

SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

SPECIAL CALLED MEETING

A G E N D A

**South Carolina Department of Disabilities and Special Needs
3440 Harden Street Extension
Columbia, SC**

January 7, 2022

1:00 P.M.

1. Call to Order *Chairman Stephanie Rawlinson*
2. Notice of Meeting Statement *Commissioner Robin Blackwood*
3. Adoption of Agenda
4. Use of 6.2% FMAP Funds *Michelle Fry, J.D., Ph.D.*
5. Wage Increases for Regional Centers Critical Posts *Mr. Rufus Britt*
6. Adjournment



MEMO

To: DDSN Commission

From: State Director Michelle Fry; CFO Pat Maley

Date: December 29, 2021

Re: Use of 6.2% FMAP Funds to Assist the Provider Network Experiencing Significant Challenges during COVID Crisis

I. BACKGROUND

A. DDSN 6.2% FMAP Revenue and Cash Reserves

DDSN FY22 Cash Carry Forward was \$50.6 million, primarily as a result of accumulated monies from the 6.2% FMAP. During FY22, the 6.2% FMAP will be paid at least through March 31, 2022 based on the National Public Health Emergency. This will add \$11 million per quarter or at least \$33 million additional funds. Some of these funds will be needed to fund the IDR Waiver Renewal rate increases for the last six months of FY22 (1/1/22 to 6/30/22); estimated increase costs of \$7 million in state match. We are also currently estimating increase in administrative budget needs to fulfill what will be increased oversight responsibilities under the new administrative contract with SCDHHS of all providers, rather than only DDSN-funded providers, which expands our oversight responsibilities to approximately 700 additional providers.

Even accounting for these increased costs and being mindful to have sufficient reserves, DDSN has sufficient reserves to fund initiatives out of the accumulated 6.2% FMAP. Revisiting options is particularly timely because the 10% FMAP has been more delayed than expected. Further, some initiatives in the DDSN 10% FMAP Plan are not in the final plan submitted to CMS by SCDHHS.

As a reminder, \$1.5 million of the 6.2% FMAP monies were utilized to pay providers' FY22 Bed Fees pursuant to the 5/17/21 Commission meeting. During that meeting, Commission wanted to wait to get feedback from Community outreach sessions for 10% FMAP to get plan/priorities before allocating more of the monies available from the 6.2% FMAP.

B. 10% FMAP

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARP). Section 9817 of the ARP provides qualifying states with a temporary 10 %increase to the federal medical assistance percentage (FMAP) for certain eligible Medicaid expenditures for home and community-based services (HCBS). States will be permitted to use the state funds attributable to the increased 10% FMAP Program through March 31, 2024 (total of 3 years).

CMS provided guidance on May 13, 2021, on implementing the 10% FMAP Program. DDSN provided its 10% FMAP budget to SCDHHS in early July 2021 totaling \$42.5 million along with an increase of Medicaid reimbursements of \$52 million (See Attachment A). SCDHHS then submitted a statewide 10% FMAP plan to CMS on July 12, 2021.

II. ISSUES

On December 15, 2021, SCDHHS advised DDSN of the following adjustments to DDSN's 10% FMAP plan, which did not include the following components of what DDSN presented:

- Program to incentivize and reward Day Service providers to re-open to serve at-home individuals. As providers re-started these services, it was done at a net loss due to higher costs to maintain social distancing and operating a proportionally higher cost structure while increasing enrollment (\$3.45 million FMAP budget).
- Funds for a tele-psychiatry response capability to prevent escalation of individuals to more restrictive and more costly living settings (\$1,005,000 FMAP budget).
- Program for grants to residential providers to pilot technology in lieu of staffing inasmuch the new IDR Waiver Renewal contained new services in this area (\$2,010,000 FMAP budget).

Additionally, the 10% FMAP plan budgeted \$7 million to be quickly disbursed after plan approval to **“targeted staff retention & recruiting in the form of enhanced pay rates, bonus pay, incentive pay, and hiring bonus.”** This budget component is still in DDSN's budget, however, this 10% FMAP budget is still pending since its July 2021 submission to CMS. This area of need is much worse today than in July 2021. To illustrate the need, Regional Centers have experienced a 22% reduction in Direct Support Professionals (DSPs) from the pre-COVID-19 staffing level and, based on a recent SC Human Service Provider Association survey, community residential providers currently have 24% of their residential staff positions vacant.

III. RECOMMENDATIONS

- A. Using 6.2% FMAP funds in DDSN cash reserves, approve the disbursement of between \$3 - \$5 million to the provider network to address **“targeted staff retention & recruiting in the form of enhanced pay rates, bonus pay, incentive pay, and hiring bonus.”** Attachment B to this memo is an Excel chart containing a “Sensitivity Analysis” at these funding levels. The allocation method of these funds to the provider network was based on each provider's relative FTEs to the systems' total FTEs. This method was recommended by the provider network and approved by the Commission in the fall 2021 for the 10% FMAP allocation after approval by CMS.
- B. Using 6.2% FMAP funds in DDSN cash reserves, approve the disbursement of between \$683,400 to \$1,132,200 to the Regional Centers' and Autism Homes' budgets to address **“targeted staff retention & recruiting in the form of enhanced pay rates, bonus pay, incentive pay, and hiring bonus.”** The precise funding level would be the same percent of total revenue as the disbursement level selection for the DDSN community provider network in Recommendation “A” above (calculated on Attachment B). DDSN direct service provision has the same staffing challenges as do community providers, and an internal budget increase from the 6.2% FMAP reserves to Regional Centers and Autism Homes is reasonable and appropriate.
- C. Using the 6.2% FMAP funds in DDSN cash reserves, approve the disbursement of between \$2 - \$4 million to incentivize and reward Day Service providers for re-opening services to at-home individuals. Attachment C to this memo is an Excel chart containing an analysis at each funding level. The funding will be allocated based on actual units of day services provided between 7/1/21-12/31/21 (consistent with the original 10 % FMAP request that was excluded). Each service provider will receive payment per unit to reward re-opening service provision to at-home individuals.

- D. Using the 6.2% FMAP funds in DDSN cash reserves, approve designating 1 million to establish crisis response initiatives in collaboration with the Department of Mental Health (DMH). Strategies will include but not limited to, (1) establishing training to increase acumen and awareness of the needs of individuals served with complex mental health needs, (2) establish designated institutional respite care beds with enhanced telepsychiatry at one or more Regional Centers to support individuals receiving home and community based waiver services and their families to resolve aberrant behavior(s) and mitigate the need for out of home placement.

Attachment A

10% FMAP Budget Plan (6/30/2021)

List of Main Issues Raised at "Listening Sessions" to Assist in Budget Allocation Decisions: 1) Inability to retain & hire staff, particularly direct support employees (DSP) and nursing; 2) providers want flexibility in the use of funds to recover from COVID-19 inasmuch as COVID-19 impacted service providers differently; 3) Day Programs have not recovered – at-home attendance 50% of pre-COVID-19 levels; 4) telehealth benefits; 5) waiting list reduction; 6) training of all kinds, particularly skills training throughout the system in behavioral supports to engage/train/lead the individuals we serve; 7) use of technology rather than people due to personnel shortages; 8) ability to address individuals in crisis living at-home or in residential settings; 9) capital funds of all sorts; 10) SCDHHS service rates appear challenged before COVID and even more challenged due to post-COVID hiring pool shortage undermining attracting minimum staffing levels for day and residential, as well as at-home staff undermining service availability; and 11) many other issues tending to overlap or be subsets of above issues.

Option #	Estimated Cost	Medicaid Match **	Target	Brief Description of Funding Options
1	\$1,000,000	\$0	Providers Qualified by DDSN *	One-time COVID-19 "gap funding" grants for the DDSN provider network to provide latitude to recover from impact of COVID-19 due to additional costs, lost revenue, and capital depletion. General parameters for use of these funds will be developed and certification of use will be required.
2	\$7,000,000	\$0	Providers Qualified by DDSN *	Targeted staff retention & recruiting in the form of enhanced pay rates, bonus pay, incentive pay, and hiring bonus.
3	\$3,450,000	\$0	Day Services	Temporarily add \$7/unit of state funds to the current Day service rate (\$31.29 to \$38.29) for six months (7/1/21 - 12/31/2021) at an estimated \$575,000 per month for a six month total of \$3.45 million to incentivize re-opening, cover higher costs to maintain social distancing, and supplement a proportionally higher cost structure while increasing enrollment. These state funds support fully re-starting Day services, currently at 50% of pre-COVID-19 levels for at-home individuals, which will end as the IDR Waiver Renewal becomes effective on 1/1/22, hopefully containing modernized Day services and rates.
4	\$20,000,000	\$46,666,000	Day, Residential, and At-Home Services	Planned new & modernized (enhanced) services in the IDR Waiver Renewal, which will be finalized effective 1/1/22. These include: a) modernizing Day services by increasing community based requirements and improving staffing ratios from 1:7 to 1:4/5 range; b) adding a separate "business" respite rate to increase provider pool, access, and speed caregiver certifications; c) add Independent Living Skills service; d) add supportive technology for at-home individuals; e) increase environmental modification cap; f) add in-home self-directed supports; and g) add individualized residential settings to promote acuity based rates (provider fair rates) and staffing standards (assurance of service for residents).
5	\$2,500,000	\$0	Residential	Telehealth start-up costs and monthly service costs for one year.
6	\$990,000	\$2,310,000	HASCI, CS, and IDR Waivers	Waiting list reduction: add 50 waiver slots to Community Supports, IDR, and HASCI Waivers (150 total).
7	\$1,000,000	\$0	Residential and Day Services	Grants for generators for residential and day facilities based on need.
8	\$2,000,000	\$2,000,000	All DDSN Service Lines, Providers, Waiver Participants, and Families	Major training effort to include: a) family education & skill building; b) at-home caregiver skill building; c) electronic training platform for all providers containing continually updated training modules for all facets of operations; d) Positive Behavior Support training through direct, train-the-trainer, and electronic modules; e) residential intensive behavior interventionist training & certification to promote "in-house" provider expertise; f) strengthening assessment & person center planning; and g) abuse, neglect & exploitation prevention training.
9	\$1,050,000	\$1,050,000	All Waiver Participants	Build capacity in system to prevent escalation of individuals to more restrictive and more costly living setting by developing a tele-psychiatry response capability.
10	\$2,005,000	\$0	Case Management	Grants to case management to support mobile workforce increasingly relying on virtual technology, to include being HIPPA compliance.
11	\$1,505,000	\$0	Residential Services	Grants to residential providers to pilot technology in lieu of staffing (similar technology service added for waiver participants in the IDR Waiver Renewal).
TOTAL	\$42,500,000	\$52,026,000		

* DDSN qualifies residential, day & case management providers for HCBS services

** Estimated using traditional 70% federal match for services and 50% for administrative costs

ATTACHMENT B					
Sensitivity Model for Allocating 6.2% FMAP Funds to the Provider Network for Hiring, Bonus & Retention					
DDSN Providers (Residential; Day; Case Management; and Early Intervention)	% of Total FTEs (July 21)	Allocation of \$3 Million Based on FTEs	Allocation of \$4 Million Based on FTEs	Allocation of \$5 Million Based on FTEs	PENDING 10% FMAP BUDGET: Allocation of \$7 Million Based on FTEs
About Play	0.79%	\$ 23,673	\$ 31,565	\$ 39,456	\$ 55,238
Above and Beyond of Upstate	0.02%	\$ 566	\$ 755	\$ 943	\$ 1,321
Achieving at Play	0.01%	\$ 316	\$ 421	\$ 526	\$ 737
Adult Enrichment Center	0.07%	\$ 2,080	\$ 2,773	\$ 3,467	\$ 4,854
Aging with Flair	0.09%	\$ 2,695	\$ 3,593	\$ 4,491	\$ 6,288
Ahead Start	0.42%	\$ 12,626	\$ 16,834	\$ 21,043	\$ 29,460
Aiken	0.19%	\$ 5,682	\$ 7,575	\$ 9,469	\$ 13,257
Aldersgate	0.16%	\$ 4,861	\$ 6,481	\$ 8,102	\$ 11,342
All About Children	0.13%	\$ 3,788	\$ 5,050	\$ 6,313	\$ 8,838
Allendale-Barnwell	1.36%	\$ 40,734	\$ 54,312	\$ 67,890	\$ 95,046
Amazing Kids	0.07%	\$ 1,973	\$ 2,630	\$ 3,288	\$ 4,603
Anderson	1.69%	\$ 50,562	\$ 67,416	\$ 84,269	\$ 117,977
Arc of South Carolina	0.32%	\$ 9,469	\$ 12,626	\$ 15,782	\$ 22,095
Arc of the Midlands	0.07%	\$ 2,210	\$ 2,946	\$ 3,683	\$ 5,156
Awesome Kids	0.02%	\$ 631	\$ 842	\$ 1,052	\$ 1,473
Babcock	7.55%	\$ 226,633	\$ 302,178	\$ 377,722	\$ 528,811
Bamberg	0.76%	\$ 22,660	\$ 30,214	\$ 37,767	\$ 52,874
Beaufort	1.21%	\$ 36,189	\$ 48,252	\$ 60,315	\$ 84,440
Berkeley	2.55%	\$ 76,386	\$ 101,848	\$ 127,310	\$ 178,234
Better Beginnings	0.20%	\$ 5,997	\$ 7,996	\$ 9,995	\$ 13,994
Beyond Early Intervention	0.21%	\$ 6,313	\$ 8,417	\$ 10,522	\$ 14,730
Beyond the Stars EI	0.001%	\$ 26	\$ 34	\$ 43	\$ 60
Bloom and Blossom	0.0002%	\$ 5	\$ 7	\$ 9	\$ 13
Bright Start	1.42%	\$ 42,596	\$ 56,795	\$ 70,994	\$ 99,391
Brilliant Beginnings	0.07%	\$ 2,210	\$ 2,946	\$ 3,683	\$ 5,156
Burton Center	3.38%	\$ 101,272	\$ 135,029	\$ 168,786	\$ 236,300
Calhoun	1.38%	\$ 41,444	\$ 55,259	\$ 69,074	\$ 96,703
Carolina Behavior & Beyond	0.34%	\$ 10,101	\$ 13,468	\$ 16,834	\$ 23,568
Carolina Early Intervention	1.51%	\$ 45,374	\$ 60,499	\$ 75,623	\$ 105,873
Center for Development	0.23%	\$ 6,786	\$ 9,048	\$ 11,311	\$ 15,835
Charles Lea	5.10%	\$ 152,930	\$ 203,907	\$ 254,884	\$ 356,837
Charleston	4.85%	\$ 145,459	\$ 193,945	\$ 242,431	\$ 339,404
Cherokee	0.81%	\$ 24,409	\$ 32,545	\$ 40,681	\$ 56,954
Chesco	4.86%	\$ 145,935	\$ 194,581	\$ 243,226	\$ 340,516
Chester/Lancaster	1.05%	\$ 31,517	\$ 42,023	\$ 52,529	\$ 73,540
CHS Group	0.43%	\$ 12,784	\$ 17,045	\$ 21,306	\$ 29,828
Clarendon	1.23%	\$ 36,801	\$ 49,068	\$ 61,335	\$ 85,869
Coastal Early Intervention	0.08%	\$ 2,288	\$ 3,051	\$ 3,814	\$ 5,340
Colleton	1.08%	\$ 32,265	\$ 43,020	\$ 53,775	\$ 75,286
Columbus Organization	0.17%	\$ 4,987	\$ 6,650	\$ 8,312	\$ 11,637
Community Options	2.66%	\$ 79,880	\$ 106,507	\$ 133,134	\$ 186,387
Cornerstone Support Services	0.04%	\$ 1,263	\$ 1,683	\$ 2,104	\$ 2,946
D&S/ Care Focus	0.88%	\$ 26,435	\$ 35,247	\$ 44,059	\$ 61,682
Darlington	1.05%	\$ 31,486	\$ 41,981	\$ 52,476	\$ 73,466
Dorchester	2.32%	\$ 69,616	\$ 92,821	\$ 116,026	\$ 162,436
Easter Seals	0.61%	\$ 18,386	\$ 24,515	\$ 30,644	\$ 42,901
Engage in Play	0.01%	\$ 257	\$ 342	\$ 428	\$ 599
Epworth	0.04%	\$ 1,263	\$ 1,683	\$ 2,104	\$ 2,946
Everlasting Arms	0.01%	\$ 183	\$ 244	\$ 305	\$ 427
Excalibur	1.25%	\$ 37,404	\$ 49,872	\$ 62,340	\$ 87,276
Fairfield	0.90%	\$ 26,956	\$ 35,941	\$ 44,927	\$ 62,898
Florence	2.62%	\$ 78,596	\$ 104,794	\$ 130,993	\$ 183,390
Georgetown	0.90%	\$ 27,145	\$ 36,194	\$ 45,242	\$ 63,339
Goodwill Industries Lower SC	0.01%	\$ 226	\$ 301	\$ 376	\$ 527
Goodwill Industries Upstate	0.00%	\$ 36	\$ 48	\$ 60	\$ 84
Great Kids and Awesome Adults	0.57%	\$ 17,045	\$ 22,726	\$ 28,408	\$ 39,771
Greenville/Thrive Upstate	4.27%	\$ 128,231	\$ 170,975	\$ 213,718	\$ 299,205
Growing Homes SE	0.03%	\$ 868	\$ 1,157	\$ 1,447	\$ 2,025
Hampton	0.32%	\$ 9,558	\$ 12,744	\$ 15,930	\$ 22,301
Hands on Development	0.06%	\$ 1,894	\$ 2,525	\$ 3,156	\$ 4,419
Heart and Hands	0.01%	\$ 211	\$ 282	\$ 352	\$ 493
Hermeione L. Flowers	0.01%	\$ 316	\$ 422	\$ 527	\$ 738
Horry	1.52%	\$ 45,709	\$ 60,945	\$ 76,181	\$ 106,653
I Shine	0.06%	\$ 1,894	\$ 2,525	\$ 3,156	\$ 4,419
Jasper	0.58%	\$ 17,348	\$ 23,130	\$ 28,913	\$ 40,478
Kershaw	0.58%	\$ 17,518	\$ 23,358	\$ 29,197	\$ 40,876
Kid in Development	0.02%	\$ 632	\$ 842	\$ 1,053	\$ 1,474
Kids 1st	0.02%	\$ 631	\$ 842	\$ 1,052	\$ 1,473
Laurens	2.14%	\$ 64,130	\$ 85,506	\$ 106,883	\$ 149,636
Lee	1.16%	\$ 34,721	\$ 46,295	\$ 57,868	\$ 81,016
Lifeshare (Becket Academy)	0.04%	\$ 1,263	\$ 1,683	\$ 2,104	\$ 2,946
Lowcountry EI	0.002%	\$ 59	\$ 79	\$ 98	\$ 138
Lutheran Services Carolinas	0.52%	\$ 15,467	\$ 20,622	\$ 25,778	\$ 36,089
Marion-Dillon	1.52%	\$ 45,548	\$ 60,730	\$ 75,913	\$ 106,278
Marlboro	0.24%	\$ 7,070	\$ 9,427	\$ 11,784	\$ 16,498
MaxAbilities of York	2.75%	\$ 82,377	\$ 109,836	\$ 137,295	\$ 192,213
Meeting Milestones	0.18%	\$ 5,366	\$ 7,155	\$ 8,943	\$ 12,521
Mentor	3.75%	\$ 112,559	\$ 150,079	\$ 187,599	\$ 262,638
MIRCI	0.32%	\$ 9,454	\$ 12,605	\$ 15,756	\$ 22,058
Newberry	1.24%	\$ 37,309	\$ 49,746	\$ 62,182	\$ 87,055
Oconee	1.39%	\$ 41,728	\$ 55,638	\$ 69,547	\$ 97,366
Orangeburg	2.81%	\$ 84,214	\$ 112,286	\$ 140,357	\$ 196,500
Osprey Village	0.03%	\$ 947	\$ 1,263	\$ 1,578	\$ 2,210
Palmetto Early Intervention	0.08%	\$ 2,367	\$ 3,156	\$ 3,946	\$ 5,524

Path Finders Team Services	0.08%	\$ 2,367	\$ 3,156	\$ 3,946	\$ 5,524
Pattison's DREAM Academy	0.36%	\$ 10,732	\$ 14,309	\$ 17,887	\$ 25,041
Pediatric Therapy of Aiken	1.51%	\$ 45,375	\$ 60,500	\$ 75,625	\$ 105,875
Pee Dee Kids	0.04%	\$ 1,263	\$ 1,683	\$ 2,104	\$ 2,946
Pee Dee Professional Interv	0.03%	\$ 947	\$ 1,263	\$ 1,578	\$ 2,210
Pickens	1.66%	\$ 49,727	\$ 66,302	\$ 82,878	\$ 116,029
Pine Grove	0.55%	\$ 16,414	\$ 21,885	\$ 27,356	\$ 38,298
Play 2 Learn EI	0.06%	\$ 1,894	\$ 2,525	\$ 3,156	\$ 4,419
Playworks	0.22%	\$ 6,629	\$ 8,838	\$ 11,048	\$ 15,467
Presbyterian Agency for the Developmentally Disabled	0.10%	\$ 3,008	\$ 4,011	\$ 5,013	\$ 7,019
Programs for Exceptional People	0.11%	\$ 3,393	\$ 4,524	\$ 5,655	\$ 7,917
Project Hope	0.03%	\$ 947	\$ 1,263	\$ 1,578	\$ 2,210
Promising Futures	0.09%	\$ 2,841	\$ 3,788	\$ 4,735	\$ 6,629
Ready, Set, Go	0.01%	\$ 165	\$ 220	\$ 275	\$ 385
Richland-Lexington	0.73%	\$ 21,937	\$ 29,250	\$ 36,562	\$ 51,187
Right Steps	0.0001%	\$ 3	\$ 4	\$ 5	\$ 7
Room to Bloom	0.04%	\$ 1,263	\$ 1,683	\$ 2,104	\$ 2,946
SAFY	0.13%	\$ 3,824	\$ 5,098	\$ 6,373	\$ 8,922
SC Autism Society	0.21%	\$ 6,313	\$ 8,417	\$ 10,522	\$ 14,730
Smart Start EI	0.03%	\$ 947	\$ 1,263	\$ 1,578	\$ 2,210
SOS Health Care, INC.	0.03%	\$ 947	\$ 1,263	\$ 1,578	\$ 2,210
Student Solutions EI	0.00%	\$ 33	\$ 43	\$ 54	\$ 76
Sumter	1.85%	\$ 55,364	\$ 73,819	\$ 92,274	\$ 129,183
Therapy Solutions	0.06%	\$ 1,894	\$ 2,525	\$ 3,156	\$ 4,419
Tina Greene & Associates	0.01%	\$ 316	\$ 421	\$ 526	\$ 737
Tiny Feet EI	0.23%	\$ 6,786	\$ 9,048	\$ 11,311	\$ 15,835
Tri-Development	3.51%	\$ 105,426	\$ 140,567	\$ 175,709	\$ 245,993
UCP	1.54%	\$ 46,337	\$ 61,782	\$ 77,228	\$ 108,119
Union	0.76%	\$ 22,797	\$ 30,396	\$ 37,994	\$ 53,192
Williamsburg	0.64%	\$ 19,317	\$ 25,757	\$ 32,196	\$ 45,074
Total	100%	\$ 3,000,000	\$ 4,000,000	\$ 5,000,000	\$ 7,000,000
% of Total Provider Revenue of Approx. \$450 Million	n/a	0.67%	0.89%	1.11%	1.55%

Sensitivity Model for Allocating 6.2% FMAP Funds to DDSN Direct Service Settings Consistent with Provider Network Funding for Hiring, Bonus & Retention					
DDSN Setting	Est. FY22 Medicaid Revenue	Community Provider 0.67% Total Rev. Increase	Community Provider 0.89% Total Rev. Increase	Community Provider 1.11% Total Rev. Increase	Community Provider 1.55% Total Rev. Increase
Regional Centers	\$ 100,000,000	\$ 670,000	\$ 890,000	\$ 1,110,000	\$ 1,550,000
Autism Homes	\$ 2,000,000	\$ 13,400	\$ 17,800	\$ 22,200	\$ 31,000
Total	\$ 102,000,000	\$ 683,400	\$ 907,800	\$ 1,132,200	\$ 1,581,000

Appendix C

Provider Number	Estimated Units	Projected Payment based on \$2 Million allocation	Projected Payment based on \$3 Million allocation	Projected Payment based on \$4 Million allocation	Funding Level	Estimated Units Provided	Per Unit increase
2	5,936	\$ 32,412.74	\$ 48,619.12	\$ 64,825.49	2000000	366,367	\$ 5.46
3	10,195	\$ 55,665.79	\$ 83,498.69	\$ 111,331.58	3000000	366,367	\$ 8.19
4	25,568	\$ 139,603.46	\$ 209,405.20	\$ 279,206.93	4000000	366,367	\$ 10.92
5	4,088	\$ 22,322.66	\$ 33,484.00	\$ 44,645.33			
6	9,008	\$ 49,185.86	\$ 73,778.80	\$ 98,371.73			
7	10,301	\$ 56,242.37	\$ 84,363.55	\$ 112,484.74			
8	3,120	\$ 17,035.20	\$ 25,552.80	\$ 34,070.40			
9	22,708	\$ 123,983.50	\$ 185,975.24	\$ 247,966.99			
10	21,484	\$ 117,300.46	\$ 175,950.68	\$ 234,600.91			
11	5,329	\$ 29,097.43	\$ 43,646.15	\$ 58,194.86			
13	6,806	\$ 37,162.94	\$ 55,744.42	\$ 74,325.89			
14	7,253	\$ 39,600.29	\$ 59,400.43	\$ 79,200.58			
15	3,052	\$ 16,661.74	\$ 24,992.60	\$ 33,323.47			
16	4,988	\$ 27,236.66	\$ 40,855.00	\$ 54,473.33			
17	7,255	\$ 39,613.39	\$ 59,420.09	\$ 79,226.78			
18	20,818	\$ 113,664.10	\$ 170,496.14	\$ 227,328.19			
19	2,531	\$ 13,818.17	\$ 20,727.25	\$ 27,636.34			
20	20,255	\$ 110,591.21	\$ 165,886.81	\$ 221,182.42			
21	6,344	\$ 34,640.42	\$ 51,960.64	\$ 69,280.85			
22	29,707	\$ 162,201.31	\$ 243,301.97	\$ 324,402.62			
23	1,117	\$ 6,099.91	\$ 9,149.87	\$ 12,199.82			
24	15,743	\$ 85,955.69	\$ 128,933.53	\$ 171,911.38			
25	4,081	\$ 22,283.35	\$ 33,425.03	\$ 44,566.70			
26	5,099	\$ 27,839.45	\$ 41,759.17	\$ 55,678.90			
28	236	\$ 1,290.74	\$ 1,936.12	\$ 2,581.49			
29	1,883	\$ 10,280.09	\$ 15,420.13	\$ 20,560.18			
30	11,017	\$ 60,153.91	\$ 90,230.87	\$ 120,307.82			
31	2,430	\$ 13,267.80	\$ 19,901.70	\$ 26,535.60			
33	5,888	\$ 32,150.66	\$ 48,226.00	\$ 64,301.33			
34	19,135	\$ 104,478.19	\$ 156,717.29	\$ 208,956.38			
35	3,084	\$ 16,838.64	\$ 25,257.96	\$ 33,677.28			
37	7,098	\$ 38,755.08	\$ 58,132.62	\$ 77,510.16			
38	4,940	\$ 26,974.58	\$ 40,461.88	\$ 53,949.17			
39	1,904	\$ 10,398.02	\$ 15,597.04	\$ 20,796.05			
40	6,356	\$ 34,705.94	\$ 52,058.92	\$ 69,411.89			
45	5,180	\$ 28,284.98	\$ 42,427.48	\$ 56,569.97			
46	4,362	\$ 23,816.52	\$ 35,724.78	\$ 47,633.04			
48	21,707	\$ 118,519.13	\$ 177,778.69	\$ 237,038.26			
52	1,246	\$ 6,800.98	\$ 10,201.46	\$ 13,601.95			
64	0	\$ -	\$ -	\$ -			
80	0	\$ -	\$ -	\$ -			
4005	6,310	\$ 34,450.42	\$ 51,675.62	\$ 68,900.83			
4006	1,544	\$ 8,432.42	\$ 12,648.64	\$ 16,864.85			
4008	8,492	\$ 46,368.50	\$ 69,552.76	\$ 92,737.01			
4009	216	\$ 1,179.36	\$ 1,769.04	\$ 2,358.72			
4010	550	\$ 3,000.82	\$ 4,501.22	\$ 6,001.63			
Totals	366,367	\$2,000,364.91	\$ 3,000,547.37	\$ 4,000,729.82			

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State Director
Patrick Maley
Chief Financial Officer
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Lori Manos
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MEMORANDUM

TO: DDSN Commission Member

FROM: Michelle G. Fry, J.D., Ph.D.
State Director

DATE: December 29, 2021

SUBJECT: Commission Authorization to Increase Annualized Pay for Mission Critical Posts

I. Introduction

The COVID-19 Public Health Emergency (PHE) continues to present unprecedented challenges to recruiting and retaining mission critical personnel, to include essential frontline healthcare workers such as licensed practical nurses (LPNs), registered nurses (RNs), and food services. These positions are vital to ensuring the health, safety, and wellbeing of those in our care.

Declining Regional Center RNs and LPNs (nursing) staffing levels and the need to retain our on-board nurses is critical. The impact of the COVID-19 PHE has led to significant attrition. In addition, those who remain loyal to those we serve and our mission are working more hours and more shifts to cover chronic workforce voids. During calendar year 2019, DDSN instituted a major hiring initiative to address nursing and DSP shortages at Regional Centers. In February 2019, DDSN began to measure staffing at Regional Centers in a standard method with nurses filling 2848 shifts in February 2019. After much effort, Regional Centers hit a “high water mark” of 3148 shifts in April 2020 (14 months). Since April 2020, nursing has dropped to a new “low water mark” of 2834 shifts or 17 less FTEs. Currently, DDSN has a total of 78 FTE nursing vacancies across all centers.

Recruiting licensed practical nurses (LPNs) and registered nurses (RNs), respectively, have always been a challenge because the State’s nursing costs include a much more generous benefit package (state contributes 15.8% to retirement & good health coverage), while competition can pay much higher starting salary. Additionally, new state nurses will have to pay 15.8% from their gross pay as their retirement contribution. New, likely younger employees, likely prefer higher take home pay at this stage of their life than contributing to a future retirement.

The recent \$3000 hiring bonus has had a marginal impact increasing nursing staffing levels, because net nursing staffing levels continue to drop monthly. Management is now turning our attention to focus on just retaining the nursing staff we have, many of whom are stressed from multiple years of COVID-19 events and see the ability to make \$10,000 salary a year more elsewhere due to high demand for nurses.

Availability of outsourcing vendors availing nurses is dwindling and rates to procure nursing services through these entities is significantly more expensive than employing through our agency. The hourly rates charged by vendors range between \$32 to \$45 per hour for an LPN and \$40 to \$56 for a RN. Projected expenditures for Fiscal Year 2022 (July 1, 2021-June 30, 2022) is \$3.1 million dollars.

II. Recommendation:

a. Licensed Practical Nurse IIs

DDSN is requesting Commission approval to increase entry level salaries for LPNs and RNs. Entry salary for LPNs is \$41,500. An analysis of other state agencies pay for LPNs reveals a median annualized salary of \$44,000. Leadership is recommending increasing the entry level salary for LPNs to \$48,000 to establish a competitive edge and reduce outsourcing costs. This proposal is within 10% (ten percent) of the median for all state agencies, and the recommendation is designed to be competitive with current postings, such as for Department of Corrections, which shows a starting salary of \$43,002 - \$43,928, with a shift differential of 3.00 for weekends and 1.25 for nights and a sign on bonus of \$7500 that is payable over two years. Estimated cost is \$221,710, which includes increasing current full time equivalent annualized pay to the same amount to avoid workforce abrasion/inequity. Additional increased costs to address existing vacancies is \$305,500 for a total cost of \$527,210.

b. Registered Nurse IIs

Similarly, Leadership is seeking Commission approval to increase entry level salaries for RNs from \$53,000 to \$62,000. An analysis of other state agencies pay for RNs reveals a median annualized salary of \$58,086. Leadership is recommending increasing the entry level salary for RNs to \$62,000 to also establish a competitive edge in recruitment and reduction of outsourcing costs for this position as well. Though this is 5% (five percent) higher than the state median, the recommendation is lower than current postings for Department of Corrections, which range from \$66,502 to \$67,910, provide a shift differential of \$5.00 for weekends and \$1.75 for evenings/nights, and a \$10,000.00 sign-on bonus paid over multiple years.

Estimated true up cost for this option is \$119,055, which includes increasing current full time equivalent annualized pay to the same amount to avoid workforce abrasion/inequity. Additional increased costs to address existing vacancies is \$360,000 for a total cost of \$479,055. Total cost for LPN and RN salary adjustments, including vacancies, is \$1,006,265.

c. Food Services

Recruitment and retention of Food Service Specialists are also experiencing critical challenges due to low wages and chronic labor shortages. Presently, entry level salaries for this post is \$9.37 per hour. DDSN is proposing an hourly wage increase of Food Service Specialist salaries to \$12.00 per hour for FSS II and \$15 per hour for FSS III positions (the range of FSS III positions is

currently \$23,886-\$29,896 annually). This proposed hourly increase assumes/is inclusive of a reclassification of all FSS I positions to FSS II to facilitate raising the minimum hiring point and increasing competitiveness for these positions. Total true up costs for adjustment to \$12.00 per hour option is \$346,327.00. Proposed salary increases are commensurate with Dept. Of Corrections salary ranges as identified in current job advertisement bulletins which indicate a minimum hiring salary of \$12.00 per hour.

II. Summary

Regional Centers' personnel costs have dropped due to the loss of personnel over the past 12 months of 100 FTEs and 53 part-time employees. These recommended new costs in nursing and food service salaries can be absorbed easily within existing Regional Center budgets and should significantly reduce our reliance on temp agency staffing. As described in the paragraph spanning pages 1 and 2 of this memorandum the projected expenditures for Fiscal Year 2022 (July 1, 2021-June 30, 2022) for temp agency staffing is \$3.1 million dollars. Expenditures for FY 22 through the month of October 2021 total \$778,853. It is Staff recommendation to make these salary adjustments to provide stable and sustainable staffing for those whom we serve.