

SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

MINUTES

September 17, 2020

The South Carolina Commission on Disabilities and Special Needs met on Thursday, September 17, 2020, at 10:00 a.m. at the Department of Disabilities and Special Needs Central Office, 3440 Harden Street Extension, Columbia, South Carolina.

The following were in attendance:

COMMISSION

Present In-Person

Gary Lemel – Chairman

Barry Malphrus – Vice Chairman

Eddie Miller

Stephanie Rawlinson

David Thomas

Robin Blackwood – Secretary

DDSN Administrative Staff

Mary Poole, State Director; Pat Maley, Deputy Director; Chris Clark, CFO (via phone); Susan Beck, Associate State Director, Policy; Melissa Ritter, Director-HASCI Division; Kevin Yacobi, Director-Internal Audit; Kyla Schultz, Executive Risk Manager

Notice of Meeting Statement

Chairman Lemel called the meeting to order. Secretary Blackwood read a statement of announcement about the meeting that was distributed to the appropriate media, interested persons, and posted at the Central Office and on the website in accordance with the Freedom of Information Act.

Adoption of the Agenda

On motion of Commissioner Malphrus, seconded by Commissioner Rawlinson, the Commission unanimously adopted the September 17, 2020 Meeting Agenda. (Attachment A)

Invocation

Commissioner Malphrus gave the invocation.

Approval of the Minutes of the August 20, 2020 Commission Meetings

On motion of Commissioner Rawlinson, seconded by Commissioner Blackwood, the Commission unanimously approved the August 20, 2020 Commission Meeting minutes.

Commissioners' Update

Commissioner Malphrus spoke regarding public comment from last month's meeting. He gave an example of someone who worked many years because he loved what he did, not what he was paid. He shared his opinion that "living wages" is a very relative term and depends on your job position. He believes DDSN pays living wages and is very proud of the benefits that people receive because of it.

Commissioner Rawlinson attended the coalition meeting online. It was a great informational meeting. She met a lot of people, appreciated being included and encourage others to attend in the future.

Public Input

There were no requests for public input.

Commission Committee Business

A. Finance and Audit Committee

1. FY 2022 State Budget Request

Committee Chairman Blackwood stated the Committee met on September 14, 2020, and all public comments and input were shared in the meeting. We have been instructed by the budget office to review FY 2021's budget request and resubmit for FY 2022 with any reprioritizations. The budget that was submitted to the committee was amended by a \$750,000 increase for the Greenwood Genetic Center based on their feedback. On motion by Commissioner Blackwood, seconded by Commissioner Thomas, the Commission unanimously approved the FY 2022 State Budget Request. (Attachment B)

2. State-Owned Facilities Conveyance Project

Committee Chairman Blackwood recommended moving forward with transferring facilities away from the Agency to providers. Several facilities have deferred maintenance needs that the Agency should have completed. Committee voted to have any future maintenance by providers go through Committee to approve payment. From Committee as a motion and 2nd, the Commission approved unanimously. (Attachment C)

3. Band B and I Project Update

Committee Chairman Blackwood stated DDSN informed the committee that they requested a target date of January 1, 2021 to implement the Band B and I's to Fee-For-Service as the agency was not able to reach the October 1, 2020 implementation date. The agency stated reasons such as needing time for public comment, the complexities the agency is uncovering as they work to meet the Jan 1, 2021 deadline set by the Commission in May 2020 commission meeting. Much discussion followed. Commissioner Malphrus recommended that the Agency be permitted to loan funds to Agencies to assist them with the transition. Commissioner Malphrus expressed that if the agency was unsure about meeting the January 1, 2021 deadline, that the agency must provide commissioners with a full report so that the commission could determine if a deadline extension could be granted. From Committee as a motion and 2nd, the Commission approved unanimously.

4. At-Home Recoupment/Settlement Options

Committee Chairman Blackwood indicated the Committee was presented with five (5) options to deal with day programs cost to the Agency since COVID-19. No vote was taken at that time to defer to the full Commission. Commissioner Malphrus requested that Mr. Clark identify which option is recommended by management. He indicated that option 3 was being recommended to incentivize Day Programs reopening. Commissioner Malphrus initiated a discussion as to whether the 60% was the appropriate amount to recover versus 70% or 80%. He indicated his support for paying for day services fee for service. Commissioner Miller expressed that the 60% will be monitored and could be changed if needed based on management recommendation. Mr. Clark explained that as services are restored it will generate additional billing for DDSN. More discussion followed. From Committee, the Commission unanimously approved the adoption of Option #3, as a motion and 2nd. (Attachment D)

B. Policy Committee

Committee Chairman Malphrus presented the following policy revisions to the Commission that were reviewed and discussed at the September 8, 2020 Policy Committee meeting. Copies had previously been provided to the Commission:

800-02-CP-DSN Governance Process Policy – Committee Chairman Malphrus made a motion on behalf of the Policy Committee for the Commission to accept the revisions of this policy. The policy was approved unanimously. (Attachment E).

100-27-DD-Dual Relationships – Committee Chairman Malphrus made a motion on behalf of the Policy Committee for the Commission to accept the revisions of this policy. (Attachment F)

Commissioner Malphrus gave a brief overview of the policies forwarded by the Committee to staff for review/revision.

Spinal Cord Awareness Month

Melissa Ritter, Director-HASCI Division gave a presentation. (Attachment G)

Internal Audit Update

Kevin Yacobi, Director-Internal Audit gave a presentation. Kevin provided Commissioners with a brief synopsis of an effective internal committee published by the Institute of Internal Auditors Association. Commissioner Chair Lemel noted that this document from Institute of Internal Auditors Association was a great tool for Commissioners and suggested it be included in the training of new commissioners. Discussion followed.

Old Business

Office of Inspector General Audit Update

Kyla Schultz, Executive Risk Manager gave presentation. Discussion followed (Attachment H)

New Business

A. Financial Update

Chris Clark, CFO, indicated staff are still working on the spending plan. The Agency is currently 2% below the Agency's budget authorization that is used in the report provided to the Commission, is on track, and cash is strong. Commissioner Miller motioned to approve and seconded by Commission Rawlinson, the Commission approved. Commissioner Thomas did not vote as he had stepped out of the meeting. (Attachment I)

B. Provider Contract Increases

Mr. Clark provided information regarding the increase(s). There was one amendment that exceeded \$200,000. A list of these amendments were provided to the Commissioners. Discussion followed. On motion by Commission Malphrus and seconded by Commissioner Rawlinson, the Commission unanimously approved. (Attachment J)

C. Office of the State Auditor Report

Mr. Clark provided an update on the annual engagement completed by the Office of the State Auditor. The Commission received a copy of the report and a discussion was held regarding its results. On motion by Commissioner Malphrus and seconded by Commissioner Rawlinson, it was agreed to table to next month to discuss the Corrective Action Plan, which was not included in this month's packet. (Attachment K)

D. Suggested Waiver Service

Commissioner Malphrus spoke about the benefits of hippotherapy/therapeutic riding which several states provide as a waiver service. Commissioner Malphrus motioned and seconded by Commissioner Rawlinson to direct staff to investigate adding this service to waiver services as the waivers are renewed, the Commission unanimously approved.

State Director's Report

Director Poole provided a State Director's Report. (Attachment L)

Executive Session

Commissioner Thomas motioned to go into Executive Session to discuss a Contractual Matter and a Personnel Matter. Seconded by Commissioner Blackwood.

Enter into Public Session

Commissioner Lemel stated no votes were taken, no motions were made nor decisions rendered in the Executive Session.

Commissioner Lemel stated that a letter by staff concerning Residential Habilitation Service be sent to the provider as having been approved by the full Commission. Commissioner Thomas motioned and seconded by Commissioner Blackwood, the Commission unanimously approved.

Commissioner Thomas moved that the Commission will go back into Executive Session on October 14, 2020, at 6:00 pm at a place to be determined, to discuss a personnel matter only. No vote will be taken during this session and any action will be voted upon at the next regular Commission meeting on October 15, 2020. Seconded by Commissioner Rawlinson, the Commission unanimously approved.

Next Regular Meeting

October 15, 2020

Adjournment

On motion of Commissioner Miller, seconded by Commissioner Rawlinson and passed, the meeting was adjourned.

Submitted by,

A handwritten signature in black ink that reads "Colleen Honey". The signature is written in a cursive style with a large, looped "C" and "H".

Colleen Honey

Approved:

A handwritten signature in blue ink that reads "Rob Blackwood". The signature is written in a cursive style with a large, looped "R" and "B".

Commissioner Blackwood
Secretary

SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS**A G E N D A**

**South Carolina Department of Disabilities and Special Needs
3440 Harden Street Extension
Conference Room 251 (SKYPE)
Columbia, South Carolina**

October 15, 2020**10:00 A.M.**

1. Call to Order *Chairman Gary Lemel*
2. Notice of Meeting Statement *Commissioner Robin Blackwood*
3. Welcome
4. Adoption of Agenda
5. Invocation *Commissioner David Thomas*
6. Approval of the September 17, 2020 Commission Meeting Minutes
7. Commissioners' Update *Commissioners*
8. Public Input
9. Commission Committee Business
 - A. Finance and Audit Committee *Committee Chairman Robin Blackwood*
 1. Quarterly Provider Contracts Summary
 2. Contract Amendments over \$200k
 3. Internal Audit Committee Charter
 4. Internal Audit Charter (275-05-DD)
 - B. Policy Committee *Committee Chairman Barry Malphrus*
 1. 603-12-DD: Immunization Procedure for DDSN Regional Centers
 2. 603-08-DD: Vaccination Information
 3. 603-10-DD: Latex Protocol for DDSN Regional Centers
 4. 300-06-DD: Energy Management Systems Operations and Parameters
 5. Other Committee Updates
10. Old Business:
 - A. COVID Update *Mr. Rufus Britt*
 - B. Office of the State Auditor Report-Corrective Action Plan *Mr. Chris Clark*
 - C. Band B & I switch to Fee for Service (FFS) Update *Mr. Chris Clark*
 - D. Internal Audit Monthly Report *Mr. Kevin Yacobi*
 - E. Waiver Slots & Enrollment Process *Mr. Kevin Yacobi & Ms. Susan Kreh Beck*
11. New Business:
 - A. Financial Update *Mr. Chris Clark*
 - B. 2021 Spending Plan/Capital Budget *Mr. Chris Clark*
 - C. VDI Computer Project Approval *Mr. Chris Clark*
 - D. HHS Admin Contract Update *Mr. Chris Clark*
 - E. Appendix K Update *Mr. Chris Clark*
 - F. State Director Review *Chairman Gary Lemel*
12. State Director's Report *State Director Mary Poole*
13. Executive Session
14. Enter into Public Session
15. Next Regular Meeting (November 19, 2020)
16. Adjournment

Priority	Description of Agency Need	State Funds Medicaid Total
1	Residential Service Rate Increase: The SCDHHS rate study (Mercer Report) recommended a residential market rate increase estimated at \$31.9 million (12.3% increase). DDSN's \$10 million request is a conservative amount to start to close this funding gap. DDSN anticipates using DDSN's current unmatched costs in the DDSN delivery system to justify an additional \$10 million residential rate increase request to SCDHHS without the need for additional appropriated state funds. (Recurring)	\$2,900,000 \$7,100,000 \$10,000,000
2	State Plan Rate Increases for Three Services Impacting DDSN Waiver Service Costs: SCDHHS increased three state plan fee-for-service rates in FY21 impacting DDSN, which provides the same services. These services (impact) are: Private Duty Nursing (15%; \$3.75 million state funds); Attendant Care (5%, \$1.28 million state funds); and Adult Day Healthcare--Transportation (15%; \$105,000 state funds). Inasmuch as DDSN provides these same services in its waivers, DDSN will need additional funding to support these statewide rate increases. (Recurring)	\$5,135,000 \$12,525,000 \$17,660,000
3	Appropriation Transfer from DHHS for First Filled Slots: The \$762,665 state funds requested is SCDHHS's estimate of recurring state funds needed for DDSN to pay the state match for new waiver consumers' medical state plan costs beginning in FY 22. This is an annual recurring appropriation transfer between SCDHHS and DDSN, which has recently been integrated into the annual budget appropriation request. (Recurring)	\$ 762,665 \$1,851,888 \$2,614,553
4	Respite Service Rate Increase: Respite is a highly valued and sought after service, but DDSN's Respite Program has inefficiencies and access problems. DDSN proposes raising the Respite rate from \$12.69 to \$15.41, which will increase participation by local providers and Boards to generate increased assess and consumer choice; reduce Medicaid recoupment/compliance risk to maintain training and employment standards; ease access logistics for families; and removes consumers' civil liability risk currently existing in family directed respite. (Recurring)	\$2,090,000 \$5,083,733 \$7,173,733
5	Early Intervention (EI) Utilization Increase: DDSN anticipates a conservative 13% increase in FY22 utilization due to serving an increase in consumers (ages 3-6). Absent an increase in funding, DDSN anticipates EI Program changes to keep funding at the FY20 level. DDSN has absorbed the past three FYs' increases in consumers and utilization from its base funding, which were 18% (FY18), 30% (FY19) and 8% (FY20). (Recurring)	\$ 755,000 \$1,018,035 \$1,773,035
6	Increase and Improve Access to Residential Supports: FY20 ended with 76 individuals with disabilities on its Critical Needs List with a 158 days average time pending of the list. This request will provide necessary residential supports and services to 28 individuals with specialized needs, who are the most difficult to place from the Critical Needs List with an average time pending of 327 days. (Recurring)	\$ 807,312 \$1,964,100 \$2,771,412
7	HASCI Waiver Slots Utilization Increase: DDSN needs 43 new HASCI waiver slots to meet FY22 anticipated consumer needs. (Recurring)	\$ 430,000 \$1,046,141 \$1,476,141
8	Electrical Grid – Coastal Center: This 53 year-old system requires replacement. This capital issue has escalated in priority due to the increasing risk of a catastrophic failure during a wide spread power outage inasmuch as DDSN's reliance on contractors, rather than Dominion Electric, for repair services. (Non-Recurring)	\$1,500,000 \$0 \$1,500,000
9	South Carolina Genomic Medicine Initiative: This initiative will combine clinical care, a "multi-omics" technological approach and big data/machine learning to create a powerful, and unique resource serving patients, healthcare providers, and state agencies. This is the second annual \$2 million request in a five year plan to fund this project with \$10 million from the State. (Non-Recurring)	\$2,000,000 \$0 \$2,000,000
10	Greenwood Genetic Center Base Budget Increase: SCDDSN has been supplementing the GGC funding with its own general state appropriations in excess of the appropriations it receives for GGC programs (\$4,934,000) and can no longer afford to do so. Contracts were restructured to bring state funding in line with the amount provided. This resulted in a decrease in funding to GGC. Requesting an increase in recurring base appropriation. (Recurring)	\$ 750,000 \$0 \$ 750,000
Total Funds Requested		\$17,129,977 \$30,588,897 \$47,718,874

State-Owned/Provider Operated Facilities

Background

Up through the early to mid-1990s, DDSN's model to establish a new community residential setting was to buy or build the setting, permit the provider to operate at no cost (all Boards at the time), and DDSN would maintain the homes. At the time, the four regional centers had a large maintenance staff footprint to service these homes, which has since significantly reduced as regional centers were depopulated. It was a good model, but not sustainable as continued depopulation of regional centers hit full stride.

This DDSN ownership model was replaced by the model where DDSN gave a grant to the provider for a new residential setting (\$75,000-\$100,000), which was then matched with a SC State Housing Authority principal only forgivable loan (\$30,000 - \$75,000 initially; currently \$100,000). Even though the provider may not have placed much cash, if any, into the transaction, the provider became the property owner. If the property was used for its intended low-income housing purpose, the \$100,000 grant was forgiven after 20 years by the SC Housing Authority to the benefit of the provider.

As with most DDSN practices, there were other mechanisms to increase residential housing to include providers sponsoring HUD properties and some providers completely financing their own home expansions, particularly for-profit providers.

The November 2017 Senate DDSN Oversight Report (page 24) summed up the market-based component aspect very well:

"The agency should treat all providers as contractors from whom they are purchasing services rather than extensions of DDSN that have to be managed to ensure the success of the provider. Treating all providers equally in terms of resources and other assistance may entice more private providers to enter the marketplace in South Carolina. In this environment, providers would compete for clients and better managed entities would have an advantage in recruiting clients and generating a profit. This could allow the agency to concentrate on ensuring that the purchased services are being provided adequately in the manner required by the Commission's policies."

In SCDDSN's August 28, 2018 letter to the House Legislative Oversight Committee in response to their review of SCDDSN, we stated the following:

"Examined the 65 DDSN properties operated by community providers to develop both short-term plans and long-term plans for DDSN to "get out of the real estate business" and move toward a market based model emphasizing fairness, equity, and expanded consumers choice from fair market competition. Short-term option being considered include providing DDSN's annual funding budget for maintenance expenses on these properties to providers to simplify maintenance for all parties. A long-term option being evaluated is to turn over property ownership to providers in equitable manner for the provider, DDSN, and the State. "

A comparison of the 60 legacy buildings' bed capacity with DDSN's overall bed system capacity is below:

Residential Setting Type	DDSN System-Wide Filled Beds	DDSN Owned Beds (Buildings)	% DDSN Owned Beds/System Beds
CTH II	2,747	52 (22)	1.9%
CRCF	395	173 (13)	43.8%
ICF	477	156 (19)	32.7%
Admin/Day	n/a	(6)	n/a
Total	3,619	381 (60)	10.5%

NOTE: The model of choice during this period was the ICF. The CRCFs above started as ICFs and later converted to the CRCF model.

DDSN recognizes there may be unusual delayed maintenance or unusual situations by each provider, which will have to be addressed through negotiations. However, it is time to move out of this legacy program creating abnormal administrative burden on all parties, bring specific fairness on many fronts, and posture the DDSN delivery system to enter a simpler, more market-based fee-for-service funding model. It is important to appreciate this plan's contribution and consistency as another step towards reforming the overall DDSN delivery system.

Progress Made

At the June 18, 2020 Commission meeting, modifications to Directive 300-05-DD were approved that shifted the fiscal responsibility of maintenance of these state-owned facilities to the providers that operate/occupy them. Each provider was notified of the change to the directive in a memo dated July 8, 2020 (see copy provided).

The Legislature passed the following Proviso giving DDSN the authority to transfer the state-owned facilities to the providers:

"FY 2020 Proviso \$36.6. (DDSN: Transfer of Capital/Property) The department may transfer capital to include property and buildings to local DSN providers with State Fiscal Accountability Authority approval."

We have worked with the State Financial Accountability Authority (SFAA) to explore next steps to obtain their approval. We have provided them with a packet of information for them to consider the transfer at their October 13, 2020 meeting. We have actively communicated with the staff at SFAA and we do not anticipate any issues with obtaining SFAA approval.

Next Steps

The Commission has been involved in this project for several years. At this point, we need to obtain formal Commission approval for the conveyance of these properties. SFAA approval is contingent upon

the Commission approving the transfers. If the Commission does not approve the transfers, then we will contact SFAA and have the agenda item removed and we will seek approval at a later date.

Once all parties have approved, we will begin a methodical process of conveying these properties to providers focusing first on those that have expressed interest being first in line. We will then focus on the remaining properties with the intent to complete all conveyances by June 30. We will work with an attorney that has been approved by the State to complete all of the legal work.

Equity grants will be generated for each provider that will outline the conditions of the transfer to include a reversionary clause consistent with clauses used in all of our capital grant awards and in accordance with directive 200-14-DD. 200-14-DD states the following:

IX. CAPITAL GRANT TERMS/CONDITIONS/REVERTER CLAUSE

When a capital grant is awarded by DDSN, the provider will receive a one-page "Notice of Special Grant Award" along with a payment schedule. Both are to be signed by the Executive Director or Finance Director and returned for processing of the funds. The amount awarded to date by facility is considered an "equity interest" to DDSN; in the event of a future change in

ownership and/or disposal in some fashion of the facility and property, this amount must be returned (revert) to DDSN in the form of an operating budget credit adjustment or check. Also, as described in Section VII, any funds not expended, or not expended as approved, are to be returned.

Sample wording covering these items is as follows:

These funds are to be used for _____ at _____, per the capital application approved by the Grantor. The Grantee agrees to continue to use the facility for the same program unless the Grantor and the Grantee mutually agree to a change in the facility's use. If the facility is vacant for more than one (1) month (residential) or three (3) months (non-residential), or if the facility is eventually sold, proceeds from the sale in the amount of total Grantor capital funds for this facility to date would need to be used for purchase of a substitute facility or returned to the Grantor. Funds not expended, and/or not expended as designated, are to be returned to the Grantor. The Grantee agrees to submit Section 14 of the capital application (summary of actual costs) within 60 days of occupancy or completion, along with HUD-1 or other legal closing statements. Grantee further agrees to maintain insurance on the facility for its replacement value and to not mortgage facility without Grantor approval.

As further discussed below in Section X, the above terminology will be adapted, as applicable, for residences also funded with a forgivable loan from the SC Housing Trust Fund. Due to the importance of not compromising DDSN's good relationship and partnership with the SC Housing Trust Fund, such homes must not be vacant for more than one (1) month without full payback (including lien release fee, as applicable) to the SC Housing Trust Fund. The Capital Budget Director will provide assistance as needed in requesting such a payback amount. DDSN will take a secondary position to the SC Housing Trust Fund in terms of payback.

X. CHANGE IN OWNERSHIP OF ANY PROPERTY OWNED BY A PROVIDER

It is reasonable to assume that from time to time, a provider may wish to sell an existing property, either to consolidate or substitute (replace). This could be for financial, programmatic, or other reasons. Due to the impact of such an action, any changes in ownership of any property, including changes of those properties for which DDSN does not have an equity interest, must be approved by the Associate State Director-Administration before the property is offered for sale, as well as by the applicable DDSN District Director. For residential properties, the Associate State Director-Operations must also approve a change in ownership as it affects bed development.

After applicable approvals are obtained, the next step in the process to sell or convey ownership is to obtain a current appraisal to determine a marketable sales price. DDSN suggests negotiating with a realtor to determine the most advantageous commission structure, or to sell by

owner. Once an offer to purchase is received, contact is to be made by telephone or email to the Associate State Director-Administration prior to execution of a sales contract. Upon closing, the HUD-1 closing statement and a copy of the final sales contract are to be sent to the Capital Budget Director for processing of the payback credit or check to DDSN.

XI. EQUITY INTEREST TRANSFER FROM ONE PROPERTY TO ANOTHER

If the acquisition by a provider of a replacement or substitute property for a disposed property involves no actual cash receipt by DDSN, an "equity grant" will be issued by DDSN to document the transfer of its equity from the replaced facility to the new facility. The format will be the same as described in Section IX above. Essentially, the new facility will be carrying forward the cash award that had been made to the replaced facility, history-to-date. An example of an equity grant would be in the case of a new facility's long-term debt being reduced by the infusion of cash from the sale(s) of the facility(ies) that were replaced. Although the transfer of equity has been applied implicitly in previous years, as of FY10-11, these "equity grants" as such are now being issued formally.

We will also ensure that the grant stipulates the insurance requirements for the facilities. Providers will be instructed on how to bring these properties onto their books to ensure that we do not claim duplicate depreciation expense on our Medicaid Cost Reports.

For those properties that are occupied by people served in non-ICF residential programs, providers will recover the increased maintenance costs through room and board charges to those residing in the homes. For those properties that are ICF's, Administrative facilities, or Adult Day Program facilities, we will develop a process to consider, on a case-by-case basis, partial funding of projects utilizing the savings anticipated from the transfer of the responsibility for maintaining and insuring of these properties. Over the past several years, DDSN has expended approximately \$150,000 for annual maintenance projects on these facilities. We would propose to utilize, if necessary, the savings over the next two years to address potential deferred maintenance projects. A major determinant of our funding will be based on the existence of these issues prior to the transfer and DDSN's knowledge of and involvement in the deferred maintenance situation.

ATTACHMENT – Day Program Transition Analysis, Options & Recommendations (9/17/2020)

The Day Program transition plan addresses the financial and service delivery problems faced by prospectively paid Board Day Programs for FY21 until we convert to fee-for-service for at-home bands.

Prior to COVID-19, Boards cumulatively provided \$326,801/day in Day Program/Supported Employment services for the period March 1st to March 15th, which DDSN then billed Medicaid to generate \$231,000/day in Medicaid revenue (70.63% federal share). On Monday, March 16th, Boards closed their Day Programs in response to the Governor’s Executive Order; services stopped and DDSN had a potential \$231,000/day Medicaid revenue decrease. Fortunately, a temporary Waiver modification permitted Day services to be moved into the Providers’ residential settings to at least serve its residential consumers (46% of Day consumers; 54% of billable units). However, the residual Day consumers live at-home (54% of Day consumers; 46% of billable units) and services to these consumers is slowly being restored. There is currently a diversity of provider success restoring these services.

Based on July and August day service billing data, we have summarized the revenues being generated and being lost utilizing the baseline billing from March 1st to March 15th. The table below outlines/recaps these figures.

Month	Weekdays	Day Billings	SE Billings	Total Billings	\$ 326,801		
					Baseline	Lost 100% \$	Lost FMAP \$
July	22	\$ 3,897,820	\$ 146,333	\$ 4,044,153	\$ 7,189,622	\$ 3,145,469	\$ 2,221,645
August	21	\$ 4,310,792	\$ 177,088	\$ 4,487,880	\$ 6,862,821	\$ 2,374,941	\$ 1,677,421
Total	43	\$ 8,208,612	\$ 323,421	\$ 8,532,033	\$ 14,052,443	\$ 5,520,410	\$ 3,899,066

DDSN has four sources to “plug” the decreased revenue gap:

- DDSN cash reserves (\$12,592,000 at June 2020);
- Providers’ cash reserves, based on FY19 audited cash balances (6/30/2019), totaled \$64,000,000. 28 Boards had greater than \$500,000 reserves; 11 had less. Of the 11 with less than \$500,000, 5 had less than \$100,000. FY 20 self-reported cash balances totaled \$79,000,000 for the 39 DSN Boards.
- FMAP increase generating an additional \$17 million of State funds availability for January to June. Estimated continuing state appropriations freed up due to FMAP increase of an estimated \$7 million per quarter through December 2020. Total anticipated state appropriations freed up by FMAP increase of \$31 million for calendar year 2020.
- Providers reduce Day Program cost correlating with Day services not being provided to at-home consumers (54% of Day consumer; 46% of billable units).

The DDSN staff proposal is designed to balance the following three objectives:

- Recoup advanced capitated band payments for Day services not provided. July and August averaged 20% and 25%, respectively, Medicaid billings compared to pre-COVID-19 levels.
- Leave providers an adequate percent of the advanced capitated band payments for Day services to fund replacement services plus extra funds for fixed Day Program costs.

- Incentivize providers to offer Day services in a COVID-19 environment with increased costs (e.g., higher staff ratios needed for social distancing, higher proportional overhead); re-closing risk due to COVID-19 infections; and even the risk of potential lawsuits from COVID-19 infections.

Recommended Plan of Action:

The following are the options we see that are fair and reasonable solutions.

1. Repeat the prior year recoupment process where we recovered 50% of our lost revenues from each provider based on their underlying contribution of the loss of revenue. This will permit us to consider those providers that are re-opening. This is estimated to be a recovery of \$1.1 million for the month of July and \$839,000 for the month of August. This totals \$1.95 million recouped.
2. Repeat the prior year recoupment process where we recovered 50% of our lost revenues from each provider based on their underlying contribution of the loss of revenue. This will permit us to consider those providers that are re-opening. In addition to this, providers will be paid for their actual attendance in excess of 20% of their pre-COVID levels based on unit rate of \$27.50. This is estimated to be a recovery of \$1.1 million for the month of July and \$839,000 for the month of August. This totals \$1.95 million recouped. We have not had time to compute the amount anticipated to be paid out for those over 20% day program attendance for at-home consumers.
3. Repeat the prior year recoupment process but instead recover 60% of our lost revenues from each provider based on their underlying contribution of the loss of revenue. Providers will retain 40% and, in addition to this, providers will be paid for their actual attendance based on the unit rate of \$27.50. This is estimated to be a recovery of \$1.33 million for the month of July and \$1.01 million for the month of August. This totals \$2.34 million recouped. Estimated payments to providers for actual day attendance would be \$1.1 million. The net recoupment would be \$1.24 million.
4. Enforce existing contractual Day Program attendance requirements. While the practice has been to consider this recoupment on an annual basis, we could consider enforcing the requirement on a monthly basis. We could include a lookback feature that would permit providers to “earn back” some of the recoupment by completing a year to date monthly recoupment process. The estimated recoupment using this method would be almost \$2 million for the month of July. We do not have final August numbers to project last month, but we estimate it to be close to the \$2 million for August. This would be a total of \$4 million recoupment.
5. Recover all day program funding from the at-home bands and pay providers on a fee-for-service basis at SCDDSN’s billing rate of \$31.29. This would involve recomputing the at home bands, completing an amendment, running reports for actual day attendance by provider, and paying each provider based on their actual attendance. The math for this option has not been completed due to the complexity of the computation and the short time frame we were dealing with putting forth this plan. We can run these figures if the Commission would like to know them. The payments for day program at \$31.29 would total \$1.26 million for July and August.

As a reminder to address unforeseen DDSN financial risks, DDSN still retains a significant recoupment tool to address its most significant financial liability risk of a large annual cost settlement repayment to SCDHHS due to lack of Certified Public Expenditures from Providers. In this very unlikely event, DDSN has authority from Legislative Proviso 36.13, *“If the department's Medicaid allowable costs, in the aggregate, do not meet the level of certified public expenditures (CPEs) reported to the Department of Health and Human Services, the department is allowed to recoup funds necessary to remain in compliance with federal Medicaid CPE rules.”*

A potential criticism of the plan is to question DDSN as to why more of the 6.2% CMS FMAP increased funds were not used to absorb Provider revenue losses. The primary answer is staff’s assessment of balancing the aforementioned four objectives applied to this decision. Additionally, it is fiscally prudent for DDSN to conservatively maintain these cash

reserves ***transparently*** for future potential needs in addressing continuing COVID-19 system issues in FY21. FY21 risk issues include targeted financial support of Day Programs re-opening with an extended “U” shape recovery; cash flow to support residential rate increases; and unanticipated costs in modifying FY21 band payment system or transition to fee-for-service given COVID-19 creating less than predictable at-home billing patterns from Providers. In short, COVID-19’s impact on the country and the DDSN delivery system will be over a much longer time horizon, and reserves are needed for future unanticipated system needs.

DDSN’s recommendation sought the middle ground of stabilizing the system after a crisis, but then set a course to move towards sustainability in a fiscally responsible manner considering all stakeholder equities (e.g., Day Program Providers, all DDSN Providers, taxpayers, legislative appropriators, SCDHHS, and consumers) and factoring in the FY21 uncertainties. These uncertainties include COVID-19’s likely protracted impact; potential legislative funding decreases; and managing the increasing financial risks from the deteriorating band system.

Mary Poole
State Director
Patrick Maley
Deputy Director
Rufus Britt
Associate State Director
Operations
Susan Kreh Beck
Associate State Director
Policy
W. Chris Clark
Chief Financial Officer



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COMMISSION
Gary C. Lemel
Chairman
Barry D. Malphrus
Vice Chairman
Robin B. Blackwood
Secretary
Eddie L. Miller
Stephanie M. Rawlinson
David L. Thomas

Reference Number:	800-02-CP
Title of Document:	South Carolina Disabilities and Special Needs Governance Process Policy
Date of Issue:	January 18, 2007
Effective Date:	January 18, 2007
Last Revision Date:	September 17, 2020
Date of Last Revision:	September 17, 2020

(REVISED)

The Commission is appointed by the Governor with the advice and consent of the Senate and operates under the authority of the South Carolina Intellectual Disability, Related Disabilities, Head Injuries, and Spinal Cord Injuries Act of 1993.

The Commission of the South Carolina Disabilities and Special Needs will debate and establish policies that create a governance model that promotes the Commissioners ability to govern the operation of the Department (S.C. Code Ann. § 44-20-220). The Commission's Governance Model will create a vision, assist in securing resources, establish benchmarks for performance and monitor them, and be accountable to key stakeholders.

The Commission will approve and adopt Bylaws to regulate its rules and procedures.

Robert's Rules of Order shall be the standard of procedure for the transaction of business at each meeting of the Commission. The Commission shall also comply with the Freedom of Information Act (FOIA) in the conduct of its meetings. FOIA supersedes in situations where a conflict may exist with these By-Laws/Robert's Rules of Order.

Debate amongst Commissioners will be facilitated by following Robert's Rules of Order. When speaking with the media, the views of the Commission may be represented by the Chairperson, the State Director, or other agreed upon person designated by the Commission or State Director. Individual Commissioner's rights to speak out publicly may not be denied due to their position

on the Commission; however, Commissioners are encouraged to clarify to the media that they are speaking as private citizens when expressing their personal views.

No Commission Policy, Department Directive, Procedure or Regulation shall be interpreted to limit Commission members' rights as citizens or limit in any way their authority given by the governor or this Commission.

Commissioners may seek information from any staff, but are precluded from giving any directive to any staff. Commissioners may ask staff presenters at Commission meetings for additional information or clarification. Staff presentations at Commission meetings will not dominate and exceed time allowed to the Commission for discussion and debate. Staff will not pursue legislative initiatives without the Commission's input.

Subject to the supervision, direction, and control of the Commission, the State Director shall administer the policies and regulations established by the Commission (S.C. Code Ann. § 44-20-230).

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Vice Chairman

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Reference Number:	100-27-DD
Title of Document:	Dual Relationships
Date of Issue:	July 1, 2001
Effective Date:	July 1, 2001
Last Review Date:	September 17, 2020
Date of Last Revision:	September 17, 2020 (REVISED)
Applicability:	DDSN Central and District Offices, DDSN Regional Centers, DSN Boards and Contracted Service Providers

POLICY STATEMENT

Employees have a professional responsibility to provide appropriate services and supports to all persons served. These services and supports should be provided in a way that is as least restrictive as possible, and which does not generate conflicts of interest for employees or unreasonable expectations for those persons who are served. Employees have a responsibility to treat all persons who are served fairly and to avoid actual and apparent conflicts of interest or unfair discrimination. It is the policy of the South Carolina Department of Disabilities and Special Needs (DDSN) that DDSN/provider employees may not engage in dual relationships with any person served. Dual relationships may violate the Omnibus Adult Protection Act.

DEFINITIONS

The terms “person/persons served” are used interchangeably to represent any individuals receiving DDSN services.

For the purposes of this policy, dual relationships are defined as situations in which an employee and a person served simultaneously maintain a DDSN/provider related relationship and an outside relationship that presents a conflict of interest. A DDSN/provider relationship and an outside relationship shall be considered to be a conflict of interest whenever the employee has a

role as the deliverer of or supervisor of services to the person served that involves access to information about or the exertion of control over the provision of services.

Employees who have a DDSN/provider related role as the deliverer or supervisor of services to a person served that involves access to information about or the exertion of control over the provision of services must not:

- Engage in sexual or romantic relationships with persons served.
- Engage in business dealings with persons served that would benefit the employee.
- Allow/encourage persons served to perform work that benefits the employee.
- Influence the civic dealings of the person served (e.g., how to vote; what organizations to join).

Examples of this are not limited to employees who deliver direct services, but also include supervisory jobs and jobs in support services.

It is not the intent of this policy to unreasonably further restrict the already diminished opportunities for social interaction and normalization that many persons served face. For example, it may still be appropriate for a person served to visit the home of an employee for a discrete period of time if appropriate checks and balances are in place.

RATIONALE

Engaging in dual relationships is dangerous because of the conflict of interest that may develop out of a dual relationship which can:

- Result in a loss of objectivity on the part of the employee.
- Create the opportunity for unfair gain on the part of the employee.
- Introduce a double standard in the provision of services to a group of persons served.
- Create a situation in which the person served may think that they will receive special treatment.
- Create pressure on the person served to act in accordance with a particular employee's wishes.

SAFEGUARDS

Whenever employees engage in interactions/activities that may present the question of a dual relationship, they must do so only under the following conditions which must be documented in the record of the person served:

- As part of the plan of the person served.
- With the advance approval of their Executive Director/Chief Executive Officer/Facility Administrator/State Director based on the setting of employment.
- With the voluntary consent of the person served (and the consent of any guardian).

An additional issue that needs to be clear is whether the employee is acting as a volunteer, or if the time spent with the person served is actually “on the clock.” This clarification has ramifications for the calculation of an employee’s over-time pay, as well as in the event of an employee injury and Worker’s Compensation claim. If the employee is acting as a private citizen, then they will be processed through the provider’s or DDSN Regional Center’s Volunteers Program as a volunteer.

The provider or DDSN Regional Center will make an effort to provide alternative staffing arrangements to avoid the creation of a dual relationship in the event that an outside, conflictual relationship exists prior to the development of a relationship as an employee of the provider or DDSN Regional Center. The employee shall bring the issue to the attention of his/her supervisor.

It is the responsibility of an employee who has a provider relationship to avoid the creation of an outside relationship when an employee identifies the potential for such a relationship to develop. The employee shall inform his/her supervisor of the potential outside relationship and discuss the possibility of reassignment of the person served.

Consideration should be given to avoiding potential situations creating a conflict of interest in which the person served would not feel empowered to exercise making a decision to choose a new provider.

When doubt exists regarding the nature of existing or potential relationships with regard to their classification as dual relationships, or the manner in which dual relationships can be avoided, staff shall seek guidance from their Executive Director/Chief Executive Officer/Facility Administrator/State Director based on the setting of employment.

DDSN requires all employees act consistently with the Code of Ethics of his/her profession or licensing board with regard to the issue of dual relationships.

Barry D. Malphrus
Vice-Chairman

Gary C. Lemel
Chairman

Related Directive:

735-02-DD: Relatives/Family Members Serving As Paid Caregivers of Respite Services



This data sheet is a quick reference on demographics and the use of services by people with spinal cord injury in the United States (U.S.). Much of the information reflects recent data collected since 2015. Historical information reflects data collected since the early 1970s.

The National Spinal Cord Injury Database is a prospective longitudinal multicenter study that currently captures data from an estimated 6% of new SCI cases in the United States. The database has demographic and condition status data through 2018 for 33,406 people with SCI.

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Incidence

Given the current U.S. population size of 328 million people, a recent estimate showed that the annual incidence of spinal cord injury (SCI) is approximately 54 cases per one million people in the United States, or about 17,730 new SCI cases each year. New SCI cases do not include those who die at the location of the incident that caused the SCI.

- **Data Source:** Jain NB, Ayers GD, Peterson EN, et al. Traumatic spinal cord injury in the United States, 1993-2012. *JAMA*. 2015;313(22):2236-2243.

Prevalence

The estimated number of people with SCI living in the United States is approximately 291,000 persons, with a range from 249,000 to 363,000 persons.

- **Data Source:** Lasfargues JE, Custis D, Morrone F, Carswell J, Nguyen T. A model for estimating spinal cord injury prevalence in the United States. *Paraplegia*. 1995;33(2):62-68.

Age at Injury

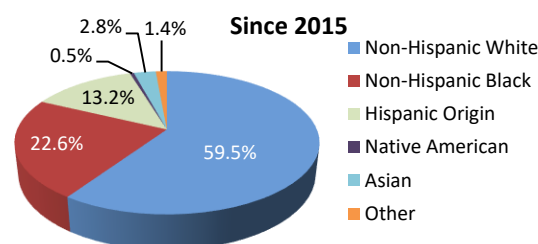
The average age at injury has increased from 29 years during the 1970s to 43 years recently.

Gender

About 78% of new SCI cases are male.

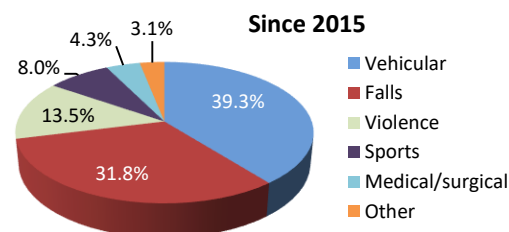
Race/Ethnicity

Recently, about 23% of injuries have occurred among non-Hispanic blacks, which is higher than the proportion of non-Hispanic blacks in the general population (13%).



Cause

Vehicle crashes are the most recent leading cause of injury, closely followed by falls. Acts of violence (primarily gunshot wounds) and sports/recreation activities are also relatively common causes.

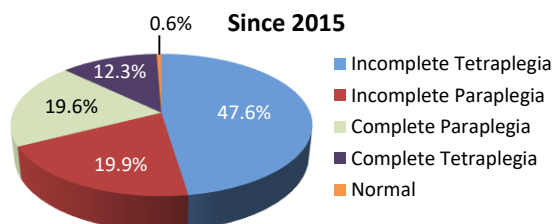


Lengths of Stay

Lengths of stay in the hospital acute care unit have declined from 24 days in the 1970s to 11 days recently. Rehabilitation lengths of stay have also declined from 98 days in the 1970s to 31 days recently.

Neurological Level and Extent of Lesion

Recently, incomplete tetraplegia is the most frequent neurological category. The frequency of incomplete and complete paraplegia is virtually the same. Less than 1% of persons experienced complete neurological recovery by the time of hospital discharge.



Education

Since 2015, about a quarter of persons with SCI have a college degree at the time of their injury, compared with 46% of people who survived 40 years of injury.

Education (%)	At Injury	Year 1	Year 10	Year 20	Year 30	Year 40
High School Only	51.7	52.7	51.3	48.2	40.5	33.9
College or Higher	24.4	26.2	26.6	24.7	35.8	46.3

Occupational Status

Since 2015, 17% of persons with SCI are employed at year 1 post-injury. The employment rate increases over time to 32% at 30 years post injury.

Status (%)	At Injury	Year 1	Year 10	Year 20	Year 30	Year 40
Employed	66.0	17.4	23.0	28.8	31.8	31.8
Student	8.1	7.5	3.1	1.0	0.3	0.0

Marital Status

Since 2015, the percentage of people who are married is relatively consistent up to year 30 post-injury, with single/never married status slowly decreasing and divorce status slowly increasing.

Status (%)	At Injury	Year 1	Year 10	Year 20	Year 30	Year 40
Single	44.9	44.0	37.6	39.4	33.9	24.6
Married	37.3	36.1	34.0	31.7	35.3	45.5
Divorced	8.6	10.9	20.1	21.0	21.7	20.2

Re-Hospitalization

Since 2015, about 30% of persons with SCI are re-hospitalized one or more times during any given year following injury. Among those re-hospitalized, the length of hospital stay averages about 19 days. Diseases of the genitourinary system are the leading cause of re-hospitalization, followed by disease of the skin. Respiratory, digestive, circulatory, and musculoskeletal diseases are also common causes.

Historical Lifetime Costs

The average yearly expenses (health care costs and living expenses) and the estimated lifetime costs that are directly attributable to SCI vary greatly based on education, neurological impairment, and pre-injury employment history. The below estimates do not include any indirect costs such as losses in wages, fringe benefits, and productivity (indirect costs averaged \$76,327 per year in 2018 dollars).

Severity of Injury	Average Yearly Expenses (in 2018 dollars)		Estimated Lifetime Costs by Age at Injury (discounted at 2%)	
	First Year	Each Subsequent Year	25 years old	50 years old
High Tetraplegia (C1–C4) AIS ABC	\$1,129,302	\$196,107	\$5,010,748	\$2,753,822
Low Tetraplegia (C5–C8) AIS ABC	\$816,019	\$120,303	\$3,661,165	\$2,251,944
Paraplegia AIS ABC	\$550,381	\$72,909	\$2,450,234	\$1,608,015
Motor Functional at Any Level AIS D	\$368,562	\$44,766	\$1,674,012	\$1,181,564

Data Source: Economic Impact of SCI published in the journal *Topics in Spinal Cord Injury Rehabilitation*, Volume 16, Number 4, in 2011. ASIA Impairment Scale (AIS) is used to grade the severity of a person's neurological impairment following spinal cord injury.

Historical Life Expectancy

The average remaining years of life for persons with SCI have not improved since the 1980s and remain significantly below life expectancies of persons without SCI. Mortality rates are significantly higher during the first year after injury than during subsequent years, particularly for persons with the most severe neurological impairments.

Age at Injury	Life Expectancy (years) for Post-Injury by Severity of Injury and Age at Injury										
	No SCI	For Persons Who Survive the First 24 Hours					For Persons Surviving at Least 1 Year Post-Injury				
		AIS D—Motor Functional at Any Level	Para	Low Tetra (C5–C8)	High Tetra (C1–C4)	Ventilator Dependent Any Level	AIS D—Motor Functional at Any Level	Para	Low Tetra (C5–C8)	High Tetra (C1–C4)	Ventilator Dependent Any Level
20	60.6	52.6	45.5	40.1	33.7	11.2	53.0	46.0	40.9	34.9	18.7
40	41.7	35.0	29.6	24.8	20.8	8.8	35.3	30.0	25.5	21.9	13.3
60	24.1	19.3	15.9	13.1	11.1	3.7	19.5	16.4	13.8	12.4	7.9

Historical Causes of Death

Persons enrolled in the National SCI Database since its inception in 1973 have now been followed for 45 years after injury. During that time, the causes of death that appear to have the greatest impact on reduced life expectancy for this population are pneumonia and septicemia. Mortality rates are declining for cancer, heart disease, stroke, arterial diseases, pulmonary embolus, urinary diseases, digestive diseases, and suicide. However, these gains are being offset by increasing mortality rates for endocrine, metabolic and nutritional diseases, accidents, nervous system diseases, musculoskeletal disorders, and mental disorders. There has been no change in the mortality rate for septicemia in the past 45 years, and there has only been a slight decrease in mortality due to respiratory diseases.

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Data from the National SCI Database is from 29 federally funded SCI Model Systems since 1973. Presently, there are 14 systems and 5 Form II (follow up) centers sponsored by NIDILRR. For a complete list of current SCI Model Systems, go to www.msktc.org/sci/model-system-centers.

Document Citation: National Spinal Cord Injury Statistical Center, Facts and Figures at a Glance. Birmingham, AL: University of Alabama at Birmingham, 2019.



"I WAS 18 YEARS OLD, FRESH OUT OF HIGH SCHOOL, WHEN I BORROWED MY CO-WORKER'S MOTORCYCLE...



...LITTLE DID I KNOW, 2 MILES AWAY A DRUNK DRIVER WAS HEADING MY WAY.

-- Don Baria



50 YEARS AGO TODAY

By Don Bania

It happened as if it were yesterday. August 19, 1970, a Wednesday.

I was 18 years old fresh out of high school when I borrowed a co-worker's motorcycle.

The motorcycle was a 250 Ducati and I got onto it as if I was late for a hot date.

From my father's gas station on 11th & Hennepin Ave. in downtown Minneapolis, I sped down 10th street to 35W and then to Lake Street. Then I headed west.

But little did I know, 2 miles away a drunk driver was heading east.

As I crossed Hennepin Ave. and approached the intersection of Lake and James, my world turned upside down when the drunk driver turned into my lane.

With no time to stop, I squeezed the brakes and everything turned into slow motion.

It took me less than a second to hit his car, but it seemed like minutes, long enough for me to say, "*I Can't Believe This Is Happening to Me!*"

The impact threw me over the handlebars and headfirst into the car's roofline, when everything went black, I saw stars, and heard nothing.

It was at this very moment my neck broke. Completely severing my spinal cord. Leaving me a quadriplegic paralyzed from the shoulders down. (Minnesota had a mandatory helmet law in 1970)

Moments later, I woke up in the middle of the intersection flat on my back with the crowd of strangers standing around me. I heard myself saying, "*Is My Bike Okay? Is My Bike Okay?*", while a man kneeling down by my head was trying to take my helmet off.

The pain in my neck was excruciating. It felt like a hand grenade had just blown up inside.

Minutes later, the ambulance arrived. The paramedics rolled me onto a backboard and then put me in the ambulance. I remember complementing the paramedic on his black, bushy mustache, as I'm sure he was saying to himself, "*Keep on Talking Kid, Keep on Talking!*"

There at General Hospital, in downtown Minneapolis, a team doctors and nurses were waiting. Where they immediately cut off all my clothes and then shaved the hair off the top my head.

Next, came a man in a white lab coat with an electric drill in his hand. Without a word, he started drilling a hole in the top of my head. That's when I passed out and woke up in the ICU with a Catholic priest giving me the Last Rites.

When he saw that my eyes were open, he walked up to me and said, "*Donald, You've Got A Free Ticket to Heaven.*" To which I said, "*Father, Can I Have A Rain Check?*"

With a loss for words, the priest backed up and my 42-year-old father stepped into my view, when I said, "*Well Dad, I Got A Haircut!*"

* * *

That Was the First Day of My 50-Year Journey.

A journey filled with ups and downs and joys and sadness. But also, a journey filled with PEOPLE. Wonderful people, who I want to say, "THANK YOU" who came to my side to care for me, to cheer me up, and to be my arms and legs. Not to mention, Jesus Christ, my Savior and Lord, who gave me the ability to forgive the drunk driver.

*"Sometimes, We Have to Go to The Place Most Resisted,
To Discover That, Which We Never Thought Existed!"
(Don Bania)*

Paralyzed with Happiness,

Don Bania



I was left to figure things out on my own and fight for what I needed.

What was key to getting where I am today? **Online private support group [and] doing research and educating myself and others.**

Life is only limited by the limits you put on it. Go forth and live your life to the fullest. Focus on the positive and enjoy.



GLORIA STOKELY

L4-L5, S1

"The advice I would like to give a newly spinal cord injury patient, is things get better! Your life doesn't stop! You can do anything you want to!"

-- Jalessa



Office of Inspector General (OIG) Audit Materials	September 17, 2020
Overview-If you have limited time to review materials prior to the commission meeting	Full List of Materials-If you have time to review, but not necessary for the commission meeting
Video-<i>Eye on Oversight - Group Homes</i> https://youtu.be/oWEzwlmePo0	Document-<i>Ensuring Beneficiary Health and Safety in Group Homes Through State Implementation of Comprehensive Compliance Oversight</i> https://oig.hhs.gov/reports-and-publications/featured-topics/group-homes/group-homes-joint-report.pdf
Joint Report-Fact Sheet- <i>Ensuring Beneficiary Health and Safety in Group Homes Through State Implementation of Comprehensive Compliance Oversight</i> https://oig.hhs.gov/reports-and-publications/featured-topics/group-homes/factsheet-group-homes.pdf	Document- <i>Alaska did not fully comply with federal and state requirements for reporting and monitoring critical incidents involving Medicaid beneficiaries with developmental disabilities</i> https://oig.hhs.gov/oas/reports/region9/91702006.pdf
	Document- <i>Connecticut did not comply with federal and state requirements for critical incidents involving developmentally disabled Medicaid beneficiaries</i> https://oig.hhs.gov/oas/reports/region1/11400002.pdf
	Document- <i>Massachusetts did not comply with federal and state requirements for critical incidents involving developmentally disabled Medicaid beneficiaries</i> https://oig.hhs.gov/oas/reports/region1/11400008.pdf
	Document- <i>Maine did not comply with federal and state requirements for critical incidents involving Medicaid beneficiaries with developmental disabilities</i> https://oig.hhs.gov/oas/reports/region1/11600001.pdf
	Document- <i>Pennsylvania did not fully comply with federal and state requirements for reporting and monitoring critical incidents involving Medicaid beneficiaries with developmental disabilities</i> https://oig.hhs.gov/oas/reports/region3/31700202.pdf

**All State Agencies are Operating Under a Continuing Resolution Appropriations
FY 20/21 Legislative Authorized & Spending Plan Budget VS Actual Expenditures (as of 8/31/2020)**

Funded Program - Bud	Continuing Resolution Appropriations	Adjustments	Adjusted Budget	YTD Actual Expense	Remaining Budget	Percent Expended - Target %
						16.67%
ADMINISTRATION	\$ 8,386,999	\$ -	\$ 8,386,999	\$ 1,179,901	\$ 7,207,098	14.07%
PREVENTION PROGRAM	\$ 657,098	\$ -	\$ 657,098	\$ 12,500	\$ 644,598	1.90%
GREENWOOD GENETIC CENTER	\$ 15,185,571	\$ -	\$ 15,185,571	\$ 4,518,600	\$ 10,666,971	29.76%
CHILDREN'S SERVICES	\$ 24,891,594	\$ -	\$ 24,891,594	\$ 1,148,728	\$ 23,742,866	4.61%
IN-HOME FAMILY SUPP	\$ 91,302,031	\$ -	\$ 91,302,031	\$ 7,484,375	\$ 83,817,656	8.20%
ADULT DEV&SUPP EMPLO	\$ 83,358,338	\$ -	\$ 83,358,338	\$ 17,568,455	\$ 65,789,883	21.08%
SERVICE COORDINATION	\$ 22,666,140	\$ -	\$ 22,666,140	\$ 1,480,562	\$ 21,185,578	6.53%
AUTISM SUPP PRG	\$ 26,368,826	\$ -	\$ 26,368,826	\$ 3,419,284	\$ 22,949,542	12.97%
HD&SPINL CRD INJ COM	\$ 5,040,532	\$ -	\$ 5,040,532	\$ 826,424	\$ 4,214,108	16.40%
REG CTR RESIDENT PGM	\$ 90,937,897	\$ -	\$ 90,937,897	\$ 11,470,017	\$ 79,467,880	12.61%
HD&SPIN CRD INJ FAM	\$ 29,301,050	\$ -	\$ 29,301,050	\$ 2,084,638	\$ 27,216,412	7.11%
AUTISM COMM RES PRO	\$ 29,749,084	\$ -	\$ 29,749,084	\$ 6,971,992	\$ 22,777,092	23.44%
INTELL DISA COMM RES	\$ 340,593,466	\$ -	\$ 340,593,466	\$ 57,282,332	\$ 283,311,134	16.82%
STATEWIDE CF APPRO		\$ 49,799	\$ 49,799		\$ 49,799	0.00%
STATE EMPLOYER CONTR	\$ 36,362,643	\$ -	\$ 36,362,643	\$ 5,118,922	\$ 31,243,721	14.08%
Earmarked Authorization over DDSN Spending Plan	Spending Plan Due in September	\$ -			\$ -	
Legislative Authorized Total	\$ 804,801,269	\$ 49,799	\$ 804,851,068	\$ 120,566,730	\$ 684,284,338	14.98%
Percent of total spending plan budget				100.00%	15.64%	84.36%
% of FY completed (expenditures) & % of FY remaining (available funds)				100.00%	16.67%	83.33%
Difference % - over (under) budgeted expenditures				0.00%	-1.03%	1.03%

REASONABLE

Carry Forward + Cash Flow Analysis Indicates Sufficient Cash to Meet FY 20 Estimated Expenditure Commitments: YES X ; At-Risk ; NO

Expenditures categorized to provide insight into direct service consumers costs vs. non-direct service costs:

Expenditure	FY 19 - % of total	FY 18 - % of total
Central Office Admin & Program	2.35%	2.37%
Indirect Delivery System Costs	1.22%	1.56%
Board & QPL Capital	0.07%	0.14%
Greenwood Autism Research	0.03%	0.03%
Direct Service to Consumers	96.33%	95.90%
Total	100.00%	100.00%

NOTE: Prior FY data will be calculated and presented to provide assurance as to the consistent pattern of direct service & non-direct service expenditures and explanation for increases/decreases

FUNDED PROGRAMS	FUNDED PROGRAM NAMES
0100.000000.000	Administration Operational & Personal Services Expenditures of Administration Departments
4000.050100.000	Prevention Prevention Awareness Grants Possible GGC Contracts Over & Above the Special Item Funded Program
4000.050500X000	Prevention-Special Item - Greenwood Genetic Center Contracts for Research and Development, and Counseling
4000.100501.000	Children's Services Child Day Care Centers in Anderson and Charleston Early Intervention Summer Services
4000.101000.000	In-Home Family Support ID/RD & Community Support Waiver Services Respite Services
4000.101500.000	Adult Development Program Services to include Adult Day, Supported Employment, Rehab Support
4000.102000.000	Service Coordination Service Coordination Planning for all consumers
4003.250000.000	Intellectual Disability Comm. Residential Residential Expenditures for Community Training Homes, Intermediate Care Facilities Evaluation and Planning Services
4000.150500.000	Autism Family Support Program Services to include Adult Day, Supported Employment, Family Respite Evaluation and Planning Services Rehab Service Coordination
4002.300000.000	Autism Comm. Residential Residential Expenditures for Community Training Homes
4002.200000.000	Head & Spinal Cord Family Support Program Services to include Post Acute Rehab for HSC/TBI, Adult Day, Supported Employment
4001.350000.000	Head & Spinal Cord Comm. Residential Residential Expenditures for Community Training Homes
4001.400000.000	Regional Centers Operational & Personal Services Expenditures of Daily Regional Center Functions
9500.050000.000	Employee Benefits Personal Services Expenditures of Administration Departments, Residential, and Regional Centers
9814.190000X000	SC Genomic Medicine - TGEM Greenwood Genetic Center Genomic Medicine



DDSN Executive Memo

**TO: FINANCE DIRECTORS
EXECUTIVE DIRECTORS/CEO'S**

**FROM: W. CHRIS CLARK, CPA, CGMA
CHIEF FINANCIAL OFFICER**

DATE: SEPTEMBER 18, 2020

RE: BAND B/O OUTLIER ADJUSTMENTS

We have finally been able to complete a review of the FY 2020 Band O outlier funding levels. We apologize for the tardiness of this review and the proposed funding adjustment. With the impact of COVID on the level of actual services being delivered and our ability to get reliable final service cost data on each consumer, our ability to complete a reliable review sooner was impaired. We understand that you are all trying to close your books for June 30, 2020 fiscal year. The deadline extension that was recently provided was provided in part because of this pending adjustment.

This effort to address at-home outliers, resulted in a complete reinvestment/reallocation of all funds back into the provider system. In addition to reinvesting/reallocating outlier funds already in the system, we are adding approximately \$523,000 more to the statewide outlier funding for FY 2020.

Our approach to this analysis was similar to the one we used last year. The following process/methodology was used to arrive at the proposed adjustments for your Agency:

For Funded Band B Outliers (Band O)

- 1) SCDDSN funding amounts were determined by taking the Band B funding amount of \$13,994, plus the funded outlier amount, minus an estimated amount recovered by DDSN as part of the day program recoupment for each consumer. This results in the total funding provided to your Agency for each Band O consumer.
- 2) Actual Waiver cost incurred for each consumer through June 30, 2020 was determined using Medicaid billing data extracted from our systems.
- 3) Adjustments to this data were made for those consumers receiving enhanced staffing in the Day Program to account for this additional cost, based on your response to our inquiries.
- 4) The actual costs were then compared to the FY 2020 outlier threshold of \$37,013 to determine if the consumer met the outlier threshold or not.
- 5) For those consumers who did not meet the threshold of \$37,013:
 - a. We applied a lower threshold of \$35,000 to determine if funding should be reduced. The \$2,103 difference is being used as a margin of error for our analysis.
 - b. If the consumer did not meet the \$35,000 reduced limit, then we are recovering the full funded outlier amount.
 - c. For those consumers that met the \$35,000 reduced outlier limit, a comparison was then made between the total funding provided and the actual costs to serve these consumers.
 - d. If the total funding provided did not fully fund the cost to serve the consumer, then we are increasing the outlier funding amount to match the total cost we computed. You will be funded for this additional expense.
 - e. If the total funding provided exceeded the total cost by less than \$5,000, then the funding amount was not reduced.
- 6) For those consumers whose actual costs did exceed the threshold amount (\$37,013) for FY 2020:
 - a. A comparison was made between the actual costs and the total amount funded.
 - b. If funding exceeded actual costs by less than \$5,000, then we are not making an adjustment to the funding for these consumers. While they are over funded, the amount was minimal and will not be adjusted for FY 2020.
 - c. If funding exceeded actual costs by more than \$5,000, then we are making an adjustment to the funding for these consumers. The excess funding less \$5,000 is being adjusted for FY 2020. In other words, the outlier funding is not going to be reduced by the full amount exceeding the actual costs.
 - d. If actual costs exceeded funding, then we are providing funding for the excess costs for these consumers.

For Band B Unfunded Outliers - \$123,000 added

- 1) An analysis of costs to serve every consumer in Band B was completed. This information was summarized by Financial Manager.
- 2) For those Financial Managers that have a net reduction in funding from the adjustments to Band O outlier funding above, we determined if there were any unfunded Band B outliers for your Agency.
- 3) To the extent your Agency had a reduction in its funding and there were unfunded Band B outliers, we are approving funding at a level to fully fund these outliers up to the amount being reduced by our Band O analysis. In other words, if you are losing funding in the analysis above and you had other unfunded outliers, then you will be funded for some of these outliers to make you whole.
- 4) If your Agency has a reduction in funding above and does not have unfunded outliers for us to fund, then you will receive a net reduction in funding from this process.

Additional Pot Allocated - \$400,000 added

- 1) Due to SCDDSN ending the year in a favorable position in FY 2020, a decision was made to increase the overall Band B outlier funding provided for FY 2020. All of the funds reduced as a result of our review of funded outliers is being fully reallocated to providers. In addition, we are adding \$400,000 to the overall Band B outlier funding provided for FY 2020.
- 2) We reviewed all Band B costs and funding for each Financial Manager. For those that had a net loss in Band Bs (after the adjustments above), we allocated a portion of the \$400,000 to them based on their pro-rata share of the overall Band B losses as compared to the other Financial Managers with Band B net losses.

Attached is a copy of our computations for your Agency for your review. Note that we were not able to adjust residential outliers for FY 2020. We will be issuing some new guidance in the coming weeks related to our revised outlier review process. This new outlier review process will apply to at-home and residential outliers. We will be requesting that providers submit revised outlier request packets. The existing outlier request process does not result in fair, transparent, and defensible outcomes. With our new process in place, we will be able to ensure that those providers that are eligible for outliers get a fair shot at obtaining funding. We will also be reviewing existing funded outliers – at-home and residential – to determine if funding needs to be adjusted.

If you feel we have made a mistake in a computation for your consumers, then please submit information to me for reconsideration by September 11th. We will issue amendments for FY 2020 mid-September. Any information regarding this memo can be submitted to contracts@ddsn.sc.gov. Feel free to call me as well if you would like to discuss this. Thank you for your patience and understanding.

Summary of Outlier Funding Amendment

Provider	Funding From			Total Impact of Amendment
	Existing Outliers	Unfunded Outliers Round 1	\$400K Allocated	
Anderson	\$ (63,849)	\$ 76,679	\$ -	\$ 12,830
Babcock Center, Inc.	\$ 7,012	\$ -	\$ -	\$ 7,012
Beaufort DSN Board	\$ (19,654)	\$ -	\$ -	\$ (19,654)
Charles Lea Center	\$ (120,640)	\$ 60,715	\$ -	\$ (59,925)
Charleston DSN Board	\$ (63,269)	\$ 62,584	\$ -	\$ (685)
CHESCO Services	\$ (35,911)	\$ 49,663	\$ -	\$ 13,752
Chester/Lancaster DSN Board	\$ 22,223	\$ -	\$ -	\$ 22,223
Clarendon DSN Board	\$ 5,099	\$ -	\$ -	\$ 5,099
Colleton DSN Board	\$ (29,325)	\$ 27,669	\$ -	\$ (1,656)
Darlington DSN Board	\$ 3,190	\$ -	\$ 46,679	\$ 49,869
Dorchester DSN Board	\$ (40,353)	\$ 51,064	\$ -	\$ 10,711
Fairfield DSN Board	\$ -	\$ -	\$ -	\$ -
Florence DSN Board	\$ (70,285)	\$ 96,094	\$ 233,801	\$ 259,610
Georgetown DSN Board	\$ (14,284)	\$ 33,168	\$ 42,149	\$ 61,033
Hampton DSN Board	\$ (32,331)	\$ 58,871	\$ -	\$ 26,540
Horry DSN Board	\$ 38,843	\$ -	\$ -	\$ 38,843
Kershaw DSN Board	\$ 105,836	\$ -	\$ -	\$ 105,836
Laurens DSN Board	\$ (160,184)	\$ 22,012	\$ -	\$ (138,172)
Marion/Dillon DSN Board	\$ (35,801)	\$ 23,031	\$ -	\$ (12,770)
Marlboro DSN Board	\$ 5,918	\$ -	\$ -	\$ 5,918
MaxAbilities of York County	\$ 3,098	\$ -	\$ -	\$ 3,098
Orangeburg DSN Board	\$ (19,346)	\$ -	\$ -	\$ (19,346)
Sumter DSN Board	\$ -	\$ -	\$ 17,132	\$ 17,132
Thrive Upstate	\$ (40,672)	\$ 108,892	\$ 25,913	\$ 94,133
Tri-Development Center of Aiken County, Inc.	\$ (22,455)	\$ 24,429	\$ -	\$ 1,974
Williamsburg DSN Board	\$ (24,356)	\$ 38,842	\$ 34,326	\$ 48,812
	\$ (601,496)	\$ 733,713	\$ 400,000	\$ 532,217



SOUTH CAROLINA OFFICE OF THE STATE AUDITOR
1401 Main Street, Suite 1200 • Columbia, SC 29201

August 31, 2020

Ms. Mary Poole, State Director
South Carolina Department of Disabilities and Special Needs
3440 Harden Street Extension
Columbia, South Carolina 29203

Dear Ms. Poole:

We are enclosing a preliminary draft copy of the report resulting from our performance of agreed-upon procedures to the accounting records of the South Carolina Department of Disabilities and Special Needs for the fiscal year ended June 30, 2019. As soon as you have reviewed the draft, but not later than September 15, 2020, please write to us indicating your review has been completed and authorizing release of the report. If you wish, we would be glad to meet with you in a formal exit conference to discuss this report. Please telephone George Gentry, CPA at 832-8242 if you have any questions about this letter or would like to schedule a conference.

To enable us to expeditiously complete and distribute your report, you must provide us with a report release authorization and a current list of your Commission members with their email addresses. Also, forward to us with your release authorization your written response to the findings in the applicable sections of the report. If we do not receive your release authorization by the date stated in paragraph one, we will release the report at that time with our comment in the Management's Response section that you elected not to respond.

Yours very truly,

George L. Kennedy, III, CPA
State Auditor

GLKIII/sag

Enclosure

**SOUTH CAROLINA
DEPARTMENT OF DISABILITIES
AND SPECIAL NEEDS**

COLUMBIA, SOUTH CAROLINA

STATE AUDITOR'S REPORT

JUNE 30, 2019

DRAFT

Independent Accountant's Report on Applying Agreed-Upon Procedures

August 21, 2020

Members of the Commission
South Carolina Department of Disabilities and Special Needs
Columbia, South Carolina

We have performed the procedures described in Attachment 1, which were agreed to by the management of the South Carolina Department of Disabilities and Special Needs (the Department), on the systems, processes and behaviors related to financial activity of the Department for the fiscal year ended June 30, 2019. The Department's management is responsible for the systems, processes and behaviors related to financial activity. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment 1 either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be an opinion or conclusion, respectively, on the systems, processes and behaviors related to financial activity of the Department. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The concept of materiality does not apply to findings to be reported in an agreed-upon procedures engagement. Therefore, all findings from the application of the agreed-upon procedures must be reported unless the definition of materiality is agreed to by the specified parties. Management of the Department has agreed that the following deficiencies will not be included in the State Auditor's Report on Applying Agreed-Upon Procedures:

- Errors of less than \$1,000 related to cash receipts and non-payroll cash disbursements transactions.
- Errors of less than \$1,000 related to reporting packages.

This report is intended solely for the information and use of the governing body and management of the South Carolina Department of Disabilities and Special Needs and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

George L. Kennedy, III, CPA
State Auditor

DRAFT

**South Carolina Office of the State Auditor
Agreed-Upon Procedures – South Carolina Department of Disabilities and Special Needs (J16)**

Cash Receipts/Revenues

1. Compare current year revenues at the fund and account level from sources other than State General Fund appropriations to those of the prior year. Obtain from management an understanding of variations over \$30,000 - General Funds, \$1,900,000 – Earmarked Funds, \$10,000 - Restricted Funds, \$10,000 - Federal Funds and 10%.
2. Randomly select fifteen cash receipts transactions and inspect supporting documentation to:
 - Ensure supporting documentation for transaction agrees with the general ledger as to amount, date, payor, document number, and account classification.
 - Determine that revenues/receipts were deposited in a timely manner, in accordance with Proviso 117.1 of the fiscal year 2019 Appropriation Act.
 - Ensure that both revenue collections and amounts charged are properly authorized by law.
 - Determine that receipts are recorded in the proper fiscal year.

We found no exceptions as a result of the procedures.

Cash Disbursements/Non-Payroll Expenditures

3. Compare current year non-payroll expenditures at the fund and account level to those of the prior year. Obtain from management an understanding of variations over \$1,200,000 - General Funds, \$1,900,000 – Earmarked Funds, \$10,000 - Restricted Funds, \$15,000 – Federal Funds and 10%.
4. Randomly select fifteen non-payroll disbursements and inspect supporting documentation to determine:
 - The transaction is properly completed as required by Department procedures; invoice(s) agree(s) with general ledger as to vendor, amount, number, and date.
 - All supporting documents and approvals required by Department procedures are present and agree with the invoice.
 - The transaction is a bona fide expenditure of the Department.
 - The transaction is properly classified in the general ledger.
 - Disbursement complied with applicable State laws, rules, and regulations including the State Consolidated Procurement Code, state travel regulations etc.
 - Disbursements are recorded in the proper fiscal year.
 - Clerical accuracy/confirm proper sales/use tax.

We found no exceptions as a result of the procedures.

Payroll

5. Compare current year payroll expenditures at the fund and account level to those of the prior year. Obtain from management an understanding of variations over \$1,200,000 - General Funds, \$1,900,000 – Earmarked Funds, \$10,000 - Restricted Funds and 10%.
6. Compute the percentage distribution of fringe benefit expenditures by fund source and compare to the actual distribution of recorded personal service expenditures by fund source. Obtain an explanation of variations greater than 10%.

Payroll (Continued)

7. Compare the percentage change in personal service expenditures between the current year and prior year to the percentage change in employer contributions expenditures between the current year and prior year. Obtain an explanation of variations greater than 10%.
8. Haphazardly select five employees who terminated employment during the fiscal year to determine if they were removed from the payroll in accordance with the Department's policies and procedures, that the employee's last pay check was properly calculated and that the employee's leave payout was properly calculated in accordance with applicable State law.
9. Haphazardly select five employees hired during the fiscal year to determine if they were added to the payroll in accordance with the Department's policies and procedures and that their first pay check was properly calculated in accordance with applicable State law.

We found no exceptions as a result of the procedures.

Journal Entries and Transfers

10. Haphazardly select nine journal entries and six transfers for the fiscal year to:
 - Trace postings to the general ledger, confirming amounts agree with supporting documentation.
 - Confirm transaction is properly approved.
 - Inspect supporting documentation to confirm the purpose of the transaction.

We found no exceptions as a result of the procedures.

Reporting Packages

11. Obtain copies of fiscal year end reporting packages submitted to the Office of the State Comptroller General. (CG). Inspect the Master Reporting Package Checklist to determine the appropriate reporting packages were submitted by the due date established by the CG's Reporting Policies and Procedures Manual.
12. In addition to the procedure above, perform the following:
 - Cash and Investments Reporting Package

Determine if responses are reasonable/accurate based on inspection of the South Carolina Enterprise Information System (SCEIS) general ledger, the SCEIS Yearend Reporting - Cash and Investments report and/or Department prepared records. In addition, determine if amounts agree to State Treasurer's Office Composite Bank Account reports and year end reconciliations.
 - Operating Leases Reporting Package

Confirm that the Department submitted copies of leases to the CG in accordance with the CG's Reporting Package Instructions. Additionally, agree applicable effective lease dates and future minimum payments on the Future Minimum Payment Schedule to the prior year Schedule. Inspect any changes to determine if the effective lease dates and future minimum payments were properly calculated and reported on the Future Minimum Payment Schedule.

Reporting Packages (Continued)

- Subsequent Events Questionnaire

Determine if responses are reasonable/accurate and any required supplemental information was properly prepared and submitted based on inspection of the SCEIS general ledger and/or Department prepared records. In addition, haphazardly select five payables from the Subsequent Events Accounts Payable Worksheet and determine if the amounts were properly classified, calculated and reported and excluded from the original Accounts Payable Reporting Package submission.

Findings

Cash and Investments Reporting Package - Not all of the required information was submitted with the reporting package for one bank account not reflected in SCEIS and reported on the Deposits with Banks Reporting Form. The Department omitted the bank statement and the reason for the account not being recorded in SCEIS.

Operating Leases Reporting Package - Similar to the finding reported in the prior year engagement, we were unable to confirm part of the \$2,200 in future minimum lease payments which were reported. We were also unable to confirm that all leases were submitted to the CG.

Subsequent Events Questionnaire - Similar to the finding reported in the prior year engagement, amounts of approximately \$7,700 were reported incorrectly as fiscal year 2019 payables.

Management's Response

Composite Reservoir Accounts

13. Obtain a listing of Department composite reservoir accounts and confirm with management that the listing is complete.
14. Obtain fiscal year monthly reconciliations for select Department composite reservoir accounts and for five haphazardly selected reconciliations, perform the following procedures:
 - Determine that selected reconciliations were timely performed, reviewed, and properly documented in accordance with State regulations, and are mathematically correct.
 - Agree applicable amounts from reconciliations to the general ledger.
 - Agree applicable amounts from reconciliations to the State Treasurer's Office monthly reports.
 - Determine if reconciling differences were adequately explained and properly resolved.
 - Determine if necessary adjusting entries were made in the accounting records.

Finding

Similar to the finding reported in the prior year engagement, two of the five reconciliations selected were not prepared in a timely manner in accordance with the Department's procedures.

Composite Reservoir Accounts (Continued)

Management's Response

Assets and Personal Property

15. Haphazardly select five capital asset acquisitions and inspect supporting documentation, the SCEIS general ledger and the SCEIS Asset History Sheet to determine that each asset was properly capitalized and posted to the general ledger as to amount and account and assigned the proper useful life in accordance with the CG's Reporting Policies and Procedures Manual.
16. Haphazardly select five capital asset retirements and inspect supporting documentation, and the SCEIS Asset History Sheet, to determine that each asset was approved for removal, and that the asset was properly removed from the Department's books/general ledger in accordance with the CG's Reporting Policies and Procedures Manual.
17. Confirm that an inventory of Department property, excluding expendables, was completed during the fiscal year as required by South Carolina Code of Law 10-1-140.

We found no exceptions as a result of the procedures.

Appropriation Act / Department-Specific Provisos

18. Confirm that the Department submitted to the State Human Affairs Commission employment and filled vacancy data by race and sex by October thirty-first of the fiscal year in accordance with Proviso 117.13 of the Appropriation Act.
19. Confirm compliance with the Bank Account Transparency and Accountability proviso of the Appropriation Act.
20. Confirm compliance with fiscal year 2019 Department-specific state provisos 36.9, 36.10, 36.13, and 36.15 by inquiring with management and observing supporting documentation, where applicable.

We found no exceptions as a result of the procedures.

Status of Prior Findings

21. Through inquiry and inspection, determine if the Department has taken appropriate corrective action on the findings reported during the engagement for the prior fiscal year.

We determined the Department has taken adequate corrective action on the prior year findings except where identified in the Composite Reservoir Accounts and Reporting Packages findings above.

Director's Report 09/17/2020

DSP Appreciation

Want to acknowledge our deepest appreciation for our Direct Support Professionals at the regional centers and in all of the community programs. Our DSPs continue to provide care for all of those folks being supported in our residential programs across the state. All hands have been on deck as coverage has to be maintained, care needs to be given in the face of an invisible threat. The community day programs are giving their all to open and support those individuals living at home with family or independently. Job coaches are working hard to get their folks actively working – and earning again.

I want to thank all of you for everything you do!

COVID Update

1. Regional Centers:
 - a. Zero of 650 residents are in the 14 day CDC quarantine window.
 - b. 2 of the 1500 staff are in the 14 day CDC quarantine window.
 - c. All 40 buildings are clear with no quarantine limitations.
 - d. Pandemic Totals
 - i. No Resident or Staff in a hospital
 - ii. We have implemented visitation at the Regional Centers under current strict DHEC guidelines.
2. Community:
 - a. 2 week Resident trend—18 new Resident cases & declining trend
 - b. 2 week Staff trend—30 new Staff cases & declining trend

Senate Plan for State Employee Bonuses

The Senate Finance Committee proposed a budget that includes \$20 million to help cover a \$1,000 bonus for more than 14,000 front line state employees who earn \$50,000 or less as of Sept. 1 and had to physically report to work most if not all days of the week during the virus pandemic.

This is not a proposal for utilizing the one-time COVID-19 relief account, a separate spending plan made up of money from the federal CARES Act. But that plan was not cleared by the state's third-party vetting firm for COVID-19 aid. The monies from that account would have had to go to those who work directly with those who are infected with the virus. It could not go to employees who simply had to report to work.

The full Senate will now begin debate on that proposed budget and if it makes it over that hurdle, the House will have to back the proposal and the governor.

Finally – after hearing about the OIG report

Reported to the full Commission by Interim Director Maley and I reported on it at the April 18th 2019 Commission meeting and an update on information sent to them in June 2019.

Now that we are starting to wind down the review process, we have learned a few things about our current system - things that we have already identified and have started the process of correcting. The bad news is that the OIG final report, when it comes will be negative – as it has been in every state it has been completed. However, the good news came as I was listening to a CMS webinar last week regarding their 5 recommendations for a state to develop a good incident management process. It was great to hear that of those 5 recommendations – we were actively working on every single one of them. So we not only have a well-rounded Corrective Action Plan to hand to DHHS but we have already begun to implement it. The report will be negative – but my optimism regarding the team we are putting together to round out our QA capabilities. We have renamed the department risk management.

We know – and have discussed on more than one occasion that our quality management process focused solely on measurement. We all know, however, that simply measuring a problem is just one step in solving it – it does not solve itself. We needed to rebuild DDSN's capabilities to provide technical assistance, train provider and investigate incidents as they occur. We knew when we started our reorganization of the agency that form and function needed to be realigned, silos of information had to be knocked down and we had to take a critical look at our own procedures to see where the agency needed to improve quality. This will be an ongoing process but we were able to redeploy FTE's into the Risk Management (formally QA). We even discontinued long-standing contracts which were not adding value to the mission. You have just met our Director of Risk Management, Kyla Schultz, who comes to us from Pennsylvania and brings a wealth of knowledge with regards to incident reporting, quality assurance and most importantly –quality improvement. We are well on our way of filling out our RM needs with folks who have established work history in community programs.

Back to those 5 CMS recommendations -which again have already been identified by our Risk folks and are well under way.

1. Develop a standardized and clear definition of reportable incidents. We are currently working on this as we rewrite directives and standards, and we will need to do this in preparation of item #2.

2. Establish a system of robust oversight of the incident management system.
3. Replace outdated technology for increased data collection and ease of access to the data. Our home grown IM system is outdated and not flexible at all. We also need a system that can go through Medicaid Hospitalization codes so we can monitor events.
4. Develop a comprehensive Quality Improvement Strategy that leverages the state agency as well as the case management network – *we are well down this path and we will be getting to a point where we will need to schedule a work session with the commission to do a deep dive into the changes required so Commissioners have good information on which to base decisions. The whole case management move to increased visits, person centered planning and fee for service has been done to marshal case managers into the quality improvement fight. Their monitorship is crucial to improving quality and accountability. They will require a great deal of training to be an effective monitor of supports.*
5. Use the data to drive training initiatives – *we are well down this path as we develop training modules, continue to train new Q's coordinators.*

Thank you to Sandra Delaney

As Sandra leaves us to enjoy her hard-earned retirement, I want to say to her “thank you”.

Thank you for being so welcoming and a source of sage counsel and incredible support.

Making the transition from a provider – and one who frequently engaged in intense discussions with DDSN to the leader of DDSN was a daunting proposition – Sandra’s calm demeanor and reassuring words greatly helped in that transition. She was kind enough to get to know me – give me the benefit of the doubt from the start and work with me as we build a team here at DDSN.

I am forever in her debt and she will be sorely missed.