

From: [Linguard, Christie](#)
Subject: Meeting Notice - The Commission of the SCDDSN - Commission Meeting - July 21, 2022
Date: Tuesday, July 19, 2022 11:21:25 AM
Attachments: [Commission Packet - July 21 2022.pdf](#)

Everyone,

The South Carolina Commission on Disabilities and Special Needs will hold its regularly scheduled meeting in person on Thursday, July 21, 2022, at 10:00 a.m. in conference room 251 at the SC Department of Disabilities and Special Needs Central Administrative Office, 3440 Harden Street Extension, Columbia, SC. To access the live audio stream for the 10:00 a.m. meeting, please visit <https://ddsn.sc.gov>.

Please see the attached Commission Meeting packet.

For further information or assistance, contact (803) 898-9769 or (803) 898-9600.

Thank you.

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 (TEAMS)
Columbia, South Carolina**

July 21, 2022

10:00 A.M.

1. Call to Order *Chairman Stephanie Rawlinson*
2. Notice of Meeting Statement *Commissioner Robin Blackwood*
3. Welcome
4. Adoption of Agenda
5. Invocation *Commissioner Robin Blackwood*
6. Approval of Commission Meeting Minutes
 1. Special Called Commission Meeting – June 30, 2022 **Pages 3-4**
 2. Commission Meeting – June 16, 2022 **Pages 5-13**
7. Commissioners' Update *Commissioners*
8. Public Input
9. Programs and Services
 - A. SC Commission for Minority Affairs **Pages 14-29** *Dr. Delores Dacosta, Executive Director*
 - B. Adaptive Sports **Pages 30-39** *Ms. McKenna Woodhead
Ms. Jasmine Townsend*
10. Commission Committee Business
 - A. Committee Appointments *Chairman Stephanie Rawlinson*
 - B. Communications Subcommittee *Subcommittee Chair Barry Malphrus*

DDSN Agency Logo **Page 40**
 - C. Finance Committee *Committee Chair Robin Blackwood*
 1. Financial Approval & Threshold Report for July 2022 **Page 41**
 2. Consideration of Bids for Coastal 110 Roof Replacement **Pages 42-45**
 - D. Policy Committee *Committee Chair Barry Malphrus*
 1. 100-30-DD: Eligibility Determination **Pages 46-49**
 2. 535-11-DD: Appeal and Reconsideration of Decision **Pages 50-54**

3. 535-09-DD: Research Involving DDSN Resources and/or Persons Receiving Services from or Staff Employed by DDSN **Pages 55-59**
4. 567-04-DD: DDSN Approved Crisis Prevention Curricula List and Curriculum Approval Process **Pages 60-62**
5. 600-05-DD: Behavior Supports, Psychotropic Medications and Prohibited Practices **Pages 63-76**
6. 275-04-DD: Procedures for Implementation of DDSN Provider Audit Policy for DSN Boards **Pages 77-97**
7. 275-06-DD: Procedures for Implementation of DDSN Audit Policy for Contracted Service Providers **Pages 98-116**
8. Committee Update

11. Old Business:

- A. Hurricane Preparedness
- B. Whitten Center Sale

*Mr. Robb McBurney
Ms. Constance Holloway*

12. New Business:

Financial Update **Page 117**

Ms. Nancy Rumbaugh

13. Director's Update

Harley Davis, Ph.D.

14. Executive Session

Contractual Matters

- Legislative Services
- Therap Contract
- Alliant Contract
- Fiscal Agent Matter

15. Next Regular Meeting (August 18, 2022)

16. Adjournment

SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

SPECIAL CALLED COMMISSION MEETING MINUTES

June 30, 2022

The South Carolina Commission on Disabilities and Special Needs met on Thursday, June 30, 2022, at 9:30 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 Via Microsoft Teams

Stephanie Rawlinson – Chairman

Barry Malphrus – Vice Chairman

Robin Blackwood – Secretary

Eddie Miller

David Thomas

Absent

Gary Kocher, MD

Michelle Woodhead

DDSN Administrative Staff

Michelle Fry, State Director; Constance Holloway, General Counsel; Lori Manos, Associate State Director of Policy; Janet Priest, Associate State Director of Operations; Greg Meetze, Chief Information Officer; Nancy Rumbaugh, Interim Chief Financial Officer; Preston Southerner, Information Technology Division; and Christie Linguard, Administrative Coordinator.

Call to Order and Notice of Meeting Statement

Chairman Rawlinson called the meeting to order at 9:30 AM and Commission Secretary, Robin 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 a motion by Commissioner Malphrus, seconded by Commissioner Blackwood and unanimously approved by the Commission members, the agenda was approved as presented. (Attachment A)

Financial Approval for Fiscal Year 2023 Contracts Over \$200,000

State Director Michelle Fry presented the list of eight (8) contracts for approval. These contracts are all over the \$200,000 threshold for approval. Dr. Fry noted that a few of the contracts (SC Respite Coalition, USC – Center for Disabilities Resources, and Palmetto Psychiatry Consultants, LLC) were less than \$200,000 last year but because of an increase in services the contract amounts changed slightly. Two contracts (Greenwood Genetic and Special Olympics) are pass through funds mandated by legislature.

Dr. Fry stated that in the future, the agency will engage in multi-year contracts with several of the agency’s existing contracts. Commissioner Malphrus noted that he likes the idea of a one-year contract, because this allows the agency to change the dollar value on a contract each year. He went on to suggest that the Finance and Audit Committee should look into reconsidering the value amounts of the contracts.

Commissioner Blackwood made a motion to approve all of the contracts listed by the DDSN staff as presented, seconded by Commissioner Miller and unanimously approved by the commission. (Attachment B)

Commissioner Malphrus wanted the minutes to reflect a listing of all eight (8) contracts approved and their amounts:

- Babcock Center – \$870,135
- Charles Lea Center – \$1,527,326
- SC Respite Coalition – \$257,000
- Special Olympics - \$250,000
- USC – Training Programs for Attendant Care - \$200,000
- USC – Center for Disabilities Resources - \$316,699
- Greenwood Genetics - \$10,455,000
- Palmetto Psychiatry Consultants, LLC - \$249,000

Adjournment

On a motion by Commissioner Malphrus seconded by Commissioner Blackwood and unanimously approved by the Commission, the meeting was adjourned at 9:44 a.m.

Submitted by:

Approved by:

Christie D. Linguard
Administrative Coordinator

Commissioner Robin Blackwood
Secretary

SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

MINUTES

June 16, 2022

The South Carolina Commission on Disabilities and Special Needs met on Thursday, June 16, 2022, at 10:00 a.m., at Spartanburg Community College (Giles Campus), Health Science Building, Room 115, 107 Community College Drive, Spartanburg, South Carolina.

The following were in attendance:

COMMISSION

Present In-Person

Stephanie Rawlinson – Chairman

Barry Malphrus – Vice Chairman

Robin Blackwood – Secretary

Eddie Miller

Michelle Woodhead

David Thomas

Absent

Gary Kocher, MD

DDSN Administrative Staff

Lori Manos, Interim Associate State Director of Policy; Courtney Crosby, Internal Audit Director; Nancy Rumbaugh, Interim Chief Financial Officer; Greg Meetze, Chief Information Officer; Harley Davis, Chief Administrative Officer; Liz Lemmond, Human Resource Director; Morgan Foster, Human Resource Manager; Carolyn Benzon, Attorney; PJ Perea, Public Information Director; Aarika Wakefield, Post-Secondary Transition Program Director; Preston Southern, Information Technology Division; and Christie Linguard, Administrative Coordinator.

Notice of Meeting Statement

Chairman Rawlinson called the meeting to order and 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.

Welcome

Chairman Rawlinson welcomed everyone to the meeting. She announced the meeting location and recognized DDSN staff and Spartanburg Community

College staff (Barbara Suttles and Greg Hosack) for being instrumental in organizing this meeting at the Spartanburg Community College.

Adoption of the Agenda

Commissioner Thomas made a motion to amend the agenda to include Legislative Update under Old Business; this motion to amend was seconded by Commissioner Malphrus and unanimously approved by the commission. (Attachment A)

Invocation

Commissioner Woodhead gave the invocation.

Approval of the Minutes from the May 19, 2022 Commission Meeting

Commissioner Miller made a motion to approve the minutes as presented, seconded by Commissioner Thomas and unanimously approved by the commission. (Attachment B)

Commissioners' Update

Commissioner Woodhead announced that her daughter has completed her first year as a student at Clemson University and has selected a new student housing residence for the upcoming school year. Commissioner Woodhead reached out to the University to discuss the necessary modifications that would need to be made for someone in a wheelchair. The University has been very receptive to her requests and have asked to meet with her further to discuss additional modifications for some of their future housing developments. She has also been asked to assist with the development of an adaptive sports program.

Commissioner Rawlinson noted that Commissioner Kocher is not in attendance because he and his family are traveling due to his daughter's impending wedding this weekend. Commissioner Kocher looks forward to July's meeting.

Commissioner Miller announced that the Actor Lou Gossett, Jr. visited the DDSN Central Office on Friday, May 20, 2022 to meet and greet the employees. Mr. Gossett was in town to serve as the Grand Marshall for the 23rd Annual Mary McLeod Bethune Parade in Mayesville, South Carolina on Saturday, May 21, 2022. State Director Dr. Fry was in attendance and rode in the parade. Commissioner Miller's wife, Jereleen Miller, who is the Mayor of Mayesville and the grandniece of Dr. Mary McLeod Bethune, along with Commissioner Miller, will travel to Washington, D.C. next month for the installation of Dr. Bethune's statue at the National Statuary Hall on July 13, 2022.

Commissioner Malphrus announced that he was successful in resolving a respite issue with one of our consumers in his region. Commissioner Malphrus encouraged members of the community to contact him and other members of the Commission if they need assistance with an issue. He also thanked State Director Dr. Michelle Fry for representing DDSN at the conference in Alexandria, Virginia.

Commissioner Blackwood welcomed everyone to the meeting and thanked them for attending. She spoke on the importance of connecting with members of the community and spreading the mission and goals of DDSN. Commissioner Blackwood thanked everyone involved in the planning and execution of the June Commission meeting and encouraged community members to reach out to her share any positive feedback in addition to discussing any issues they may encounter in regards to services. Commissioner Blackwood thanked Executive Director Tyler Rex for inviting her to attend the May 26, 2022 board meeting for Thrive Upstate. She also thanked Executive Director Gerald Bernard for inviting and allowing her to attend the June 14, 2022 board meeting for the Charles Lea Center. Lastly, she announced that Governor Henry McMaster has proclaimed July 22, 2022 as Fragile X Syndrome Awareness Day at the State House. She will be attending the events and encouraged others to join her.

Chairman Rawlinson announced that she and Commissioner Blackwood had the opportunity to visit the Charles Lea Center on June 15, 2022. At their visit they were able to view several of the businesses that the provider has developed and the employment opportunities these businesses provide to the consumers. She encouraged other providers to visit the Charles Lea Center to observe the various ways they provide employment opportunities for our consumers and to assist them in developing consumer employment opportunities.

Public Input

There was one public input from Ms. Sharon DeFelice.

Programs and Services

A. Charles Lea Center

Mr. Gerald Bernard, Chief Executive Officer introduced Mr. Omar Chirinos and Ms. Lois Durrah. Mr. Chirinos and Ms. Durrah are members of the Innovative Services staff at the Charles Lea Center. Mr. Omar Chirinos and Ms. Lois Durrah presented a PowerPoint on *Enabling Technology: Looking Past a Problem and Seeing the Solution* and discussed the center's priorities to promote the individual's independence, increase their confidence and self-motivate and expand their learning and life experiences through the use of Enabling Technology, Assistive Technology and Adaptive

Technology. These various tools allow individuals the opportunity to live their lives the same as someone without a disability. (Attachment C)

B. Ahead Start Early Intervention Services

Ms. Deidre Martin presented on the early intervention services provided by Ahead Start Early Intervention Services. Ahead Start measures a child's development through various assessments to determine if they are reaching developmental milestones in the areas of fine motor, communications, gross motor, cognition, self-help and personal social skills. Ahead Starts assists families with the coordination of therapies, obtaining government assistance, completing required paperwork for daycare, locating support groups, training and preschool options and addressing any concerns the family may have. Ms. Tammy Finch spoke briefly about her grandson's journey with Ahead Start.

C. DDSN Post-Secondary Transition Program

Ms. Aarika Wakefield presented on the current activities and goals of the Postsecondary Transition division here at the agency. The division is currently focused on providing technical assistance to special education teachers and school district transition personnel on best practices and developing appropriate post-secondary transition goals.

Commission Committee Business

A. Nominating Committee

Commissioner Blackwood announced that the committee met on May 9, 2022. The slate of officers for the 2022-2023 Commission that will be up for vote in this meeting are: Chair – Stephanie Rawlinson; Vice Chair – Barry Malphrus; and Secretary – Robin Blackwood. Coming out of committee as a motion and second, the commission unanimously approved these officers for the upcoming fiscal year.

B. Finance and Audit Committee

The Finance and Audit Committee met on June 6, 2022. Commissioner Blackwood submitted the following:

There was one solicitation that was presented to the committee for Supplemental License Nursing Personnel. Presently, one additional vendor has applied to be qualified and awarded a fixed price bid contract for which the committee approved. This is a routine solicitation and will therefore not need approval by the full commission. (Attachment D)

The next meeting will take place on July 6, 2022 at 3:00 PM.

C. Policy Committee

Commissioner Malphrus presented the following items that were referred to staff to the Commission:

104-01-DD: Certification and Licensure of DDSN Residential and Day Facilities – Coming out of committee as a motion and a second, the commission unanimously approved this policy. (Attachment E)

104-03-DD: DDSN Contract Compliance/Quality Assurance Reviews for Non-ICF/IID Programs – Coming out of committee as a motion and a second, the commission unanimously approved the changes made to this policy. (Attachment F)

275-01-DD: Missing Property Reporting – Coming out of committee as a motion and a second, the commission unanimously approved this policy. (Attachment G)

535-02-DD: Human Rights Committee – Coming out of committee as a motion and a second, the commission unanimously approved this policy. (Attachment H)

603-02-DD: Employee Health Requirements – Coming out of committee as a motion and a second, the commission unanimously approved the changes made to this policy. (Attachment I)

367-11-DD: Telephone Policy – Coming out of committee as a motion and a second, the commission unanimously approved the changes made to this policy. (Attachment J)

Commissioner Malphrus noted that the next meeting will take place on Tuesday, July 12, 2022 at 10:00 AM.

Old Business

A. Internal Audit (IA) Update

Ms. Crosby began with a briefing of the Agreed-Upon Procedures Reports (RoAAPs) for the DSN Boards. The IA division has reviewed 34 of the 40 reports that were received, six are in process. The IA division has reviewed seven of the private providers' reports with June 30th deadline, two are in process. Three private providers have a September 30th year end and two of their reports have been reviewed. The third report has not been received. Reports for the 32 private providers with a December 31st year

end were due on April 30th. The IA division has received 31 of the 32 reports. The IA division has reviewed 23 of the reports, eight are in process. The 2021 contract reductions are \$42,500. This includes late audit reports, delayed agreed-upon procedures reports and late corrective action plans.

During the Finance and Audit Committee meeting on June 6, 2022, Ms. Crosby updated the committee on the Internal Audit's professional development activities. IA staff presented at the General DDSN Orientation on May 25th and the Human Services Providers Association Finance Director's Annual Conference on June 8th.

Ms. Crosby attended the Enterprise Risk Management conference hosted by NC State ERM Institute. All of the internal auditors in our Division are completing Engagement Planning continuing education courses offered by the Institute of Internal Auditors. Ms. Crosby stated that she received positive feedback on the training from the IA staff. Ms. Crosby expressed her appreciation for the professional development opportunities.

Audit Plan – Fiscal Year 2022, the IA division finalized a technical assistance visits (TAVs). The results of those procedures have been shared with agency management in a letter dated May 26, 2022. The IA division is continuing to complete fieldwork for open audits and TAVs, as well as follow-up procedures. The Audit Observation Tracking Report will be updated and the results will be provided to the Commission prior to the July Finance and Audit Committee and Commission meeting.

Ms. Crosby is continuing to work on the FY23 audit plan. She urged all commissioners to complete the audit survey as soon as possible.

B. Employment and Recruitment Update

Ms. Lemmond commenced by reminding the commission that there is a nationwide crisis regarding recruitment/retention. The three primary human resources (HR) challenges facing this agency are unemployment rates, high turnover and a competitive hiring environment. Yet, DDSN has been able to recruit and retain Direct Support Professional (DSP) staff at a higher rate as compared to 2021. In addition, the HR division has reduced the time to process new hires by 57%, which is attributed to rapid hiring events and expediting the hiring process within the regional centers. Flexibility with the hiring dates and finding alternative screening opportunities has also decreased the processing time for new hires. Ms. Lemmond noted current postings at central office along with recently filled and recently closed positions. Chairman Rawlinson asked the HR division to look into programs for nursing and DSPs within the local colleges and universities system. Some of these students are looking to work at night

while attending school in the day. In summation, Ms. Lemmond gave a list of recruitment/retention initiatives of the agency. The commission members thanked Ms. Lemmond and her staff for all of their hard work and efforts in recruitment/retention for the agency. (Attachment K)

C. Legislative Update

Commissioner Miller began the legislative update by stating that the legislative session has ended. On May 24, 2022, the Legislative Joint Bond Review Committee approved the second phase of development for the Whitten Regional Center sensory garden. The approval of phase two opens the bidding process for contractors. The Senate and House leadership continue to meet and discuss the state's budget. Virtually all of DDSN's requested priorities were approved for funding. The House included \$1.5M in the budget for crisis youth residential habilitation; and the Conference Committee approved it. The budget was approved by both the House and Senate yesterday, and is now being sent to the governor for his consideration. In addition, state employees were given a three (3%) percent pay raise as well as a one-time bonus of \$1500. Ms. Carol Stewart of the Tallon Group reported that any vetoes that are received after the governor reviews the budget will be reviewed on June 28, 2022. Chairman Rawlinson stated that if any providers who have things that need to be addressed with the legislators to contact the agency or the commission to add to our request for next year's budget.

Chairman Rawlinson asked for a five-minute point of comfort break.

New Business

Financial Update

Ms. Rumbaugh presented the spending plan vs actual expenditures as of May 31, 2022. To date the agency is 5.97% under budget. On a motion by Commissioner Blackwood, seconded by Commissioner Malphrus, the spending plan was approved as presented. (Attachment L)

Director's Update

Chairman Rawlinson announced that Dr. Fry is attending and is a guest speaker at the National Association of State Directors of Developmental Disabilities Services (NASDDDS) Conference in Virginia. Commissioner Thomas spoke about a conference that at least one commission member can attend in the future. Chairman Rawlinson noted that the staff is working on providing Governance Training to the commission members in the near future.

In Dr. Fry's absence, Chief Administrative Officer, Dr. Harley Davis presented the Director's Update. Ms. Davis reported that on June 15, 2022, DDSN participated in the World Elder Abuse Awareness Day Walk. DDSN looks forward to partnering with the Department of Social Services (DDS) for this event next year.

On June 10, 2022, DDSN successfully submitted a grant application to the Administration for Community Living (ACL) to provide funding and support to enhance service delivery and resources for those in our state with a traumatic brain injury. This work will be in coordination with the South Carolina Brain Injury Leadership Council and the Brain Injury Association of South Carolina. Dr. Fry will keep the Commission updated on the status of the grant.

DDSN has rejoined the Alliance for a Healthier South Carolina. The Alliance will assist in helping to coordinate the next state health assessment.

Ms. Priest presented information on the Interdisciplinary Technical Advisory Committee (ITAC), which she provided to the Finance and Audit Committee earlier this month. ITAC would consist of five (5) specially trained and educated individuals that would review and discuss and better understand the unique needs and often challenging behaviors of consumers with an intellectual or intellectually-related disability (ID/RD), autism spectrum disorder (ASD), traumatic brain injury (TBI), and/or spinal cord injury (SCI). The diagnosis alone of an individual with an ID/RD, ASD, TBI and/or SCI is not sufficient to completely understand how to safely and appropriately support the individual. ITAC would advise the agency on the best course to take in order to safely provide services to the individual and inform DDSN of policies and standards that govern service delivery. The committee would meet for approximately four (4) hours each week to review consumer information, discuss the individual or topic, assess why the negative behavior is occurring and from that discussion produce recommendations. The estimated annual cost for this ITAC is approximately \$130,000.

Next Regular Meeting

July 21, 2022 @ 10:00 AM

Adjournment

On a motion by Commissioner Blackwood, seconded by Commissioner Malphrus and unanimously approved by the commission, the meeting was adjourned at 12:55 P.M.

Submitted by:

Approved by:

Christie D. Linguard
Administrative Coordinator

Commissioner Robin Blackwood
Secretary

South Carolina Commission for Minority Affairs

The official agency of the State of South Carolina bridging the gap between ethnic minority communities.



DRAFT





Board of Commissioners



CMA INTERIM BOARD CHAIR
SIXTH DISTRICT
MR. JUWAN AYERS

GOVERNOR'S DESIGNEE
CHIEF BILL HARRIS

FIRST DISTRICT
MR. CALVIN WHITFIELD

SECOND DISTRICT
VACANT

THIRD DISTRICT
VACANT

FOURTH DISTRICT
VACANT

FIFTH DISTRICT
VACANT

SEVENTH DISTRICT
REV. MICHELLE LAW-GORDON

AT-LARGE
MRS. TAMMIE HALL-WILSON

AT-LARGE
VACANT

Our Mission

To be a catalyst that identifies and examines emerging issues and trends by providing constructive solutions and approaches to support the policy and socio-economic development of ethnic minority communities through:

- Community engagement and awareness;
- State recognition of Native Americans;
- Collecting, diagnosing and analyzing collaborative data;
- Acting as a liaison bridging the gap between communities, government agencies and other organizations and;
- Influencing public policy and state services.

Our Vision

All ethnic minority citizens of the State of South Carolina will be treated equitably and achieve economic prosperity through socio-cultural awareness, collaboration, policy change, and research.



Agency Overview

- The South Carolina Commission for Minority Affairs (CMA) was established by statute in 1993 to be a catalyst for socioeconomic change in the state's minority communities.
- CMA initiates efforts to identify and examine factors leading to socioeconomic inequities in South Carolina's ethnic / racial minority communities.
- CMA engages the community and stakeholders through collaboration and the use of multifaceted, culturally sensitive approaches to the populations it serves.
- CMA bridges gaps that create socioeconomic inequities by establishing partnerships with ethnic minority communities, government agencies and other stakeholders.
- CMA has adopted the most up-to-date research methodologies to accurately collect, diagnose, and analyze data, relevant to addressing these inequities.



Agency Divisions

Community-Wide

- Community-Based Services
 - Faith-Based
- Immigration
- Small & Minority Business

Multicultural Affairs

- African American Affairs
- Asian American Affairs and Pacific Islander Affairs
- Hispanic / Latino Affairs
- Native American Affairs

Outreach

Public Information

Research & Planning

Community-Based Services

- This division assists faith and community-based groups in implementing programs to alleviate socio-economic deprivation in minority and poor communities.
- The division's work includes providing technical assistance and training in the following areas:
 - the process for becoming a state charter;
 - qualifications and selections of board members;
 - non-profit board training;
 - community partnerships;
 - funding opportunities; and
 - technical assistance.



Small and Minority Business

- The Small and Minority Business Division identifies issues and services that are necessary for the development of minority, small businesses.
- Its priorities are to:
 - deliver high quality professional development and training to business firms to enhance and economic prosperity;
 - effectively communicate through intentional marketing and media coordination for increased visibility;
 - design strategic management systems and processes that improve information sharing;
 - actively seek out and secure available funding opportunities; and
 - raise awareness of the benefits of partnering with CMA through continuous governmental, community and civic engagement.



SMALL AND MINORITY BUSINESS

African American Affairs

- The African American Affairs Division examines and addresses the causes and challenges faced by the state's African American community.
- The division addresses several issues including economics, education, health, criminal justice and human rights.
- The division is vital in helping CMA achieve its mission of providing constructive solutions and approaches to support the policy and socio-economic development of ethnic minority communities.



Asian / Pacific Islander Affairs

- The Asian American and Pacific Islander Affairs (AAPI) Division examines and addresses socio-economic issues affecting the state's Asian American and Pacific Islander community.
- The division is vital in helping CMA achieve its mission of providing constructive solutions and approaches to support the policy and socio-economic development of ethnic minority communities.
- The AAPI Advisory Committee is comprised of a diverse pool of leaders that can help those seeking assistance in a variety of dialects including Chinese, Hindi, and Tagalog.



Hispanic/Latino Affairs

- The Hispanic/Latino Affairs Division examines and addresses the causes and challenges faced by the state's Hispanic/Latino community.
- The Division addresses several issues including economics, education, health, criminal justice and human rights.
- It is vital in helping CMA achieve its mission of providing constructive solutions and approaches to support the policy and socio-economic development of ethnic minority communities.



Native American Affairs

- The Native American Affairs Division's mission is to establish a framework to ensure the social equity and economic prosperity for all Native American citizens of South Carolina via policy change, education, and increased awareness.
- The division's ad hoc committee was instrumental in amending the agency's statute and in adding to the duties of the agency in 2003.
- The Commission is committed to strengthening the relationships between South Carolina's Native American communities and governments.
- The Commission carries out its duties to this constituency by:
 - influencing public policy and state services;
 - maintaining an advisory committee;
 - gathering and disseminating statistical data;
 - addressing the needs of the population; and
 - facilitating the state recognition of Native American entities.



Second Chance

- Recently, the agency's Outreach Division began expanded to begin addressing the needs of the state's criminal offender community.
- The April 2021 release of the agency's Second Chance Reentry Resource Guide has allowed the state's elected officials, community members, and civic organizations to access its collection of local, state and national resources aimed at assisting the formerly incarcerated with reintegration into society.
- This singular effort has since expanded into a multi-agency collaborative effort to reduce recidivism in South Carolina.



SECOND CHANCE REENTRY RESOURCES

Advocacy

- CMA strives for greater representation of minorities in institutions of higher education, especially at the state's historically Black colleges and universities (HBCUs).
 - This includes efforts to strengthen HBCU business departments and science, technology, engineering and mathematics (STEM) departments, so that they can prepare more minority students for careers in business, engineering, science, and technology entrepreneurship
- CMA seeks to advocate for legislation that promotes fair and equitable standards of living amongst its constituent communities.
- CMA aims to assist with the needs of the state's disabilities and special needs communities. This includes partnerships with ABLE South Carolina, Disability Rights SC, and other organizations that work to ensure access, equity, and inclusive opportunities to edify these individuals and communities.



Collaboration

Collaboration is the tool that helps CMA and its partners solve problems, bring organizations together, open new lines of communication and become more efficient in serving communities.

- CMA has more than 60 statewide partners that collaborate with us to ensure success in providing resources to communities.
- CMA disseminates data and other essential information to assist partners in educating the communities they serve.
- CMA translates information into Spanish and other languages to ensure that our communities stay informed.
- CMA is equipped with a sign language interpreter to better serve the deaf, hard of hearing, and hearing impaired.



Conclusion

- The South Carolina Commission for Minority Affairs' efforts at ensuring a fair, diverse, equitable and inclusive state is done through its promotion of cultures and collaborative relationships.
- These efforts help people understand the “specific cultural , language, social and economic nuances of particular people and families.”
- Thus, at CMA we provide hope by “helping others prosper everyday”.



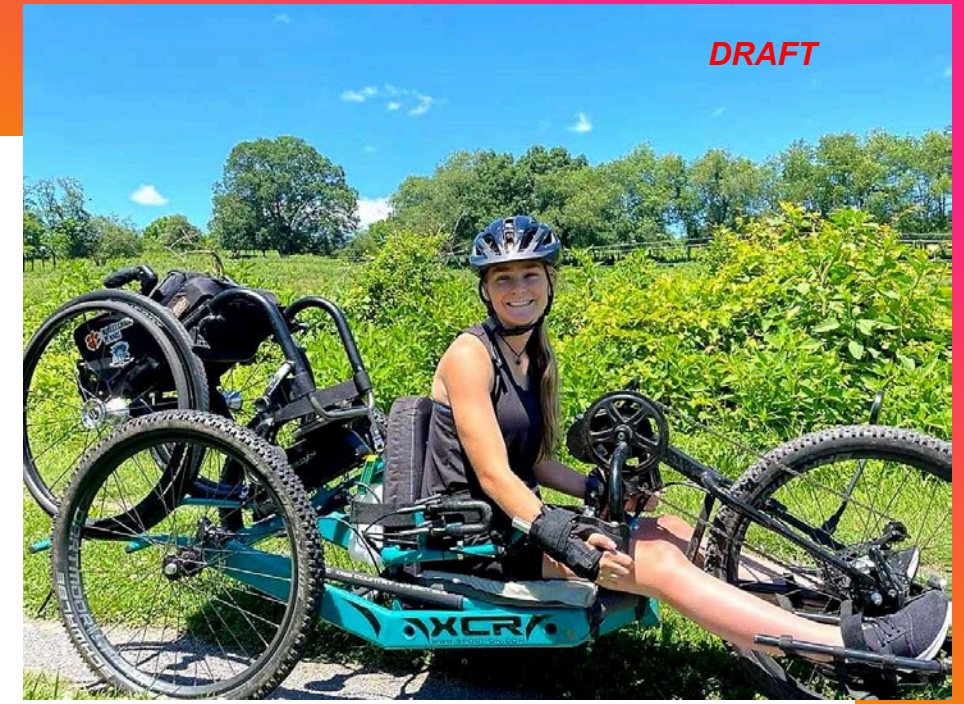


Questions?

- Email: info@cma.sc.gov
- Office: 803-333-9621
- Fax: 803-333-9627



Adaptive Sports and Recreation Opportunities in South Carolina





ADAPTIVE SPORTS AND RECREATION

The Adaptive Sports and Recreation program exists:

- To implement high-quality adaptive sport programming at Clemson University and facilitate the growth of adaptive sport opportunities across the state of South Carolina.
- To conduct applied research locally, nationally, and internationally, that addresses issues faced by adaptive sport and recreation managers, front-line service providers, educators, policy officials, and participants.

www.clemson.edu/adaptivesports

Strategic Collaborations



- Varsity wheelchair tennis
- Varsity wheelchair basketball



- Wheelchair rugby
- Wheelchair basketball





Community Opportunities









DRAFT





South Carolina
Department of Disabilities
and Special Needs



South Carolina
Department of Disabilities
and Special Needs

A



South Carolina
Department of Disabilities
and Special Needs



South Carolina
Department of Disabilities
and Special Needs

B

The Communications Subcommittee approved Concept B.

Monthly DDSN Staff Report - Financial Approval & Threshold Reporting for July 2022

The purpose of this monthly report is to ensure staff comprehensively reports on all Executive Limitation Policy (800-CP-03) financial transactions for approval and financial threshold reporting requirements. The Finance and Audit Committee will decide which items require presentation to the Commission for a formal vote, as well as which items need only be reported via this monthly report to the Commission to ensure transparent reporting. After the Finance and Audit Committee’s decisions, this report will highlight item wording in red to notify Commission this will not need a formal vote and highlight items in yellow indicating item will require a formal Commission vote to approve.

I. **New Non-Service Contracts \$200,000 or Greater:**
Solicitation 5400023330 Grounds Maintenance- Central Office -

An Invitation for Bid (IFB) was issued on April 29, 2022 for Ground Maintenance Services for Central Office. We received three (3) bids during the bid opening on May 27, 2022. The lowest bid received was in the amount of \$255,060 for over a 5 year period. There is a onetime fee for the vendor to perform a clean-up service around the generator. The total potential contract award with the one time service is \$ 257,010.

II. **Existing Service Contracts Increasing \$200,000 or Greater (simple list if based on individual choice; detail summary if not):**

None

III. **\$200,000 or Greater Increase in Personnel Positions for a Program or Division:**

None

IV. **New CPIP or Re-Scoping of an Existing CPIP:**

V. **New Consulting Contract:**

None

VI. **New Federal Grant:**

None

(NOTE: In July of each year, a report of all prior FY non-service expenditures by vendor over \$200,000 will be presented as a “post-payment” review. This will add visibility for expenditures from contracts originated in prior FYs and vendors with separate purchases aggregating over \$200,000 in current FY.)

CONSIDERATION OF BID

COASTAL CENTER – HIGHLANDS 110 ROOF REPLACEMENT

The project scope includes the complete replacement of the roof at Coastal Center’s Highlands 110 dormitory. This roofing structure consists of approximately 9,529 sqft of steep slope roof with asphalt shingles, approximately 3130 sqft of low slope two-ply modified bitumen roof membrane, with sheet metal flashing and trim. The existing roof was installed in 2001 and is 21 years old. This roof is experience regular leaks, and is in poor condition. DDSN consulted with REI Engineers (a building envelope consultant) out of Charleston, SC for design and construction services.

This project was approved by the Commission as part of the 5-Year Capital Permanent Improvement Plan (CPIP) on May 20th, 2021. At that time this project had a cost estimate of \$285,000.

The project was advertised through South Carolina Business Opportunities (SCBO), and bidding was closed on May 25th, 2022. Two bids were received by with a low bid of **\$382,836 by Exterior Solutions of GA dba Bone Dry Roofing Co.** This contractor has been determined to be responsive and responsible contractor, and is on the South Carolina approved vendor list.

The low bid is higher than expected. After discussions with REI Engineers and other State agencies (DMH) these higher prices are typical industry wide, and are a result of ongoing labor and supply chain issues from the Covid-19 pandemic. Although this bid is higher than expected, due to the poor condition of the roof it is recommend that a contract be awarded to Bone Dry Roofing Co. for the full amount of the Base Bid.

Historical numbers to consider:

- Aiken Cost Consultants provided a construction estimate on November 18, 2021 of \$339,147.
- In 2019, Highlands 310 roof (which is identical to 110) was replaced for a cost of \$274,875.

ATTACHMENTS: Bid Tabulation / Letter from REI Roofing Consultants

FUNDS: J16-9933

BID DATE: May 25th, 2022

BADE BID: \$382,836.00

PROJECT NO.: J16-9933
PROJECT NAME: Coastal Center - Highlands 110 Roof Replacement
ARCHITECT/ENGINEER: SCDDSN Engineering and Planning
BID DATE: Wednesday, 25th 2022
TIME: 1:00 PM
LOCATION: SCDDSN Central Office, Suite 178

DRAFT
 SCDDSN Engineering and Planning Division
 344Harden St. Extension
 Columbia, SC 29203
 Phone: (803) 898-9796
 Fax: (803) 832-8188

| BID TABULATION | | | | | |
|-----------------------|---|-------------|-------------|----------|-----------|
| | CONTRACTOR NAME | Addendum #1 | Addendum #2 | Bid Bond | Base Bid |
| 1 | Exterior Solution of GA dba Bone Dry Roofing Co. | X | X | X | \$382,836 |
| 2 | Rike Roofing Services, Inc. | X | X | X | \$390,000 |


 5/26/2022

Project Manager Andrew Tharin, P.E.



June 30, 2022

SC Department of Disabilities and Special Needs
3440 Harden Street Extension
Columbia, SC 29203

Attention: Andrew Tharin, PE
Director of Engineering and Planning

Reference: Contract Award Recommendation
Coastal Center Highlands 110
Roof Replacement
REI Project No. 22CHS-005

Dear Mr. Tharin:

Bids were opened at 1:00PM on Wednesday, May 25, 2022 for the above referenced project. Exterior Solutions of GA dba Bone Dry Roofing submitted the lowest total base bid in the amount of \$382,836.

An outside cost estimating firm, Aiken Cost Consultants, assisted REI Engineers in preparation of the estimated construction cost in November of 2021 which set an estimate of \$339,147. In addition to the base bid being higher than the estimate provided, the base bid cost exceeded a similar project at the same campus, \$274,875 which bid in September of 2018.

REI has been in contact with the apparent low bidder (Bone Dry Roofing) for the above captioned project regarding any cost savings that could be realized. After these discussions, it is apparent that any cost savings would be minimal. Removing the metal soffit and wall panel system and re-using the existing wall mounted ladders were discussed as a possible way to reduce the cost of the project. Removing both of these items would negatively impact the overall performance and service life of the project as well as include re-using roof access ladders that do not meet current safety standards.

The materials for the specified roofing systems for the project have had monthly increases since the first quarter of 2021. REI has noted these cost increases are due to supply, demand, transportation cost increases and the effects of COVID on the available workforce and subsequent production. The Texas ice storms of 2021 created a stoppage of raw material production for a component of the most commonly used roof insulating material, polyisocyanurate roof insulation board. Adhesives and other components of the roof system were also affected. This result in immediate shutdowns of plants producing these materials which has created cost increases and material shortages.

REI currently has 12 roof replacement projects throughout the country for the Army Corps of Engineers that have lead time on materials anywhere from 8-22 months out. A recent example of cost increases experienced by State Agencies include the University of South Carolina and the Colonial Life Arena Roof Replacement and Exterior Wall Remediation Project. The initial cost estimate provided in April of 2021 for the roof increased by \$622,016 in January of 2022 which resulted a drastic scope reduction for the exterior wall improvement. Additional increases were seen when the Project bid in April of 2022.

The National Roofing Contractors Association (NRCA) has continued to update the industry on cost increases. Many articles can be found here: <https://www.nrca.net/resources/supply-chain-shortage> and are attached.

Please contact our office if you have any questions regarding the bidding and awarding of this project.

Sincerely,

REI Engineers



Michael Ross
RRO, BEI, CEI
Project Manager



Keith Parker
RBEC, RRC, REWC, RWC, RRO, CCS, CCA
Senior Project Manager

Enc: Certified Bid Tabulation
Copy of Exterior Solutions of GA dba Bone Dry Roofing Bid Form
NRCA Industry Update
NRCA Letter on Supply Chain Shortages

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State Director
Janet Brock Priest
Associate State Director
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Lori Manos
Associate State Director
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Constance Holloway
General Counsel
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Chief Administrative Officer
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David L. Thomas
Michelle Woodhead

Reference Number: 100-30-DD

Title Document: Eligibility Determination

Date of Issue: November 7, 2008 (Created from Existing Policy)

Date of Last Revision: July 21, 2022 **(REVISED)**

Effective Date: July 21, 2022

Applicability: DDSN Eligibility Division, Intake Providers

INTRODUCTION

The following Departmental Directive sets forth the policy, process and procedures used in the determination of eligibility for services and supports through the South Carolina Department of Disabilities and Special Needs (DDSN).

Criteria designated within South Carolina Code of Laws indicate seven (7) different categories of eligibility under the authority of DDSN:

- Intellectual Disability (n/k/a, Intellectual Developmental Disorder) (ID);
- Related to Intellectual Disability (RD);
- High Risk Infant;
- Autism Spectrum Disorder (ASD);
- Head Injury (i.e., Traumatic Brain Injury); (TBI); Spinal Cord Injury (SCI); and
- Similar Disability (SD).

Some individuals may meet DDSN eligibility criteria under more than one (1) category. In such situations, DDSN will consider which category will offer the most appropriate resources and service models to address the needs of the particular person. Individuals with primarily medical conditions such as Diabetes, Hypertension, Multiple Sclerosis, Parkinson's Disease, Cancer, etc., will not necessarily meet DDSN eligibility criteria under any category. To be determined eligible, the criteria described herein must be met.

DDSN services are available to those who meet the specific criteria described herein and meet residency requirements in at least one of the following categories:

1. The applicant or his spouse, parent, with or without legal custody, or legal guardian is domiciled in South Carolina.
2. The applicant or his/her spouse, parent, with or without legal custody, or legal guardian lives outside South Carolina, but retains legal residency in this State and demonstrates to DDSN's satisfaction his/her intent to return to South Carolina.
3. The applicant or his spouse or parent, with or without legal custody, or legal guardian is a legal resident of a state which is an active member of the Interstate Compact on Mental Health and qualifies for services under it.

Eligibility for DDSN services is determined in four (4) phases. Those phases are:

1. Screening;
2. Intake;
3. Determination of eligibility, and
4. Notification of Decision and Right to Appeal.

I. SCREENING

Screening is used to ensure that those interested in DDSN services are likely to qualify under one of the eligibility categories established by the South Carolina Code of Laws. During screening, questions are asked of the applicant or someone who knows the applicant well in order to identify those who are likely eligible from those with other non-qualifying disabilities. If an individual's needs may be met by another entity, he/she will be referred elsewhere.

The applicant, his/her legal guardian or someone familiar with the applicant must call DDSN's call center at 1-800-289-7012 to answer questions about the applicant.

If determined by the responses to the questions that the applicant is not likely to be eligible for services (i.e., they are screened out), the applicant/legal guardian will be informed of other community resources or providers from whom assistance may be sought.

If determined by the responses to the questions to likely be eligible for services (i.e., screened in) in the categories of Intellectual Disability (ID), Related Disability (RD), High-Risk Infant/At Risk Child, Traumatic Brain Injury (TBI), Spinal Cord Injury (SCI) or Similar Disability (SD), the screener will refer the applicant to the provider of their choosing for Intake.

If determined by the responses to the questions to likely be eligible for services (i.e., screened in) in the category of Autism Spectrum Disorder, the screener will refer the applicant to the DDSN Autism Division for Determination of Eligibility.

II. INTAKE

Intake is defined as the collection and submission of an accurate and complete set of documents in order for DDSN to determine if the applicant is eligible for DDSN services. The document set includes a properly executed "Permission to Evaluate" form; the current, appropriate psychological, medical, social, and/or educational records/reports required in order for DDSN eligibility to be determined.

For children who have a diagnosis, as recognized by the Individuals with Disabilities Education Act (IDEA) Part C program (BabyNet) Established Risk Condition List, confirmed by a medical professional and are actively receiving Early Intervention services through Baby Net, Intake will be conducted in one of the two following ways:

1. For a child who is actively receiving Early Intervention services through BabyNet from a DDSN-qualified provider, the DDSN-qualified Early Intervention provider may begin Intake for the child when the child’s legal guardian so requests. “Actively receiving” is defined as having received Early Intervention services within six (6) months prior to the submission of the set of Intake documents. Intake ends when the accurate and complete set of documents is submitted to DDSN for Determination of Eligibility.
2. For a child who is actively receiving Early Intervention services through BabyNet, but not from a DDSN-qualified provider, Intake begins when the child is determined to likely be eligible for services (i.e., screened in) under the ID or RD category and the child’s legal guardian either:
 - a) Chooses to personally collect and submit the complete set of documents needed to determine eligibility to DDSN; or
 - b) Chooses a DDSN-qualified Intake provider to collect and submit the complete set of documents to DDSN on behalf of the applicant.

Intake ends when the complete set of documents is submitted to DDSN.

When a child who is actively receiving Early Intervention services through BabyNet, but not from a provider that is not affiliated with DDSN, has been determined to likely be eligible for services (i.e., screened in) under the ASD category, Intake is not required.

For applicants determined to likely be eligible for services (i.e., screened in) under the categories of ID or RD, TBI, SCI or both or SD, Intake begins when the applicant/legal guardian either:

1. Chooses to personally collect and submit the complete set of documents needed to determine eligibility to DDSN; or
2. Chooses a DDSN-qualified Intake provider to collect and submit the complete set of documents to DDSN on behalf of the applicant.

Intake ends when the accurate and complete set of documents is submitted to DDSN for Determination of Eligibility.

For applicants determined to likely be eligible for services (i.e., screened in) under the category of ASD, Intake is not required.

III. DETERMINATION OF DDSN ELIGIBILITY

In accordance with S.C. Code Ann. § 44-20-390 - 430 (2018), no individual believed to have Intellectual Disability, a Related Disability, Head Injury, Spinal Cord Injury, Similar Disability or Autism Spectrum Disorder may be admitted to the services of DDSN until he/she has been

determined eligible by DDSN on the basis of acceptable data to have Intellectual Disability, a Related Disability, Head Injury, Spinal cord Injury, Similar Disability or Autism Spectrum Disorder unless he/she is an infant at risk of a developmental disability and in need of DDSN services. The Determination of Eligibility for DDSN services is made by DDSN following the procedures outlined in S.C. Code Regs. § 88-505-520 (2022).

IV. NOTICE OF DECISIONS AND RIGHT TO APPEAL

Following the Determination of Eligibility by DDSN, written notice of the results of the Determination will be provided to the applicant/legal guardian. If the applicant is determined to not be eligible for DDSN services, the notice will outline the basic reasons why the applicant did not meet eligibility criteria. Upon request of the applicant/legal guardian, a DDSN Eligibility Division staff member will read or explain the eligibility decision and appeal process to the applicant/legal guardian.

The notice of the decision will also include information on the applicant’s right to appeal the eligibility determination and the process for doing so in accordance with S.C. Code Ann. Regs 88-705-715. As established by the SC Code of Laws, the State Director of DDSN or his/her designee has the final authority over applicant eligibility.

Eligibility information for applicants and those determined eligible is available to providers through DDSN’s electronic health record system.

Barry D. Malphrus
Vice Chairman

Stephanie M. Rawlinson
Chairman

To access the following attachments, please see the agency website page “Current Directives” at: <https://ddsn.sc.gov/providers/ddsn-directives-standards-and-manuals/current-directives>

Attachment: DDSN Intake and Eligibility Process Flow Chart

Michelle G. Fry, J.D., Ph.D.
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Janet Brock Priest
Associate State Director
Operations
Lori Manos
Associate State Director
Policy
Constance Holloway
General Counsel
Harley T. Davis, Ph.D.
Chief Administrative Officer
Nancy Rumbaugh
Interim Chief Financial Officer
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Eddie L. Miller
David L. Thomas
Michelle Woodhead

Reference Number: 535-11-DD

Title of Document: Appeal and Reconsideration of Decisions

Date of Issue: May 31, 1996

Date of Last Revision: July 21, 2022 **(REVISED)**

Effective Date: July 21, 2022

Applicability: All DDSN Divisions; DDSN Regional Centers; DSN Boards and Contract Service Providers

INTRODUCTION:

This directive establishes policies and procedures for appeal of decisions concerning eligibility for and services solely state-funded by the South Carolina Department of Disabilities and Special Needs (DDSN), Disabilities and Special Needs Boards, and Contracted Providers. Authority for this procedure is set forth in S.C. Code Ann. § 44-26-80 (2018) relating to the rights of individuals receiving services from DDSN. This directive establishes the procedure for the reconsideration of decisions made by DDSN and/or its network of providers that affect the receipt of Medicaid services by Medicaid participants.

POLICY:

It is the policy of DDSN that each applicant or service recipient has the right to appeal or request reconsideration of decisions made by DDSN, DSN Boards, or Contracted Service Providers. DDSN DSN Boards, and Contracted Service Providers shall ensure that all concerns of applicants and service recipients are handled appropriately and in a timely manner.

DDSN utilizes funding appropriated by the South Carolina General Assembly to support those eligible for the agency’s services. For some DDSN services, the funding appropriated by the South Carolina General Assembly is the only source of funding. However, in order to maximize the appropriated funding, DDSN also partners with the South Carolina Department of Health and Human Services (SCDHHS) to utilize Medicaid as a source of funding for services. Therefore, DDSN has final authority

over some decisions, but when Medicaid funding is used or affected, SCDHHS, the Medicaid Agency, has final authority over the decision.

- DDSN has the final authority over decisions that are solely state-funded by DDSN (i.e., not funded by Medicaid) and those solely within its established authority. Appeals procedures for adverse decisions solely state-funded by DDSN are outlined in S.C. Code Reg. § 88-705-715. These procedures are outlined in Attachment C: Process for Appeal of DDSN Decisions.

SCDHHS, the Medicaid Agency, has final authority over decisions made regarding programs and services funded by Medicaid. In the context of this document, these decisions will be referred to as “**SCDHHS decisions.**” While the final authority for Medicaid decisions rests with SCDHHS, because DDSN operates Medicaid Home and Community Based Services (HCBS) Waivers on behalf of the SCDHHS and is a provider of Medicaid-funded services, SCDHHS allows DDSN to reconsider decisions made by DDSN or its network of providers before providing a Fair Hearing to a Medicaid participant. The reconsideration by DDSN is allowed to ensure that established Medicaid policy and procedures were followed and appropriately applied when the decision was made.

SCDHHS decisions that may be reconsidered by DDSN include, but may not be limited to:

- Denial of Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) Level of Care.
- Denial of Nursing Facility (NF) Level of Care when reevaluated.
- Other:
 - Denial of Placement on an HCBS Waiver waiting list
 - Denial of ID/RD Waiver Reserved Capacity
 - Denial of HASCI Waiver Reserved Capacity
 - Denial of Community Supports (CS) Waiver Reserved Capacity
 - Denial, suspension, reduction or termination of a HCBS Waiver funded service
 - Denial, suspension, reduction or termination of a Medicaid State Plan service authorized by a Waiver Case Manager
 - Denial of the choice of HCBS Waiver service provider

DEFINITIONS:

Applicant:

- a. One who has contacted DDSN (via the toll-free telephone number) to seek a determination of eligibility for DDSN services or by proxy, contact was made by the applicant’s legal guardian.
- b. One who has contacted DDSN or a DDSN qualified Case Management provider to seek enrollment or one for whom enrollment is sought by a legal guardian in one of the Home and Community Based Services Waivers operated by DDSN.
- c. One who has contacted their Case Management provider or DDSN to seek a determination of ICF/IID Level of Care or one for whom a determination is sought by a legal guardian.

Service Recipient:

- a. One who has been determined by DDSN to meet the criteria for eligibility for DDSN services, or his/her legal guardian.
- b. One who is enrolled in a Home and Community Based Services Waiver operated by DDSN or by proxy, his/her legal guardian.

Representative:

- a. One, who with the consent of an individual who is not adjudicated incompetent, assists the applicant or service recipient.
- b. One, who with the consent of an individual's legal guardian, assists the applicant or service recipient.

Appeal:

A procedure by which a party dissatisfied with a decision, determination or ruling may refer the matter to a higher authority for review. In the context of this document, an appeal is a request by a DDSN applicant to reverse a decision regarding DDSN eligibility or a service or program solely state funded by DDSN. Procedures for appeal of adverse decisions solely state-funded by DDSN are outlined in S.C. Code Reg. § 88-705-715. Refer to Attachment C: Process for Appeal of DDSN Decisions for an outline of this process.

Reconsideration:

A review of a decision to ensure the decision comports with applicable Medicaid policy or procedures. In the context of this document, a reconsideration is a review by DDSN of a decision made by DDSN or its network of service providers to ensure that applicable Medicaid policy and/or procedures were appropriately applied when making the decision. If dissatisfied with the outcome of the reconsideration, the Medicaid participant may request a Fair Hearing from the Division of Appeals and Hearings at SCDHHS.

RECONSIDERATION OF SCDHHS DECISIONS:

A. ICF/IID Level of Care

An adverse decision regarding an initial determination or an annual re-determination of ICF/IID Level of Care made by or upheld by the DDSN Eligibility Division may be reconsidered if relevant information not previously considered is available. Requests for reconsideration must be made in writing by the applicant/representative within 30 calendar days of the adverse decision. Written requests for reconsideration may be sent to the State Director of DDSN by email to appeals@ddsn.sc.gov or by mail to 3440 Harden Street Extension, Columbia, SC 29203. (See Attachment A: PROCESS FOR RECONSIDERATION OF SCDHHS DECISIONS)

If after reconsideration, including consideration of new information, the determination remains unchanged, the applicant may appeal to DHHS-Division of Appeals and Hearings. (See Attachment B: SCDHHS MEDICAID FAIR HEARING PROCESS)

NOTE: For those applying for Medicaid through the Tax Equity and Fiscal Responsibility Act (TEFRA), appeals of adverse ICF/IID Level of Care decisions must be made directly to DHHS-Division of Appeals and Hearings. DDSN cannot reconsider these decisions.

B. Nursing Facility Level of Care Re-Evaluations

An adverse decision regarding an annual re-evaluation of a Nursing Facility Level of Care by a Waiver Case Manager will automatically be reviewed by staff of DDSN’s Head and Spinal Cord Injury (HASCI) Division prior to the expiration of the current Level of Care determination. A written request to DDSN for reconsideration is not required.

If the adverse decision is upheld by HASCI Division staff, an appeal may be made by the waiver participant to DHHS-Division of Appeals and Hearings. (See Attachment B: SCDHHS MEDICAID FAIR HEARING PROCESS)

C. Other SCDHHS Decisions

Written requests for reconsideration may be sent to the State Director of DDSN by email to appeals@ddsn.sc.gov or by mail to 3440 Harden Street Extension, Columbia, SC 29203. A formal request must be made in writing within 30 calendar days of receipt of notification of the adverse decision. A copy of the written notification of the adverse decision must be submitted along with the basis of the complaint and the relief sought. The request must be dated and signed by the Medicaid participant/representative. Reasonable accommodations to assist with communication will be provided upon request. (See Attachment A: PROCESS FOR RECONSIDERATION OF SCDHHS DECISIONS)

If, after reconsideration, the decision is upheld, a Fair Hearing may be requested by the Medicaid participant to SCDHHS-Division of Appeals and Hearings. (See Attachment B: SCDHHS MEDICAID FAIR HEARING PROCESS)

Barry D. Malphrus
Vice Chairman

Stephanie M. Rawlinson
Chairman

To access the following attachments, please see the agency website page “Attachments to Directives” under this directive number at <https://ddsn.sc.gov/providers/ddsn-directives-standards-and-manuals/current-directives>

Attachment A: PROCESS FOR RECONSIDERATION OF SCDHHS DECISIONS
Attachment B: SCDHHS MEDICAID FAIR HEARING PROCESS
Attachment C: PROCESS FOR APPEAL OF DDSN DECISIONS

Related Policies:

535-08-DD: Concerns of People Receiving Services: Reporting and Resolution

700-02-DD: Compliance with Title VI of the Civil Rights Act of 1964, Americans with Disabilities Act of 1990, Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973 and Establishment of a Complaint Process

**SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS
(DDSN) PROCESS FOR APPEAL OF DDSN DECISIONS**

“**DDSN decisions**” are decisions made by DDSN or its network of providers regarding services that are solely state funded by DDSN (i.e., not funded by Medicaid) and those solely within its established authority. When an applicant disagrees with a decision that was made by or on behalf of DDSN, the applicant can appeal the decision to DDSN. Appeals of DDSN decisions that fall within DDSN’s purview to hear are those decisions related to eligibility for DDSN services and decisions about services that are solely state-funded by DDSN.

When an appeal is desired by an applicant, a signed and dated written appeal of the denial must be made within 30 calendar days from the date of the written correspondence from DDSN which communicates the eligibility decision of the Department. The appeal must state the reason(s) the denial was in error, and include any additional supporting information. The appeal shall be made by letter or email to:

South Carolina Department of Disabilities and Special Needs - Appeals
3440 Harden Street Extension
Columbia, SC 29203
appeals@ddsn.sc.gov

Reasonable accommodations to assist with communication will be provided upon request.

Upon receipt of the appeal all information shall be reviewed by the State Director using the eligibility criteria as set forth in the Department's regulation addressing “Eligibility,” S.C. Reg. § 88-705-715. If the State Director determines new evaluation data is needed, no decision shall be made until this data is received. The applicant shall be notified a new evaluation is needed within 30 business days of receipt of the written appeal.

A written decision shall be provided to the applicant within 30 business days of receipt of the written appeal or receipt of the new evaluation data. In accordance with S.C. Code Ann. § 44-20-430 (2018), the decision of the State Director is final.

PROPOSED TO MARK OBSOLETE

DRAFT

Beverly A. H. Buscemi, Ph.D.

State Director

David A. Goodell

Associate State Director

Operations

Susan Kreh Beck

Associate State Director

Policy

Thomas P. Waring

Associate State Director

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Catherine O. Fayssoux

Vicki A. Thompson

Reference Number: 535-09-DD

Title of Document: Research Involving DDSN Resources and/or Persons Receiving Services from or Staff Employed by DDSN – Review and Approval

Date of Issue: September 21, 1990

Effective Date: September 21, 1990

Last Review Date: July 7, 2016

Date of Last Revision: July 7, 2016 (REVISED)

Applicability: DDSN Regional Centers, DSN Boards and Contracted Service Providers

PURPOSE

This directive contains guidelines and procedures for the review and approval of research proposals which use the Department of Disabilities and Special Needs (DDSN) resources and/or use as research participants persons receiving services from or staff employed by or through contractual arrangements with DDSN. It does not apply to analysis of summary data such as those related to provision of services, since these data do not enable identification of any person or reveal any private information. It also does not apply to data collected on individual service recipients when these data are for the evaluation of DDSN services and/or are part of required or customary management practices.

POLICY

Research involving persons receiving services from or staff employed by a DDSN Regional Center, county DSN board, or contracted community service provider may be conducted by facility or program staff or by outside investigators. The same policy and procedures for reviewing, approving, and conducting research are in effect whether the investigator is an

DISTRICT I

P.O. Box 239
Clinton, SC 29325-5328
Phone: (864) 938-3497

Midlands Center - Phone: 803/935-7500
Whitten Center - Phone: 864/833-2733

DISTRICT II

9995 Miles Jamison Road
Summerville, SC 29485
Phone: 843/832-5576

Coastal Center - Phone: 843/873-5750
Pee Dee Center - Phone: 843/664-2600
Saleeby Center - Phone: 843/332-4104

employee or non-employee. Research shall be conducted only when assurance is provided that the rights, welfare and dignity of the participants are adequately protected, that appropriate methods are used to obtain informed consent where required, that the risks involved are minimal and the research directly benefits or contributes to the understanding or treatment (including provision of supports) of an Intellectual Disability or a Related Disability, Autism Spectrum Disorder, or a Head or Spinal Cord Injury.

DEFINITIONS

Research is defined as a trial, special observation, or data collection usually made under conditions determined by the investigator, which aims to test a hypothesis or to discover some previously unknown principle, effect, or relationship. Research is further defined as a systematic investigation designed to contribute to generalized knowledge.

Activities which use experiments, tests, and/or observations designed to elicit information which is not publicly available are considered types of research.

Research participant is defined as an individual about whom an investigator conducting the research obtains (1) data through intervention or interaction with the participant, or (2) identifiable private information.

Minimal risk means the risk of harm anticipated in the proposed research is not greater, considering probability and magnitude, than those ordinarily encountered in daily life or during the performance of routine physical or psychological examinations or tests.

Categories of research

Research proposals will be divided into two categories depending upon the level of risk involved.

Category-I: Activities involving the collection or study of existing data, documents, or records, if these sources are not publicly available. Research participants are not used directly in the gathering of information. This type of research does not involve any personal contact, observation or interaction with the participants.

Category-II: Research activities in which there is minimal risk and the research participants involved have no more than customary, every day risks (e.g., interviews, data survey, general observation, routine medical, behavioral support procedures, etc.). Any research that involves personal contact, observation, or interaction falls into this category.

Review and approval of research proposals

DDSN Research Review Committee

The DDSN Research Review Committee is chaired by the DDSN State Director or a designee and includes DDSN executive staff and others as appointed by the chairman. They retain authority for final approval for research involving persons served or employed by DDSN or that involves DDSN resources. The committee will have at least three (3) members with varying backgrounds to promote complete and appropriate review of proposed activities. Membership may include representatives from organizations such as universities or colleges in South Carolina, DDSN, provider organizations, S.C. Protection & Advocacy System, Parent/Consumer organizations and individuals such as an attorney, physician, ethicist, consumer or family member of a consumer, etc. Other members may include ad hoc members with specific expertise and representatives of a DDSN Regional Center or County DSN board if the research proposal involves participation of two or more programs or facilities. The DDSN Research Review Committee shall review all Category-II research proposals to ascertain the acceptability of the proposed research in terms of departmental commitments and regulations, applicable laws, participant protections and standards of professional conduct and practice. Category-I proposals may be administratively reviewed by the DDSN Research Review Committee Chair without full review by the committee. The committee chair can require review by the full committee if it appears needed upon review of the proposal.

Review Process

1. Prior to the start of research project, the investigator shall submit a proposal to the DDSN Research Review Committee. The brief proposal should include information on: contact information for the person with overall responsibility for the proposed study, the purpose of the study including objectives and intended outcomes, the characteristics of the intended participants, the procedures to be used and how the participants would be involved, potential benefits and risks to participants, and how informed consent would be obtained, and how confidentiality will be maintained (in compliance with HIPAA). A copy of the approved proposal by an Institutional Review Board (IRB) appropriate to the employer of the investigator should be attached to the proposal
2. A local Human Rights Committee shall review any Category-II research proposal before it is submitted to the DDSN Research Review Committee to ensure that the rights and welfare of the research participants are protected; that informed consent is obtained by adequate and appropriate methods; that individuals served are not used as a captive source of research not associated with an intellectual disability or a related disability, autism, or a head and spinal cord injury; and that the research is in no way detrimental to their welfare.
3. Investigators shall be notified in writing of the decision to approve or disapprove the proposed research activity or modifications required to secure approval. Approval may be granted for up to five (5) years (e.g., for a five (5) year proposed project). However, approval for more than one (1) year is contingent upon submission of an annual report to the committee that assures continued compliance with committee guidelines.

4. Written approval from the DDSN Research Review Committee must be received by the investigator prior to initiating the proposed research. The investigator must also obtain written approval from this committee before deviating in any way from the procedures previously approved.
5. A local staff liaison person shall be assigned to each research project conducted by an outside investigator.
6. The principal investigator for a research project will provide a written report at the end of each 12-month period for an approved project. This is to ensure that approved procedures are followed. Research findings and reports shall be sent by the investigator to the DDSN Research Review at the conclusion of the study.

Special Exemption:

As a general rule, only Category-I and Category-II research will be endorsed by DDSN. However, DDSN recognizes that there may be rare occasions when a research opportunity may exceed minimal risk, yet offer extraordinary potential benefit to the participants. For example, the situation may arise that a medication approved for clinical trials by the Food and Drug Administration to treat an otherwise fatal or debilitating condition such as AIDS. Such a trial may represent the only potentially beneficial treatment, yet constitutes risk that is appropriate, yet greater than minimal. Other examples may arise from the tremendous recent advances in genetic diagnosis and treatment of previously untreatable diseases. In such cases, research approval can be sought using the process described in this directive with the appropriate justification.

PROTECTION OF RIGHTS AND WELFARE OF RESEARCH PARTICIPANTS

1. Any research conducted must conform to the scientific, legal, and ethical principles which justify all research and should emerge from a sound theoretical basis or follow previously accepted research design.
2. Any Category-II research involving routine medical examinations or behavioral intervention techniques shall be conducted only by qualified professionals in adequately equipped settings and with the appropriate liaison or supervision during which a suitably qualified clinician is used. Where body integrity may be violated or when otherwise appropriate, medical liaison or supervision shall be included.
3. All caution in exercise of research is limited not only to physical harm, but also includes unwarranted psychological or emotional impairment to the individual or their family.
4. All experimentation shall be planned in such a way as to avoid pain, suffering, or inconvenience to the research participant and his/her family or guardian.
5. All investigators who are not employees of DDSN, a county DSN board or a provider and who are allowed access to information about individuals served or staff must sign a

confidentiality statement. This shall be maintained in the file containing the research proposal and approval at DDSN.

- 6. Facilities and programs are required to meet provisions of the federal regulations 45CRF46 (6/18/91), Protection of Human Subjects.
- 7. Any concerns or complaints regarding the research may be addressed directly to the chairperson of the DDSN Review Committee. The name and address of the chairperson will be provided to each research participant and/or their parent or guardian. It will also be provided to the staff working with research participants. All concerns/complaints will be investigated and the DDSN Research Review Committee notified.
- 8. A copy of the signed informed consent form shall be placed in the permanent file of each participant (including an employee’s file when appropriate).

INFORMED CONSENT


Written informed consent, obtained prior to a person’s participation, is required for all Category-II research. The investigator must obtain written or documented informed consent from the parent/legal guardian if the person is under the age of 18. If the person is 18 or older and has not been adjudicated incompetent, then they may give informed consent. Continued parental involvement is desirable for persons who are 18 years of age or older or who are unable to give informed consent. Procedures for obtaining informed consent as outlined in DDSN Directive 535-07-DD: Obtaining Consent for Minor and Adults shall be followed.

Specific detailed information shall be provided to all potential research participants and/or their parents, or legal guardians when obtaining informed consent.

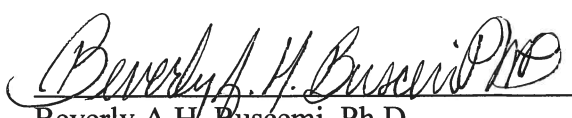
PUBLICATIONS

The investigator shall provide a copy of the final research report to the participating programs, facilities, and the chair of the DDSN Research Review Committee. A copy shall also be forwarded to the State Director (if the chair is the designee of the State Director) prior to submission for publication.

DDSN staff is encouraged to develop training materials and conduct research consistent with sound professional practice which advances knowledge about the prevention, causes, or treatment of intellectual disability or a related disability, autism, or a head and spinal cord injury. However, all manuscripts submitted for publication which bear the facility or DDSN name and sponsorship must be approved by the State Director prior to submission to a professional journal or publishing company. Once the manuscript has been approved by the State Director, the employee may submit the manuscript for publication.



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Reference Number: 567-04-DD

Title of Document: DDSN Approved Crisis Prevention Curricula List and Curriculum Approval Process

Date of Issue: January 1, 2009

Date of Last Revision: July 21 2022

(REVISED)

Effective Date: July 21, 2022

Applicability: DDSN Regional Centers, DDSN Operated Community Settings, DSN Boards, Adult Companion Providers, Day Service Providers (Career Prep, Day Activity, Community Services, Support Center), Early Intervention Providers, Employment Service Providers, Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID), Residential Habilitation Providers and Respite Providers

PURPOSE

This document establishes the requirement for all South Carolina Department of Disabilities and Special Needs (DDSN) operated programs (DDSN Regional Centers and DDSN Operated Community Settings), DSN Boards, and Contract Service Providers to choose and utilize a validated, competency-based curriculum or system for teaching and certifying staff to prevent and respond to disruptive behavior and crisis situations.

This document also establishes the requirement for the DDSN approval of curricula and includes procedures for submission of curricula to DDSN for review.

POLICY

Any system utilized to prevent and respond to disruptive behavior and crisis situations must reflect the values and principles of DDSN. A Crisis Prevention Management Curriculum is only approved once it has been determined that it aligns with DDSN philosophies and it has a strong focus of training in the area of interpersonal skills (e.g., active listening, problem solving, negotiation, and conflict management). Providers should refer to DDSN Directive 600-05-DD: Behavior Support, Psychotropic Medications and Prohibited Practices.

Staff members (professional and paraprofessional) who provide direct support/services or supervise those who provide direct supports/services must be certified in the system chosen before performing the skill (refer to DDSN Directive 567-01-DD: Employee Orientation, Pre-service and Annual Training Requirements). When those supported are present and under the supervision of staff, at least one staff member who is certified in the chosen system must be, at a minimum, within a five (5) minute response time of any who are not certified. Certified staff must be clearly identified and known to non-certified staff so, if needed, assistance can be obtained.

Neither this directive nor the content of the chosen curriculum in any way affects the requirements for individualized Behavior Support Plans (refer to DDSN Directive 600-05-DD: Behavior Support, Psychotropic Medications and Prohibited Practices). The techniques employed by a chosen system are for use during emergency situations when no Behavior Support Plan has been designed (i.e., unpredictable occurrences) or when the current Behavior Support Plan fails to protect those involved from harm. In the event a person's Behavior Support Plan and the crisis response techniques within are unable to safely manage the situation, staff may call 911.

APPROVED CURRICULA

Only the systems/curricula listed below have been approved for use by DDSN:

1. MANDT
2. Crisis Prevention Institute
3. PCM – Professional Crisis Management
4. Therapeutic Options Training Curriculum
5. PCS Life Experience Model
6. TCI – Therapeutic Crisis Intervention System
7. Safety-Care
8. Ukeru Systems
9. The Aegis System

This directive will be updated when additional systems/curricula are approved. Any system on the list may be selected for use. Appropriate use of an approved system/curriculum includes competency-based assessment of employee skills and re-certification on the schedule required by the system/curriculum for trainers and staff.

When a system or curriculum that has not previously been approved is desired, the board/provider must submit to the DDSN Quality Management Director a request that includes the name of the system for which approval is sought and either information about the system or a Web-address where system information can be located. Once information is reviewed, the board/provider will be notified of the decision in writing.

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Reference Number: 600-05-DD

Title of Document: Behavior Support, Psychotropic Medications, and Prohibited Practices

Date of Issue: June 1, 1987

Date of Last Revision: July 21, 2022 **(REVISED)**

Effective Date: July 21, 2022

Applicable for Receiving: Intermediate Care Facilities for Individuals with Persons Intellectual Disabilities (ICF/IID), Residential Habilitation, and Employment/Day Services (Day Activity, Career Preparation, Community Services, Employment Services, Support Center Services)

PURPOSE

The purpose of this directive is to establish the expectations of the South Carolina Department of Disabilities and Special Needs (DDSN) regarding interventions used to address concerning or problem behaviors exhibited by those served in Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID), those receiving Residential Habilitation in a DDSN-sponsored residential setting, and those for whom such interventions are necessary in order for them to participate in a DDSN-licensed employment/day program. Those interventions include Behavior Support Plans; Psychotropic Medications; Emergency Interventions; and Health-Related Protections.

NOTE:

- Throughout this directive, DDSN Regional Centers and ICFs/IID operated by DSN Boards or contracted service providers will be referred to as “facility.” When referring to agencies

(DDSN, DSN Boards or contracted service providers) that provide Residential Habilitation and/or Employment/Day Services, “provider” will be used.

- Throughout this directive, “client representative” is used. In the context of this directive, “client representative” means the parent, guardian, legal counsel or other person who acts on behalf or in the best interest of a person with Intellectual Disability or a Related Disability (ID/RD) including Autism Spectrum Disorder. This definition is consistent with S. C. Code Ann. § 44-26-10 et. seq. (2018).
- Client representative does not apply to those receiving services under the category of HASCI as there is no statutory authority for such.

DEFINITIONS

- Behavior Support Plans: Specific plans that teach or assist someone to build positive behaviors to replace or reduce problem behaviors and, when necessary, include strategies to be used to protect the person when dangerous and unsafe behaviors are exhibited.
- Chemical restraint: The use of psychotropic medication for the specific and exclusive purpose of controlling acute, episodic behavior that is not standard treatment or dosage for the individual’s medical or psychiatric condition.
- Differential reinforcement: Reinforcing a specific target behavior while withholding reinforcement from an unwanted behavior;
- Emergency Interventions: Restrictive procedures (manual restraint and chemical restraint) used to provide protection from harm in situations where the person is endangering him/herself or others with severely aggressive, self-injurious, or destructive behavior. These behaviors could not reasonably have been anticipated in the current setting and there is no approved behavioral, medical or psychiatric program in effect that provides adequate protection from harm.
- Health-Related Protections: Restraints (manual or mechanical) used during the conduct of a specific medical, dental, or surgical procedure or used out of necessity during the time a medical condition exists. Examples of devices used as a health-related protection include, but are not limited to: splints, braces, bed rails, wheelchair harnesses, helmets, and lap belts.
- Manual restraint: Any physical method that purposely limits or restricts a person’s freedom of movement, or normal functioning of, or normal access to, a portion or portions of a person’s body. Manual restraint means and includes the term “physical restraint.”
- Mechanical restraint: Any device, material or equipment attached to a person’s body which cannot easily be removed and is used to restrict a person’s free movement or access to the person’s body. Examples include, but are not limited to: humane wraps, blanket wraps, transport jackets, mittens, four-point restraints, head straps, camisoles, helmets with fasteners, belts, cuffs, chest restraints, etc. Mechanical restraint would also include the unauthorized use of a person’s adaptive equipment such as lap trays, gait belts, Merry Walkers, bean bags, etc.

- **Overcorrection:** Corrective efforts which go beyond a simple correction by requiring an individual to vastly improve the condition of the environment, which may be considered a form of punishment;
- **Planned restraint:** The use of a very specific and identified manual or mechanical restraint, on which staff have been trained, in response to a specific and identified behavior, based upon the results of the functional behavioral assessment, and that is incorporated into a behavior support program.
- **Pro re nata (PRN):** A term which means the administration of the medical order is not scheduled and is, instead, provided on an as needed basis.
- **Psychotropic Medications:** Any medication used for the primary purpose of affecting overt maladaptive behavior, mood, or thought processes, or alleviating symptoms related to a specific diagnosed psychiatric condition.
- **Response cost:** The loss of either a previously earned reinforcer, or the opportunity to obtain future reinforcers, in response to undesirable or disruptive behavior.
- **Restrictive Intervention:** A procedure or practice that limits a person's movement, activity, or function. The practice may also interfere with a person's ability to acquire positive reinforcement or loss of objects or activities that a person values.
- **Simple correction:** Requiring the individual to only restore the environment to the pre-problem behavior state.
- **Social disapproval:** A response to an unwanted behavior where staff members provide a statement of disapproval that may include a re-directive prompt or reminder of social rules.
- **Time-out room:** A room outside the normal environment that is devoid of positive reinforcers and where an individual is safely placed and prevented from leaving until specific exit criteria have been met.

PHILOSOPHY

Consistent with DDSN's values, it is expected that all supports and interventions to address problem behavior:

- Ensure the health, safety, and well-being of each person;
- Ensure that each person is treated with dignity and respect;
- Encourage participation, choice, control and responsibility;
- Encourage relationships with family and friends, and connections in the community; and
- Result in personal growth and accomplishment.

Consistent with DDSN's principles, it is expected that supports and interventions to address problem behavior will:

- Be person-centered and community inclusive;
- Be responsive, effective and accountable;
- Be practical, positive and appropriate;
- Be strengths-based and results-oriented;
- Offer opportunities to be productive and maximize potential; and
- Feature best and promising practices.

As a foundation of all supports, DDSN embraces positive behavior support. Positive behavior support recognizes that people exhibit problem behavior because it serves a useful purpose for them in their current situation/circumstances. The focus of positive behavior support begins with understanding the purpose or function of the problem behavior. Once it is known why the behavior occurs, interventions to promote positive behavior that serves the same function can be developed.

The goal of positive behavior support is not solely to eliminate problem behavior but to create environments and patterns of support that make the problem behavior irrelevant, inefficient or ineffective while making the positive behavior that is promoted as an alternative, relevant, effective and efficient.

DDSN believes that all who develop intervention strategies for people with disabilities must be knowledgeable in the values, theory, and practices of positive behavior support. Literature such as Functional Assessment and Program Development for Problem Behavior: A Practical Handbook (O'Neill, Horner, et. al., 2014) or similar guides to evidence-based practices in positive behavior support are recommended for review and study.

POLICY

Those supported will be free from any serious risk to physical and psychological health and safety at all times, including while the function of the problem behavior is being determined and while the interventions to address the behavior are being developed.

DDSN prohibits the use of the following:

- Procedures or devices used for disciplinary purposes, for the convenience of staff, or as a substitute for needed supports;
- The use of medication for disciplinary purposes, for the convenience of staff, as a substitute for training or engagement, or in quantities that interfere with someone's quality of life;
- Seclusion which is defined as placing someone alone in a locked room;

- Enclosed cribs;
- Interventions that result in a nutritionally inadequate diet or the denial of a regularly scheduled meal;
- Encouraging/using someone supported to discipline a peer;
- Prone restraint;
- Restraints that obstruct the airway or impair breathing;
- Any strategy in which a pillow, blanket or other item is used to cover the individual's face as part of restraint process;
- Any restraint that causes hyperextension of joints;
- Physical holds that rely on pain inducement;
- Time out rooms;
- Aversive consequences which are defined as the use or threatening the use of startling, unpleasant or painful consequences;
- As needed (PRN) orders for psychotropic medications except when prescribed by a physician while treating the person in a hospital setting or prescribed as part of the palliative care provided by Hospice;
- As needed (PRN) order for manual restraint or mechanical restraint;
- Use of psychotropic medications in the absence of a Behavior Support Plan or an authorized Emergency Intervention;
- The planned use of restrictive procedures and/or restraint (manual, chemical or mechanical) prior to the exhaustion of less intrusive measures;
- The use of restraint (manual or mechanical) for more than one (1) continuous hour (60 continuous minutes);
- The use of restraint (manual, chemical or mechanical) when not necessary to protect the person or others from harm;
- Coercion/use of intimidation or use of force to gain compliance;
- Contingent use of painful body contact;
- Untested or experimental procedures.

Each DDSN Regional Center, DDSN-operated Residential Services, DSN Board or contracted service provider of ICF/IID, Residential Habilitation and/or DDSN-sponsored Employment/Day Services shall adopt written policies and procedures governing the prevention and management of problem behavior. These policies and procedures shall focus on the prevention of problem behavior and specify the facility, program or DDSN-approved procedures that may be used. If consequence-based procedures are approved for use, the policies and procedures shall include each procedure on a hierarchy ranging from most positive/least restrictive to least positive/most restrictive. The policies and procedures shall address the use of restraint, the use of medications to manage problem behavior, and the practices prohibited by the facility, program or board/provider.

In accordance with DDSN Directive 535-02-DD: Human Rights Committee, each facility or provider must designate and use a Human Rights Committee to review and approve planned interventions which involve risk to individual protection and rights. Pursuant to the DDSN Directive 535-02-DD: Human Rights Committee, the Human Rights Committee must review and approve of the use of planned interventions prior to implementation and appropriate consents/approvals have been obtained. Additionally, the Human Rights Committee must be notified of the use of any Emergency Interventions.

I. BEHAVIOR SUPPORT PLANS

Behavior Support Plans must be developed and monitored in accordance with the regulations governing ICFs/IID when developed for ICF/IID residents and in accordance with DDSN Residential Habilitation Standards for those receiving Residential Habilitation.

Behavior Support Plans include specific procedures or techniques to be utilized to prevent and respond to behavior. These procedures or techniques may be nonrestrictive, restrictive, or employ restraint.

A. BEHAVIOR SUPPORT PLANS: NONRESTRICTIVE

When the procedures or techniques within a Behavior Support Plan do not limit freedom, rights, or allow for the loss of access to personal property, the Behavior Support Plan is considered nonrestrictive. Examples of nonrestrictive procedures or techniques include, but are not limited to, teaching appropriate and functionally-equivalent replacement behavior; differential reinforcement, social disapproval, simple correction, re-directions and interrupting with educative prompts.

NOTE: Behavior Support Plans which accompany the use of psychotropic medications **ARE** considered restrictive.

Prior to implementation of a Behavior Support Plan that utilizes only nonrestrictive procedures/techniques for an ICF/IID resident, the Behavior Support Plan must be approved by the ICF/IID resident's Interdisciplinary Team which includes the person, his/her legal guardian or client representative authorized to make health care decisions on behalf of the person.

Prior to implementation of a Behavior Support Plan for those receiving Residential Habilitation, the Behavior Support Plan must be approved by the person, client representative of a person with ID/RD, and the person responsible for the development of the Residential Habilitation Support Plan. If the Behavior Support Plan is to also be implemented by other service providers (i.e., Employment/Day Services providers), the Behavior Support Plan must be approved by the person(s) who develop the

Service Plan(s) for the other services (i.e., the person who develops the Individual Plan for Supported Employment if the plan is to be implemented as part of the provision of Employment Services).

Prior to the implementation of a Behavior Support Plan that utilizes only nonrestrictive procedures/techniques for those who reside in their own homes (i.e., not receiving ICF/IID or Residential Habilitation) and participate in a DDSN-sponsored Employment/Day Service, the Behavior Support Plan must be approved by the person, client representative of a person with ID/RD, and the person who develops the Employment/Day Service Plan.

Behavior Support Plans that utilize only nonrestrictive procedure/techniques must be monitored in accordance with the regulations or standards governing the program/service in which the Behavior Support Plan is implemented (e.g., ICF/IID Regulations, DDSN Residential Habilitation Standards, Day Activity Standards, etc.).

B. BEHAVIOR SUPPORT PLANS: RESTRICTIVE

When the procedures or techniques within a Behavior Support Plan limit the person's rights, freedom of movement, or cause loss of access to personal property, the Behavior Support Plan is considered restrictive. Examples of restrictive procedures/techniques include, but are not limited to, increasing the level of supervision provided in response to behavior, one-on-one supervision, response cost, overcorrection, and separation lasting more than five (5) minutes (excluding time-out rooms which are prohibited).

NOTE: Behavior Support Plans which accompany the use of psychotropic medication **are** considered restrictive.

Prior to implementation of a Behavior Support Plan that includes restrictive procedures/techniques, appropriate approvals must be obtained.

Additionally, for ICF/IID residents, written informed consent for the Behavior Support Plan must be obtained and it must be approved by the Interdisciplinary Team which includes the person, his/her legal guardian, or client representative and the Human Rights Committee.

For those receiving Residential Habilitation, written informed consent for the Behavior Support Plan must be obtained from the person or client representative of a person with ID/RD.

Additionally, for those receiving Residential Habilitation, the Behavior Support Plan must be approved by the person or his/her legal guardian and the person responsible for the development of the Residential Habilitation Support Plan. If the Behavior Support Plan is also to be implemented by other service providers (i.e., Employment/Day Service providers), it must be approved by the person responsible for developing the Service Plan or the other service (i.e., person who develops the Individual Plan for Supported Employment if being implemented as part of Employment Services). The Behavior Support Plan must be approved by the provider's Human Rights Committee.

For those who reside in their own homes (i.e., not receiving ICF/IID services or Residential Habilitation) and who receive DDSN-Sponsored Employment/Day Services, written informed consent must be obtained from the person or client representative of a person with ID/RD.

Additionally, for those who reside in their own homes (i.e., not receiving ICF/IID or Residential Habilitation) and who receive DDSN-sponsored Employment/Day Services, the Behavior Support Plan must be approved by the person or client representative of a person with ID/RD, the person who develops the Employment/Day Service Plan, and the provider's Human Rights Committee.

Behavior Support Plans that include restrictive procedures/techniques must be monitored by the Human Rights Committee and in accordance with the regulations or standards governing the program/service in which the Behavior Support Plan is implemented (e.g., ICF/IID Regulations, Residential Habilitation Standards, Career Preparation Standards, etc.).

C. BEHAVIOR SUPPORT PLAN: RESTRAINT

Only when necessary to protect the person or others from harm and only when the procedure/technique is the least restrictive/intrusive alternative possible to meet the needs of the person may planned restraints be included in Behavior Support Plans.

NOTE: The use of mechanical devices to support proper body positioning, even when movement may be restricted, is not considered restraint. Devices used for proper body positioning must only be used when the medical necessity for the device is clearly documented.

NOTE: Planned restraints may only be included as an integral part of a Behavior Support Plan that is intended to lead to less restrictive means of managing and eliminating the behavior that will immediately result in harm. Planned mechanical restraints may also be included in a Behavior Support Plan to address behavior that does not immediately result in harm, but due to the chronic/long term nature of the behavior (i.e., hand mouthing that results in skin breakdown, head banging, removing/picking post-operative sutures, etc.), will result in harm.

When Behavior Support Plans incorporate planned restraints, the Behavior Support Plan must include strategies directed toward decreasing or eliminating their use. These Behavior Support Plans must also include provisions for the use of less intrusive techniques prior to the application of the planned restraint when the problem behavior is occurring.

When Behavior Support Plans incorporate planned restraints the plan must direct that, when applied, the person will be released from the planned restraint when he/she is calm and no longer dangerous (not to exceed one continuous hour). When a mechanical restraint is utilized, the mechanical restraint must be designed and used in a manner that causes no injury and minimizes discomfort.

When mechanical restraint is utilized in a Behavior Support Plan as a response to behavior that will immediately result in harm, the Behavior Support Plan must direct staff members to maintain visual supervision during the time the mechanical restraint is applied. The person's response to the mechanical restraint application and his/her physical condition (i.e., breathing, circulation) must be continually monitored. Documentation of response and condition must be completed and maintained every 15 minutes during the duration of the mechanical restraint.

When mechanical restraint is utilized in a Behavior Support Plan as a response to chronic/long term behavior that will result in harm, the Behavior Support Plan must specify the schedule for the use of the mechanical restraint. The schedule must provide for release from restraint for 10 minutes

following every 50-minute restraint period. The Behavior Support Plan must include the specific plan for supervising the person when the mechanical restraint is not in use (i.e., during times of release) and specify that the mechanical restraint is not to automatically be reapplied unless the behavior recurs. The person's response to mechanical restraint application and his/her physical condition (i.e., breathing, circulation), must be monitored at least every 15 minutes. Documentation of response and condition must be completed and maintained.

When, for an ICF/IID resident, a physician-ordered mechanical restraint is employed during sleeping hours to avoid interruption of sleep, release from the mechanical restraint is not required every hour. However, the application of the restraint must be monitored every 60 minutes (1 hour) to ensure it is properly applied and the person is comfortable.

When, for those receiving Residential Habilitation, mechanical restraints are employed during sleeping hours to avoid interruption of sleep, release from the mechanical restraint is not required every hour. However, the application of the restraint must be monitored every 60 minutes (1 hour) to ensure it is properly applied and the person is comfortable.

Prior to the implementation of a Behavior Support Plan that include a planned restraint, appropriate approvals must be obtained.

For ICF/IID residents, written informed consent for the Behavior Support Plan must be obtained from the person or client representative of a person with an Intellectual Disability/Related Disability, or the person authorized to make health care decisions on behalf of the ICF/IID resident.

Additionally, for ICF/IID residents, the Behavior Support Plan that includes planned restraint must be approved by the person's Interdisciplinary Team, which includes the person, his/her legal guardian or person authorized to make health care decisions on behalf of the persons and either the DDSN Regional Center Facility Administrator or the Executive Director of the facility. The Behavior Support Plan must be approved by the facility's Human Rights Committee.

For those receiving Residential Habilitation, written informed consent for the Behavior Support Plan must be obtained from the person or client representative of a person with ID/RD.

Additionally, for those receiving Residential Habilitation, the Behavior Support Plan that includes planned restraint must be approved by the person or client representative of a person with ID/RD, the staff responsible for developing the Residential Habilitation Support Plan, the Executive Director of the Residential Habilitation provider, and the provider's Human Rights Committee.

If the Behavior Support Plan requires implementation by other service providers (i.e., Employment/Day Service providers), it must also be approved by the staff responsible for developing the service plan for the other service (i.e., the person who develops the Day Activity Plan of Service) and as appropriate, the other service provider's Executive Director/CEO.

For those who reside in their own homes (i.e., not receiving ICF/IID services or Residential Habilitation) and who receive DDSN-Sponsored Employment/Day Services, written informed consent must be obtained from the person or client representative of a person with ID/RD.

Additionally, for those who reside in their own homes (i.e., not receiving ICF/IID or Residential Habilitation) and receive DDSN-sponsored Employment/Day Services, a Behavior Support Plan that includes restraint (manual or mechanical) must be approved by the provider's Human Rights Committee, the person or client representative of a person with ID/RD, the provider staff responsible for developing the Employment/Day Service Plan and the Executive Director of the Employment Day Service board/provider.

Behavior Support Plans that include planned restraint must be monitored by the Human Rights Committee and in accordance with the regulations or standards governing the program/service in which the Behavior Support Plan is implemented (e.g., ICF/IID Regulations, Residential Habilitation Standards, etc.). Additionally, the use of planned restraints will be monitored by DDSN. When a Behavior Support Plan which includes specific planned restraints is approved, the approved Plan must be submitted to DDSN within 20 business days of approval. When the restraint procedure is employed, its actual use must be reported to DDSN. A report of the use of planned manual or mechanical restraint will be made to DDSN quarterly. Reports must be made to DDSN by the 15th day of January, April, July and October for any planned restraint employed during the previous quarter.

| | |
|-----------------------------|------------|
| January 1st – March 31st | April 15 |
| April 1st – June 30th | July 15 |
| July 1st – September 30th | October 15 |
| October 1st – December 31st | January 15 |

II. PSYCHOTROPIC MEDICATION

Before psychotropic medications are used as an intervention to address problem behavior, the potential risks of those medications must be carefully weighed against the risk of the behavior for which the medication will be given. The specific concerning behaviors/symptoms for which the medication will be given must be documented along with the consideration of the associated risk.

When psychotropic medications are given, DDSN Directive 603-01-DD: Tardive Dyskinesia Monitoring, must be followed.

When given, psychotropic medications must be reviewed based on the person's needs as determined by the psychiatrist or physician but must be reviewed at least quarterly. Through this review, the Psychotropic Drug Review, the combination of the psychotropic medication and Behavior Support Plan are monitored using the behavioral data collected as part of the Behavior Support Plan for effectiveness with addressing the specific behaviors/symptoms for which the medication is given. The Psychotropic Drug Review should provide for gradually diminishing medication dosages and ultimately discontinuing the medication unless clinical evidence justifies that the medication is necessary. The Psychotropic Drug Review should be completed with those who know the person well. Those involved in the Psychotropic Drug Review should include, but are not limited to, the physician and/or psychiatrist, the person and/or his/her legal guardian, the person responsible for the Behavior Support Plan, the person responsible for the ICF/IID Individual Program Plan or Residential Habilitation Support Plan, the ICF/IID Nurse and a direct support professional who knows the person well. The health care provider responsible for prescribing the psychotropic medication is responsible for ensuring compliance with the Adult Health Care Consent Act.

For ICF/IID residents, when psychotropic medication is given outside an emergency intervention, a Behavior Support Plan is also required. The Behavior Support Plan must address the behaviors/symptoms for which the medication is given. In combination, the psychotropic medication and the Behavior Support Plan should lead to a less restrictive/intrusive way of managing and, if possible, eliminating the problem behavior and/or psychiatric symptoms for which they are employed.

For those receiving Residential Habilitation in a DDSN-sponsored residential setting, when psychotropic medication is given, outside an emergency intervention, to address problem behavior that poses a significant risk to the person (i.e., self-injury), others (i.e., physical aggression), or the environment (i.e., property destruction), a Behavior Support Plan is required. The Behavior Support Plan must address the specific behaviors/symptoms for which the medication is given. In combination, the psychotropic medication and the Behavior Support Plan should lead to a less restrictive/intrusive way of managing and if possible, eliminating the behaviors/symptoms for which they are employed. For those receiving Residential Habilitation, a Behavior Support Plan is not required in conjunction with psychotropic medication when the person's record clearly documents that he/she:

- Does not exhibit behavior that poses a significant risk to him/herself, others or the environment, and/or;
- Has reached the lowest effective dosage of the medication based on data regarding the occurrence of the specific behavior/symptoms for which the medication is prescribed which is confirmed in writing each quarter by the physician/psychiatrist prescribing the psychotropic medication.

When, for those receiving Residential Habilitation, a Behavior Support Plan is not used in conjunction with psychotropic medication, the specific behavior/psychiatric symptoms targeted for change by the use of psychotropic medications must be clearly noted. Data must be collected on the occurrence of those behaviors/symptoms targeted for change. The collected data must be provided as part of the Psychotropic Drug Review to inform the decisions made therein. Any other problem behavior, especially those which pose a significant risk to the person, others, or the environment, must also be documented and shared as part of the Psychotropic Drug Review.

When psychotropic medications are prescribed for those who participate in a DDSN-sponsored Employment/Day Program and reside in their own homes (i.e., not receiving ICF/IID or Residential Habilitation), efforts must be made to obtain information about those medications and the specific problem behaviors or symptoms for which they were prescribed. If those behaviors/symptoms interfere with the person's ability to fully benefit from Employment/Day Services or are sufficiently severe to likely jeopardize the person's ability to continue to live in his/her own home, the need for Behavior Support Services must be discussed with the person's case manager.

NOTE: Services are available through:

- State Funded Community Supports;
- State Funded Follow Along;
- Intellectual Disabilities/Related Disabilities (ID/RD) Waiver;

- Community Supports Waiver; or
- Head and Spinal Cord Injury (HASCI) Waiver.

III. EMERGENCY INTERVENTIONS

DDSN Directive 567-04-DD: Preventing and Responding to Disruptive Behavior and Crisis Situations, establishes the requirement that all DDSN-operated facilities/programs, DSN Board operated facilities/programs and DDSN-qualified service providers utilize a DDSN approved system for teaching and certifying staff to prevent and respond to disruptive behavior and crisis situations. Only the techniques that are part of a DDSN-approved system may be used. It is noted that the prohibited practices listed in the Policy section of this Directive equally inhibit the techniques used during an emergency intervention. When manual restraint techniques are employed as an emergency response the Facility Administrator or the Executive Director must be immediately notified. Within 24 hours of the incident, a written report of the incident must be provided to the Facility Administrator/Executive Director and either the person's Interdisciplinary Team or the staff responsible for the person's service plan development.

When a manual restraint is implemented during an emergency intervention, the manual restraint must only be applied until the person is calm and no longer dangerous. While the manual restraint is applied, the person's response to its application must be continually monitored.

Chemical restraints are permitted in emergency interventions; however, the Facility Administrator or Executive Director must have given prior written authorization when possible, or prior verbal authorization that must be followed by written authorization within 24 hours of the verbal authorization. The written authorization must document the initial attempt(s) of less intrusive measures being implemented, the specific medication and dosage to be administered, the time of the verbal authorization, and specify the date and time period for which the authorization is valid.

The emergency use of manual restraint or chemical restraint is considered a critical incident and must be reported to DDSN in accordance with DDSN Directive 100-09-DD: Critical Incident Reporting.

As soon as possible following the emergency intervention, the person's legal guardian must be notified of the incident. With the consent of the person, his/her family or correspondent should be notified of the incident. If the person is unable to communicate, the family will be contacted.

The facility or provider's Human Rights Committee must be notified of the emergency use of these interventions, in accordance with facility/board/provider policy.

Each time these interventions are used as an emergency response, consideration must be given to the circumstances under which the incident occurred and with which emergency interventions are necessary for the person. Should a pattern emerge, or if manual restraint or chemical restraint is employed in response to an emergency twice in a 30-day period or three (3) times during any three (3) consecutive month's period, a specific plan must be developed to prevent and respond to the behavior.

IV. HEALTH RELATED PROTECTIONS

When during the conduct of a specific medical, dental or surgical procedure or during the time in which a medical condition exists, the person requires protection, restraint (manual or mechanical) may be used. These health-related protections must be ordered by the person's physician/dentist. The physician/dentist must specify the schedule for its use and how the use of the protection is to be monitored. Examples of restraints that may be used as a health-related protection include, but are not limited to, splints, braces, bed rails, wheelchair harness, helmets, lap belts and abdominal/torso belts. Because the primary purpose of a health-related protection is not to manage behavior, a Behavior Support Plan is not required.

For an ICF/IID resident receiving services in a DDSN Regional Center, DDSN Directive 603-03-DD: Safety Precautions for Medical and Dental Treatment, must be followed.

Barry D. Malphrus
Vice Chairman

Stephanie M. Rawlinson
Chairman

To access the following attachment, please see the agency website page "Current Directives" at: <https://ddsn.sc.gov/providers/ddsn-directives-standards-and-manuals/current-directives>

Attachment: Reporting the Use of Planned Restraint

Reporting the Use of Planned Restraint to DDSN

Submitting Behavior Support Plans That Include Restraint Procedures

When any approved Behavior Support Plan (BSP) includes planned restraint (mechanical or manual) procedures, a copy of the BSP must be provided to DDSN. Additionally, a copy of any amendments to BSPs which include planned restraint (mechanical or manual) procedures must be provided to DDSN. “Planned restraint” is intended to mean when mechanical or manual restraint is specifically indicated in the BSP as a planned response to problem behavior that will immediately, or cumulatively result in harm. This does not include the use of restraint as a response to unanticipated dangerous or disruptive behavior or crisis situations.

When a new BSP which includes the use of planned restraint (mechanical or manual) procedures is approved for use or when any existing BSP is amended and approved to add planned restraint procedures, the BSPs must be submitted to DDSN within 20 days of approval.

Copies of BSPs and amendments must be submitted to Mark Morgan through Therap’s S-Comm system.

Reporting the Use of Restraint

When, in accordance with the Behavior Support Plan, planned restraint (manual or mechanical) is employed, the use of the planned restraint must be reported to DDSN. These reports should be made quarterly based on the following schedule:

| Reporting Period | Report to DDSN |
|-------------------------|-----------------------|
| January 1 – March 31 | April 15 |
| April 1 – June 30 | July 15 |
| July 1 – September 30 | October 15 |
| October 1 – December 31 | January 15 |

The report must include the following:

- The Residential Habilitation or ICF/IID provider’s name.
- The name of the person for whom restraint was employed.
- The date the restraint was employed. If released and restraint reapplied, two (2) applications should be-reported.
- The nonoccurrence of planned restraint procedures during the review period.

These quarterly reports should be submitted to Mark Morgan and should be submitted through Therap’s S-Comm system.



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Reference Number: 275-04-DD

Title of Document: Procedures for Implementation of DDSN Audit Policy for DSN Boards

Date of Issuance: May 11, 1988

Date of Last Revision: July 21, 2022 **(REVISED)**

Effective Date: July 21, 2022

Applicability: DSN Boards

GENERAL PROVISIONS

Disabilities and Special Needs (DSN) Boards and entities grandfathered in as DSN Boards that fall into one of the following categories must obtain an audit of financial statements and a report on applying agreed-upon procedures (RoAAP) in accordance with this policy.

1. Those that receive financial assistance (program contracts, grants, subgrants, etc.) from the South Carolina Department of Disabilities and Special Needs (DDSN) during the State fiscal year ended June 30.
2. Those that receive DDSN funds and makes a sub-grant to another organization with the funds, then the sub-grantee would also be considered a recipient of DDSN funds. The sub-grantee must obtain an audit in accordance with this directive if the amount received exceeds \$250,000 during the State fiscal year ended June 30.

The audit is to be performed in accordance with Generally Accepted Governmental Auditing Standards (GAGAS or “Yellow Book”) by an independent Certified Public Accountant (CPA). If the entity expended over the threshold set by OMB Uniform Guidance (currently \$750,000) in federal awards

during the fiscal year, then it must obtain an audit in accordance with the Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, under 2 C.F.R., Subtitle A, Chapter II, Part 200 (“Uniform Guidance”). Please note that Medicaid funds received are not considered federal awards.

DSN Boards are required to: (1) engage an independent CPA to complete the agreed-upon procedures outlined in this directive and (2) submit a report on their results of applying the agreed-upon procedures.

If a DSN Board is recognized as part of county government, then the county audit, if it meets the requirements of the DDSN audit policy, will be accepted and a separate audit of the DSN Board is not necessary; however, DDSN requires the DSN Board to submit a RoAAP prepared by an independent CPA.

AUDIT REPORT AND PROCEDURES

The following applies:

1. The financial statements must be prepared in conformity with generally accepted accounting principles (GAAP). Effective implementation dates for recently issued and adopted accounting pronouncements must be followed. Early implementation of any standard must be approved by DDSN in advance of adoption. Requests for consideration of early implementation must be submitted in writing to the DDSN Chief Financial Officer (CFO) by July 31 of the applicable year. A written response will be provided to the requestor within 30 days of receipt of the request.
2. The Management Discussion and Analysis (MD&A), if applicable, must be written by the DSN Board’s staff.
3. The financial information outlined in this directive for the DDSN funding year ended June 30 must be included in the audit report. Failure to do so will make the report unacceptable.
4. The auditor must express an opinion on whether the information in the supplementary schedules is fairly stated in all material respects in relation to the financial statements taken as a whole.
5. DDSN required supplementary financial information:
 - a) Schedules of Revenues and Expenses
 - i) These schedules must be presented on the full accrual, economic resources basis and not on the modified accrual, current financial resources basis.
 - ii) These schedules must be developed using the same line item detail as illustrated on Attachment A. Use of additional line items not shown in the attachment are not permitted without written approval from the DDSN CFO.
 - iii) Schedules must be prepared for the following, if applicable:
 - (1) General fund;
 - (2) Capitated programs (utilizing the capitated services contract);

- (3) Non-capitated programs (utilizing the non-capitated services contract);
- (4) Special grant programs (utilizing special grant contracts);
- (5) Intermediate cost centers; and
- (6) Other programs.

iv) The auditor must present the revenues and expenses separately by program. Expenses for residential programs must also be presented in detail for each residence within the program. Additionally, residential programs must be clearly distinguished as being HUD or non-HUD home(s).

b) Room and Board Computation

Utilizing DDSN Directive 250-09-DD: Calculation of Room and Board for Non-ICF/IID Programs and Attachment C, prepare a computation of room and board utilizing the final audited trial balance. The auditor is not required to provide any additional assurance related to the contents of specific trial balance accounts comprising the room and board computation.

c) Schedule of Special Grant Revenues and Expenses

Utilizing Attachment D, prepare a schedule of special grants for all special grant revenues received and/or expended during the fiscal year.

d) Reconciliation of audited financial statements to Medicaid Cost Reports and Cost Statements.

When the audited financial statements and the cost reports/cost statements are both presented on the full accrual basis, but the program costs for Medicaid funded programs per the audited financial statements (AFS) do not equal the AFS program costs per the cost reports, the auditor must provide a reconciliation to explain the differences between the two documents.

e) Audit Directive Compliance Statement

The DSN Board must give a copy of this audit policy to the auditor prior to the start of the audit to ensure that DDSN's audit requirements are met. The auditor must include a signed statement with the audit report stating that he/she has read and complied with the requirements of the policy. The statement must indicate the revision date of the audit policy that was followed.

f) Supplementary Schedule of Questioned Costs

In performing the audit, the auditor must consider whether expenses are reasonable and necessary for the program to which they are charged. Limitations on costs for awards are detailed in DDSN Directive 250-05-DD: Cost Principles for Grants and Contracts with Community DSN Boards. Individual negotiations and reviews will occur between the DSN Board and DDSN on all questioned costs pertaining to DDSN programs. Final

resolution, use of audit information, and applicability resides with DDSN. A schedule of questioned costs must be provided by the auditor. See Attachment E for an example schedule.

6. Combining or Consolidation Schedules

If the audit report includes blended component units or subsidiaries, then combining or consolidation schedules must be provided to support the basic financial statements. For Governmental Accounting Standards Board (GASB) presentations, combining schedules are only required for the Statement of Net Position and the Statement of Activities.

REPORT ON APPLYING AGREED-UPON PROCEDURES (RoAAP):

DSN Boards will need to contract with an independent CPA to apply RoAAP for the procedures listed below.

A sample template of the required report on applying RoAAP can be found in Attachment B. CPAs must follow this template. The template will be provided in Word format if requested.

The CPA must follow AU-C 530 “Audit Sampling” in its sampling selection process and determination of the population and sample sizes required. DDSN is prescriptive in selecting audit sampling but will closely scrutinize the results for reasonableness. Attachment B contains a new chart to tease out specific number of Medicaid bills tested to permit both aggregating RoAAP data statewide to assess risk and crystalize CPA’s level of effort in sampling.

The procedures below are required to be completed and the results reported on by the CPA.

1. Test the DSN Board’s Control and Procedures for Medicaid Billings

a) Background Information

People may receive services provided either by the Board or a third-party vendor under the Medicaid program. Services must be authorized by the case manager and documented in the consumer’s plan. The DSN Board or the third-party vendor receives payments for the Medicaid billable services rendered to the individuals from either DDSN or the SC Department of Health and Human Services (DHHS). Medicaid billable programs include, but are not limited to, all Residential Habilitation Programs, Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID), Community Residential Care Facilities (CRCF), Community Training Home-I (CTH-I), Community Training Home-II (CTH-II), Community Integrated Residential Services (CIRS), Supervised Living Model-I and II (SLP-I) and (SLP-II), Adult Day Programs, Supported Employment, Home and Community Based Waiver Services (enhanced board and direct billed services), Head and Spinal Cord Injury Services Waiver (enhanced board and direct billed services), Community Supports Waiver (enhanced board and direct billed services), Case Management, and Early Intervention. The auditor should reference DDSN Standards and chapter 10 of the Finance Manual located on DDSN’s website for guidance related to these services and DDSN’s billing and reporting procedures.

b) Procedures

- i) The CPA must gain an understanding of the Medicaid billing process and controls over Medicaid billable services (enhanced board and direct billed services). In order to gain an accurate understanding of this process, the CPA should consult with the program staff and supervisors as these employees are directly responsible for Medicaid compliance and should be familiar with how Medicaid is billed. The CPA must perform sufficient work to determine if the DSN Board's policies and procedures are adequate to provide reasonable assurance that Medicaid billable services are properly supported.
- ii) The CPA must select a representative sample from all persons from each Medicaid billable service area for which the DSN Board or a third-party vendor is receiving payments for Medicaid billable services through DDSN or DHHS. For the sample selected, the CPA must perform sufficient work to determine the following:
- Tests determine that the supporting documentation provides reasonable assurance that billings are supported by complete and accurate information.

Gain an understanding of the monitorship (scan service notes, phone contacts with family members and/or employers, visits to family members' homes and/or persons' job sites, etc.) procedures established by the DSN Board to monitor each program. Test monitorship is being provided and documented by supervisory staff on a continual basis to provide reasonable assurance to the DSN Board that the billable services are being provided to the persons and/or families as indicated by the documentation on file.

2. The auditor must select a representative sample in each provider residential Habilitation programs (ICF/ID, CRCF, CTH-I, CTH-II, CIRS, SLP-I and SLP-II). Test the DSN Board's management of the persons' personal funds and personal property for compliance with DDSN Directive 200-12-DD: Management of Funds for Individuals Participating in Community Residential Programs and 604-01-DD: Individual Clothing and Personal Property.

a) Background Information

CPAs should familiarize themselves with the following directives: DDSN Directives 200-12-DD: Management of Funds for Individuals Participating in Community Residential Programs and 604-01-DD: Individual Clothing and Personal Property, outline regulations related to DSN Board management of personal funds and property. Procedures may vary by residential program and will also vary based on whether funds are retained in individual checking accounts, savings accounts, burial accounts, Achieving a Better Life Experience (ABLE) accounts, or collective accounts. Care must be taken to gain an understanding of the unique characteristics of each and to ensure procedures are developed accordingly. Additionally, CPAs must understand eligibility, regulations, and resource limits established by Medicaid. Eligibility will vary by coverage group.

b) Procedures

The CPA must perform sufficient work to determine if the DSN Board's policies and procedures are adequate to safeguard the persons' personal funds and property, as well as remain in compliance with DDSN Directives. The CPA must select a representative sample of accounts and transactions to ensure proper coverage.

- i) Determine that the persons' personal funds are not borrowed, loaned, or co-mingled by the DSN Board or another person or entity for any purpose; or, combined or co-mingled in any way with the DSN Board's operating funds.
- ii) Determine that the person's accounts are established in the person's name and social security number, and that they indicate that the accounts are for the benefit of the person (fiduciary relationship).
- iii) Determine that bank signature cards are updated timely for changes in personnel and that a copy of the signature card is maintained.
- iv) Determine that bank reconciliations are being performed and documented within 20 business days of receipt of the bank statements by a staff member who is not a co-signer on the account.
- v) Determine, through a representative sample of all purchases, that receipts are on hand to support purchases made from the persons' personal funds.
- vi) Determine that the amount paid for by the person is properly charged to their personal funds. Consider if amounts should have been paid by the Waiver program, from residential program funds, or if items/services purchased are proper.
- vii) For any item purchased that is required to be inventoried, verify that the persons' personal property record is properly updated. Procedures used by the Provider should be evaluated to ensure they are adequate to ensure the item is properly marked in accordance with the directive. Actual observation of the items is not required but may be deemed necessary by the CPA to test the procedures used by the Provider.
- viii) Determine if checks written to the person cause them to exceed their cash on hand limit. Gift cards are also considered cash and must be included in the cash on hand limit. Funds written payable to the person and cashed are considered cash on hand until expended and should be considered in conjunction with other cash held by the person or by program staff.
- ix) Determine that actual counts of the persons' cash held by residential staff, and agreement of the counts to the records, are completed monthly by someone who does not have authority to receive or disburse cash. The count and agreement to the records must be documented. The CPA is only expected to test the procedures used by the Provider.

- x) Evaluated the controls over cash to ensure that the provider has adequate controls to identify and safeguard cash held by the provider and cash held by the person.
- xi) Determine that the persons' total countable resources do not exceed the established limits mandated by Medicaid (generally: \$2,000).
- xii) Determine that the DSN Board has a process established to identify those with recurring excess resources and have established a plan to eliminate risk of loss of benefits – for example, participation in the ABLE program, participation in a special needs trust (individual or pooled), spend down of resources, establishment of burial savings accounts, and/or establishment of prepaid burial arrangements.
- xiii) For collective accounts, determine that the account is being managed in accordance with the Social Security Organizational Representative Payee guide found on the Social Security Administration's website at <https://www.ssa.gov/payee>.

If the CPA becomes aware of a misappropriation involving DSN Board or persons' funds and/or any falsification of Medicaid billable services, then the CPA must promptly report that information to the DSN Board Executive Director and Financial Director, with a follow-up to DDSN Internal Audit.

- 3. Determine if the DSN Board is paying ALL direct care staff the established minimum hourly wage in accordance with the DDSN contract.

- a) Background Information

DDSN is appropriated funds from the State to establish a minimum pay rate for direct care staff. These funds are passed to DSN Boards through an increase in rates and contract amounts. Direct support professionals are defined as people that are in a regular shift rotation and are directly involved in the care of persons' in residential or day program settings. Supervisors, House Managers, and other similar positions would qualify if they met the criteria above. Job classifications vary by service provider and the same job classification at different service providers may or may not involve the same level of hands-on care. As a result, DDSN did not take a prescriptive approach. Each DSN Board will have the responsibility of determining which employees qualify based on their unique circumstances. The minimum pay rate for direct support professionals will be \$13 per hour. DSN Boards are permitted to pay new hires a rate less than \$13 for staff training hours and for any on the job training hours where the direct support professional (DSP) is not permitted to work alone. If a DSP employee is able to work alone and has been cleared to work alone by their Manager but due to staffing patterns does not work alone in the home, then they must be paid \$13 per hour. In no case should a new hire direct support professional make less than \$13 per hour for a period to exceed 90 calendar days.

b) Procedures

The CPA must determine that the DSN Board is paying **ALL** direct care staff the established minimum hourly wage in accordance with DDSN requirements, for all hours worked.

- i) The CPA must test the minimum pay rate used by the Provider. A variety of testing procedures may be used. One such procedure could be selecting two (2) pay periods to test proper application of the pay rate.
- ii) The CPA must test the timing of disbursements when a pay increase has been instituted which in the past has been the first pay date in July. Retroactivity of the pay rate is permitted, but the CPA must perform sufficient work to ensure it was completed properly. If there was a retroactive payment to the employee, then the CPA is only expected to verify that the process used appears to be completed correctly to ensure compliance.
- iii) If direct care staff are paid less than \$13 per hour, verification is required that they meet the requirements noted in 3a. If this requirement has not been met there must be a written exception approved by DDSN.

4. Determine that the DSN Board has adopted a Board of Director approved room and board policy. Also, test that the provider has properly and timely implemented the DDSN approved room and board rate, in accordance with their policy.

a) Background Information

DSN Boards are required to adopt a fee for services policy in accordance with DDSN Directive 250-09-DD: Calculation of Room and Board for Non-ICF/IID Programs. Additionally, they are to obtain DDSN approval at least annually on the room and board rates to be charged to persons' in residential programs.

b) Procedures

- i) The CPA must determine that the DSN Board has established a room and board policy for persons' fees that has been reviewed and approved by the Board of Directors.
- ii) The CPA must obtain the DDSN approved room and board rates utilized during the fiscal year.
- iii) The CPA must familiarize themselves with the policy and the approved rates.
- iv) Test actual charges made to persons to ensure that they comply with the policy and do not exceed the approved room and board rates.
- v) Test individuals' move-ins and move-outs and verify that room and board charges were properly applied. The CPA is testing the proper proration of the room and board charge.

5. Determine that the DSN Board has adopted a cost allocation plan and costs charged to intermediate cost centers are in accordance with DDSN Directives.

a) Background Information

All DSN Boards are required to submit cost allocation plans to DDSN. The cost allocation plan submitted by the DSN Board must be appropriate and comply with DDSN Directive 250-05-DD: Cost Principles for Grants and Contracts with Community Providers. DSN Boards are to ensure that costs are properly accumulated and allocated to final cost centers.

b) Procedures

- i) The CPA must determine if the cost allocation plan used was submitted and approved by DDSN.
- ii) The CPA must determine if the approved cost allocation plan is implemented as designed and note any material exceptions.

6. Determine if DSN Board complies with DDSN Directive 250-08-DD: Procurement Requirements for Local DSN Boards and Contracted Service Providers.

a) Background Information

DSN Boards are required to establish procurement policies and procedures in accordance with the requirements contained in DDSN Directive 250-08-DD: Procurement Requirements for Local DSN Boards and Contracted Service Providers. The policies and procedures can be more, but not less restrictive than the requirements in the Directive.

b) Procedures

- i) The CPA must determine that the DSN Board has established a procurement policy that has been reviewed and approved by the Board of Directors.
- ii) The CPA must perform tests to determine if the DSN Board's procurement policies and procedures are in compliance with the Directive.
- iii) When standards of conduct are included which require the members of the Board of Directors, Executive Director, President/CEO, finance staff, procurement staff, and staff directly reporting to the Executive Director/President/CEO to provide sign statements to disclose potential conflicts of interest and to acknowledge/prevent potential conflicts of interest, the CPA firm is required to ensure these statements have been provided and are on file.
- iv) A sample of purchase transactions must be selected to test compliance with the DSN Board's procurement policy.

7. The CPA must select a representative sample of financial transactions made by or on behalf of the Executive Director and top administrative staff (i.e., travel, credit cards, personal use of agency owned vehicles). Determine if transactions are proper and any tax reporting is properly reported.

AUDIT REPORT, COST REPORT, AND RoAAP DUE DATES AND EXTENSIONS

The audit report, separate letter to management (if issued), cost report, and RoAAP are to be filed with DDSN by September 30th of each year for fiscal year ending June 30th according to the Distribution section listed below. If this due date falls on a weekend, or any due date, then the due date is the next workday.

A request for an extension of time to file the audit, cost, and/or RoAAP reports must be submitted to DDSN Internal Audit by the DSN Board in writing on the DSN Board's letterhead stationery and signed by the Executive Director and must be approved by DDSN Internal Audit. The request for an extension must be received by DDSN Internal Audit by October 10th of the applicable year. Such requests will only be approved in extreme circumstances that are beyond the control of the DSN Board or the Auditor or when approval would be to the benefit of DDSN.

If the audit, cost, and RoAAP reports are not received within five (5) business days of the due date, including approved extensions, then a financial sanction of \$100 per calendar day will be assessed on each report until each of the reports are received by DDSN or up to a maximum of \$2,500 per report has been assessed. The total amount of the financial sanction will be invoiced. If a DSN Board incurs a contract reduction in consecutive years for not meeting a reporting deadline subject to a financial sanction for the same report, then the financial sanction for the missed deadline(s) for the second year will be doubled.

AMENDMENTS TO AUDIT REPORTS

Where additional explanations or corrections are necessary after a report has been filed, supplements must be prepared by the audit firm for all copies and distributed as noted in "Distribution" below.

CORRECTIVE ACTION PLANS (CAP) AND EXTENSIONS

When the auditor's report, separate letter to management (if issued), or the RoAAP identify material weaknesses, any deficiencies, findings or questioned costs, then the DSN Board must submit a CAP to address and resolve the problem identified by the auditor/CPA, or submit a statement of reasons why no corrective action is necessary. The CAP must be prepared on DSN Board's letterhead stationery and signed by the Executive Director. The CAP must be submitted to DDSN Internal Audit within 20 business days after issuance of the audit report or RoAAP. If the CAP is not received within 20 business days of the issuance date, then a financial sanction of \$100 per calendar day for financials and/or RoAAP will be assessed until the CAP is received by DDSN or a maximum of \$2,500 per cap has been assessed. The total amount of the financial sanction will be invoiced. Any invoices not paid within 60 days will be subject to additional collection efforts including, but not limited to, deductions from future contract payments. Invoices not able to be resolved after such efforts will be reviewed by the State Director and/or the DDSN Commission for potential additional action. It is recommended that the CAP be submitted with or be included as part of the audit report and RoAAP when issued. The CAP must include the specific dates when deficiencies will be corrected. Copies of documents that clarify the resolution of deficiencies must be included with the CAP.

A request for an extension of time to file a CAP must be submitted to DDSN Internal Audit by the DSN Board in writing on the **DSN Board’s letterhead stationery and signed by the Executive Director and must be approved by DDSN Internal Audit. The request for an extension must be filed at least 15 business days prior to the due date for the CAP.** Such requests will only be approved in extreme circumstances that are beyond the control of the DSN Board or its auditor, or when approval would be to the benefit of DDSN.

ADDRESSEE

The audit, cost, and RoAAP reports are to be addressed to the governing boards.

DISTRIBUTION

Copies of the audit, cost, and RoAAP reports, management letters, and internal control reports shall be filed as follows:

1. Executive Director of the DSN Board.
2. Chairperson of the DSN Board’s governing board.
3. Hard copy of audit report and cost report to:

DDSN Director of Cost Analysis
3440 Harden Street Extension
Columbia, S.C. 29203

4. Electronic pdf copies of all reports are required to be sent to financial.reports@DDSN.sc.gov.

The audit firm must present the final audit report, any management letter comments, the RoAAP, and all deficiencies noted, at a scheduled meeting of the DSN Board’s Board of Directors. If this is not done prior to the due date for submitting the documents to DDSN, the auditor must ensure that management is aware of the contents of the final report, management letter comments, the RoAAP, and deficiencies noted.

DISCLOSURE OF THREATS TO INDEPENDENCE

When the audit reports are filed with DDSN, DSN Boards must also submit a statement on letterhead stationery and signed by the Executive Director disclosing all identified threats to independence. The letter must outline the type and extent of all attestation, consulting, bookkeeping, and/or other services performed under contract or agreement with the audit firm. Examples that must be considered include: maintenance of the depreciation schedule, preparation of the financial statements, preparation of the SEFA (Schedule of Expenditures of Federal Awards), completion of the Federal Audit Clearinghouse Data Collection Form, preparation of the MD&A, preparation of income tax returns, preparation of Medicaid Cost Reports/Cost Statements, individual or aggregate material adjustments, payroll services, bookkeeping services, budget preparation, and software selection/implementation.

Reference must be made to the Government Auditing Standards 2018 Revision for those services that present threats to independence. The DSN Board is responsible for being aware of independence threats and ensuring they are addressed by the auditor to ensure they remain independent.

INSPECTION/ACCEPTANCE

Final inspection and acceptance of audit documents shall be the responsibility of DDSN Internal Audit.

AUDIT QUALITY

To verify that the responsibility of quality audits is accomplished, DDSN Internal Audit will work with other DDSN staff, as well as other state agencies, to:

1. Ensure that all audit reports of DSN Boards are received, reviewed, and distributed to appropriate DDSN officials.
2. Ensure that if significant inadequacies relating to the professional performance of the audit are discovered, the DSN Board will be advised and the auditor will be required to take corrective action. If corrective action is not taken, DDSN shall notify the DSN Board and other state agencies of the facts. Major inadequacies or repetitive substandard performance of auditors shall be referred to the appropriate professional bodies.
3. Ensure that satisfactory audit coverage is provided in a timely manner in accordance with DDSN audit requirements.
4. Maintain a follow-up system on audit findings and investigative matters.

The State Board of Accountancy may review all or a sample of DSN Board Audit Reports for compliance with professional standards.

Audit firms that receive a peer review report of other than pass must notify the DSN Board client and DDSN Internal Audit of the peer review results.

WORKING PAPERS

Working papers are to be retained by the audit firm for six (6) years following the end of the fiscal year being audited. Retention of working papers beyond six (6) years is required for audits of DSN Boards where questioned costs and/or practices have not been resolved with DDSN.

Working papers must be available, upon request, for examination by representatives of DDSN or its designee as well as successor auditors who may perform audits of the DSN Board. Availability of working papers must be provided at no additional cost to the representatives of DDSN or the successor auditor.

The auditor may be required to provide copies of any specific portions of working papers requested by DDSN personnel.

CONTRACTS

While DSN Boards are not required to obtain bids for audit services, DDSN believes that obtaining such bids is a good practice. DDSN, therefore, encourages DSN Boards to obtain bids for audit services. Additionally, in-charge auditor rotation, as well as, audit engagement team member rotation is highly recommended.

OUT-OF-STATE (CPA FIRM) REGISTRATION

CPAs and firms that operate out-of-state must comply with the requirements of the SC Board of Accountancy regarding “mobility” guidelines and/or out-of-state firm registration. Please contact the SC Board of Accountancy for more information. DDSN may verify with the SC Board of Accountancy that mobility guidelines and/or out-of-state firm registration requirements are being met.

CONFIRMATIONS - DDSN PAYMENTS

The independent auditor’s confirmation of DDSN payments made to a DSN Board is to be secured from DDSN’s Director of Finance. Requests for confirmations must be emailed to confirmations@ddsn.sc.gov. If electronic responses are desired, then please indicate such in the request along with the email address or other method of remitting the information. The auditor must reconcile DDSN payments per the confirmation with revenue per the DSN Board’s books. Questions concerning confirmations should be addressed to DDSN’s Accounting Manager at (803) 898-9682 or by email at confirmations@ddsn.sc.gov.

AMENDMENTS TO AUDIT POLICY

This document is subject to alteration or change as needed. Any changes will be made at the discretion of DDSN.

Barry D. Malphrus
Vice-Chairman

Stephanie M. Rawlinson
Chairman

To access the following attachments, please see the agency website page “Current Directives” at: <https://DDSN.sc.gov/providers/DDSN-directives-standards-and-manuals/current-directives>

- Attachment A: Sample - Financial Statements
- Attachment B: Sample - Independent Accountant’s Report on Applying Agreed-Upon Procedures
- Attachment C: Sample - Supplementary Room and Board Computation
- Attachment D: Sample - Supplementary Schedule of Special Grants
- Attachment E: Sample - Supplementary Schedule of Questioned Costs

Independent Accountant’s Report on Applying Agreed-Upon Procedures

To the Board of Directors

_____ (Provider’s Name)
 _____ (City/State/Zip Code)

We have performed the procedures enumerated below based upon the requirements outlined in the Department of Disabilities and Special Needs (DDSN) Provider Audit Policy (DDSN Directive 275-04-DD: Procedures for Implementation of DDSN Provider Audit Policy for DSN Boards) for the period ended _____ related to Medicaid billings. We have also performed the procedures enumerated in the compliance section below solely to assist the specified parties in evaluating the _____ (DSN Board’s name) in compliance with applicable DDSN Contracts and Directives. These procedures were agreed to by the management of _____ (DSN Board’s name) for the period ended _____ (DSN Board’s year-end or initial alternative period). _____’s (DSN Board’s name) management is responsible for establishing policies and procedures, and for the maintenance of records and supporting documentation. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The _____ has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of satisfying procedures as outlined in DDSN Directive 275-04-DD: Procedures for Implementation of DDSN Provider Audit Policy for DSN Boards. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the results of our testing are as follows:

Medicaid Billing

| Total Population Served | | | |
|-------------------------|---------------------------------------|---|------------------------------|
| # | Program/Service | # | Program/Service |
| | <u>ICF/ID</u> | | Supported Employment |
| | <u>CRCE</u> | | Board Billed Waiver Services |
| | <u>CTH-II</u> | | Early Intervention |
| | <u>CTH-I/Specialized Family Homes</u> | | Case Management |
| | <u>SLP-II/SLP-III</u> | | Adult Day |
| | <u>CIRS (Cloud Program)</u> | | Other (Specify) |
| | <u>SLP-I</u> | | Other (Specify) |

1. We obtained an understanding of the Medicaid billing process and controls over Medicaid billable services through discussions with management and consultations with program staff. In documenting our understanding, we also learned that the DSN Board served a total of _____ persons (unduplicated) for whom Medicaid services were billed for the period tested.

2. We selected a sample of _____ persons from the total number of persons for which the DSN Board is receiving payments for Medicaid billable services. We ensured that our sample represented Medicaid billings from all programs. The programs covered and number of persons selected for our procedures are identified below:

| Sample Selected | | | |
|-----------------|--------------------------------|---|------------------------------|
| # | Program/Service | # | Program/Service |
| | ICF/ID | | Supported Employment |
| | CRCF | | Board Billed Waiver Services |
| | CTH-II | | Adult Day |
| | CTH-I/Specialized Family Homes | | CIRS (Cloud) |
| | SLP-II/SLP-III | | Case Management |
| | SLP-I | | Early Intervention |
| | Other (Specify) | | Other (Specify) |
| | Other (Specify) | | Other (Specify) |

The CPA must follow AU-C 530 “Audit Sampling” in its sampling selection process and determination of the sample sizes required.

3. For the persons selected, we tested Medicaid billings for the period of _____ to determine the following:
- a. For the persons selected, we tested Medicaid billings and determined if there was sufficient documentation on file to provide reasonable assurance the billing was complete, accurate, and the service was performed, which is reflected in the below table:

| Medicaid Billing Testing & Results | | | | |
|------------------------------------|--------------------------------|---------------------------------|---|--|
| # Individuals Sampled | Program/Service | # of individual billings tested | # of individual billings supported by documentation | # of individual billings NOT supported by documentation |
| | ICF/ID | | | |
| | CRCF | | | |
| | CTH-II | | | |
| | CTH-I/Specialized Family Homes | | | |
| | SLP-II/SLP-III | | | |
| | SLP-I | | | |
| | Supported Employment | | | |
| | Board Billed Waiver Services | | | |
| | Adult Day | | | |
| | CIRS (Cloud) | | | |
| | Case Management | | | |
| | Early Intervention | | | |
| | Other (Specify) | | | |
| | Other (Specify) | | | |
| | TOTAL | | | |

Results/Finding:

- b. Gained an understanding of the monitorship procedures (review of service notes, phone contacts with family members and/or employers, visits to family members’ homes and/or persons’ job sites, etc.) established by the DSN Board to monitor each program. We tested that monitorship is being provided and documented by supervisory staff on an on-going basis so as to provide reasonable assurance to the DSN Board that the billable services are being provided to the persons and/or families as indicated by the documentation on file.

Results/Finding:

Compliance Section

1. Persons’ Personal Funds and Property:

In order to gain a more accurate understanding of the nature and treatment of persons’ personal funds and personal property, we consulted with the residential program staff since these employees are directly responsible for compliance with DDSN Directive 200-12-DD: Management of Funds for Individuals Participating in Community Residential Programs and 604-01-DD: Individual Clothing and Personal Property. In documenting our understanding, we also learned that the DSN Board served a total of _____ persons (unduplicated) for whom the provider manages personal funds and property for the period tested.

We selected a sample of _____ persons from the total number of persons for which the DSN Board is managing personal funds and personal property. The programs covered and number of persons selected for our procedures are identified below:

| Total Population Served | | | |
|--------------------------------|---------------------------------------|----------|------------------------|
| # | Program/Service | # | Program/Service |
| | <u>ICF/ID</u> | | <u>SLP-I</u> |
| | <u>CRCF</u> | | <u>CIRS (Cloud)</u> |
| | <u>CTH-II</u> | | <u>Other (Specify)</u> |
| | <u>CTH-I/Specialized Family Homes</u> | | <u>Other (Specify)</u> |
| | <u>SLP-II/SLP-III</u> | | <u>Other (Specify)</u> |

| Sample Selected | | | |
|------------------------|---------------------------------------|----------|------------------------|
| # | Program/Service | # | Program/Service |
| | <u>ICF/ID</u> | | <u>SLP 1</u> |
| | <u>CRCF</u> | | <u>CIRS (Cloud)</u> |
| | <u>CTH-II</u> | | <u>Other (Specify)</u> |
| | <u>CTH-I/Specialized Family Homes</u> | | <u>Other (Specify)</u> |
| | <u>SLP-II/SLP-III</u> | | <u>Other (Specify)</u> |

For the persons selected, we tested personal funds for the period of _____ to determine the following:

- a. Persons' personal funds were not borrowed, loaned, or co-mingled by the DSN Board or another person or entity for any purpose or combined or co-mingled in any way with the DSN Board's operating funds.

Results/Finding:

- b. Persons' checking and/or savings accounts were established in the persons' names and social security numbers, or they indicated that the accounts were for the benefit of the persons (fiduciary relationship).

Results/Finding:

- c. Bank signature cards were updated timely for changes in personnel and a copy of the signature card is maintained.

Results/Finding:

- d. Bank reconciliations for persons' accounts are being performed and documented within 20 business days of receipt of the bank statements by a staff member who is not a co-signer for the accounts.

Results/Finding:

- e. Through a representative sample of persons' purchases, determined that receipts are on hand to support purchases made from the persons' personal funds.

Results/Finding:

- f. Determined that the amounts paid for by the persons were properly charged to their personal funds. Considered if amounts should have been paid by the Waiver program, from residential program funds, or if items/services purchased were proper for the persons expending the funds.

Results/Finding:

- g. For any item purchased that is required to be inventoried, verified that the persons' personal property record was properly updated, and determined procedures are in place to ensure the item is properly marked in accordance with the directive.

Results/Finding:

- h. Determined if checks written to persons caused them to exceed their cash on hand limit.

Results/Finding:

- i. Determined that actual counts of the persons' cash held by residential staff, and agreement of the counts to the records, were completed monthly by someone who does not have authority to receive or disburse cash. Verified the count and agreement to the records was documented.

Results/Finding:

- j. Review the controls over cash on hand to ensure that the provider has adequate controls to identify and safeguard cash held by the provider and cash held by the person.

Results/Finding:

- k. Determined that the persons' total countable resources did not exceed the established limits mandated by Medicaid (generally: \$2,000).

Results/Finding:

- l. Determined that the DSN Board has a process established to identify those with recurring excess resources and have established a plan to eliminate risk of loss of benefits – for example, participation in the Palmetto ABLE Savings Program, participation in a special needs trust (individual or pooled), spend down of resources, establishment of burial savings accounts, establishment of prepaid burial arrangements, etc.

Results/Finding:

- m. For collective accounts, determined that the account is being managed in accordance with the Social Security Organizational Representative Payee guide.

Results/Finding:

2. Direct Care Staff Minimum Hourly Wage:

We gained an understanding of the requirements of paying all direct care staff in accordance with the DSN Board's contract with DDSN.

- a. We selected at least two (2) pay periods or used an alternative selection process to test proper application of the pay rate.

Results/Finding:

- b. If there was a direct care staff pay increase during the year raising DDSN's minimum hourly wage, the timing of the pay rate increase must be determined to ensure the increase was paid on the first pay date in July. Retroactivity of the pay rate is permitted. Any retroactivity was tested to ensure it was completed properly.

Results/Finding:

- c. For any direct care staff paid less than \$13 per hour, we verified that they met the requirements that permit a lower rate be paid for a period not to exceed 90 days or that there is a written exception approved by DDSN.

Results/Finding:

3. Room and Board Policy:

We gained an understanding of the policies and controls over room and board charges.

- a. We determined that the DSN Board established a room and board policy for persons' fees that was reviewed and approved by the Board of Directors.

Results/Finding:

- b. We obtained the DDSN approved room and board rates utilized during the fiscal year.

Results/Finding:

- c. We reviewed the actual charges made to persons to ensure that they complied with the policy, including consideration of timing of application of rate changes, and that they did not exceed the approved room and board rates.

Results/Finding:

- d. We sampled person move-ins and move-outs and ensured that room and board charges were properly prorated.

Results/Finding:

4. Indirect Cost Allocations and Cost Allocation Plan

We gained an understanding of the DSN Board's direct and indirect costs incurred. We obtained the cost allocation plan prepared and submitted to DDSN. Through discussions with fiscal staff, we determined application of the cost plan to the actual accounting procedures of the DSN Board.

- a. The CPA must determine if the cost allocation plan being used had been submitted and approved by DDSN.

Results/Findings:

- b. The CPA must determine if the approved cost allocation plan is implemented as designed and note any material exceptions.

Results/Finding:

5. Procurement

We gained an understanding of the policies and controls over procurement.

- a. We determined that the DSN Board has established a procurement policy that was reviewed and approved by the Board of Directors.

Results/Finding:

- b. We performed tests to determine if the DSN Board's procurement policies and procedures are in compliance with the DDSN Directive.

Results/Finding:

- c. We determined if standards of conduct are included that require the members of the Board of Directors, Executive Director, President/CEO, persons working in the finance department, procurement staff, and staff directly reporting to the Executive Director/President/CEO to provide signed statements to disclose potential conflicts of interest and to acknowledge/prevent potential conflicts of interest.

Results/Finding:

- d. We determined that these statements were provided and on file.

Results/Finding:

- e. We sampled purchase transactions to test compliance with the DSN Board's procurement policy.

Results/Finding:

6. Key Staff Spending

We selected a representative sample of financial transactions made by or on behalf of the Executive Director and top administrative staff (i.e., travel, credit cards, personal use of

agency owned vehicles, etc.). We determined if transactions were proper and any tax reporting was properly reported.

Results/Finding:

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the specified requirements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of (DSN Board's name) and DDSN and is not intended to be or should not be used by anyone other than these specified parties.

[Practioner's Signature]
[Practioner's City and State]
[Date]

Michelle G. Fry, J.D., Ph.D.
State Director
Janet Brock Priest
Associate State Director
Operations
Lori Manos
Associate State Director
Policy
Constance Holloway
General Counsel
Harley T. Davis, Ph.D.
Chief Administrative Officer
Nancy Rumbaugh
Interim Chief Financial Officer
Greg Meetze
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Vice Chairman
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Secretary
Gary Kocher, M.D.
Eddie L. Miller
David L. Thomas
Michelle Woodhead

Reference Number: 275-06-DD

Title of Document: Procedures for Implementation of DDSN Audit Policy for Contracted Service Providers

Date of Issuance: April 5, 2017

Date of Last Revision: July 21, 2022 **(REVISED)**

Effective Date: July 21, 2022

Applicability: Contracted Service Providers

GENERAL PROVISIONS

Contracted Service Providers (QPLs) that receive funding, directly or indirectly, (program contracts, grants, sub-grants or payments from DSN Boards, etc.) originating from South Carolina Department of Disabilities and Special Needs (DDSN) contracts, including billings direct to the South Carolina Department of Health and Human Services (DHHS), in excess of \$250,000 during their fiscal year must engage a Certified Public Accountant (CPA) to perform and report on applying agreed-upon procedures (RoAAP) in compliance with this directive. DDSN is contractually required by DHHS to ensure billings through BRIDGES are properly documented to support units billed.

Additionally, QPLs that **PROVIDE ANY RESIDENTIAL HABILITATION SERVICE** and meet the dollar threshold for a RoAAP above, must also engage a CPA to perform an audit in accordance with generally accepted governmental auditing standards (Generally Accepted Governmental Auditing Standards (GAGAS) or “Yellow Book”) and/or the standards of the Public Company Accounting Oversight Board (PCAOB). The audit requirement is in addition to the requirement to engage a CPA to perform and report on applying agreed-upon procedures (RoAAP) in compliance with this directive. The audit, excluding the RoAAP, is to be performed in accordance with GAGAS or “Yellow Book” by an independent CPA. If the entity expended over the threshold set by OMB Uniform Guidance (currently \$750,000) in federal awards during the fiscal year, then it must obtain an audit in accordance

with the Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, under 2 C.F.R., Subtitle A, Chapter II, Part 200 (“Uniform Guidance”). Please note that Medicaid funds received are not considered Federal awards.

AUDIT REPORT AND PROCEDURES

1. The financial statements must be prepared in conformity with Generally Accepted Accounting Principles (GAAP). Effective implementation dates for recently issued and adopted accounting pronouncements must be followed. Early implementation of any standard must be approved by DDSN in advance of adoption. Requests for consideration of early implementation must be submitted in writing to the DDSN Chief Financial Officer (CFO) within 30 calendar days subsequent to the fiscal year end in which the implementation is to be applied. A written response will be provided to the requestor within 30 days of receipt of the request.
2. The financial information outlined in this directive for the QPL’s year-end must be included in the audit report. Failure to do so will make the report unacceptable.
3. The auditor must express an opinion on whether the information in the supplementary schedules is fairly stated in all material respects in relation to the financial statements taken as a whole. As with the financial statements, the supplementary schedules must be prepared in conformity with generally accepted accounting principles.
4. DDSN required supplementary financial information:
 - a) **Room and Board Computation** – **ONLY QPLs PROVIDING RESIDENTIAL SERVICES.**

Utilizing DDSN Directive 250-09-DD: Calculation of Room and Board for Non-ICF/IID Programs and Attachment B, prepare a computation of room and board utilizing the final audited trial balance. The auditor is not required to provide any additional assurance related to the contents of specific trial balance accounts comprising the room and board computation.
 - b) **Schedule of Special Grant Revenues and Expenses**

Utilizing Attachment C, prepare a schedule of special grants for all special grants revenues received and/or expended during the fiscal year.
 - c) **Audit Directive Compliance Statement**

The QPL must give a copy of this audit policy to the auditor prior to the start of the audit to ensure that DDSN’s audit requirements are met. The auditor must include a signed statement with the audit report stating that he/she has read and complied with the requirements of the policy. The statement must indicate the revision date of the audit policy that was followed.

REPORT ON APPLYING AGREED-UPON PROCEDURES (RoAAP)

QPLs must contract with an independent CPA to apply and report on applying agreed-upon procedures for the procedures listed below.

A sample template of the required RoAAP can be found in Attachment A of this Directive. **CPAs must follow this template.** The template will be provided in Word format if requested.

The CPA must follow AU-C 530 “Audit Sampling” in its sampling selection process and determination of the population and sample sizes required. DDSN was not prescriptive in selecting audit sampling, but will closely scrutinize the results for reasonableness. Attachment A contains a chart to tease out specific number of Medicaid bills tested to permit both aggregating RoAAP data statewide to assess risk and crystalize CPA’s level of effort in sampling.

The procedures below are required to be completed by and the results reported on by the CPA.

1. Test the QPL’s control and procedures for Medicaid billings – ALL QPLs.

a) **Background Information**

People may receive services provided either by the QPL or a third party vendor under the Medicaid program. Services must be authorized by the Case Manager and documented in the person’s support plan. The QPL or the third party vendor receives payments for the Medicaid billable services rendered to the persons from either DDSN or the SC Department of Health and Human Services (DHHS). Medicaid billable programs include, but are not limited to, all residential habilitation programs; Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID), Community Residential Care Facilities (CRCF), Community Training Home-II (CTH-II), Community Training Home-I (CTH-I), Community Integrated Residential Services (CIRS), Supervised Living Model-II (SLP-II), Supervised Living Model-I (SLP I), Specialized Family Homes (SFH), Adult Day Programs, Supported Employment, Home and Community Based Waiver Services (enhanced board and direct billed services), Head and Spinal Cord Injury Services Waiver (enhanced board and direct billed services), Community Supports Waiver Services (enhanced board and direct billed services), Case Management, and Early Intervention. The CPA should reference DDSN standards and Chapter 10 of the Finance Manual located on DDSN’s website for guidance related to these services and DDSN’s billing and reporting procedures.

b) **Procedures**

i) The CPA must gain an understanding of the Medicaid billing process and controls over Medicaid billable services (including enhanced board and direct billed services). In order to gain an accurate understanding of this process, the CPA should consult with the program staff and supervisors, as these employees are directly responsible for Medicaid compliance and should be familiar with the Medicaid billing process. The CPA must perform sufficient work to determine if the QPL’s policies and procedures are adequate to provide reasonable assurance that Medicaid billable services are properly supported.

- ii) The auditor must select a representative sample from all persons from each Medicaid billable service area for which the QPL or a third-party vendor is receiving payments for Medicaid billable services through DDSN or DHHS. For the sample selected, the CPA must perform sufficient work to determine the following:
- Tests determine that the supporting documentation provides reasonable assurance that billings are supported by complete and accurate information.
 - Gain an understanding of the monitorship (review of service notes, phone contacts with family members and/or employers, visits to family members' homes and/or persons' job sites, etc.) procedures established by the QPL to monitor each program. Test monitorship is being provided and documented by supervisory staff on an on-going basis so as to provide reasonable assurance to the QPL that the billable services are being provided to the persons and/or families as indicated by the documentation on file.

2. **ONLY QPLs PROVIDING RESIDENTIAL SERVICES:** The auditor must select a representative sample in each provider residential Habilitation programs (ICF/ID, CRCF, CTH-I, CTH-II, CIRS, SLP-I and SLP-II). Test the provider's management of the personal funds and personal property for compliance with DDSN Directive 200-12-DD: Management of Funds for Individuals Participating in Community Residential Programs and 604-01-DD: Individual Clothing and Personal Property.

a) Background information

CPAs should familiarize themselves with the following directives: DDSN Directives 200-12-DD: Management of Funds for Individuals Participating in Community Residential Programs and 604-01-DD: Individual Clothing and Personal Property, outline regulations related to DSN Board management of personal funds and property. Procedures may vary by residential program and will also vary based on whether funds are retained in individual checking accounts, savings accounts, burial accounts, Achieving a Better Life Experience (ABLE) accounts, or collective accounts. Care must be taken to gain an understanding of the unique characteristics of each and to ensure procedures are developed accordingly. Additionally, CPAs must understand eligibility, regulations, and resource limits established by Medicaid. Eligibility will vary by coverage group.

b) Procedures

The CPA must perform sufficient work to determine if the QPL's policies and procedures are adequate to safeguard the persons' personal funds and property and are

in compliance with DDSN Directives. The CPA must select a representative sample of accounts from each residential program and transactions to ensure proper coverage.

- i) Determine that persons' personal funds are not borrowed, loaned, or co-mingled by the QPL or any other person or entity for any purpose; or, combined or co-mingled in any way with the QPL's operating funds.
- ii) Determine that persons' accounts are established in the person's name and social security number, and that they indicate the accounts are for the benefit of the person (fiduciary relationship).
- iii) Determine that copies of bank signature cards are maintained and updated timely for changes.
- iv) Determine that bank reconciliations are being performed and documented within 20 business days of receipt of the bank statements by a staff member who is not a co-signer on the account.
- v) Determine, through a random sample of 10% of all purchases that receipts are on hand to support purchases made from the person's personal funds.
- vi) Determine that the amount paid by the person is properly charged to their personal funds. Consider if amounts should have been paid by the Waiver program, from residential program funds, or if items/services purchased are appropriate for the person expending the funds.
- vii) For any item purchased that is required to be inventoried, verify that the persons' personal property record is properly updated. Procedures used by the Provider should be reviewed to ensure they are adequate to ensure the item is properly marked in accordance with the directive. Actual observation of the items is not required, but may be deemed necessary by the CPA to test the procedures used by the Provider.
- viii) Determine if checks written to the person cause those to exceed their cash on hand limit. Gift cards are also considered cash and must be included in the cash on hand limit. Funds written payable to the person and cashed are considered cash on hand until expended and should be considered in conjunction with other cash held by the person and/or by program staff.
- ix) Determine that actual counts of the persons' cash held by residential staff, and agreement of the counts to the records, are completed monthly by someone who does not have authority to receive or disburse cash. The count and agreement to the records must be documented. The CPA is only expected to test the procedures used by the Provider.
- x) Evaluate controls over cash to ensure that the provider has adequate controls to identify and safeguard cash held by the provider and cash held by the person.

- xi) Determine that the persons' total countable resources do not Exceed the established limits mandated by Medicaid (generally: \$2,000).
- xii) Determine that the QPL has a process in which to identify those with recurring excess resources and a plan is established to eliminate risk of loss of benefits – for example, participation in the ABLÉ Program, participation in a special needs trust (individual or pooled), spend down of resources, establishment of burial savings accounts, and establishment of prepaid burial arrangements.
- xiii) For collective accounts, the CPA must determine that the account is being managed in accordance with the Social Security Organizational Representative Payee guide that can be found on the Social Security Administration's website.

If the auditor becomes aware of a misappropriation involving the QPL or persons' funds and/or any falsification of Medicaid billable services, then the auditor must promptly report this information to management, with a follow-up to DDSN Internal Audit. Consideration should be given as to deficiencies in internal controls and whether there are any questioned costs to report.

- 3. Determine if the QPL is paying ALL direct care staff the established minimum hourly wage in accordance with the DDSN contract.

- a) Background Information

DDSN is appropriated funds from the State to establish a minimum pay rate for direct care staff. These funds are passed to QPL through an increase in rates and contract amounts. Direct support professionals are defined as persons that are in a regular shift rotation and are directly involved in the care of persons in residential or day program settings. Supervisors, House Managers, and other similar positions would qualify if they meet the criteria above. Job classifications vary by service provider and the same job classification at different service providers may or may not involve the same level of hands-on care. As a result, DDSN did not take a prescriptive approach. Each QPL will have the responsibility of determining which employees qualify based on their unique circumstances. The minimum pay rate for direct support professionals will be \$13 per hour. QPLs are permitted to pay new hires a rate less than \$13 for staff training hours and for any on the job training hours where the direct support professional is not permitted to work alone. If a staff is able and has been cleared to work alone, but does not work alone due to staffing patterns in the home, then they must be paid \$13 per hour. In no case should a new hire direct support professional make less than \$13 per hour for a period to exceed 90 calendar days.

- a) Procedures

The auditor must determine that the QPL is paying ALL direct care staff the established minimum hourly wage in accordance with DDSN requirements, for all hours worked.

- i) The CPA must test the minimum pay rate used by the Provider. A variety of testing procedures may be used. One such procedure could be selecting two (2) randomly selected pay periods to test proper application of the pay rate.

- ii) For all years with a direct care staff pay increase raising DDSN’s minimum hourly wage, the timing of the pay rate increase must be determined to ensure the increase was paid on the first pay date in July. Retroactivity of the pay rate is permitted, but the CPA must perform sufficient work to ensure it was completed properly. If there was a retroactive payment to the employee, then the CPA is only expected to verify the process used appears to be completed correctly to ensure compliance.
- iii) If direct care staff are paid less than \$13 per hour, verify they meet the requirements above which permits a lower rate be paid for a period not to exceed 90 days or there is a written exception approved by DDSN.

4. APPLICABLE ONLY TO QPLs PROVIDING RESIDENTIAL SERVICES

Determine that the QPL has adopted a room and board policy. Test that they have properly and timely implemented the DDSN approved room and board, in accordance with their policy.

a) Background information

QPLs are required to adopt a fee for services policy in accordance with DDSN Directive 250-09-DD: Calculation of Room and Board for Non-ICF/IID Programs. Additionally, they are to obtain DDSN approval at least annually on the room and board fee to be charged to persons in residential programs.

b) Procedures

- i) The auditor must determine that the QPL has established a room and board policy for persons’ fees and such policy has been reviewed and approved by the Board of Directors, if the QPL has a Board of Directors. In the absence of the Board of Directors, room and board must be approved by someone in authority (Owner/CEO).
- ii) The CPA must obtain the DDSN approved room and board rates utilized during the reporting period.
- iii) The CPA should familiarize themselves with the policy and the approved rates.
- iv) The CPA must test actual charges made to persons to ensure that they comply with the policy. This would include consideration of the timing of the application of rate changes and verification that these charges do not exceed the approved room and board rates.
- v) The CPA must test move-ins and move-outs that occur within any given month to ensure that room and board charges were properly applied and the proper proration of the room and board was appropriately charged. Any miscalculations must be communicated by the CPA.

AUDIT REPORT AND RoAAP REPORT DUE DATES AND EXTENSIONS

The RoAAP and audit report, if required, are to be filed with DDSN within 90 calendar days of the year-end audited. If this due date falls on a weekend, or any due date, then the due date is the next workday.

A request for an extension of time to file the RoAAP and audit reports must be submitted to DDSN Internal Audit by the QPL in writing on the **QPL’s letterhead and signed by the Executive Director/CEO/President and must be approved by DDSN Internal Audit. The request for an extension must be received by DDSN Internal Audit at least 15 calendar days prior to the due date of the report.** Such requests will only be approved in extreme circumstances that are beyond the control of the QPL or the auditor or when approval would be to the benefit of DDSN.

If the audit and RoAAP reports are not received within five (5) business days of the due date, including approved extensions, then a financial sanction of \$100 per calendar day will be assessed on each report until each of the reports are received by DDSN or up to a maximum of \$2,500 per report has been assessed. The total amount of the fees assessed will be invoiced. If a QPL incurs a financial sanction in consecutive years for not meeting a reporting deadline subject to a financial sanction for the same report, then the fee for the missed deadline(s) for the second year will be doubled.

AMENDMENTS TO AUDIT REPORTS

Where additional explanations or corrections are necessary after a report has been filed, supplements must be prepared by the audit firm and distributed as noted in the “Distribution” section below.

CORRECTIVE ACTION PLANS (CAP) AND EXTENSIONS

When the auditor’s report, separate letter to management (if issued), and/or the RoAAP identify material weaknesses, deficiencies (significant or not), findings or questioned costs, the QPL must submit a CAP to address and resolve the problem(s) identified by the auditor/CPA, or submit a statement of reasons why no corrective action is necessary. The CAP should be prepared on contracted service provider’s letterhead and signed by the Executive Director/CEO/President. The CAP must be submitted to DDSN Internal Audit within 20 business days after issuance of the audit report and/or RoAAP. If the CAP is not received within 20 business days of the due date, then a financial sanction of \$100 per calendar day will be assessed until the CAP is received by DDSN or up to a maximum of \$2,500 per CAP has been assessed. The total amount of the financial sanction will be invoiced. Any invoices not paid within 60 days will be subject to additional collection efforts including, but not limited to, deductions from future contract payments. Invoices not able to be resolved after such efforts will be reviewed by the State Director and/or the DDSN Commission for potential additional action. It is recommended that the CAP be submitted with or included as part of the audit report and/or RoAAP when issued. The CAP should include the specific dates when deficiencies will be corrected. Copies of documents that clarify the resolution of deficiencies must be included with the CAP, such as found missing receipts, relevant Service Error Correction Forms, and logs.

A request for an extension of time to file a CAP must be submitted to DDSN Internal Audit by the QPL in writing on letterhead and signed by the Executive Director/CEO/President, and must be

approved by DDSN Internal Audit. The request for an extension must be filed 15 business days prior to the due date for the CAP. Such requests will only be approved in extreme circumstances that are beyond the control of the contracted service provider, the auditor, or when approval would be to the benefit of DDSN.

ADDRESSEE

Any reports issued in accordance with this directive are to be addressed to the governing boards or to management if the entity does not have a Board of Directors.

DISTRIBUTION

The RoAAP report, audit report, management letters, and/or internal control reports shall be filed as follows:

1. Executive Director/CEO/President of the QPL.
2. Chairperson of the QPL’s governing board (if applicable).
3. Hard copy of audit reports to:

DDSN Director of Cost Analysis
3440 Harden Street Extension
Columbia, SC 29203
4. Electronic pdf copy of audit reports and RoAAPs to financial.reports@ddsn.sc.gov.

The audit firm must present the final audit report, any management letter comments, the RoAAP, and all deficiencies noted, at a scheduled meeting of the QPL’s Board of Directors, if applicable. If this is not done prior to the due date for submitting the documents to DDSN, the auditor must ensure that management is aware of the contents of the final report, management letter comments, the RoAAP, and deficiencies noted.

DISCLOSURE OF THREATS TO INDEPENDENCE

When the audit reports are filed with DDSN, QPLs must also submit a statement on letterhead and signed by the Executive Director/CEO/President disclosing all identified threats to independence. The letter must outline the type and extent of all attestation, consulting, bookkeeping, and/or other services performed under contract or agreement with the audit firm. Examples that must be considered include, but not limited to maintenance of the depreciation schedule, preparation of the financial statements, income tax preparation and advisory services, management advisory services, third-party administrator services, preparation of the Schedule of Expenditures of Federal Awards (SEFA), completion of the Federal Audit Clearinghouse Data Collection Form, individual or aggregate, material adjustments made, payroll services, bookkeeping services, budget preparation, and software selection/implementation.

Reference must be made to the Government Auditing Standards 2018 Revision for those services that present threats to independence. The QPL is responsible for being aware of independence threats and ensuring they are addressed by the auditor to ensure they remain independent.

INSPECTION/ACCEPTANCE

Final inspection and acceptance of audit documents shall be the responsibility of DDSN Internal Audit.

AUDIT QUALITY

To verify that the responsibility of quality audits is accomplished, DDSN Internal Audit will work with other DDSN staff, as well as other state agencies, to:

1. Ensure that audit reports of QPLs are received, reviewed and distributed to appropriate DDSN officials.
2. Ensure that if significant inadequacies relating to the professional performance of the audit are disclosed, the QPL will be advised and the auditor will be required to take corrective action. If corrective action is not taken, DDSN shall notify the QPL and other state agencies of the facts. Major inadequacies or repetitive substandard performance of auditors shall be referred to the appropriate professional bodies.
3. Ensure that satisfactory audit coverage is provided in a timely manner in accordance with DDSN audit requirements.
4. Maintain a follow-up system on audit findings and investigative matters.

The SC Board of Accountancy may review all or a sample of QPL audit reports for compliance with professional standards.

Audit firms that receive a peer review report with results other than ‘pass’ must timely notify the QPL client and DDSN Internal Audit of the peer review results.

WORKING PAPERS

Working papers are to be retained by the audit firm for six (6) years following the end of the year audited. Retention of working papers beyond six (6) years is required for audits of QPLs where questioned costs and/or practices have not been resolved with DDSN.

Working papers must be available upon request, at no additional cost, for examination by DDSN representatives or its designee, as well as successor auditors, who may perform audits of the QPL.

CONTRACTS

While QPLs are not required to obtain bids for audit services, DDSN believes that obtaining such bids is a good practice. Therefore, DDSN encourages contracted service providers to obtain bids for audit

services. Additionally, in-charge auditor rotation, as well as, audit engagement team member rotation is highly recommended.

OUT-OF-STATE (CPA FIRM) REGISTRATION

CPAs and firms that operate out-of-state must comply with the requirements of the SC Board of Accountancy regarding “mobility” guidelines and/or out-of-state firm registration. Please contact the SC Board of Accountancy for more information. DDSN may verify with the SC Board of Accountancy that mobility guidelines and/or out-of-state firm registration requirements are being met.

CONFIRMATIONS - DDSN PAYMENTS

The independent auditor’s confirmation of DDSN payments made to a QPL is to be secured from DDSN’s Director of Finance. Requests for confirmations must be emailed to confirmations@ddsn.sc.gov. If electronic responses are desired, then please indicate such in the request along with the email address or other method of remitting the information. The auditor must reconcile DDSN payments per the confirmation with revenue per the QPL’s books. Any questions regarding confirmations should be emailed to confirmations@ddsn.sc.gov.

AMENDMENTS TO AUDIT POLICY

This document is subject to alteration or change as needed. Any changes will be made at the discretion of DDSN.

Barry D. Malphrus
Vice-Chairman

Stephanie M. Rawlinson
Chairman

To access the following attachments, please see the agency website page “Current Directives” at: <https://ddsn.sc.gov/providers/ddsn-directives-standards-and-manuals/current-directives>

- Attachment A: Sample - Independent Accountant’s Report on Applying Agreed-Upon Procedures
- Attachment B: Sample – Supplementary Room and Board Calculation
- Attachment C: Sample – Supplementary Schedule of Special Grants

Independent Accountant’s Report on Applying Agreed-Upon Procedures

To the Board of Directors

_____ (Provider’s Name)
 _____ (City/State/Zip Code)

We have performed the procedures enumerated below based upon the requirements outlined in the Department of Disabilities and Special Needs (DDSN) Provider Audit Policy (DDSN Directive 275-04-DD: Procedures for Implementation of DDSN Provider Audit Policy for DSN Boards) for the period ended _____ related to Medicaid billings. We have also performed the procedures enumerated in the compliance section below solely to assist the specified parties in evaluating the _____ (DSN Board’s name) in compliance with applicable DDSN Contracts and Directives. These procedures were agreed to by the management of _____ (DSN Board’s name) for the period ended _____ (DSN Board’s year-end or initial alternative period). _____’s (DSN Board’s name) management is responsible for establishing policies and procedures, and for the maintenance of records and supporting documentation. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The _____ has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of satisfying procedures as outlined in DDSN Directive 275-04-DD: Procedures for Implementation of DDSN Provider Audit Policy for DSN Boards. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the results of our testing are as follows:

Medicaid Billing

| Total Population Served | | | |
|-------------------------|---------------------------------------|---|------------------------------|
| # | Program/Service | # | Program/Service |
| | <u>ICF/ID</u> | | Supported Employment |
| | <u>CRCE</u> | | Board Billed Waiver Services |
| | <u>CTH-II</u> | | Early Intervention |
| | <u>CTH-I/Specialized Family Homes</u> | | Case Management |
| | <u>SLP-II/SLP-III</u> | | Adult Day |
| | <u>CIRS (Cloud Program)</u> | | Other (Specify) |
| | <u>SLP-I</u> | | Other (Specify) |

1. We obtained an understanding of the Medicaid billing process and controls over Medicaid billable services through discussions with management and consultations with program staff. In documenting our understanding, we also learned that the DSN Board served a total of _____ persons (unduplicated) for whom Medicaid services were billed for the period tested.

2. We selected a sample of _____ persons from the total number of persons for which the DSN Board is receiving payments for Medicaid billable services. We ensured that our sample represented Medicaid billings from all programs. The programs covered and number of persons selected for our procedures are identified below:

| Sample Selected | | | |
|-----------------|--------------------------------|---|------------------------------|
| # | Program/Service | # | Program/Service |
| | ICF/ID | | Supported Employment |
| | CRCF | | Board Billed Waiver Services |
| | CTH-II | | Adult Day |
| | CTH-I/Specialized Family Homes | | CIRS (Cloud) |
| | SLP-II/SLP-III | | Case Management |
| | SLP-I | | Early Intervention |
| | Other (Specify) | | Other (Specify) |
| | Other (Specify) | | Other (Specify) |

The CPA must follow AU-C 530 “Audit Sampling” in its sampling selection process and determination of the sample sizes required.

3. For the persons selected, we tested Medicaid billings for the period of _____ to determine the following:
- a. For the persons selected, we tested Medicaid billings and determined if there was sufficient documentation on file to provide reasonable assurance the billing was complete, accurate, and the service was performed, which is reflected in the below table:

| Medicaid Billing Testing & Results | | | | |
|------------------------------------|--------------------------------|---------------------------------|---|--|
| # Individuals Sampled | Program/Service | # of individual billings tested | # of individual billings supported by documentation | # of individual billings NOT supported by documentation |
| | ICF/ID | | | |
| | CRCF | | | |
| | CTH-II | | | |
| | CTH-I/Specialized Family Homes | | | |
| | SLP-II/SLP-III | | | |
| | SLP-I | | | |
| | Supported Employment | | | |
| | Board Billed Waiver Services | | | |
| | Adult Day | | | |
| | CIRS (Cloud) | | | |
| | Case Management | | | |
| | Early Intervention | | | |
| | Other (Specify) | | | |
| | Other (Specify) | | | |
| | TOTAL | | | |

Results/Finding:

- b. Gained an understanding of the monitorship procedures (review of service notes, phone contacts with family members and/or employers, visits to family members’ homes and/or persons’ job sites, etc.) established by the DSN Board to monitor each program. We tested that monitorship is being provided and documented by supervisory staff on an on-going basis so as to provide reasonable assurance to the DSN Board that the billable services are being provided to the persons and/or families as indicated by the documentation on file.

Results/Finding:

Compliance Section

1. Persons’ Personal Funds and Property:

In order to gain a more accurate understanding of the nature and treatment of persons’ personal funds and personal property, we consulted with the residential program staff since these employees are directly responsible for compliance with DDSN Directive 200-12-DD: Management of Funds for Individuals Participating in Community Residential Programs and 604-01-DD: Individual Clothing and Personal Property. In documenting our understanding, we also learned that the DSN Board served a total of _____ persons (unduplicated) for whom the provider manages personal funds and property for the period tested.

We selected a sample of _____ persons from the total number of persons for which the DSN Board is managing personal funds and personal property. The programs covered and number of persons selected for our procedures are identified below:

| Total Population Served | | | |
|--------------------------------|---------------------------------------|----------|------------------------|
| # | Program/Service | # | Program/Service |
| | <u>ICF/ID</u> | | <u>SLP-I</u> |
| | <u>CRCF</u> | | <u>CIRS (Cloud)</u> |
| | <u>CTH-II</u> | | <u>Other (Specify)</u> |
| | <u>CTH-I/Specialized Family Homes</u> | | <u>Other (Specify)</u> |
| | <u>SLP-II/SLP-III</u> | | <u>Other (Specify)</u> |

| Sample Selected | | | |
|------------------------|---------------------------------------|----------|------------------------|
| # | Program/Service | # | Program/Service |
| | <u>ICF/ID</u> | | <u>SLP 1</u> |
| | <u>CRCF</u> | | <u>CIRS (Cloud)</u> |
| | <u>CTH-II</u> | | <u>Other (Specify)</u> |
| | <u>CTH-I/Specialized Family Homes</u> | | <u>Other (Specify)</u> |
| | <u>SLP-II/SLP-III</u> | | <u>Other (Specify)</u> |

For the persons selected, we tested personal funds for the period of _____ to determine the following:

- a. Persons' personal funds were not borrowed, loaned, or co-mingled by the DSN Board or another person or entity for any purpose or combined or co-mingled in any way with the DSN Board's operating funds.

Results/Finding:

- b. Persons' checking and/or savings accounts were established in the persons' names and social security numbers, or they indicated that the accounts were for the benefit of the persons (fiduciary relationship).

Results/Finding:

- c. Bank signature cards were updated timely for changes in personnel and a copy of the signature card is maintained.

Results/Finding:

- d. Bank reconciliations for persons' accounts are being performed and documented within 20 business days of receipt of the bank statements by a staff member who is not a co-signer for the accounts.

Results/Finding:

- e. Through a representative sample of persons' purchases, determined that receipts are on hand to support purchases made from the persons' personal funds.

Results/Finding:

- f. Determined that the amounts paid for by the persons were properly charged to their personal funds. Considered if amounts should have been paid by the Waiver program, from residential program funds, or if items/services purchased were proper for the persons expending the funds.

Results/Finding:

- g. For any item purchased that is required to be inventoried, verified that the persons' personal property record was properly updated, and determined procedures are in place to ensure the item is properly marked in accordance with the directive.

Results/Finding:

- h. Determined if checks written to persons caused them to exceed their cash on hand limit.

Results/Finding:

- i. Determined that actual counts of the persons' cash held by residential staff, and agreement of the counts to the records, were completed monthly by someone who does not have authority to receive or disburse cash. Verified the count and agreement to the records was documented.

Results/Finding:

- j. Review the controls over cash on hand to ensure that the provider has adequate controls to identify and safeguard cash held by the provider and cash held by the person.

Results/Finding:

- k. Determined that the persons' total countable resources did not exceed the established limits mandated by Medicaid (generally: \$2,000).

Results/Finding:

- l. Determined that the DSN Board has a process established to identify those with recurring excess resources and have established a plan to eliminate risk of loss of benefits – for example, participation in the Palmetto ABLE Savings Program, participation in a special needs trust (individual or pooled), spend down of resources, establishment of burial savings accounts, establishment of prepaid burial arrangements, etc.

Results/Finding:

- m. For collective accounts, determined that the account is being managed in accordance with the Social Security Organizational Representative Payee guide.

Results/Finding:

2. Direct Care Staff Minimum Hourly Wage:

We gained an understanding of the requirements of paying all direct care staff in accordance with the DSN Board's contract with DDSN.

- a. We selected at least two (2) pay periods or used an alternative selection process to test proper application of the pay rate.

Results/Finding:

- b. If there was a direct care staff pay increase during the year raising DDSN's minimum hourly wage, the timing of the pay rate increase must be determined to ensure the increase was paid on the first pay date in July. Retroactivity of the pay rate is permitted. Any retroactivity was tested to ensure it was completed properly.

Results/Finding:

- c. For any direct care staff paid less than \$13 per hour, we verified that they met the requirements that permit a lower rate be paid for a period not to exceed 90 days or that there is a written exception approved by DDSN.

Results/Finding:

3. Room and Board Policy:

We gained an understanding of the policies and controls over room and board charges.

- a. We determined that the DSN Board established a room and board policy for persons' fees that was reviewed and approved by the Board of Directors.

Results/Finding:

- b. We obtained the DDSN approved room and board rates utilized during the fiscal year.

Results/Finding:

- c. We reviewed the actual charges made to persons to ensure that they complied with the policy, including consideration of timing of application of rate changes, and that they did not exceed the approved room and board rates.

Results/Finding:

- d. We sampled person move-ins and move-outs and ensured that room and board charges were properly prorated.

Results/Finding:

4. Indirect Cost Allocations and Cost Allocation Plan

We gained an understanding of the DSN Board's direct and indirect costs incurred. We obtained the cost allocation plan prepared and submitted to DDSN. Through discussions with fiscal staff, we determined application of the cost plan to the actual accounting procedures of the DSN Board.

- a. The CPA must determine if the cost allocation plan being used had been submitted and approved by DDSN.

Results/Findings:

- b. The CPA must determine if the approved cost allocation plan is implemented as designed and note any material exceptions.

Results/Finding:

5. Procurement

We gained an understanding of the policies and controls over procurement.

- a. We determined that the DSN Board has established a procurement policy that was reviewed and approved by the Board of Directors.

Results/Finding:

- b. We performed tests to determine if the DSN Board's procurement policies and procedures are in compliance with the DDSN Directive.

Results/Finding:

- c. We determined if standards of conduct are included that require the members of the Board of Directors, Executive Director, President/CEO, persons working in the finance department, procurement staff, and staff directly reporting to the Executive Director/President/CEO to provide signed statements to disclose potential conflicts of interest and to acknowledge/prevent potential conflicts of interest.

Results/Finding:

- d. We determined that these statements were provided and on file.

Results/Finding:

- e. We sampled purchase transactions to test compliance with the DSN Board's procurement policy.

Results/Finding:

6. Key Staff Spending

We selected a representative sample of financial transactions made by or on behalf of the Executive Director and top administrative staff (i.e., travel, credit cards, personal use of

agency owned vehicles, etc.). We determined if transactions were proper and any tax reporting was properly reported.

Results/Finding:

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the specified requirements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of (DSN Board's name) and DDSN and is not intended to be or should not be used by anyone other than these specified parties.

[Practitioner's Signature]
[Practitioner's City and State]
[Date]

FY22 Spending Plan VS Actual Expenditures as of 6/29/2022

| Category | Spending Plan | Cash Expenditures YTD | SCDHHS Monthly "Wash" Expenditures with Revenue YTD * | Total Monthly Expenditures YTD | Remaining Spending Plan | Spending Plan Deviation with Actual |
|---|----------------|-----------------------|---|--------------------------------|-------------------------|-------------------------------------|
| DDSN spending plan budget | \$ 851,170,837 | \$ 621,761,556 | \$ 190,477,014 | \$ 812,238,570 | \$ 38,932,267 | REASONABLE |
| Percent of total spending plan remaining | 100.00% | 73.05% | 22.38% | 95.43% | 4.57% | |
| % of FY Remaining | | | | | 0.00% | |
| Difference % - over (under) budgeted expenditures | | | | | -4.57% | |

* In June 2022, providers billed & paid by SCDHHS for approximately \$251 million in services (waiver services + state plan services). DDSN paid the \$ 60.5 million state match to SCDHHS recorded as a cash expenditure and the \$190,477,014 difference was the "wash" Medicaid reimbursement revenue & expense added to maintain "apples to apples" comparison to FY22 spending plan.

Methodology & Report Owner: DDSN Budget Division

FM Budget vs Actual

Status of Data 8/19/2021 05:31:11

All State Agencies are Operating Under a Continuing Resolution Appropriations FYE 20/21 Legislative Authorized & Spending Plan Budget VS Actual Expenditures (as of 8/19/2021)

| | DDSN spending plan budget | \$ 749,450,015 | \$ 688,959,636 * | \$ 60,490,379 | Percent Expended - Target % |
|--|---------------------------|------------------|------------------|---------------|-----------------------------|
| DDSN spending plan budget | \$ 749,450,015 | \$ 688,959,636 * | \$ 60,490,379 | 91.93% | REASONABLE |
| Percent of total spending plan budget | 100.00% | 91.93% | -8.07% | | |
| % of FY completed (expenditures) & % of FY remaining (available funds) | 100.00% | 100.00% | 0.00% | | |
| Difference % - over (under) budgeted expenditures | 0.00% | -8.07% | -8.07% | | |
| Difference \$ - over (under) budgeted expenditures | | | \$ (60,490,379) | | |

* \$2,295,222 of expenditures have been reimbursed under the CARES Act

Carry Forward + Cash Flow Analysis Indicates Sufficient Cash to Meet FY 21 Estimated Expenditure Commitments: YES ; At-Risk ; NO

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

| Expenditure | FY 20 - % of total | FY 19 - % of total |
|--------------------------------|--------------------|--------------------|
| Central Office Admin & Program | 2.24% | 2.35% |
| Indirect Delivery System Costs | 1.03% | 1.22% |
| Board & QPL Capital | 0.04% | 0.07% |
| Greenwood Autism Research | 0.03% | 0.03% |
| Direct Service to Consumers | 96.67% | 96.33% |
| 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

Methodology & Report Owner: DDSN Budget Division