

ENROLLED ORDINANCE 174-020

MODIFY THE 2019 HEALTH AND HUMAN SERVICES BUDGET TO INCREASE EXPENDITURES FOR A PORTION OF ONE TIME START UP REMODELING COSTS ASSOCIATED WITH A NEW RESIDENTIAL CARE FACILITY CONTRACT

WHEREAS, the Waukesha County Department of Health and Human Services provides services consistent with Wisconsin State Statute Chapter 75.11 and 75.14, including the placement of clients in Medical Monitored and Transitional Residential Care facilities, and

WHEREAS, Medical Monitored Residential Care facilities provide 24-hour per day behavioral monitoring for individuals with substance use disorders to break the addiction/denial cycle of dependency; and

WHEREAS, Transitional Residential Care facilities provide support for those individuals who need interim, chemically-free living environments prior to returning to independent living; and

WHEREAS, these facilities provide a lower-cost option to inpatient care, the least restrictive approach to service delivery, and residential treatment for both male and female clients; and

WHEREAS, Waukesha County Department of Health and Human Services issued a Request for Proposal for a residential care facility to be located in the geographic area of Waukesha County, as there is currently no facility in the County serving women; and

WHEREAS, a residential facility located in Waukesha County allows for more favorable outcomes due to proximity to family, HHS services, group therapy, and community resources, and

WHEREAS, in order to meet this requirement, a vendor needed to secure and modify a suitable facility creating a need for startup costs, and

WHEREAS, a vendor has been selected through an RFP process and terms have been negotiated to include a startup payment to the vendor of \$355,000 for facility remodeling, a fixed rate for client care for five years, and revenue compliant processes; and

WHEREAS, if funding is approved by the County Board, the receipt of funds by the selected applicant shall be contingent on the selected applicant being qualified and able to negotiate the necessary contract with Department of Health and Human Services through the legal assistance of the Corporation Counsel Office.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that the Department of Health and Human Services 2019 budget be modified by appropriating \$355,000 of operating expense expenditures and increasing other revenues \$355,000 of General Fund Balance to fund a portion of the one-time facility remodeling startup cost associated with the residential care contract with the selected vendor.

FISCAL NOTE

MODIFY THE 2019 HEALTH AND HUMAN SERVICES BUDGET TO INCREASE EXPENDITURES FOR A PORTION OF ONE TIME START UP REMODELING COSTS ASSOCIATED WITH A NEW RESIDENTIAL CARE FACILITY CONTRACT

This ordinance modifies the Department of Health and Human Services (HHS) 2019 budget to increase expenditures \$355,000, using general fund balance, for one-time startup and remodeling of a new medical monitored and transitional residential care facility in Waukesha County.

Department management is estimating to utilize up to 3,000 bed days per year for Waukesha County clients at this facility, at an annual cost of approximately \$414,000. HHS manages these client treatment costs in its operating budget. The contract requires the vendor to be certified under the Comprehensive Community Services (CCS) program after one year to be eligible for revenue reimbursement for treatment services estimated at \$122,100 annually. In addition, under the terms of the proposed contract, client room, board, and treatment rates will be frozen for five years.

The start-up cost contribution of \$355,000 is expected to be recovered over the first five years of the contract with the enhanced revenue and fixed rates. See chart below. The proposed contract requires a payback requirement of \$60,000 for each year the vendor would default in the first five years. This would reimburse the County for the return on investment not achieved in the five-year period in the projected analysis.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Five Year Return</u>
Total Savings for Both Programs	\$0	\$122,100	\$122,100	\$122,100	\$122,100	\$488,400
Capital Contribution(a)	(\$355,000)	(\$10,650)	(\$10,970)	(\$11,299)	(\$11,638)	(\$399,556)
Net Savings After Capital	(\$355,000)	\$111,450	\$111,131	\$110,801	\$110,462	\$88,844

(a) Assumes cost of capital of 3% annually

Linda Witkowski

Linda Witkowski
Budget Manager
4/3/2019

ST
BAJ #2019-00003441

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Presented by:
Health and Human Services Committee

Approved by:
Finance Committee

absent
Christine M. Howard, Chair

James A. Heinrich
James A. Heinrich, Chair

Jim Batzko
Jim Batzko

Timothy Dondlinger
Timothy Dondlinger

Kathleen M. Cummings
Kathleen M. Cummings

Tyler J. Foti
Tyler J. Foti

Joel R. Gaughan
Joel R. Gaughan

Thomas A. Michalski
Thomas A. Michalski

Darlene Marie Johnson
Darlene M. Johnson

Richard Morris
Richard Morris

Duane E. Paulson
Duane E. Paulson

Duane E. Paulson
Duane E. Paulson

Jeremy Watz
Jeremy Watz

Ted Wysocki
Ted Wysocki

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

Date: April 26 2019, 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: 4/29/19, Paul Farrow
Paul Farrow, County Executive



Voting Results for Ordinance 174-O-021

Modify The 2019 Health And Human Services Budget To Increase Expenditures For A Portion Of One Time Start Up Remodeling Costs Associated With A New Residential Care Facility Contract

Passed With 17 Yes Votes Needed

AYE: 22 **NAY: 3**

0 **ABSENT: 3**

D1 - Foti	AYE
D2 - Zimmermann	AYE
D3 - Morris	AYE
D4 - Batzko	AYE
D5 - Dondlinger	AYE
D6 - Walz	Motion
D7 - Grant	AYE
D8 - Michalski	AYE
D9 - Heinrich	AYE
D10 - Swan	AYE
D11 - Howard	ABSENT
D12 - Wolff	ABSENT
D13 - Decker	AYE

D14 - Wood	AYE
D15 - Mitchell	AYE
D16 - Crowley	AYE
D17 - Paulson	Second
D18 - Nelson	AYE
D19 - Cummings	AYE
D20 - Schellinger	AYE
D21 - Gaughan	AYE
D22 - Wysocki	AYE
D23 - Hammitt	AYE
D24 - Whittow	ABSENT
D25 - Johnson	AYE