expenses	\$ 1,034,824	\$ 978,008	\$ (56,816)
	Interdepartmental Charges (a)	\$ 867,710	\$ 845,567	\$ (22,143)
#1	Subtotal Expenses	\$ 7,069,242	\$ 6,309,551	\$ (759,691)
#2	Revenues	\$ 2,942,865	\$ 2,561,125	\$ (381,740)
#3	New Medicaid Revenues for MHC		\$ 158,400	\$ 158,400
#4	Tax Levy - MHC	\$ 4,126,377	\$ 3,590,026	\$ (536,351)
Ref #	Subacute Crisis Stabilization	N/A	Projected Modifications	Change
	Expenditures			
	Personnel Costs		\$ 122,305	\$ 122,305
	Operating Expenses		\$ 826,496	\$ 826,496
	Interdepartmental Charges		\$ 87,644	\$ 87,644
#5	Subtotal Expenses		\$ 1,036,445	\$ 1,036,445
#6	Revenues		\$ 588,499	\$ 588,499
#7	Tax Levy - Crisis Stabilization	\$ -	\$ 447,946	\$ 447,946
#8	TOTAL TAX LEVY IMPACT	\$ 4,126,377	\$ 4,037,972	\$ (88,405)

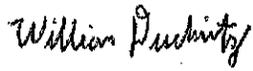
(a) For comparability purposes, the 2022 adopted budget is restated to exclude \$90,000 of DPW-Facility Maintenance charges and one-time General Fund balance use for facility improvements at the MHC.

(b) Projected 2024 program expenses and revenues are expressed in 2023 dollars for comparability purposes and will be updated for cost-to-continue increases during 2024 budget development.

This capital project would be funded through the American Rescue Plan Act (ARPA) – Coronavirus State and Local Fiscal Recovery Fund (CLSFRRF) program, which makes funding available to address prevention,

treatment, recovery, and harm reduction for mental health, substance use, and other behavioral health challenges.

The department is seeking approval for this capital project outside of the normal capital plan review schedule to help ensure that there is enough lead time to complete construction and prepare operations for the 2024 budget. Recent supply chain issues have extended the timeline necessary to acquire materials for construction.



William Duckwitz
Budget Manager
6/7/2022
JE# 2022-00003668

VOTING RESULTS

AYE 22 NAY ABSTAIN ABSENT **2**

Ordinance 177-O-028

Ordinance 177-O-028: Modify The 2022-2026 Capital...

Passed With 17 Yes Votes Needed

D2 - Weil	ABSENT
D3 - Morris	AYE
D4 - Batzko	AYE
D5 - Grant	AYE
D6 - Walz	AYE
D8 - Michalski	ABSENT
D9 - Heinrich	AYE
D10 - Thieme	AYE
D11 - Howard	AYE
D12 - Wolf	AYE
D13 - Decker	AYE

D14 - Mommaerts	AYE
D15 - Kolb	AYE
D16 - Crowlev	AYE
D17 - Meier	AYE
D18 - Nelson	AYE
D19 - Enriquez	AYE
D20 - Schellinger	AYE
D21 - Gaughan	AYE
D22 - Wysocki	NAY
D23 - Hammitt	AYE
D24 - Bangs	AYE
D25 - Johnson	AYE

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