

From: [Linguard, Christie](#)
Subject: Meeting Notice - The Commission of the SCDDSN - Finance and Audit Committee Meeting - November 15, 2021
Date: Friday, November 12, 2021 10:31:24 AM
Attachments: [Finance and Audit Committee Meeting Packet - November 15, 2021.pdf](#)

Good Morning,

The South Carolina Commission on Disabilities and Special Needs will hold an in person Finance and Audit Committee meeting on Monday, November 15, 2021, at 3:00 p.m. The Committee Meetings are held at the SC Department of Disabilities and Special Needs Central Administrative Office, 3440 Harden Street Extension, Columbia, SC. This meeting can also be viewed via a live audio stream at www.ddsn.sc.gov.

Please see the attached meeting packet for the Finance and Audit Committee Meeting.

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

Thank you.

FINANCE AND AUDIT COMMITTEE AGENDA

Commission of the South Carolina Department of Disabilities and Special Needs
3440 Harden Street Extension
Conference Room 251 (TEAMS)
Columbia, South Carolina

November 15, 2021

3:00 p.m.

1. Call to Order *Robin Blackwood, Committee Chair*
2. Statement of Announcement *Robin Blackwood, Committee Chair*
3. Adoption of the Agenda
4. Review Minutes of the October 18, 2021 Meeting **Page 1**
5. Financial Approval & Threshold Report for November 2021 **Page 5** *Pat Maley*
6. Monthly Band B & I Report (Outliers & Band Changes) **Page 6** *Pat Maley*
7. Fee-for-Service Update *Pat Maley*
8. Cost Reports Update *Pat Maley*
9. Internal Audit Update *Courtney Crosby*
10. Chief Financial Officer Report *Pat Maley*
11. Next Meeting Date – December 13, 2021
12. Adjournment

FINANCE AND AUDIT COMMITTEE AGENDA

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

October 18, 2021

3:00 p.m.

In attendance: Robin Blackwood, Chair; Barry Malphrus; Ed Miller; Pat Maley; Candis Golston; Debra Leopard; Debbie Punzirudu; Nancy Rumbaugh; Ken Parks; and Christie Linguard

- 1. Call to Order *Robin Blackwood, Committee Chair*

The meeting was called to order at 3:00 p.m.

- 2. Statement of Announcement

Robin Blackwood, Committee Chair

Commissioner 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.

- 3. Adoption of the Agenda

Brief Summary: Agenda was presented.

Committee Member(s) Guidance (if any):

Committee Vote(s) (if any): Commissioner Miller made a motion to adopt the agenda as written; the motion was seconded by Commissioner Malphrus and unanimously approved by the committee.

- 4. Review Minutes of the September 7, 2021 Meeting

Brief Summary: The September 7, 2021 minutes were presented to the committee for approval.

Committee Member(s) Guidance (if any): None

Committee Vote(s) (if any): Commissioner Malphrus made a motion to adopt the summary as presented, seconded by Commissioner Miller and unanimously approved by the committee.

- 5. 200-02-DD: Financial Management of Personal Funds *Pat Maley*

Brief Summary: Mr. Maley noted that this directive was put out for public comment. A few comments were received and sent to each committee member.

Committee Member(s) Guidance (if any): Commissioner Blackwood asked to define “cardholder” on page 10 as a staff member.

Committee Vote(s) (if any): Commissioner Malphrus made a motion to approve this directive with the aforementioned changed, seconded by Commissioner Miller and unanimously approved by the committee.

6. Monthly Report for Contracts over \$200,000 *Pat Maley*

Brief Summary: Mr. Maley presented the net contracts over \$200,000 for information only. Most boards’ contracts increased because of the band increases for the 2.5% COLA.

Committee Member(s) Guidance (if any): None.

Committee Vote(s) (if any): None.

7. Financial Approval & Threshold Report for October 2021 *Pat Maley*

Brief Summary: Mr. Maley presented a new non-service contract greater than \$200,000 with Therap to extend the existing contract for one more year.

Mr. Maley discussed the FEMA Generators bid from Page Power Systems, Inc. in Gastonia, North Carolina. This is the low bid of the five bids received. The agency has used Page Power Systems in the past.

Information was provided to the committee regarding the Whitten Interactive Garden. This is for an initial approval, which will be presented at the full commission meeting by Mr. Andrew Tharin.

Committee Member(s) Guidance (if any): Commissioner Blackwood asked if the agency can survey Therap users to see how they feel about the software. Commissioner Malphrus noted that the agency needs to work closely with the Department of Health and Human Services to make sure our software is compatible with theirs.

Committee Vote(s) (if any): Commissioner Miller made a motion to approve the one-year sole source contract with Therap, seconded by Commissioner Malphrus and unanimously approved by the committee.

Commissioner Miller made a motion to approve the purchase of FEMA Generators from Page Power Systems, Inc., seconded by Commissioner Malphrus and unanimously approved by the committee.

8. Monthly Band B & I Report (Outliers & Band Changes) *Pat Maley*

Brief Summary: Mr. Maley presented one band outlier for approval.

Committee Member(s) Guidance (if any): None

Committee Vote(s) (if any): Commissioner Miller made a motion to approve the one band outlier as presented, seconded by Commissioner Miller and unanimously approved by the committee.

9. Processing Retirement Health Insurance Appropriations to Providers *Pat Maley*

Brief Summary: Mr. Maley stated a memo has been drafted but not yet distributed. He has reached out to some of the providers within the community for feedback and guidance on how best to handle this appropriation.

For the FY22 appropriations, the General Assembly authorized funding the agencies and providers within our provider network, but only for those providers whose employees contribute to the SC Retirement System (SCRS). SCRS contributions have increased by 1%, the General Assembly through the Executive Budget Office (EBO), gives DDSN funding every September for that amount. The amount given is less than what is needed to cover the expenses. If the contribution can be properly matched this will provide the agency with the funding needed to cover the costs.

For those services that are being addressed by the ID/RD waiver, particularly residential and day services where the one percent assumption is built into the rate increase, Mr. Maley suggested that the agency pay the providers in the network a six-month lump sum for their 1% contributions.

After Mr. Maley receives the final comments from the community before he makes his final determination, he will make recommendations to the commission at their October meeting. He asked the committee to look for the memo from him soon.

Beginning January 1, 2022, we will be in a position that every rate we have will be fee for service and from that point forward any type of legislative appropriations will have to go through across the board rate increases at DHHS.

Committee Member(s) Guidance (if any): None.

Committee Vote(s) (if any): None

10. Fee-for-Service Update *Pat Maley*

Brief Summary: Mr. Maley reported that the ID/RD waiver renewal with the individual residential tiered settings was submitted to the Centers for Medicare and Medicaid Services (CMS). CMS has not released the rates for the residential beds. The provider network has been informed that DDSN will be moving to fee-for-service beginning January 1, 2022. DDSN needs to develop a strategy to address the cash flow conversion from a prospective payment to a retrospective payment and prevent any disruption to the community. A plan will be presented to the state director for presentation to the commission for approval.

Committee Member(s) Guidance (if any): None

Committee Vote(s) (if any): None

11. Cost Reports Update *Pat Maley*

Brief Summary: Mr. Maley noted that FY2019 cost report has been completed and was used as a reference for the ID/RD waiver renewal. FY13 and FY14 have been provided to DHHS. FY15 has been reviewed by Mr. Maley and will be finalized this week. Fiscal years 2018, 2020 and 2021 cost reports still need to be reviewed and finalized. A schedule to finalize the three

aforementioned years will be developed and the reports will be finalized over the next 9-12 months.

Committee Member(s) Guidance (if any): None.

Committee Vote(s) (if any): None.

12. Internal Audit Report

Courtney Crosby

Brief Summary:

Courtney Crosby presented the internal audit report. Internal audits review of the 2020 Agreed Upon Procedures Report for the DSN boards has been completed. The IA division is still working to complete the review of seven (7) remaining 2020 agreed upon procedures for providers. The contract reductions related to 2020 reports total \$17,800. The 2021 reports are beginning to come in and the department will provide regular status updates on those reports at the upcoming committee and commission meetings. The department is working to complete on the numerous fiscal year 2021 internal audits that carried over into the fiscal year 2022. These audits include: interpreter services, environmental modifications, limited scope IT audit, the Coastal Autism Division and a regional center’s client banking system audit that was previously deferred due to other projects.

An entrance conference with a provider, initiated at the request of management, is scheduled for later this week. The target completion date for the environmental modifications report will be November. The target completion date for the limited scope IT audit and the Coastal Autism Division audit is December.

Ms. Crosby is working to develop an audit tracking report to summarize the audit findings, the corrective action plans and follow-up procedures that internal audit performs to determine whether those corrective action plans have been implemented by management. Ms. Crosby plans to have the audit tracking report tool created and ready to present at the at November Audit and Finance Committee meeting.

Ms. Crosby has begun meeting with central office managers and key personnel to prepare an audit universe to encompass both central office operations and the provider network.

13. Chief Financial Officer Report

Pat Maley

Mr. Maley did not have any further updates to report.

14. Next Meeting Date

The next committee meeting will take place on Monday, November 15, 2021 at 3:00 PM.

15. Adjournment

At 4:25 PM on a motion by Commissioner Miller and seconded by Commissioner Malphrus, the meeting was adjourned.

Monthly DDSN Staff Report - Financial Approval & Threshold Reporting for November 2021

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 items in green 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:

A fixed priced bid contract was solicited on 11/25/2019 for Residential Services for Children. The purpose of this fixed price bid invitation is to establish a source or sources for the purchase of Residential Services for Children for multiple state agencies. The different state agencies that may purchase services for clients from the contracts awarded under this solicitation include: South Carolina Department of Disabilities and Special Needs (DDSN); South Carolina Department of Juvenile Justice (DJJ); South Carolina Department of Mental Health (DMH); and, South Carolina Department of Administration, Continuum of Care for Emotionally Disturbed Children Division (COC). On 11/05/2021, one (1) provider was approved to provide services through another state agency. DDSN is requesting approval to add this provider to the established fixed price contract. Currently there 38 providers that have been qualified to provide services under this multi-agency contract.

II. Existing Service Contracts Increasing \$200,000 or Greater (simple list if based on indiv. 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:

None

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.)



MEMO

Date: November 8, 2021

To: DSN Commissioners

From: CFO Pat Maley

Re: Band B & I Project: Band Increase & Outlier Requests

On 4/5/21, DDSN initiated the Band Increase & Outlier Request Program with funding from the B & I Transition “gap” funds available. To date, DDSN received **44** requests for Band increases and requests for outlier funding. Of these requests, 15 have been approved, 27 denied; **2** being submitted to the October Commission meeting; and **0** are still pending review. Every Friday, new requests are staffed by Operations and Finance Divisions and either approved, denied, or held in abeyance while additional data is collected to make a determination. For all new requests not approved due to lack of sufficient justification, providers are re-contacted and given ample opportunity to send in additional financial information to support the request prior to a final denial is recommended to the Commission.

Attachment A to this memo contains a schedule itemizing all staff recommendations for the **November 2021** Commission meeting, where staff will seek Commission final approval. Attachment B to this memo is a summary of all previously approved Commission funding decisions for this project.

Request of the Commission:

Approve the **2** preliminary staff recommendations contained on Attachment A.

Attachment A

Staff Recommendation for Band Increases & Outliers for the November Commission Meeting

Band Increase Request				Outlier Request			Staffing Decision	
Individual	Band from/to	Annualized Increase Request	Annualized Increase Approved	Individual	Amount Requested	Amount Approved	Approve	Disapprove
MC	Level 2 to 3	\$14,983	\$0					X
SB	G to H	\$19,305	\$0					X
		\$ 34,288	\$ -		\$ -	\$ -		

Attachment B									
Summary of All Band Increases & Outlier Decisions Pertaining to the B & I Transition Project									
Date Approved by Commission	Band Increase Request				Outlier Request			Staffing Decision	
	Individual	Band from/to	Annualized Increase Request	Annualized Increase Approved	Individual	Amount Requested	Amount Approved	Approve	Disapprove
5/20/2021	GB	G to H	\$18,561	\$ 18,561				X	
5/20/2021	CH	Low to High	\$18,561	\$ -					X
5/20/2021	DH	Low to High	\$18,561	\$ -					X
5/20/2021	LH	Low to High	\$18,561	\$ -					X
5/20/2021	RJ	Low to High	\$18,561	\$ -					X
5/20/2021	BL	G to H	\$18,561	\$ -					X
5/20/2021					TH	\$ 109,500	\$ -		X
5/20/2021					ML	\$ 112,099	\$ -		X
6/17/2021	LJ	G to H	\$18,561						X
6/17/2021	TH	G to H	\$18,561	\$ 18,561				X	
6/17/2021	JG	G to H	\$18,561	\$ -					X
6/17/2021	DP	G to H	\$18,561	\$ -					X
6/17/2021	BP	G to H	\$18,561	\$ 18,561				X	
6/17/2021	BB	G to H	\$18,561	\$ 18,561				X	
6/17/2021	WM	G to H	\$18,561	\$ 18,561				X	
6/17/2021	CW	G to H	\$18,561	\$ 18,561				X	
6/17/2021	AA	G to H	\$18,561	\$ 18,561				X	
6/17/2021	PK	G to H	\$18,561	\$ -					X
6/17/2021	DK	G to H	\$18,561	\$ -					X
6/17/2021	SH	G to H	\$18,561	\$ -					X
6/17/2021	MB	G to H	\$18,561	\$ -					X
6/17/2021	AS	G to H	\$18,561	\$ 18,561				X	
6/17/2021					GB	\$ 98,837	\$ 41,046	X	
6/17/2021					JB	\$ 134,783	\$ 80,660	X	
6/17/2021					MD	\$ 13,607	\$ -		X
6/17/2021					AJ	\$ 13,607	\$ -		X
6/17/2021					MS	\$ 73,362	\$ -		X
7/14/2021					DL	\$ 41,047	\$ -		X
7/14/2021					KM	\$ 66,163	\$ -		X
7/14/2021					JP	\$ 41,047	\$ -		X
7/14/2021					DG	\$ 37,987	\$ -		X
7/14/2021					JE	\$ 37,543	\$ -		X
7/14/2021					GB	\$ 19,384	\$ -		X
7/14/2021					AE	\$ 31,925	\$ -		X
9/16/2021	CC	G to H	\$18,561	\$18,561				X	
9/16/2021	RF	G to H	\$18,561	\$18,561				X	
9/16/2021	SK	G to H	\$18,561	\$18,561				X	
9/16/2021	TB	G to H	\$18,561	\$18,561				X	
10/21/2021	JH	G to H	\$18,561	\$18,561				X	
10/21/2021	ES	G to H	\$18,561						X
10/21/2021	JW	G to H	\$18,561						X
10/21/2021	AC	G to H	\$18,561						X
			\$519,708	\$ 241,293		\$ 830,891	\$ 121,706		