

SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

MINUTES

December 17, 2015

The South Carolina Commission on Disabilities and Special Needs met on Thursday, December 17, 2015 at 10:00 a.m. at the Department of Disabilities and Special Needs Central Office, 3440 Harden Street Extension, Columbia, South Carolina.

The following were in attendance:

COMMISSION

Present:

Bill Danielson, Chairperson
Fred Lynn, Vice Chairman
Eva Ravenel, Secretary
Mary Ellen Barnwell
Katherine Davis
Gary Lemel
Vicki Thompson

DDSN Administrative Staff

Dr. Buscemi, State Director; Mrs. Susan Beck, Associate State Director, Policy; Mr. David Goodell, Associate State Director, Operations; Mr. Tom Waring, Associate State Director, Administration; Mrs. Tana Vanderbilt, General Counsel (For other Administrative Staff see Attachment 1 – Sign In Sheet).

Guests

(See Attachment 1 Sign-In Sheet)

Coastal Regional Center (via videoconference)

(See Attachment 2 Sign-In Sheet)

Pee Dee Regional Center (via videoconference)

(See Attachment 3 Sign-In Sheet)

Pickens County DSN Board (via videoconference)

(See Attachment 4 Sign-In Sheet)

Whitten Regional Center (via videoconference)

(See Attachment 5 Sign-In Sheet)

York County DSN Board (via videoconference)

(See Attachment 6 Sign-In Sheet)

News Release of Meeting

Chairperson Danielson called the meeting to order and Commissioner Ravenel read a statement of announcement about the meeting that was mailed to the appropriate media, interested persons, and posted at the Central Office, and on the website in accordance with the Freedom of Information Act.

Invocation

Commissioner Davis gave the invocation.

Adoption of the Agenda

The Commission adopted the December 17, 2015 Meeting Agenda by unanimous consent. (Attachment A)

Approval of the Minutes of the November 12, 2015 Commission Meetings

The Commission approved the November 12, 2015 Commission Meeting minutes with by unanimous consent.

Public Input

Ms. Valarie Bishop, Executive Director of the Developmental Disabilities Council, Columbia, SC spoke regarding a new webinar entitled Emergency Preparedness ,which will take place January 26, 2016.

Ms. Zenobia Corley, Executive Director of the Kershaw County DSN Board, gave a presentation on the renovations to their CTH-1 on Lewis Street.

Mr. Jerry Bernard, Executive Director of the Charles Lea Center, spoke on behalf of the Human Services Provider Association.

Commissioners' Update

Commissioners Ravenel and Thompson spoke of events in their districts.

Finance and Audit Committee Report + Financial Audit

Commissioner Ravenel gave a report on the Finance and Audit Committee that met prior to the Commission Meeting. Mr. George Kennedy, Director of the Office of the State Auditor, stated two firms were selected for the audit contract. Scott and Company was selected for the accounting and consulting portion for \$19,900.00 and Green Finney & Horton was selected for the audit portion for \$24, 500.00. Mr. Kennedy anticipated a final report mid-May 2016. The hiring and cost for these two firms was approved and adopted by the Commission by unanimous consent. (Attachment B)

Critical and Emergency Placement

Dr. Buscemi gave an overview of how the system works. Currently DDSN does not fund specific crisis beds, which makes it difficult to respond immediately to all crises that arise. This is why crisis placements were included as part of next fiscal year's budget request. Discussion followed.

State Funded Case Management

Dr. Buscemi stated that due to DHHS changes to Medicaid Targeted Case Management and Waiver Case Management, Case Managers have seen dramatic changes. After a review, DDSN decided the current payment system for State Funded Case Management needed to change. After multiple meetings had taken place with providers, it was decided that a retrospective payment option would be easier to administer and ensure follow through of case files. Discussion followed. (Attachment C)

LAC Recommendations

Dr. Buscemi went over the 2008 and 2014 LAC recommendations for the General Assembly and the agency's opinion on those recommendations. Discussion followed. All suggestions made by Dr. Buscemi were approved and adopted by the Commission by unanimous consent. The report will be provided to the General Assembly before the end of the year. (Attachment D)

Financial Update

Mr. Waring gave an overview of the agency's financial activity as of November 30, 2015. Discussion followed regarding the reasons behind one-time funds and need for boards/providers to have 2-3 months reserve funds. (Attachment E)

Mr. Waring also took time to acknowledge several employees who were leaving the agency.

Waiting List Progress Report

Mrs. Beck gave an update of the Intellectual Disabilities/Related Disabilities, the Community Supports and the Head and Spinal Cord Injury reduction waiting list reduction efforts, as well as the Critical Needs List. (Attachment F)

DOL – Overtime Limitations

Mr. Waring spoke about the changes to employment of caregivers from the Department of Labor. Mr. Waring also gave approximate numbers of individuals the agency currently serves who may be affected by this change. Discussion followed.

State Director's Report

Dr. Buscemi reported on the following:

Update on the HUD Room and Board audit. The directive, 250-09-DD was revised December 16, 2015 and sent to all boards/providers.

She gave highlights on the recent NASDDDS Conference. The one item the most discussed was the CMS Final Rule and the frustration from all states on the miscommunication/inconsistencies members have noted due to administrative changes at the federal level.

She discussed the recent FOIA training.

Dr. Buscemi gave an update on strategic planning. A draft on the results should be received shortly.

She discussed the new guidance issued from the IRS on ABLE act, which will make it easier for families and clarifies matters.

She noted the proclamation from Governor Haley of January 2016 being birth defects awareness month.

She indicated that the tentative date for the House Ways and Means Health Care Subcommittee presentation is January 26.

She thanked Elaine Thena from the Pickens County DSN Board for hosting last month's Commission meeting.

Executive Session

On motion of Commissioner Davis, seconded and passed, the Commission entered into Executive Session to receive legal advice concerning pending litigation against DDSN.

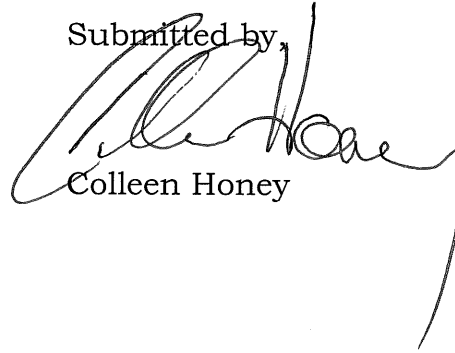
Enter into Public Session

The Commission entered into Public Session. It was noted that no action was taken in the Executive Session.

Adjournment

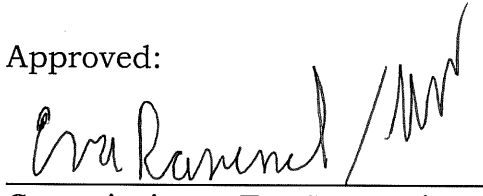
With no further business, Chairman Danielson adjourned the meeting stating the next Commission Meeting is scheduled for January 21, 2016.

Submitted by

A handwritten signature in black ink, appearing to read 'Colleen Honey', written over the printed name.

Colleen Honey

Approved:

A handwritten signature in black ink, appearing to read 'Eva Ravenel', written over a horizontal line.

Commissioner Eva Ravenel
Secretary

SC COMMISSION ON DISABILITIES AND :
Commission Meeting

Attachment 1

December 17, 2015

Guest Registration Sheet

(PLEASE PRINT)

Name and Organization

1. Rike Moss Colton DSNB
2. VAL BISHOP SC ID Council
3. Stephan Williams Culm DSNB
4. Zenobia Corley Kershaw County DSN Board
5. Joey Johnson Basecok
6. David Rotholz OSC
7. Dea Rao (CBAS)
8. Dan Way Clarendon DSN
9. Jason Tavenner Laurens Co DSN Board
10. LINDA VELDHEER DDSN
11. Faye Dorien Williamsburg DSNB
12. Shondale Hall DDSN
13. Deborah & Heather Mapherson Richland County
14. Mary Ann Lee Co DSNB
15. Dorothy Goodwin Community Options
16. Jean Mize Oconee
17. Gerald Bernard Athens Area
18. Dan [Signature] PC DSNB
19. TERRY ROBERTS CHESCO Services
20. Mike Keith Marion-Dixon DSN

SC COMMISSION ON DISABILITIES AND SPECIAL NEEDS

Commission Meeting

December 17, 2015

Guest Registration Sheet

(PLEASE PRINT)

Name and Organization

- | | | |
|-----|------------------|----------------------|
| 21. | Ric2 Magner | Charleston DSN |
| 22. | Mary Leitner | RLPSNB |
| 23. | Melinda Moore | Arc Midlands |
| 24. | Mike Bell | Arc Midlands |
| 25. | Joyce Davis | BLASE |
| 27. | Jennifer Boster | DPSN |
| 28. | Nancy McCormick | P+A |
| 29. | Daniel Davis | Antin |
| 30. | Amanda Pollak | The Arc of SC |
| 31. | MARTY | ASW |
| 32. | Ann Burton | SCDDSN |
| 33. | Jimmy Burton | Burton Center |
| 34. | Beth Bunge | Bright Start |
| 35. | Jo White | Cherokee County DSNB |
| 36. | Bob Jones | Newberry PSNB |
| 37. | Crystal J Wright | CAESCO - Services |
| 38. | Laura Collins | Fairfield DSN |
| 39. | Diana Epperly | Spinal Cord Assoc. |
| 40. | George Macky | SCDHS |
| | Brian Parker | ABPSNB |

SC COMMISSION ON DISABILITIES AND
Commission Meeting
December 17, 2015

Attachment 2

Guest Registration Sheet

(PLEASE PRINT) Name and Organization

1. Joan Todd Pathfinders
2. Hester S. Wannamaker DII
3. Ronda Ritchie DDSN Dist. II
4. Felita Martino DDSN Dist II
5. Rufus Bell DDSN Dist II
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SC COMMISSION ON DISABILITIES AND
Commission Meeting
December 17, 2015

Attachment 3

Guest Registration Sheet

(PLEASE PRINT) Name and Organization

1. *Deborah K. Smith* *DDSN District II*

2. *John Hitchman* *SCDDSN*

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SC COMMISSION ON DISABILITIES AND
Commission Meeting
December 17, 2015

Attachment 4

Guest Registration Sheet

(PLEASE PRINT)

Name and Organization

1. Elaine M. Thena Pickens BDSW

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SC COMMISSION ON DISABILITIES AND S
Commission Meeting
December 17, 2015

Guest Registration Sheet

(PLEASE PRINT) Name and Organization

- 1. FAT FAGAN SCDDSN
- 2. TARA D. GLENN SCDDSN-WC
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SC COMMISSION ON DISABILITIES AND
Commission Meeting
December 17, 2015

Guest Registration Sheet

(PLEASE PRINT) Name and Organization

1. Janice Fowler YCBDSN
2. Mary Poole YCBDSN
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SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

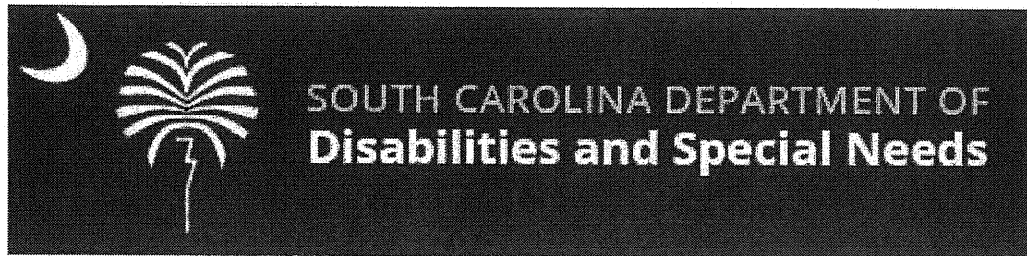
A G E N D A

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

December 17, 2015

10:00 A.M.

1. Call to Order *Chairperson Bill Danielson*
2. Welcome - Notice of Meeting Statement *Commissioner Eva Ravenel*
3. Invocation *Commissioner Katherine Davis*
4. Introduction of Guests
5. Adoption of Agenda
6. Approval of the Minutes of the November 12, 2015 Commission Meeting
7. Public Input
8. Commissioners' Update *Commissioners*
9. Finance and Audit Committee Report *Commissioner Eva Ravenel*
10. Business:
 - A. Financial Audit *Mr. George Kennedy
Director
Office of the State Auditor*
 - B. Critical and Emergency Placement *Dr. Beverly Buscemi*
 - C. State Funded Case Management *Dr. Beverly Buscemi*
 - D. LAC Recommendations *Dr. Beverly Buscemi*
 - E. Financial Update *Mr. Tom Waring*
 - F. Waiting List Reduction Efforts *Mrs. Susan Beck*
 - G. DOL – Overtime Limitations *Mr. Tom Waring*
11. State Director's Report *Dr. Beverly Buscemi*
12. Executive Session
13. Next Regular Meeting (January 21, 2016)
14. Adjournment



Proposal to provide professional accounting/consulting services to:

SOUTH CAROLINA OFFICE OF THE STATE AUDITOR

for the

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

FOR THE YEAR ENDING JUNE 30, 2015

DECEMBER 4, 2015 (5:00 P.M.)

Submitted By:

SCOTT  COMPANY

*Scott and Company LLC
1441 Main Street, Suite 800
Post Office Box 8388
Columbia, South Carolina 29202
(803) 256-6021 (T)
(803) 256-8346 (F)*

Chris A. Halkowitz, CPA, CFE, Engagement Member
chalkowitz@scottandco.com

Donald J. Mobley, CPA, Concurring Review Member
dmobley@scottandco.com

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December 4, 2015

Sue Moss, CPA
Director of State Audits
South Carolina Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Dear Sue:

We are very pleased to offer our proposal to provide accounting/consulting services to the South Carolina Office of the State Auditor (the "State Auditor's Office") to serve as consultants for the South Carolina Department of Disabilities and Special Needs (the "Department") for the year ended June 30, 2015.

If selected, we will assist with the preparation of draft financial statements, including Management's Discussion and Analysis, notes to the financial statements, Required Supplementary Information, and Supplementary Information, if applicable. We understand that assistance may also be required to assemble detail schedules and other information as requested by the Department's auditor.

We previously performed agreed-upon procedures engagements for the Department in 2010, 2012 and 2013. Thus, we have a very good foundation of knowledge relating to the Department. In addition, we have very similar recent experience preparing financial statements of South Carolina State agencies including the South Carolina State Treasurer's Office and the South Carolina Office of First Steps to School Readiness. We are accustomed to meeting absolute client deadlines and are committed to meeting the deadlines as outlined in the request for proposal. We will complete the draft financial statements for the Department by March 9, 2016.

We would like to point out to you something of which we are very proud. In the summer of 2014, our firm had its external peer review, which is required every three years. This review was performed by the CPA firm Haddox Reid Eubank Betts, PLLC. We received a clean report on this review, with no comments for improvement.

I will be the member in charge of these services for the Office of the State Auditor and will be responsible for the quality review of the financial statements and other information. All proposed engagement team members of this engagement have significant experience working on engagements for the State, having performed services for the Office of the State Auditor for several state agencies for many years.

Don Mobley, who will serve as the concurring review member, also spent many years of his career working with the Office of the State Auditor on the State of South Carolina statewide GAAP audit when he was with KPMG and Deloitte & Touche, and more currently, the South Carolina State Treasurer's Office, South Carolina Department of Transportation, and the South Carolina Department of Employment and workforce. I have almost eight years of accounting and auditing experience, all of those years in public accounting which have included preparing financial statements for both the South Carolina State Treasurer's Office and the South Carolina Office of First Steps to School Readiness, among others. I have also worked on Office of the State Auditor engagements throughout my career, and my experience is in various areas such as governmental, non-profit, manufacturing, and services industries, among others. We have also included in our proposal one of our seniors, Sam Wheeler, who has been with our firm for four years, serving on many state engagements during this time. You will receive the extraordinary benefits of being served by such an experienced team.

The engagement member, concurring review member and senior accountant assigned to this engagement will be furnished copies of the request for proposal and our attention will be specifically directed to the following captions in Section 1: Nature of Services Required, Report Requirements, Time Considerations and Requirements, Contractual Arrangements, Report Review, Timing, and Number of Copies and Working Papers and Report Review.


As the engagement member, I am authorized to bind the firm and make firm representations. I have provided my complete contact information in the cover letter of this proposal. Should we be awarded the contract, we understand that no work is to be performed on any given year's information prior to the notification by the Office of the State Auditor that funds are available. I will submit with the preliminary draft reports signed statements certifying that in my professional opinion, the preliminary drafts are a completed document and are ready to be issued.

Because of our strong desire to provide services to the Office of the State Auditor, we have discounted our fees significantly. Our proposed all-inclusive fee (including out-of-pocket expenses) for performing the accounting/consulting services for the Department for the year ended June 30, 2015 is \$19,900.

This accounting/consulting services engagement is being performed on behalf of the Office of the State Auditor. It is our understanding that the Office of the State Auditor is the client, but the Department will be responsible for payment of the fee. However, all invoices must first be approved by the Office of the State Auditor. We also understand that we or the Office of the State Auditor can cancel this agreement without cause by written notice delivered no less than 60 calendar days prior to the Department's fiscal year-end.

Please call me or Don Mobley at (803) 256-6021 if we can answer any questions about our proposal.

Very truly yours,



Chris A. Halkowitz, CPA, CFE
Member, Assurance and Advisory Services

PROFILE OF OUR FIRM

Our Founding Partner, Randy Scott, started Scott and Company LLC in 1996. Having previously been with two of the now “Big 4” accounting firms, Randy’s idea was to start a firm that offers the quality of service of the “Big 4” firms at much lower rates. Accordingly, Randy put together a firm with a management group that has almost 50 years of accounting and auditing experience with the “Big 4” firms. The Office of the State Auditor will receive the extraordinary benefits of being served by this group of professionals.

Scott and Company LLC is a progressive South Carolina firm of certified public accountants with offices located in both Columbia and Greenville, South Carolina. The accounting/consulting work for the Department will be performed out of our Columbia office. We are a full service professional accounting firm offering management consulting services, audit and tax. We have nineteen professionals, two administrative employees, and two interns. The firm has four audit members, four tax members, one audit manager, seven senior audit accountants, one senior tax accountant, and two associates. Scott and Company is one of the largest certified public accounting firms in the state of South Carolina. Our government practice makes up approximately one-third of our total accounting, consulting, and audit practice.

Our firm is a member of the American Institute of Certified Public Accountants’ (“AICPA”) Government Audit Quality Center, part of the AICPA that helps ensure that members of the AICPA perform quality government audits. We are also a member of the Audit Quality Center of the AICPA and have been approved to practice before the Public Company Accounting Oversight Board (“PCAOB”), as defined by the Sarbanes Oxley Act. As a firm licensed to practice before the Securities and Exchange Commission, and the PCAOB, we are held to the highest possible standards of the profession. We are required to undergo a peer review of our practice every three years. In our last peer review report in 2014 (attached), our firm received a “pass”, the best report we can get. Our most recent peer review also included a review of a specific government engagement, which was the South Carolina Department of Employment and Workforce.

As a local firm that is an integral part of the community, we are able to offer a wide range of services much like a national firm through our alliance with BDO USA. For more than ten years, our firm has been an independent member of the BDO Alliance USA. BDO Alliance USA is among the industry’s largest and most successful associations of accounting, consulting, and professional service firms. With more than 400 independent Alliance firm members, the Alliance represents nearly every state and includes a comprehensive range of services. Member firms are fully autonomous, united in mindset, caliber of service, and spirit of collaboration to the benefit of all involved. BDO offers their Alliance firms access to the resources and opportunities of the world’s 5th largest accounting and consulting network. This gives us greater depth and breadth. We can call upon BDO’s vast resources in fulfilling our engagement responsibilities.

Our firm has had two Federal field reviews and one state desk review (State Auditor’s Office) of audits performed by the firm in the last 3 years. No disciplinary action has ever been taken or is pending against the firm with state regulatory bodies or professional organizations.

No business litigation has been brought against the firm or any of its officers or principals by any entity for fraud, malpractice, misrepresentation, negligence, or similar cause of action ever or within the last five (5) years.

MANDATORY CRITERIA

1. Chris Halkowitz and Don Mobley are both currently properly licensed certified public accountants in South Carolina.
2. Scott and Company LLC is a properly licensed certified public accounting firm in South Carolina.
3. Scott and Company LLC meets the independence standards of the *Government Auditing Standards* issued by the Comptroller General of the United States.
4. Scott and Company LLC does not discriminate in employment of persons upon the basis of race, color, creed, national origin, sex, age or physical handicap.
5. In accordance with Sections 44-107-10 through 44-107-90 of the 1976 South Carolina Code of Laws, as amended, Scott and Company LLC will provide a drug-free workplace during the term of this contract.
6. Scott and Company LLC affirms that the firm will take the necessary steps to ensure that Protected Health Information (PHI) is safeguarded as defined by HIPPA Rules, 45 CFR 164.502(g).
7. Scott and Company LLC affirms that the firm is in compliance with Section 11-57-300 through 11-57-330 of the 1976 South Carolina Code of Laws, as amended, with respect to investment activities in Iran.

OUR QUALIFICATIONS

Chris Halkowitz, CPA, a member in our Assurance and Advisory Services Department and the proposed member of this engagement, is an experienced accounting/consulting professional who will be responsible for reviewing the consulting engagement and ensuring that the procedures are performed in accordance with the firm's contract with the Department and with the Firm's quality control document. Chris has been involved in key roles of similar engagements such as the South Carolina State Treasurer's Office and the South Carolina Office of First Steps to School Readiness, in which he prepared financial statements for these entities. He has almost eight years of accounting and auditing experience all of which are in public accounting. Chris' governmental audit experience includes the South Carolina Department of Transportation; the South Carolina Transportation Infrastructure Bank; the South Carolina State Treasurer's Office; and the City of Columbia, among others. Chris is a member of the American Institute of Certified Public Accountants, the South Carolina Association of Certified Public Accountants, and the Association of Certified Fraud Examiners. He has attended the following Continuing Professional Education courses over the last 24 months:

<u>Date</u>	<u>Course Title</u>	<u>Hours</u>
07/30/2015	Audit Training	7
07/28/2015	Accounting, Audit, Tax & Ethics Update	8
07/02/2015	EBP Fundamentals: Part III (Obtain Audit Evidence)	2.5
07/02/2015	Effective Use of SOC 1 Reports in Employee Benefits Plan Audits	1.5
07/01/2015	EBP Audit Training - Audits of Defined Benefit Plans	1.5
06/11/2015	EBP Fundamentals- Part I (Understanding EBPs)	2.5
05/04-05/06/2015	2015 BDO Alliance Conference	12
12/18/2014	Applying OMB Circular A-133 to Not-for-Profit and Government Organizations	8
10/21/2014	Carolinas Mini Area Meeting-Business Management and Org.	3
07/29/2014	Accounting/Audit/Tax/Ethics Update	8
06/26/2014	FASB & AICPA Update	8
12/16/2013	Scott and Company Tax CPE	8
09/17-09/19/2013	AuditWatch University Level 5-Moving Beyond In-Charge	24
08/13 - 8/14/2013	Governmental Accounting and Auditing Update and Other Topics	16
07/30/2013	Practical Accounting and Auditing Update	7.5

Don Mobley, CPA, the firm's managing member and the proposed concurring review member, has over thirty years of public accounting experience, primarily in the audit departments of KPMG, Deloitte and Scott and Company. Don will be responsible for reviewing all areas of the consulting engagement and ensuring that it is performed in accordance with the firm's quality control document. Don's governmental consulting experience includes the South Carolina State Treasurer's Office in which he prepared financial statements for this entity, and his auditing experience includes the State of South Carolina Financial Statements; South Carolina Department of Transportation; South Carolina Transportation Infrastructure Bank; South Carolina Department of Employment and Workforce and Unemployment Trust Fund; Charleston County, South Carolina; Town of Hilton Head Island; Horry County, South Carolina; South Carolina Office of the State Treasurer; Myrtle Beach International Airport; and Richland/Lexington Airport District (Columbia Airport), among others. Don is a certified public accountant in South Carolina, North Carolina, New York and Florida. He is a member of the American Institute of Certified Public Accountants and the South Carolina Association of Certified Public Accountants. Don has taken the following CPE courses over the last 24 months:

<u>Date</u>	<u>Course Title</u>	<u>Hours</u>
07/30/2015	Government and Audit CPE	7
07/28/2015	Accounting, Audit, Tax & Ethics Update	8
06/22/2015	GASB Statement No. 68 Audit and Accounting Workshop	4
05/20/2015	2015 Government Conference	8
05/04 - 05/05/2015	2015 BDO Alliance Conference	10
04/28/2015	GAQC 2015 Annual Update Webcast	2
11/12 - 11/13/2014	2014 Annual CPA Summit	7
07/29/2014	Accounting, Audit, Tax and Ethics Update	8
05/21/2014	Governmental Accounting & Auditing Update & Other Topics	8
12/16/2013	Scott and Company Tax CPE	3.5
11/13 - 11/14/2013	2013 Annual CPA Summit	7
10/17/2013	2013 Small Firms Conference	8
08/13 - 08/14/2013	Governmental Accounting & Auditing Update & Other Topics	16
07/30/2013	Practical Accounting and Auditing Update	8

Sam Wheeler, a senior accountant with our firm, has seven years of accounting and auditing experience, most of which includes experience with governmental entities. Sam will be responsible for the completion of the more complex areas of the engagement as well as supervising staff accountants. Sam has assisted on the audits of South Carolina Department of Transportation; South Carolina Transportation Infrastructure Bank; Town of Hilton Head Island, South Carolina Office of First Steps; and Richland-Lexington Riverbanks Park District, among others. Sam is affiliated with the American Institute of Certified Public Accountants and the South Carolina Association of Certified Public Accountants. He has attended the following CPE courses in the last 24 months:

<u>Date</u>	<u>Course Title</u>	<u>Hours</u>
8/25/15-8/26/2015	AuditWatch University Level 4.5 - Beyond In-Charge	16
07/30/2015	Government and Audit CPE	7
07/28/2015	Accounting, Audit, Tax & Ethics Update	8
04/28/2015	GAQC 2015 Annual Update Webcast	2
12/26/2014	Essential Skills for the Government Auditor	9
12/23/2014	Real-Life Ethics for Today's Accountant	4
12/22/2014	PDM 2013 Related party Transactions	1.5
12/22/2014	Interviewing Skills for Government Auditors	6
12/22/2014	Professional Ethics and Code of Conduct	2
12/10/2014	EBP Audit Sampling Methodology	1.5
12/10/2014	Latest Developments in Government and Nonprofit Accounting and Auditing 2014	8
05/22/2014	2014 Nonprofit Conference	8
12/11/2013	Health Care Reform Update-Impact of the Affordable Care Act	2
12/09/2013	Protecting Your Nonprofit Organization from Fraud and Embezzlement	1.5
8/27/13-8/29/2013	AuditWatch Level 4: Experienced In-Charge Training	24
8/13/13-8/14/2013	Governmental Accounting and Auditing Update and Other Topics	16

Scott and Company LLC and its professionals have extensive experience performing consulting services similar in scope to the accounting and financial statement preparation of the Department such as with the South Carolina State Treasurer's Office and the South Carolina Office of First Steps to School Readiness. A representative list of our clients, past and present, or clients that have been served by our local members and senior in the government area, is as follows:

- South Carolina Department of Disabilities and Special Needs (AUP)
- South Carolina Statewide Audit
- South Carolina Educational Television Commission
- South Carolina Department of Employment and Workforce and Trust Fund
- South Carolina Department of Transportation
- South Carolina Transportation Infrastructure Bank
- South Carolina State Accident Fund
- South Carolina Universal Service Fund
- South Carolina Department of Parks, Recreation, and Tourism (AUP)
- South Carolina Budget and Control Board (AUP)
- South Carolina Department of Aeronautics (AUP)
- South Carolina Department of Vocational Rehab (AUP)
- South Carolina Unemployment Compensation Fund
- Various other South Carolina State AUP's
- Myrtle Beach International Airport
- Richland/Lexington Airport District (Columbia Airport)
- Richland/Lexington Riverbanks Park District (Riverbanks Zoo)
- Charleston County, South Carolina
- Town of Briarcliffe Acres
- Chester Metropolitan District
- Chester Sewer District
- Lancaster County Water and Sewer District
- Horry County, South Carolina
- Patriot's Point Development Authority
- Lexington/Richland Alcohol and Drug Abuse Council, Inc.

REFERENCES

Past similar consulting engagements during the past five years and associate references are as follows:

South Carolina State Treasurer's Office
Columbia, South Carolina
Tonia Morris, Deputy State Treasurer
(803) 734-2695
Tonia.Morris@sto.sc.gov
Preparation of Financial Statements
Chris Halkowitz, Don Mobley

South Carolina Office of First Steps to School Readiness
Columbia, South Carolina
Russ Brown, Finance Director
(803) 734-0674
rbrown@sde.state.sc.us
Preparation of Financial Statements
Chris Halkowitz

South Carolina State Accident Fund
Columbia, South Carolina
Janice Harmon
(803) 896-5872
jharmon@saf.sc.gov
Audit of Financial Statements
Chris Halkowitz,

South Carolina Department of Transportation
Columbia, South Carolina
Alfred Comfort
(803) 737-1245
comforta@scdot.org
Audit of Financial Statements and Single Audit
Chris Halkowitz, Don Mobley, Sam Wheeler

ENGAGEMENT SCOPE

Accounting/Consulting Services

If selected, we will assist with the preparation of draft financial statements, including Management's Discussion and Analysis, notes to the financial statements, Required Supplementary Information, and Supplementary Information, if applicable. We plan to integrate the use of SCEIS and internal Department schedules and reconciliations, as well as any support we must prepare in the financial statement process.

The Department has previously submitted reporting packages so that the State of South Carolina can complete its statewide audit which includes the Department's financial statements. We foresee obtaining these reporting packages as part of our engagement and performing procedures to determine the accuracy of them. We will also ensure that the financial statements include all recently issued accounting pronouncements, specifically, GASBS 68 and 71 and will complete a financial statement disclosure checklist to ensure that the statements are properly presented. Lastly, we will perform proofing and footing procedures to ensure the mathematical accuracy and consistency of the financial statements.

Upon completion of the preparation of the financial statements, which is to be no later than March 9, 2016, we will submit the financial statements to the Department's audit firm for their review. After that date, we plan to make ourselves available to both the Department and the Department's audit firm for any additional questions that may arise or to provide additional support and schedules as necessary.

ENGAGEMENT APPROACH

We understand the importance of the completion of the financial statements of the Department and that they must be completed by March 9, 2016. We are accustomed to deadlines and will have no problem making this one.

Our engagement team is very familiar with the State of South Carolina and the Department because of the work done previously with regards to agreed-upon procedures engagements performed in 2010, 2012 and 2013. We are also very familiar with the various accounting and reporting issues which affect the State. Accordingly, we have designed an approach to the preparation of the financial statements of the Department that will meet professional standards and result in draft reports being issued in accordance with the deadlines outlined in your request for proposal.

A preliminary budget for this engagement is as follows. Budgets included in this proposal are for total hours of 250 for the year ended June 30, 2015.

Engagement Budget	<u>Hours</u>
Inquiries of Management	8
Understanding of Systems and Funds	22
Preparation of Detailed Budget	4
Identification and Research of Issues	12
Conduct Planning Meeting with Management	8
Obtain reporting packages and ensure their accuracy	40
Preparation of Financial Statements Including GASB 68 and 71	42
Preparation of Management's Discussion and Analysis	20
Preparation of Notes to the Financial Statements	20
Preparation of Required Supplementary Information	10
Preparation of Supplemental Information, if applicable	10
Preparation of Supporting Schedules	10
Identification and Resolution of Accounting and Reporting Issues	12
Footing and Proofing of Financial Statements	12
Complete Reporting Checklists	12
Conduct Exit Conference with Management	8
Total Engagement Budget	<u><u>250</u></u>

A formal exit conference will be held with the appropriate agency representatives. Representatives of the Office of the State Auditor will be invited. The Department will be given an opportunity to address any issues that are encountered.

Our staffing will consist of one engagement member, one concurring review member, one senior, and staff as necessary. The senior will be responsible for the day to day activities of the engagement, supervising the staff, and will also be responsible for reviewing all working papers and ensuring the engagement's compliance with the firm's quality control document. The engagement member will be responsible for the quality of the workpapers.

COMPENSATION

SCOTT AND COMPANY LLC

Today, containing costs is a general concern throughout every sector of the economy. We are sensitive to your concern for a balance of engagement economy and full scope service. Moreover, we are well aware that in the current competitive environment, we must propose a fee that reflects this economy if we are to be considered for this engagement. Since the Department's financial statements have not been audited in the past, our engagement will also consist of procedures on the beginning balances of the Department, which adds a significant amount of time.

Our fee commitment detailed below for the scope of services discussed earlier in this proposal demonstrates our desire to provide quality service to the Office of the State Auditor and the Department at a reasonable fee. These fees are based on the time and classification of our personnel required for the engagements, and they include all out-of-pocket expenses. The fees are fixed – assuming no significant organizational, operational, or scope changes. Significant changes in personnel, to data processing and accounting systems, or the implementation of new accounting or financial reporting requirements, are typical of changes that would affect the scope of our services. These fees assume that all bank accounts will be reconciled. These fees also assume that all books and records will be up-to-date and in balance. Any scope changes which may result in additional fees will be discussed with you and agreed upon, in advance.

We will complete the draft of the financial statements of the Department by March 9, 2016.

Our all-inclusive maximum fees (including out-of-pocket expenses) for the year ending June 30, 2015 for the financial statement preparation of the Department are as follows:

	Standard Hourly Rates	Hours	Rates	Quoted Total
Partners (Members)	\$ 265	50	\$ 125	\$ 6,250
Supervisory staff	165	120	80	9,600
Staff	115	80	50	4,000
		<u>250</u>		<u>\$ 19,850</u>
Out-of-pocket expenses				<u>50</u>
Total all-inclusive maximum price for 2015 financial statement preparation				<u>\$ 19,900</u>

ADDITIONAL INFORMATION

WHY CHOOSE SCOTT AND COMPANY LLC

The decision to choose a CPA firm is always an important one. It takes on even more importance in the public sector where change is rapid, regulations are complex and scrutiny is constant. For these reasons especially, you must be served by professionals who know your industry and who are committed to responding effectively to your needs immediately, when you need assistance the most.

We understand that this proposal process is intended to determine which firm can provide the Department the greatest overall value from its professional accounting relationship. The objective of our proposal is to demonstrate that Scott and Company provides the greatest value.

- The professionals that will be assigned to this engagement are extremely qualified. You can see this from the experience serving various government clients, including performing accounting/consulting engagements for a number of State agencies.
- We have proposed a very reasonable and fair fee.
- We have worked with the Department before with regards to agreed-upon procedures engagements performed in 2010, 2012 and 2013 and are familiar with its operations and its people.
- We understand the importance of these accounting/consulting services to the Department. As the certified public accounting firm responsible for agreed-upon procedures engagements for several other state government entities over many years, we have spent a lot of time gaining knowledge and experience relating to preparing financial statements of South Carolina agencies, including the South Carolina State Treasurer's Office and the South Carolina Office of First Steps to School Readiness. The professionals included in this proposal have all performed accounting services for state governments in the past.
- Scott and Company LLC has the capability and manpower to perform this engagement. Our qualified professionals have time on their schedules to complete this engagement in a timely manner.
- The professionals proposed to work on your engagement have significant government experience, including experience working with the State.
- Chris Halkowitz, the proposed engagement member, will be actively involved with your engagement. Through the years, we have heard from potential clients the frustration they have when they get inexperienced staff on their engagements and rarely see the member. Our philosophy is that the engagement member spends a significant amount of time with the client before, during and after the engagement as opposed to showing up after the work is completed. Our philosophy gives you a level of experience that is higher than that you are accustomed to receiving.

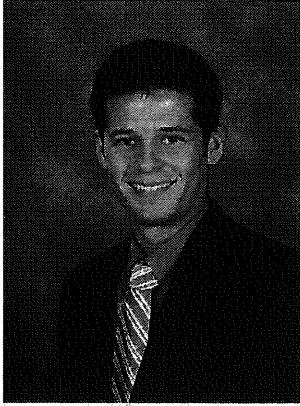
- Chris Halkowitz is the ultimate decision maker with respect to any issues that arise. We have very little red tape or layers of management that result in delays in resolving issues and questions.
- Unlike some local firms who are primarily tax return preparers that perform consulting services between tax seasons, Scott and Company LLC was established to be a true accounting and auditing firm. The proposed professionals for this engagement only perform accounting and audit work. They do not prepare tax returns. Our business experiences will be a positive resource for you as you address the challenges of a tightly budgeted government environment.
- We believe that you pay for a consulting services engagement and deserve more. While performing the engagement, we will seek out opportunities to provide proactive business advice. We look beyond the numbers. Our focus on your policies and procedures, business philosophy and operating environment enables us to produce practical and meaningful recommendations to contain costs, enhance revenues, and streamline operations.
- Our clients are pleased with us and our work. Just ask them. As a matter of fact, some of our best sales and marketing comes from our clients. We included client references earlier in the proposal.
- The Department expects and deserves professional accountants who clearly understand the depth and impact of the services you render and the importance of your mission to the citizens of South Carolina. Our commitment, professional skills and experience makes us your best choice.

Appendix A

PROFESSIONAL RESUMES

CHRIS A. HALKOWITZ, CPA, CFE

Member, Assurance and Advisory Services



EDUCATION

Coastal Carolina University, Master of Business Administration with a concentration in Accounting

Coastal Carolina University, Bachelor of Science in Accounting

POSITION IN FIRM

Member, Assurance and Advisory Services. Chris' duties include serving clients in the areas of governmental, non-profit, and healthcare industries.

LICENSES, PROFESSIONAL MEMBERSHIPS & COMMUNITY INVOLVEMENT

Chris is a Certified Public Accountant licensed in South Carolina and a Certified Fraud Examiner.

Chris is a member of the:

- American Institute of Certified Public Accountants (AICPA)
- South Carolina Association of Certified Public Accountants (SCACPA)
- Association of Certified Fraud Examiners (ACFE)
- Beta Alpha Psi (Alumni)

PROFESSIONAL EXPERIENCE

Chris has been in public accounting for almost eight years with experience in the areas of governmental, non-profit, and commercial entities.

Chris has served the following clients, among others:

- South Carolina Office of the State Treasurer
- South Carolina Office of First Steps
- City of Columbia
- Town of Hilton Head
- City of Mauldin
- South Carolina Department of Transportation
- South Carolina Transportation Infrastructure Bank
- Columbia Museum of Art
- Parkridge Surgery Center
- Medical Services of America
- Nexsen Pruet
- Island Global Yachting
- South Carolina Office of the State Auditor
- Chester Metropolitan District
- Chester Sewer District

DONALD J. MOBLEY, CPA

Managing Member, Scott and Company LLC



EDUCATION

University of South Carolina, Master of Accountancy, 1983

University of South Carolina, Bachelor of Science in Accounting, 1982

POSITION IN FIRM

Managing Member, Scott and Company LLC. Don's primary responsibility is to oversee the strategic direction and management of the firm while continuing to develop the firm's practice and provide client service for some of the firm's largest audit clients. Don also serves as a member in the firm's assurance and advisory services practice for various audit engagements. He has experience in areas such as government, nonprofit, manufacturing, real estate and contracting.

LICENSES, PROFESSIONAL MEMBERSHIPS & COMMUNITY INVOLVEMENT

Don is a certified public accountant in South Carolina, North Carolina, New York and Florida.

Don is a member of:

- American Institute of Certified Public Accountants (AICPA)
- South Carolina Association of Certified Public Accountants (SCACPA)

Don has served on the board of directors and is a past chairman of the scholarship committee of Friends of the Accounting Department (FAD), an accounting alumni association at the University of South Carolina. He is a past board member and treasurer of "A Child's Haven" and has served as a loaned executive for the United Way.

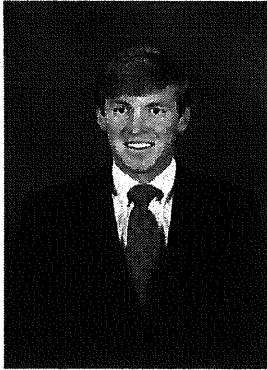
PROFESSIONAL EXPERIENCE

Don has served the following clients, among others:

- South Carolina Office of the State Treasurer
- South Carolina Department of Disabilities and Special Needs
- Charleston County
- Charleston County Resource Recovery
- Charleston County Public Facilities
- Horry County
- Greenville County
- City of Mauldin
- City of Columbia
- City of Greenville
- SC Transportation Infrastructure Bank
- SC Dept of Transportation
- State of South Carolina
- SC Budget & Control Board
- SC Dept of Health and Environmental Control
- SC Dept of Natural Resources
- SC Adjutant General
- SC Dept of Employment and Workforce
- SC Office of First Steps to School Readiness
- Chester Metropolitan District
- Chester Sewer District
- Lancaster Water and Sewer District
- SC Cable Television Association
- Midlands Technical College Foundation
- South Atlantic Fishery Management Council
- Beneteau
- Island Global Yachting
- Bowater
- CRS Sirrinc

SAM WHEELER

Senior Accountant, Assurance and Advisory Services



EDUCATION

Winthrop University, Master of Business Administration

Lander University, Bachelor of Science in Accounting

POSITION IN FIRM

Senior Accountant, Assurance and Advisory Services. Sam is responsible for completion of the more complex areas of an engagement and for supervising staff members, where applicable.

LICENSES, PROFESSIONAL MEMBERSHIPS & COMMUNITY INVOLVEMENT

Sam is pursuing his certification as a Certified Public Accountant licensed in South Carolina.

Sam is affiliated with the South Carolina Association of Certified Public Accountants (SCACPA) and the American Institute of Certified Public Accountants (AICPA).

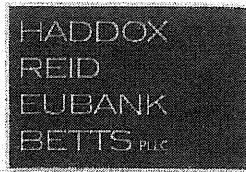
PROFESSIONAL EXPERIENCE

Seven years of accounting and auditing experience serving the following clients, among others

- South Carolina Department of Transportation
- South Carolina Infrastructure Bank
- South Carolina Office of First Steps
- Town of Hilton Head Island
- Richland-Lexington Riverbanks Park District
- Collums Lumber
- Columbia Eye Clinic
- Dick Dyer Automotive
- Parkridge Sugrery Center
- Tactical Medical Solutions
- Radiation Oncology Associates
- Beneteau, Inc.
- Dispoz Products, Inc.
- Furman University
- Mars Hill College
- Spartanburg Methodist University
- City of Greenville
- First South Bank
- Community First Bank
- New South Construction Supply

Appendix B

EXTERNAL QUALITY REVIEW REPORT



CPAs & Advisors

SYSTEM REVIEW REPORT

August 6, 2014

To the Partners of
Scott and Company, LLC
and the AICPA Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of **Scott and Company, LLC** (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of **Scott and Company, LLC** applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. **Scott and Company, LLC** has received a peer review rating of *pass*.

HADDOX REID EUBANK BETTS, PLLC

**SOUTH CAROLINA OFFICE OF THE STATE AUDITOR:
SOUTH CAROLINA DEPARTMENT OF
DISABILITES AND SPECIAL NEEDS**

**PROPOSAL TO PROVIDE PROFESSIONAL
AUDITING SERVICES**

Prepared by:

GREENE, FINNEY & HORTON, LLP
Certified Public Accountants

211 East Butler Road, Suite C6
Mauldin, SC 29662

Phone:
864-232-5204
864-420-1943

E-mail: kevinm@gfhllp.com

Contact:
Kevin Madden

Friday, December 4, 2015

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SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

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Greene Finney & Horton

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

TRANSMITTAL LETTER

Friday, December 4, 2015

Richard H. Gilbert, Jr., CPA
Deputy State Auditor
South Carolina Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, SC 29201

Dear Mr. Gilbert:

Thank you for the opportunity to submit our proposal to provide auditing services to the South Carolina Department of Disabilities and Special Needs (the "Department") for the fiscal year 2015.

Greene, Finney & Horton's ("GF&H") financial audit will be conducted in accordance with generally accepted auditing standards; the standards for financial and compliance audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. As a result of our audit, we will express an opinion as to the fair presentation of the Department's basic financial statements and financial position in conformity with accounting principles generally accepted in the United States of America (GAAP). In addition, GF&H will include audit procedures to ensure that all State Laws, Rules and Regulations, that would have a direct and material effect on the financial statements that have been complied during the fiscal year.

- We understand the requirements as set forth in the RFP and we are willing, able and technically competent to perform all necessary services within the required timetable.
- We understand the audit is being performed on behalf of the Office of the State Auditor.
- We understand the Office of the State Auditor is our client.

Our proposed all-inclusive fee is as follows:

- For the 2015 audit \$24,500
- This all inclusive fee includes all out of pocket costs.

Hourly rates, by position, for consulting services are below (e.g., assistance with the implementation of new GASB standards, etc.).

Partner	\$190
Manager	\$140
Supervisor/Senior	\$110
Staff	\$80

The signer of this letter does have the authority to bind Greene, Finney & Horton, LLP to the terms and conditions of the Request for Proposal (RFP) and the persons authorized to make representations for Greene, Finney & Horton, LLP are Larry Finney, Pepper Horton, David Phillips, Ken Meadows, and Kevin Madden. Larry, Pepper, David, Ken, and Kevin are partners and can be reached at:

211 East Butler Road,	larry@gfhllp.com
Suite C-6	david@gfhllp.com
Mauldin, SC 29662	ken@gfhllp.com
864-232-5204	kevinm@gfhllp.com
Fax: 864-232-5532	pepper@gfhllp.com

The overall engagement partner for this engagement will be Ken Meadows. Larry Finney will serve on this engagement as quality control partner and will be active in the engagement.

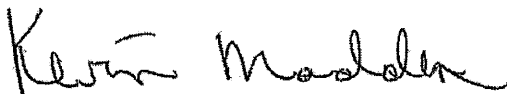
The partners, managers, and auditors in charge that are assigned to each engagement will be furnished copies of this RFP and their attention will be specifically directed to the following captions in Section I:

- Nature of Services Required
- Report Requirements
- Time Considerations and Requirements
- Contractual Arrangements
- Report Review, Timing, and Number of Copies
- Working Papers

The partner responsible for the work quality will submit with the preliminary draft a signed statement certifying that in the responsible partner's professional opinion, the preliminary draft is a completed document and ready to be issued.

Greene, Finney & Horton is a CPA firm that is committed to provide the Department with quality services, and we believe you will see that in the remainder of this proposal. With a focus on providing audit services to state and local government entities, with a strong working knowledge of governmental accounting and auditing, and with a commitment to excellence, we believe we can continue to bring VALUE to the Department.

Sincerely,



Kevin Madden, CPA, Partner
Greene, Finney & Horton, LLP

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

PROFILE OF GF&H

GF&H is a state-wide certified public accounting firm in Mauldin, Greenville and Mount Pleasant, South Carolina. GF&H was established in 1996. **We focus on providing:**

1-auditing, accounting and consulting services to government and not-for-profit organizations.

2-individual and corporate tax, bookkeeping, payroll and accounting services to businesses, nonprofit and small government organizations utilizing our BOSS (Back Office Support Systems) service.

GF&H offers “**big four**” accounting experience and expertise with personalized customer service you expect from a medium sized firm. All five partners and two of our managers have over 40 years of “**big four**” experience along with over 60 combined years of government experience. GF&H currently provides audit services to over 50 governments including some of the largest governments in the State.

Our work will be performed out of our Mauldin and Mount Pleasant offices. Our firm includes five partners, five managers, five supervisors/seniors, ten professional staff, four BOSS staff, and one administrative staff (30 people). Our Mauldin and Mount Pleasant offices have four partners, four managers, three supervisors/seniors, ten professional staff, and one administrative staff.

There has been no business litigation brought against the firm or any officers or principal by an entity for fraud, malpractice, misrepresentation, negligence, or similar cause of action in the last five years.

GF&H is a member of the American Institute of CPAs and the South Carolina Association of CPAs. We are also members of numerous government associations including the state and national government finance officers associations, and the Government Audit Quality Center (“GAQC”) of the AICPA. **We are strong supporters of all of these organizations; we speak and exhibit at, and financially contribute to, conferences for many of these associations, as well as several others.**

Our mission is to be the CPA firm in South Carolina best known for providing quality auditing, accounting and consulting services to government and not-for-profit organizations.

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

PROFILE OF GF&H (continued)

Below are some of the reasons why we believe we are the best qualified firm to provide auditing services to the Department:

- We **focus on** providing auditing, consulting, and accounting services to governments (about 75% of our total revenues comes from working with governments). **We work with governments year-round**, so no matter when you need assistance we will be available for you.
- We are very familiar with state entity/component unit operations and finances as we **currently provide audit services to several state entities/component units**.
- **Our philosophy is to provide our clients with very personal service (while clearly maintaining our objectivity and independence)--we go the extra mile to exceed our client's needs**. For example, we provide a one day governmental and nonprofit accounting and financial reporting seminar each year that is free to clients. We also perform informal "quality assessments" with our clients periodically to learn how we can better improve our service to our clients. These are just two examples of our desire for excellence.
- We have **significant participation in numerous organizations, including the state and national Government Finance Officers Association**. We exhibit, speak and otherwise participate in the meetings and conventions and we financially support the associations as members and sponsors. We are involved in the associations and stay current on the issues affecting municipalities.
- We are also members of the **AICPA's Government Audit Quality Center**, a division within the AICPA committed to excellence in the auditing of government organizations. We participate in annual continuing professional education through the GAQC.
- We work extremely hard to **ensure timely, clear and meaningful communication to all levels** of our client; we take the time to meet with management and commission members throughout the audit process.
- **We stay on the forefront of technology utilization** for auditing governments and all of our audit work is performed electronically.

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

MANDATORY CRITERIA

GF&H is a properly and currently licensed CPA firm in the State of South Carolina and does meet the independence standards of the GAO'S *Government Auditing Standards*, AICPA, and the South Carolina Board of Accountancy. In addition, all key professional staff are properly registered and licensed to practice in South Carolina.

GF&H affirms that it meets the independence standards of the *Government Auditing Standards* issued by the Comptroller General of the United States.

GF&H affirms that it does not discriminate in employment of persons upon the basis of race, color, creed, national origin, sex, age, or physical handicap.

GF&H affirms that, in accordance with Section 44-107-10 through 44-107-90 of the 1976 South Carolina Code of Laws, as amended, GF&H will provide a drug-free workplace during the term of this contract.

GF&H affirms that the working papers on these engagements will be subject to review as part of our in-house quality review, the local office quality review and /or firm-wide external quality review. If selected for any of the above reviews, copies of all issued reports and comments will be furnished to the Office of the State Auditor upon becoming available to the proposer.

GF&H affirms that it will take the necessary steps to ensure that Protected Health Information (PHI) is safeguarded as defined by HIPPA Rules, 45 CFR 164.502 (g).

GF&H affirms that it is in compliance with Section 11-57-300 through 11-57-330 of the 1976 South Carolina Code of Laws, as amended, with respect to investment activities in Iran.

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

SUMMARY OF GF&H QUALIFICATIONS

Our Staff

GF&H will have at least four people working on the auditing services for the Department; Larry Finney - Quality Control Partner, Ken Meadows - Engagement Partner, Emily Sobczak - Manager, Brian McCall - Supervisor, and one staff persons. Resumes for Larry, Ken, Emily, and Brian are included.

GF&H is aware of the current GAO Yellow Book requirements concerning continuing education and peer review and will be in compliance with them during the term of this contract.

GF&H has not been terminated by any audit clients.

All of the above staff have been involved in numerous advisory projects for governments including fraud-related projects, internal control evaluations, bond issuance reviews, agreed-upon-procedures, construction compliance and analysis, budget and other financial analysis, and many more.

Larry Finney-Quality Control Partner

Larry is a partner with GF&H and has been providing auditing and consulting services to governments for well over 25 years. He will serve as the quality partner for the audit of the Department. Larry is licensed to practice as a CPA in the State of South Carolina.

Larry's background includes:

- 9 years' experience with international public accounting firms
- 5 years' experience as a Chief Financial Officer
- Founding partner of Greene, Finney & Horton, which was established in 1996
- Partnering well over 100 government audits
- Involvement in numerous advisory projects with governments, including internal controls, financial turn-around, alleged fraud, and GASB implementations

Larry has served or currently serves as a partner and/or provides audit and advisory services to numerous governments, including:

- The two largest school districts in SC-Greenville and Charleston
- Some of the largest municipalities in SC-Greenville, Spartanburg, Mount Pleasant and North Charleston
- Two of the largest counties in SC-Berkeley and Anderson
- Various state entities/component units

Larry uses almost all of his continuing professional education requirements to attend or speak at government conferences and seminars. Larry has spoken numerous times at conferences for the Government Finance Officers Association (GFOA), School Business Officials (SCASBO), School Administrators (SCASA), School Board Members (SCSBA) and Municipal Association and its various organizations (MASC) in South Carolina and the Southeast. Larry also teaches in the SCASBO Certification Program. Presentation topics have included:

- Effective Habits of Government Finance Officers
- Ethics, Risk and Fraud
- GASBs 68 and 71

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

SUMMARY OF GF&H QUALIFICATIONS (continued)

Larry Finney-Quality Control Partner (continued)

- Governmental Accounting, Auditing and Financial Reporting Update
- COSO and internal controls

The firm also provides approximately 40 hours of government accounting and auditing continuing professional education training each year, including a conference each year that GF&H hosts for our clients. This training is focused on governmental accounting, auditing and financial reporting and includes:

- Governmental accounting updates from the Government Finance Officers Association
- Updates on auditing standards and the single audit from the Government Audit Quality Center of the AICPA
- Audit approach efficiencies (we discuss each specific area of an audit and how we can improve)
- Detail discussions of any new government accounting standards that will soon be implemented by our clients

In the last two years Larry has attended and/or participated in the following CPE government courses:

2014 CPE

2013 Review, GFOA GAAP Update Gov't, NFP and Business Accounting,	January 17, 2014	6.0 Hours
Auditing for governments and not for profits	May 15, 2014	8.0 Hours
GASB and Single Audit Update	May 29, 2014	5.0 Hours
GAAP Disclosures, financial reporting and Fraud for governments and not for profits	June 16, 2014	6.0 Hours
Audit Improvement, Peer Review Results, Nonprofit Accounting/Auditing, New Pension Standards	August 18, 2014	7.0 Hours
Business Management and Organization- Rootworks Annual Winter Conference	December 11-14, 2014	10.0 Hours
Professional Ethics for SC CPAs, Compilation and Review Update	September 29, 2014	8.0 Hours

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

SUMMARY OF GF&H QUALIFICATIONS (continued)

Larry Finney-Quality Control Partner (continued)

2015 CPE

2014 Review, GFOA GAAP Update	April 8, 2015	8.0 Hours
Prosystem FX Engagement Fund Reporting Training	April 9, 2015	8.0 Hours
Government, Not-for-Profit, Business Financial and Legal Update Conference	April 29, 2015	8.0 Hours
Pensions, Procurement, Presentations, Profit, etc.	June 9, 2015	8.0 Hours
Various Governmental and Nongovernmental Accounting and Auditing updates	July 10, 2015	8.0 Hours

Ken Meadows-Engagement Partner

Ken joined GF&H in 2009 after working in private industry and for KPMG and Deloitte Touche in Greenville, SC. Ken will serve as a partner on the audit of the Department. Ken is licensed to practice as a CPA in South Carolina.

Ken has been the engagement partner the past two years for the Department audit.

Ken has almost 25 years of accounting and auditing experience, including initial public offerings, SEC filings, and audits of several public and private companies. Since joining us, Ken has primarily focused on auditing small and medium sized businesses and defined contribution plans. Ken's clients include a trust company with stock, bond and hedge fund investments. Ken has also worked on audit engagements for several governments including component units of the State of South Carolina, municipalities, school districts, and special purpose districts. Ken also audits several not-for-profits. Several of these clients use or have used derivatives.

In the last two years Ken has attended and/or participated in the following CPE government courses:

2014 CPE

2013 Review, GFOA GAAP Update	January 17, 2014	6.0 Hours
Gov't, NFP and Business Accounting, Auditing for governments and not for profits	May 15, 2014	8.0 Hours
GASB and Single Audit Update	May 29, 2014	5.0 Hours
GAAP Disclosures, financial reporting and Fraud for governments and not for profits	June 16, 2014	6.0 Hours
Audit Improvement, Peer Review Results, Nonprofit Accounting/Auditing, New Pension Standards	August 18, 2014	7.0 Hours
Business Management and Organization- Professional Ethics for SC CPAs, Compilation and Review Update	September 29, 2014	8.0 Hours

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

SUMMARY OF GF&H QUALIFICATIONS (continued)

Ken Meadows-Engagement Partner (continued)

2015 CPE

2014 Review, GFOA GAAP Update	April 8, 2015	8.0 Hours
Prosystem FX Engagement Fund Reporting Training	April 9, 2015	8.0 Hours
Government, Not-for-Profit, Business Financial and Legal Update Conference	April 29, 2015	8.0 Hours
Pensions, Procurement, Presentations, Profit, etc.	June 9, 2015	8.0 Hours
Various Governmental and Nongovernmental Accounting and Auditing updates	July 10, 2015	8.0 Hours
2014 Accounting and Auditing Conference	December 8-9, 2014	16 Hours

Emily Sobczak - Engagement Manager

Emily joined GF&H in September, 2011. She has eleven years of public accounting experience, most of it providing audit and other services to government entities even when she was at KPMG and Mauldin Jenkins. Emily will serve as a manager on the services provided to the Department. Emily is licensed to practice as a CPA in South Carolina.

Emily has worked on a lot of government entity audits and advisory services in Georgia (prior to September, 2011) and South Carolina, including the following entities in South Carolina over the last three years:

- State entities/component units such Department of Education, First Steps, and the Governor's Office
- Municipalities such as Mount Pleasant and North Charleston
- Berkeley County and Berkeley County Water and Sanitation
- Other governments such as Charleston Area Regional Transportation Authority, and Charleston County Parks and Recreation Association
- School Districts such as Charleston, Dorchester Two, and Berkeley

Almost all of Emily's continuing education is related to governmental auditing, accounting and financial reporting, including annual Single Audit and SC State Department of Education updates, and numerous sessions with the Government Audit Quality Center of the AICPA.

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

SUMMARY OF GF&H QUALIFICATIONS (continued)

Emily Sobczak - Engagement Manager (continued)

In the last two years Emily has attended and/or participated in the following CPE government courses:

2014 CPE

2013 Review, GFOA GAAP Update Gov't, NFP and Business Accounting,	January 17, 2014	6.0 Hours
Auditing for governments and not for profits GASB and Single Audit Update	May 15, 2014 May 29, 2014	8.0 Hours 5.0 Hours
GAAP Disclosures, financial reporting and Fraud for governments and not for profits	June 16, 2014	6.0 Hours
Audit Improvement, Peer Review Results, Nonprofit Accounting/Auditing, New Pension Standards	August 18, 2014	7.0 Hours
Business Management and Organization- Professional Ethics for SC CPAs, Compilation and Review Update	September 29, 2014	8.0 Hours

2015 CPE

2014 Review, GFOA GAAP Update	April 8, 2015	8.0 Hours
Prosystem FX Engagement Fund Reporting Training	April 9, 2015	8.0 Hours
Government, Not-for-Profit, Business Financial and Legal Update Conference	April 29, 2015	8.0 Hours
Pensions, Procurement, Presentations, Profit, etc.	June 9, 2015	8.0 Hours
Various Governmental and Nongovernmental Accounting and Auditing updates	July 10, 2015	8.0 Hours
2014 Accounting and Auditing Conference	December 8-9, 2014	16 Hours

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

SUMMARY OF GF&H QUALIFICATIONS (continued)

Brian McCall-Supervisor

Brian has over eight years of financial experience in public accounting, most with GF&H. Brian will serve as the engagement supervisor for the audit of the Department and would supervise most of the daily work.

Most of Brian's work experience is with GF&H, and he has serviced numerous governmental entities and brings a lot of knowledge and experience to his clients. He has specifically worked with the following entities:

- State entities/component units such Department of Education, First Steps, and the Governor's Office
- Municipalities such as Mount Pleasant and North Charleston
- Berkeley County and Berkeley County Water and Sanitation
- Other governments such as Charleston Area Regional Transportation Authority, and Charleston County Parks and Recreation Association
- School Districts such as Charleston, Dorchester Two, and Berkeley

In the last two years Brian has attended and/or participated in the following CPE government courses:

2014 CPE

2013 Review, GFOA GAAP Update Gov't, NFP and Business Accounting,	January 17, 2014	6.0 Hours
Auditing for governments and not for profits	May 15, 2014	8.0 Hours
GASB and Single Audit Update	May 29, 2014	5.0 Hours
GAAP Disclosures, financial reporting and Fraud for governments and not for profits	June 16, 2014	6.0 Hours
Audit Improvement, Peer Review Results, Nonprofit Accounting/Auditing, New Pension Standards	August 18, 2014	7.0 Hours
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2015 CPE

2014 Review, GFOA GAAP Update	April 8, 2015	8.0 Hours
Prosystem FX Engagement Fund Reporting Training	April 9, 2015	8.0 Hours
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SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

SUMMARY OF GF&H QUALIFICATIONS (continued)

Other Staff

We have numerous other professional staff. Because we service local governments as our primary business, all of our audit and advisory professional staff have experience providing services to governments. Therefore, if a staff person working on the audit of the Department were to leave, we can assure the Department they would be replaced with another staff person with government experience.

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

SUMMARY OF GF&H QUALIFICATIONS (Continued)

References for similar engagements

South Carolina Governor's Office

Contact: Rhonda Walker, Director of Finance
Phone: 803-734-0433
Scope: Annual audit in accordance with generally accepted government auditing standards, and the Single Audit Act.
Years serviced: 2014 - Present
Partner: Kevin Madden

City of Greenville, SC-CAFR issued and award received (GFOA)

Contact: Karen Crawford, Comptroller
Phone: 864-467-4527
Scope: Annual audit in accordance with generally accepted government auditing standards, and the Single Audit Act.
Years serviced: 2004-Present
Partner: David Phillips

City of Spartanburg SC-CAFR issued and award received (GFOA)

Contact: Dennis Locke, Finance Director
Phone: 843-596-2119
Scope: Annual audit in accordance with generally accepted government auditing standards, and the Single Audit Act.
Years serviced: 2003- Present
Partner: Kevin Madden

The School District of Greenville County-CAFR issued and award received (GFOA)

Contact: Jeff Knotts, Executive Director of Finance
Phone: 864-355-1160
Scope: Annual audit in accordance with generally accepted government auditing standards, and the Single Audit Act.
Years serviced: 2000 - Present
Partner: Larry Finney

Charleston County School District-CAFR issued and award received (GFOA)

Contact: Terri Shannon, Director of Finance
Phone: 843- 566-8890
Scope: Annual audit in accordance with generally accepted government auditing standards, and the Single Audit Act.
Years serviced: 2007 - Present
Partner: Larry Finney

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

GF&H APPROACH TO AUDITING

At GF&H we believe the key factors in providing effective and efficient audit service to the Department are proper planning, gaining an understanding of the unique aspects of the Department's operations and expectations, developing an audit program that effectively and efficiently accomplishes the identified audit objectives, a thorough knowledge and experience of retirement plans and the requisite auditing requirements, constant communication, and properly responding to issues as they arise during the audit.

While the design of the audit program is the end result of the planning process other key components include communication and meetings with Department personnel, understanding the Department organization and internal control structure, and gaining a preliminary understanding of the potential accounting, auditing and reporting issues; much of this work will be completed prior to the Department's fiscal year end. Our goal during planning and preliminary fieldwork is to perform as much work and to identify potential audit and reporting issues prior to the Department's fiscal year end. The result is a more efficient, effective and timely audit and report process during final fieldwork.

Communication

GF&H will spend as much time as necessary prior to other planning procedures or any fieldwork to meet with Department management and other personnel to ensure we understand the issues and concerns of the Department, the goals, the expectations, and the significant events and changes that have occurred. We will want to review any updates to short-term and long-term strategic, business and operational plans. We will communicate regularly with the Department throughout the audit process. Any significant issues are discussed with the Department immediately so they can be properly addressed.

Understand the Department's Organization and Internal Control Structure

This primarily involves reviewing updates to documentation of accounting policies and procedures and meeting with the financial personnel of the Department. We will want to review any documentation the Department has on financial and management information systems. This is also a good time to get copies of any new significant contracts, agreements, etc..

Identification of Accounting, Auditing and Reporting Issues and Significant Audit Areas

One primary focus of planning is to identify accounting, auditing and reporting issues up front, so there are no "surprises" as the audit is being completed. Besides meetings with Department personnel and reviewing contracts and other legal documents, we will review minutes of Department Board meetings, review files of correspondence with other governments and perform preliminary analytical review; we compare current year-to-date financial information with the year-to-date budget and with the prior year.

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

GF&H APPROACH TO AUDITING (continued)

Identification of Accounting, Auditing and Reporting Issues and Significant Audit Areas (continued)

This financial information and the results of the analytical review also assist us in identifying the significant audit areas to which we will devote more audit time. This is also the time to identify any new accounting standards (i.e. GASB #68, etc.) or any changes in regulations that would be applicable to the Department. Please note that several new governmental accounting standards are applicable over the next few years (i.e. GASB #72, etc.).

Financial Audit

The audit will be made in accordance with auditing standards generally accepted in the United States of America and the provisions of Government Auditing Standards issued by the Comptroller General of the United States.

The primary purpose of the audit is to express an opinion on the financial statements and that an audit is subject to the inherent risk that errors or irregularities may not be detected. If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, or if any other circumstances are encountered that require extended services, GF&H will promptly advise the State Auditor. No extended services will be performed without prior written authorization of the Office of the State Auditor.

Compliance Audit

In accordance with the auditing standards set forth in Section I of the RFP, Nature of Services Required, GF&H will select the necessary procedures to test compliance and to disclose noncompliance with specified state and federal laws, rules, regulations, and contracts that would have a direct and material effect on the financial statements.

Comprehensive Work Plan

Audit Program

The last phase of our planning process will be to design a detailed audit approach, as documented in an audit program, to most effectively and efficiently complete the audit of the Department.

We estimate the planning procedures will take approximately 60 hours. Most of the planning work will be completed by the partner, manager and supervisor, with some assistance from the staff.

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

GF&H APPROACH TO AUDITING (continued)

Substantive Work Plan

If the planning process has been effective, the remainder of our fieldwork will be efficiently completing the audit work as detailed in the audit program.

Based on our experience with the similar government entities, the significant audit areas, along with the estimated hours and the people likely to perform the audit work (the names are included earlier in the proposal), would likely be:

- cash and investments (40 hours-manager/supervisor and staff)
- receivables (40 hours-manager/supervisor)
- capital assets (40 hours-staff)
- payables and accruals (40 hours- manager/supervisor and staff)
- payroll and other expenses (40 hours- manager/supervisor and staff)
- revenues (40 hours- manager/supervisor and staff)
- reporting (30 hours-partner, manager/supervisor)

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

ADDITIONAL DATA

There is no additional information we wish to present.

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

PROPOSAL TO PROVIDE AUDITING SERVICES

COMPENSATION

<u>Staff Classification</u>	<u>Standard rate</u>	<u>Hourly rate</u>	<u>Estimated hours</u>	<u>Professional Fees</u>
Partner	\$ 190	\$ 150	30	\$ 4,500
Manager	140	100	60	6,000
Supervisor/Senior	110	75	80	6,000
Staff	80	50	160	<u>8,000</u>
				24,500

All-inclusive maximum fee:
For the 2015 audit

\$ 24,500

Out of pocket expense are included in the all-inclusive maximum fee.

Note: The all-inclusive maximum fee assumes the Department will have the financial statements in good order when work begins.

Billing rates for additional assistance requested beyond the audit will be billed at our standard rates plus out-of-pocket costs unless the Department and GF&H agreed upon a fee up front. Our desire is for the Department and the firm to agree to a fee for a project before any work is performed. Of course, this means we must sit down and agree on the scope of the project and other details in order for a reasonable fee to be determined. If it is just too difficult to estimate the number of hours a project may take, then an hourly rate will be agreed to prior to any work being performed by us. Our standard hourly rates are Partner-\$190, Manager-\$140, Supervisor-\$110, Staff-\$80, and Admin-\$40.

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External Quality Review
A. Creig Odom, CPA, PA
Five Office Way, Second Floor
PO Box 6098
Hilton Head Island, SC 29938
Telephone (843) 842-4021
Fax (843) 842-6629

System Review Report


June 19, 2014

To the firm of
Greene, Finney & Horton, LLP
And the Peer Review Committee of the
South Carolina Association of Certified Public Accountants

I have reviewed the system of quality control for the accounting and auditing practice of Greene, Finney & Horton, LLP (the firm) in effect for the year ended May 31, 2014. My peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

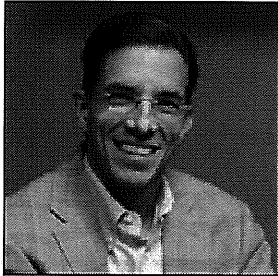
As required by the standards, engagements selected for the review included an engagement performed under *Governmental Auditing Standards* and an audit of an employee benefit plan.

In my opinion, the system of quality control for the accounting and auditing practice of Greene, Finney & Horton, LLP, in effect for the year ended May 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Greene, Finney & Horton, LLP has received a peer review rating of *pass*.



A. Creig Odom, CPA, PA

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LARRY J. FINNEY, CPA

Education: 1982 BS in Accountancy from University of Illinois

CPA Certification: Certified Public Accountant in South Carolina

Work Experience:

1996-Present
Greene, Finney & Horton, LLP
Certified Public Accountants
Partner

CPA firm with niche markets in small and medium size business, nonprofits and governments:

- Audits, reviews and compilations
- BOSS (Back Office Support System)-a secure, integrated and paperless system for accounting, payroll, and tax planning and compliance

1994-1995
Southern Water Treatment, Inc.
Treasurer and Chief Financial Officer

1991-1993
Evode-Tanner Industries and Mercer Products (owned by same parent)
Chief Financial Officer

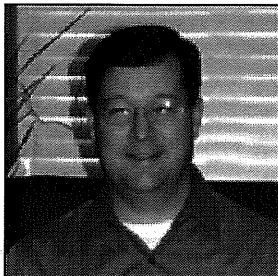
1986-1991
KPMG, CPAs
Senior Manager, Manager, Supervisor

Audit experience included:
School Districts, Municipalities, Manufacturing and Distribution, and Retail and Restaurants, Nonprofits

1982-1986
Coopers & Lybrand, CPAs
Supervisor, Senior, Staff

Audit experience included:
School Districts, Municipalities, Nonprofits, Manufacturing and Distribution, Retail

Other: Member of American Institute of CPAs, SC Association of CPAs and Various Associations and Chambers



KENNETH B. MEADOWS, CPA

Education: 1990 BS in Accounting from Bob Jones University

CPA Certification: Certified as a CPA (AICPA and SCACPA memberships)

Work Experience:

2009-Present
Greene, Finney, & Horton, LLP
Certified Public Accountants
Partner

CPA firm with niche markets in small and medium size business, nonprofits and governments:

- Audits, reviews and compilations
- BOSS (Back Office Support System)-a secure, integrated and paperless system for accounting, payroll, and tax planning and compliance

Experience includes audits of 401(k) plans and an audit for a trust company with assets under management for several entities

2006-2009
Polypore International, Inc.
Manager of SEC Reporting (experience includes IPO and secondary offering)

2003-2006
Genworth Financial, Inc. / General Electric Co.
SEC Reporting Manager – GE Insurance (experience includes IPO)

2001-2003
Scansource, Inc.
Director of Financial Reporting

1999-2001
Deloitte & Touche LLP
Manager – Assurance and Advisory Services
Audit experience includes SEC clients ScanSource, Inc. & JPS Industries, Inc.

1998-1999
Elliott, Davis & Company
Manager – Consulting / Assurance and Advisory Services

1990-1998
KPMG Consulting, Inc. / KPMG LLP
Manager / Supervisor
Clients included public, international and large private companies
Audit experience includes defined benefit pension plans and 401(k) plans



EMILY K. SOBCZAK, CPA

Education: 2005 Master of Accountancy, University of Georgia
2004 Bachelor of Business Administration, University of Georgia

CPA Certification: Certified Public Accountant in South Carolina

Work Experience:

2011 - Present Greene, Finney & Horton, LLP
Certified Public Accountants
Manager

CPA firm with niche markets in small and medium size business, nonprofits and governments:

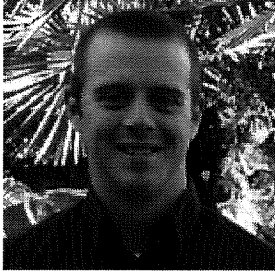
- Audits, reviews and compilations
- BOSS (Back Office Support System)-a secure, integrated and paperless system for accounting, payroll, and tax planning and compliance

2007-2011 Mauldin & Jenkins, LLC
Manager – Audit Practice

Primarily focused on providing audit services to local governments

2005 - 2007 KPMG, LLC
Senior Associate – Audit Practice

2004 - 2005 University of Georgia
Graduate Teaching Assistant



BRIAN McCALL

Education: Bachelors of Science in Accounting from North Greenville University; graduated Magna Cum Laude in May 2008.

Work Experience:

2008 to Present
Greene, Finney & Horton, LLP
Certified Public Accountants
Supervisor

CPA firm with niche markets in small and medium size business, nonprofits and governments:

- Audits, reviews and compilations
- BOSS (Back Office Support System)-a secure, integrated and paperless system for accounting, payroll, and tax planning and compliance

2008
Gary Wheeler, CPA,PC
Intern

CPA Firm specializing in personal, business, and corporate taxes, auditing, accounting, and consulting.

**FINANCIAL POSITION ANALYSIS - OPERATING FUNDS
FY 2016 AS OF 11/30/2015**

Attachment E

	State Fund Revenue (Appropriations)	Earned Medicaid Revenue	Other Revenue and One-Time Carry Forward	Federal and Restricted Funds	Total
Activity through 11/30/2015					
Revenue	\$221,526,113	\$138,091,916	\$2,119,573	\$172,957	\$361,910,559
Carry Forward	\$1,030,471	\$1,912,919	\$969,009	\$135,055	\$4,047,454
Interfund Loan	(\$57,250,000)	\$57,000,000		\$250,000	\$0
Personal Services Expense	(\$19,474,637)	(\$6,189,878)		(\$103,368)	(\$25,767,883)
Fringe & Benefit Expense	(\$7,759,838)	(\$2,607,790)		(\$42,756)	(\$10,410,384)
Other Operating Expense	(\$47,673,541)	(\$165,782,888)	(\$159,090)	(\$1,185)	(\$213,616,704)
Balance as of 11/30/2015 per Financial System	\$90,398,568	\$22,424,279	\$2,929,492	\$410,703	\$116,163,042

DDSN Implementation Plan for LAC Report Recommendations

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
1	Ensure that information derived from its quality assurance processes is integrated and used to remediate problems identified. P.9	Continue efforts to ensure that information derived from its quality assurance processes is integrated and used to remediate problems identified.	IMPLEMENTED	
2	Conduct follow-up reviews to ensure that providers implement their plans of correction and address risks that may endanger the health, safety, or welfare of DDSN consumers. P.12	Require follow-up reviews on all annual reviews requiring a plan of correction. Some of these will be in person while others can be documented in writing by the provider depending on the deficiencies.	IMPLEMENTED	
3	Adequately document follow-up reviews with reports assessing provider progress toward completion of plans of correction. P.13	Document follow-up reviews with reports assessing provider progress toward completion of plans of correction.	IMPLEMENTED	

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
4	Revise the licensing directive to include specific criteria that defines when follow-up visits are warranted and the type of documentation that is sufficient to demonstrate implementation of the plan of correction. P.13	Revise the licensing directive to include criteria that defines when follow up visits are warranted and the type of documentation that is sufficient to demonstrate implementation of the plan of correction.	PARTIALLY IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today based on subsequent changes.	<p>DDSN Directive 104-01-DD was revised July 1, 2009, to add a section specifically related to Licensing Follow-up Reviews. The Follow-up process was implemented immediately upon issue of the Directive and has been in place since that time. DDSN and its contracted QIO continue to evaluate the follow-up process to ensure its effectiveness and successful remediation of the citations found during the licensing process.</p> <p>For all Class I deficiencies, the QIO must remain on-site until the corrective action is in place and the consumer's safety is not at risk. For Class II and Class III deficiencies, the QIO uses professional discretion in determining the need for on-site follow-up or a desk review. All deficiencies from an annual inspection will require one or the other. For example, if there was a deficiency due to the need for pest control, then an invoice from a pest control agency would be submitted as acceptable documentation and verification that the corrective action during a desk review. If there were deficiencies for a strong urine or other offensive odor, household equipment that was not in good working order, or questionable storage of medications or household chemicals, then the QIO may determine that an on-site visit is needed for follow-up to ensure corrective action. In all cases, if corrective action cannot be verified during the initial follow-up review (whether desk review or on-site) a new Plan of Correction is required and a second follow-up inspection will take place, this is always on site. The ability for providers to submit and the QIO to approve corrections remotely maximizes the use of limited state funds and minimizes additional travel time necessary.</p> <p>In addition, since the original 2008 LAC review, DDSN has increased the frequency of routine licensing inspections for residential locations supporting adults from a three year cycle, to a two year cycle, to the current annual cycle, effective January 2015. The increased frequency of annual inspections, along with corresponding follow-up reviews, has increased compliance with DDSN Residential Standards. Residential locations supporting children, respite and day services locations have always been on an annual inspection process, with corresponding follow-up reviews.</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
5	Revise the licensing directive to include specific criteria for when sanctions are warranted and document instances when they occur. P.13	DDSN will revise the licensing directive to include specific criteria for when sanctions are warranted. DDSN will document instances when sanctions occur.	IMPLEMENTED	
6	The General Assembly should amend state law to delegate DDSN's licensing function to another state agency, such as DHEC. P.16	Commission directed staff to coordinate with appropriate legislative committees in introducing legislation transferring DDSN licensing activities to DHEC. Backup plan is RFP to make licensing independent from DDSN.	NOT IMPLEMENTED	<p>DDSN staff worked with Senate Medical Affairs Committee staff which resulted in S.486 introduced in February 2009 by Senator Peeler. The bill was passed by the Senate, introduced in the House of Representatives and on 03/31/2009 was referred to the Judiciary Committee.</p> <p>As a concurrent action to the legislative process, DDSN took two separate steps to outsource the responsibility for Licensure and Certification of Community Residential, Day Services and Respite locations. In February 2009, the agency began its development of an RFP to acquire services from a third party organization to complete the licensing activities. Also in February 2009, discussions were initiated with the Department of Health and Environmental Control to consider the possibility of transferring the licensing function along with associated operating funds and the existing FTEs from DDSN to DHEC. This process was completed and DHEC officially assumed responsibility for the Licensure and Certification of Community Residential, Day Services and Respite locations on August 3, 2009.</p> <p>On April 1, 2012, DDSN received written notification from DHEC that it would no longer contract with DDSN for the Licensing and Certification of Community Residential, Day Services and Respite locations. DHEC considered this function to be beyond the scope of its statutory requirements.</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
	Continued from previous page	Continued from previous page		<p>DDSN immediately began the process of working with Budget and Control Board/ Materials Management Office to develop an RFP for the Licensing reviews. DHEC continued their role until June 30, 2012.</p> <p>RFP responses were delivered from MMO to DDSN and reviewed in August and, upon notification of the award, Alliant ASO began their recruitment and training in August 2012. They completed their first Licensing Inspections in October 2012. The current contract with Alliant will expire in September 2017.</p> <p>Discussion specific to this recommendation occurred in December 2015 with consumers, families, advocates and providers. There was general consensus on the benefit of an entity independent of DDSN conducting licensing. Some providers expressed a concern over licensing of individual's homes and were the standards within the license similar to other state's licensure processes and requirements. Discussion also occurred on whether licensing was consistent with community integration.</p> <p>DDSN believes the current situation with a federally recognized, CMS approved, Quality Improvement Organization (QIO) performing the licensure function works well. DDSN is also agreeable to DHEC performing this function. Regardless of which entity independent of DDSN, public or private, performing licensure activities, DDSN will insist that current standards, licensure protocol and randomization be continued to maintain quality.</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
7	If the licensing function remains within DDSN, the agency should perform annual licensing reviews of each facility to ensure that providers are compliant with licensing requirements. P.16	DDSN will submit an RFP for the licensing function.	PARTIALLY IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today based on subsequent changes.	The recommendation was considered partially implemented because only day service locations, respite, and residential homes supporting children were licensed annually up until 2015. Other residential locations supporting adults were still on a two year licensing cycle. On December 5, 2014, DDSN revised its licensing requirement to include annual licensing inspections for all locations. The annual inspection process for all service locations was effective January 5, 2015.
8	Provide DHEC, SLED, the state long-term care ombudsman, and the Attorney General with updated lists of DDSN-operated and DDSN contracted facilities on a quarterly basis. P.18	Provide updated lists of its licensed residential facilities to DHEC and SLED on a quarterly basis as required by state statute and MOA respectively.	PARTIALLY IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today based on subsequent changes.	DDSN has been providing SLED and the State Long Term Care Ombudsman with a listing of all licensed residential facilities since 2009. DHEC actually contracted with DDSN from 2009 to 2012 for licensing inspections of all day and residential locations and a separate listing of licensed facilities was not provided, as they already had the information in their database. When DHEC discontinued their contract with DDSN, DDSN did not establish a formal process of updating the DHEC Database, although communications with DHEC staff continued and inquiries were addressed frequently through regular communication. DDSN routinely communicates with the State Attorney General's Office regarding investigations involving DDSN service recipients. Residential locations had been shared on an as needed basis, though not through a formal quarterly report. DDSN now sends a quarterly report of all day and residential service locations to SLED, the State Long Term Care Ombudsman's Office, DHEC, DSS, and the Attorney General's Office.

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
9	Should verify and document that service providers are compliant with state law that requires them to notify local zoning boards before establishing a group home. P.18	The State and Federal Fair Housing Acts and the county zoning authorities conflict: the courts will resolve this difference. DDSN will ensure service providers are compliant with state and federal laws.	NOT IMPLEMENTED	No action taken, this is considered to be discriminatory for people with disabilities.
10	The General Assembly should amend §44-7-2910 to require Federal Bureau of Investigation criminal history checks for all direct caregivers without regard for the length of residency in South Carolina. P.21	Comply with any statute changes by the S.C. General Assembly.	NOT IMPLEMENTED	<p>DDSN staff worked with Senate Medical Affairs Committee staff which resulted in S.486 introduced in February 2009 by Senator Peeler. The bill was passed by the Senate, introduced in the House of Representatives and referred on 03/31/2009 to the Judiciary Committee.</p> <p>DDSN is a member of the Adult Protection Coordinating Council. The LAC presented their 2014 findings to the council in August 2014. Fingerprint-based background checks were discussed as a means to protect seniors. Discussion included the necessary development of a system that would negate the need for a background check each time an individual changed jobs, but maybe every five years instead. A data base would be needed that an employer could check and make their determination whether to employ the individual. Other concerns with fingerprint background checks included cost and determination of the host agency responsible for the checks. Also noted is the delay in employment while the check is being conducted. In APCC discussions and DDSN Business Process Task Force meetings, service providers expressed that hiring delays significantly impact their ability to maintain staffing ratios.</p> <p>DDSN held meeting with consumers, families, advocates and providers in December 2015 for discussion. While concerns were expressed about delays in hiring which could result in staffing ratios, there was a general consensus that this would be a good process required for all “caregivers.” DDSN is agreeable to a law change requiring fingerprint-based background checks for all “caregivers” as defined by statute. See Attached.</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
11	<p>Amend the licensing standards to require Federal Bureau of Investigation criminal history checks for all direct caregivers upon hire.</p> <p>P.21</p>	<p>Conform to the state statute accordingly.</p>	<p>NOT IMPLEMENTED</p> <p>DDSN believes this would be considered at least PARTIALLY IMPLEMENTED today for two reasons: (1) subsequent changes to the QIO review system. This is done within the QIO review and not licensing review. (2) DDSN is conducting FBI checks on all regional center staff, but the community providers are not required to do so.</p>	<p>Most providers do not have staff already hired at the time of the initial licensing visit, so the licensing review staff would be unable to review this documentation.</p> <p>The Pre-Employment requirements (to include criminal background checks, educational attainment, and age requirements of staff) are specifically reviewed for each service type during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. Also, if the provider is found out of compliance, DDSN may recoup funding for services delivered by staff that do not meet requirements. Recoupment for these specific indicators within Contract Compliance Review process was added effective July 2015.</p> <p>DDSN now conducts FBI checks on all direct care staff upon hire. Boards and QPLs are not required to do so for all direct care staff.</p> <p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. Discussion occurred about the difference between licensing, which is generally focused on the building and program, versus the Quality Improvement Process of the agency using the QIO. Implementing the “spirit” of the intent of the regulation, but not within the licensure process as staff are often not hired at the time of initial licensing.</p> <p>Based on discussion Agency will review further with providers to determine the possible implications of implementing this recommendation within the QIO review process, not licensure. DDSN cannot share with the local provider the content of the FBI check per regulations, only</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
	Continued from previous page	Continued from previous page		<p>instructions not to hire.</p> <p>Discussion with providers of the DDSN Business Process Task Force occurred in November and again December 2015. DDSN held meeting with consumers, families, advocates and providers in December 2015 for further discussion. Discussion included the concern over the delay in hiring and maintaining staff ratios. Discussion also included how this could be implemented after employees were hired and trained.</p>
12	<p>Comply with S.C. Code §44-7-2920 and specify in the licensing standards that the required SLED criminal history check be obtained through a fingerprint search.</p> <p>P.21</p>	<p>Comply with state law that requires SLED criminal history checks and review the practicality of obtaining more of these checks through fingerprint-based searches.</p>	<p>NOT IMPLEMENTED</p>	<p>Most providers do not have staff already hired at the time of the initial licensing visit, so the licensing review staff would be unable to review this documentation.</p> <p>The Pre-Employment requirements (to include criminal background checks, educational attainment, and age requirements of staff) are specifically reviewed for each service type during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. Also, if the provider is found out of compliance, DDSN may recoup funding for services delivered by staff that do not meet requirements. Recoupment for these specific indicators within Contract Compliance Review process was added effective July 2015.</p> <p>In addition, the SC Department of Health & Human Services reviews and approves the indicators used by the QIO each year. DHHS has supported DDSN's inclusion of the Pre-Employment review in the Contract Compliance Review Process and DDSN's use of this data for evidentiary reports for CMS Waiver Assurances.</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
	Continued from previous page	Continued from previous page		<p>As an enhancement to the current system, also based on LAC comments, DDSN Directive 406-04-DD changed to remove the 7 day grace period for DSS Central Registry Checks effective July 30, 2015.</p> <p>DDSN is compliant with S.C. Code §44-7-2920 by conducting the background checks using the above described method using SSN. DDSN does not utilize fingerprint checks for most employees.</p> <p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. Discussion occurred about the difference between licensing, which is generally focused on the building and program, versus the Quality Improvement Process of the agency using the QIO. Implementing the “spirit” of the intent of the regulation, but not within the licensure process as staff are often not hired at the time of initial licensing.</p> <p>Based on discussion Agency will discuss further with providers to determine the possible implications of implementing this recommendation within the QIO review process, not licensure.</p> <p>Discussion with providers of the DDSN Business Process Task Force occurred in November and again December 2015. DDSN held meeting with consumers, families, advocates and providers in December 2015 for further discussion. Discussion included the concern over the delay in hiring and maintaining staff ratios. Discussion also included how this could be implemented after employees were hired and trained.</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
13	Enforce abuse and neglect directive 534-02-DD by reviewing provider reports and documenting the follow-up with providers if a required action is not taken. P.23	Enforce its abuse and neglect directive 534-02-DD by reviewing provider reports and documenting follow up with providers if a required action is not taken.	IMPLEMENTED	
14	Amend the capitated and non-capitated contracts with the DSN boards and other providers to require that they formally record whether they would rehire a separating employee. P.25	Include in the revised reference checks directive a requirement that the DSN boards and other providers formally record whether they would rehire a separating employee.	IMPLEMENTED	
15	Amend the capitated and non-capitated contracts with the DSN boards and other providers to require that they make all requests for references in writing. P.25	Include in the revised reference checks directive a requirement that DSN boards and other providers make all requests for references in writing.	IMPLEMENTED	

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
16	<p>Amend the capitated and non-capitated contracts with the DSN boards and other providers to require that they respond in writing to a written request from another system provider with the following information, documented in personnel records:</p> <ul style="list-style-type: none"> • Written employee evaluations. • Official personnel notices that formally record the reasons for separation. • Whether the employee was voluntarily or involuntarily released from service and the reason for the separation. • Information about job performance. P.25 	<p>Include a requirement in the revised reference checks directive that DSN boards and other providers will respond in writing to a written request from another system provider with the information stated.</p>	<p>PARTIALLY IMPLEMENTED</p> <p>DDSN believes this would continue to be considered PARTIALLY IMPLEMENTED. DDSN policies clearly indicate that this information should be requested as part of the packet. However DDSN cannot make providers give out said information against the advice of their employment attorneys.</p>	<p>Many labor law attorneys have advised the local contracted provider not to provide that information as a risk of liability to the provider.</p> <p>September 2014, DDSN HR revised its internal procedures to include a mandatory pre-employment processing checklist accompanying each prospective employee, regardless of job type for Regional Centers. A follow-up audit of regional HR offices was conducted in September 2015 to ensure staff is complying with this requirement. The follow up audit revealed all but one regional center were in compliance. DDSN HR Director is currently working with that single regional center to come into compliance. All HR offices were found in compliance with the Criminal Reference Checks Policy, #406-04-DD, because all requirements for employing direct care staff were completed.</p> <p>The Reference Check requirements are specifically reviewed for each service type during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. Also, if the provider is found out of compliance, DDSN may recoup funding for services delivered by staff that do not meet requirements. While this indicator has been in place since July 1, 2007, recoupment for these specific indicators within Contract Compliance Review process was added effective July 2015.</p> <p>In addition, the SC Department of Health & Human Services reviews and approves the indicators used by the QIO each year. DHHS has supported DDSN's inclusion of the Pre-Employment review in the Contract Compliance Review</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
	Continued from previous page	Continued from previous page		<p>Process and DDSN's use of this data for evidentiary reports for CMS Waiver Assurances.</p> <p>Quality Management Division has developed a checklist for Alliant (QIO) to use in reviews including all required components of the pre-employment background checks and references. Initially implemented 1/6/15, with additional clarification provided through a revision on 3/27/15.</p> <p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. This recommendation was specifically discussed. Discussion occurred around labor laws and state Human Resource processes and requirements. No change in action was recommended as a result of discussions.</p>
17	The General Assembly should amend the Omnibus Adult Protection Act to add a misdemeanor level charge and penalty to the criminal acts directly against vulnerable adults. P.26	DDSN will comply with OAPA as determined by the S.C. General Assembly.	NOT IMPLEMENTED	<p>S.361 (Lourie) and H.3358 (Harrison) were each introduced in 2009. H.3358 became Act 223 in June 2010. DDSN was supportive of this legislation.</p> <p>DDSN is agreeable to stricter penalties for criminal acts directly against vulnerable adults.</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
18	<p>Conduct mandatory training for all board/provider staff handling consumer funds and inform board/provider staff to contact internal audit staff with questions regarding consumer funds. P.27</p>	<p>In order to assist providers in the training of consumer funds, Internal Audit will use technologies to include development of a web based video and the statewide interactive training via the use of video conferencing.</p>	<p>PARTIALLY IMPLEMENTED</p> <p>DDSN believes this would be considered IMPLEMENTED today because of subsequent changes.</p>	<p>The training outline attached to Directive 567-01-DD was revised 10/21/14 to include annual training in consumer funds and personal property management.</p> <p>Administrative Key Indicator has been changed. #A1-14. The training requirement is specifically reviewed during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. QM Staff routinely share QIO findings with Internal Audit staff.</p> <p>Quality Management Division has developed a checklist for Alliant (QIO) to use in reviews including all required components of the initial and annual training for various types of staff.</p> <p>In addition, DDSN Internal Audit has updated its Personnel Audit Program to include an audit step to check applicable employees' personnel file for annual training of consumer funds/property.</p>
19	<p>Examine the methods for calculating rental charges and implement a statewide public directive specifying a single method for boards and other providers to use. P.29</p>	<p>DDSN will formalize guidance reviewed by DHHS and incorporate into a department directive.</p>	<p>IMPLEMENTED</p>	

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
20	Require each board and provider to have its room and board calculations approved annually by the agency. P.29	Review and approve on an annual basis the room and board calculations of all residential service providers. This process will be formalized in the department directive concerning room and board.	NOT IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today because of subsequent changes.	This is now required annually. DDSN will approve specific calculation components used in Room and Board calculations and approve annually. Additionally DDSN Internal Audit will review room and board consumer charges as part of the audit process.
21	Update the agency appeal directive (535-11-DD) to specifically include room and board calculations. P.29	Amend the Appeal and Reconsideration Policy and Procedures Directive, 535-11-DD, to include in the list of possible reasons that room and board calculations can be appealed.	IMPLEMENTED	
22	Evaluate whether or not the statutory requirements for human rights committee composition could be effective, and if so, amend the directive to be consistent with the statute. P.30	DDSN will evaluate whether or not the statutory requirements for human rights committee composition is effective, and; if so, amend the directive to be consistent with the statute.	IMPLEMENTED	

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
23	Monitor whether facility/agency directors schedule human rights committee training at least once a year or more often as needed. P.30	DDSN will amend its Human Rights Directive that training to members be held at least every three years or sooner if there is a change in the majority of the committee members since the last training. DDSN will provide training for new members.	PARTIALLY IMPLEMENTED	<p>DDSN Directive 535-02-DD was revised March 3, 2009, to specify the composition and training requirements for Human Rights Committee Members, as well as the meeting frequency. Training is not required annually, it is required every three years or sooner if there is a change in the majority of members. This is consistent with the training expectations of members of provider Board of Directors.</p> <p>Some of DDSN’s smaller contracted providers have requested, through a formal process, to meet on a less frequent schedule due to the small number of consumers that would need HRC consideration, or possibly no consumers that are in current need of HRC review/ participation. The approval of an exception is granted on a case-by-case basis after review of the provider’s justification statement.</p> <p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. This recommendation was specifically discussed. Discussion occurred around frequency of the HRC meetings and the difficulty many providers express to find HRC members to serve on the committee. Also discussed the ability for a provider to host a short training on an annual basis and the possibility of DDSN providing a video or something related to the training. Agency agreed to further discuss with local providers to determine the implications of implementing this recommendation.</p> <p>Discussion with providers of the DDSN Business Process Task Force occurred in November 2015. There was general consensus this would not be complicated as long as the training requirements could be done in a reasonable time frame. DDSN will propose and distribute for comment amended Directive 535-02-DD to refine training requirements for human rights committees.</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
24	Communicate training availability through the website. P.31	Communicate the major training opportunities through the website.	IMPLEMENTED	
25	Require that a consumer's service coordination and service provision be performed by separate entities. P.38	DDSN consumers will have the choice to select their service coordination entity and service provider.	NOT IMPLEMENTED DDSN believes this would be considered PARTIALLY IMPLEMENTED today because of subsequent changes.	<p>State is moving towards conflict free case management. But still not fully implemented, DHHS is lead agency.</p> <p>When DDSN established it's RFP to recruit providers the agency instituted controls where a private provider could provide case management services or direct services, but not both. This was done to provide additional choice for individuals and families.</p> <p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. This recommendation was specifically discussed. CMS has now stated they expect states to come into compliance with conflict free case management. Discussion occurred around all the necessary changes to facilitate conflict free case management and potential ramifications for the service delivery system. Agency has requested funding for FY 2017 to begin to implement conflict free case management.</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
26	<p>Hold the DSN boards accountable for their fiscal management. If a board is not financially responsible, DDSN should implement contractual controls, and, if needed, contract with other providers for services. P.39</p>	<p>DDSN will continue to hold all contract providers, including boards, accountable.</p>	<p>NOT IMPLEMENTED</p>	<p>DDSN continues to work with providers to ensure good fiscal management. Has implemented “freezes” or other controls as necessary. Terminated the contract with two Early Intervention (EI) providers after failure to follow contract requirements and multiple attempts at remediation (March 2014 and December 2014). Implemented a freeze on another EI provider, required provider to change payment practices, that provider remains in the system because they complied with necessary changes (January 2015).</p> <p>DDSN did not institute sanctions but provided extensive financial technical assistance to two DSN Boards within the past two years. DDSN constantly monitors the financial health of the provider network. No provider within the DDSN system is at significant financial risk at this time based on current financial reports.</p> <p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. This recommendation was specifically discussed. Discussion occurred about the DDSN monitorship of the financial status of local providers. DDSN does not “bail out” any provider who is in financial trouble but instead works with that provider to regain financial solvency. Discussed the difference in issuing sanctions, particularly of a financial nature, versus working with the provider to identify contributing factors and corrective actions address their financial difficulties. No change in action was recommended as a result of discussions.</p>

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
27	Allocate funding for services to individuals and not to providers. P.40	Funding will link to the individuals DDSN serves. DDSN will expand services, taking into account consumer choice and private provider. (See attached minutes of Ad Hoc Committee from February 19, 2009)	PARTIALLY IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today because of subsequent changes.	Since the LAC follow-up review the following changes have occurred. For the residential development occurring in FY14/15, individuals who were approved to receive residential services were notified in writing that they had a choice of any approved residential provider able to serve them to include either a provider with an existing residential vacancy or a provider which would develop a new residential option for the individual. For many of the less restrictive residential options (CTH I, SLP I) consumers are offered the choice of any approved residential provider that is able to serve them. Efforts are currently underway to modify the process for the more restrictive residential services (CTH II) to offer consumers choice of any approved residential provider able to serve them.
28	Allow DSN boards to provide services they provide in their own jurisdiction in other areas of the state without going through the provider qualification process. P.44	DDSN will follow the state's procurement requirements as set forth and audited by the Budget & Control Board.	NOT IMPLEMENTED	This is required by state procurement processes. DDSN cannot implement.
29	Ensure that barriers to individuals desiring to provide services are minimized. P.44	Prior to reissuing the solicitation DDSN will ensure it will make it clearer and easier for prospective providers to respond to the solicitation.	PARTIALLY IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today because of subsequent changes.	The reason for the Partially Implemented rating was the continuation of the interviews for behavioral support providers. The use of an oral interview for individuals not board certified in behavioral analysis was discontinued effective July 1, 2015. The reason for the discontinuation is that DDSN now only accepts new providers who are board certified.

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
30	Regularly evaluate the level of response to its solicitation for providers and amend the solicitation as indicated to encourage new providers to enter the system. P.44	Regularly evaluate the level of response and amend the solicitation as necessary to encourage new service providers to respond to the solicitation.	IMPLEMENTED	
31	Discontinue the use of an oral interview to qualify providers and ensure that its process is based on objective criteria and documented results. P.44	Amendment to the MR/RD waiver with approval by DHHS and federal Medicaid. Provider qualifications will be determined by objective means rather than subjective oral interviews.	PARTIALLY IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today because of subsequent changes.	The reason for the Partially Implemented rating was the continuation of the interviews for behavioral support providers. The use of an oral interview for individuals not board certified in behavioral analysis was discontinued effective July 1, 2015. The reason for the discontinuation is that DDSN now only accepts new providers who are board certified.
32	Ensure that it enforces stated provider requirements for renewal and review. P.44	Ensure that it enforces stated provider requirements for renewal and review.	PARTIALLY IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today because of subsequent changes.	The reason for the Partially Implemented rating was because the QA reviews of Behavioral Support providers were halted. The standards for the provision of Behavior Support Services were issued in March 2014. The quality assurance review instruments were subsequently revised to specifically reflect the standards. Quality assurance reviews resumed in April 2015. Since April 2015, nine (9) providers have been reviewed.

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
33	Recruit new providers by ensuring that provider requirements are not unnecessarily restrictive. P.45	DDSN has issued a new Request for Proposal which is more user-friendly and not unnecessarily restrictive for new providers. The net result was 7 new providers and many others, public and private, expanded their areas of coverage or services. DDSN has actively recruited and will continue to recruit new providers. The number of qualified providers has more than doubled over the last several years.	IMPLEMENTED	
34	Provide regular and intensive training and assistance to new providers. P.45	Provide training and assistance to new providers.	IMPLEMENTED	
35	Pay all non-board providers of residential services on a bi-monthly schedule. P.45	Private residential service providers can bill on an at least bi-monthly basis.	NOT IMPLEMENTED	Non-Board providers have always had the choice to bill, bi-weekly. It is the choice of the providers to bill monthly, and the agency honors that choice. This was the case when the LAC conducted its review and remains the same.
36	Ensure that it provides the same benefits to all providers and that its policies are comprehensive and readily available to all providers. P.45	Each provider will be treated equally based on provider type.	PARTIALLY IMPLEMENTED	All policies are comprehensive and readily available to all providers. These are implemented to afford all providers maximum financial flexibility, minimize provider financial risk and sustain consistent cash flow. Some differences remain for Boards and private providers.

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
37	Develop a formal policy regarding the process for band funding and post the policy on its website. P.51	Transform the funding guidelines into a department directive and post it on the website.	IMPLEMENTED	
38	Develop a plan to update band amounts for cost-of-living adjustments annually. P.51	DDSN submits budget requests regularly and will update bands when General Assembly funds requests.	IMPLEMENTED	
39	Develop a policy requiring the agency to document pilot programs including their structure, purpose, scope, monitoring, and evaluation. P.51	Develop a directive documenting pilot programs including structure, purpose, scope, monitoring, and evaluation.	IMPLEMENTED	
40	Make information about pilot programs available on its website. P.51	Once a pilot proves successful, DDSN will communicate this using the website.	PARTIALLY IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today because of subsequent changes.	Directive 700-05-DD was modified for clarity and implemented August 2014. DDSN clarified pilot services and definitions on the DDSN Website. All pilots are listed on the DDSN website. The agency is compliant with this recommendation.
41	Develop a formal policy regarding outlier funding and post the policy on its website. P.52	Formalize current written procedures concerning outlier funding into a department directive and add to the website.	IMPLEMENTED	

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42	Establish written criteria for outlier decisions. P.52	Formalize in the department directive criteria used in reviewing residential outlier funding.	IMPLEMENTED	
43	Arrange for independent audits of all of its most recent fiscal year Medicaid-filed cost reports. P.54	Medicaid-filed cost reports will be audited this fiscal year.	PARTIALLY IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today.	DDSN has implemented pending CMS final determinations.
44	Arrange for independent audits of all of its Medicaid-filed cost reports periodically as is appropriate based upon initial audit results. P.54	DDSN will arrange for ongoing periodic independent, outside audits of all costs, service reports, etc.	NOT IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today.	DDSN has implemented pending CMS final determinations. October 15, 2015 the Commission voted to engage in a full financial audit of the agency for fiscal year 2015. Agency staff are in the process of working with the State Auditor's Office to secure this service. December 17, 2015 State Auditor's Office to submit selection of CPA firms to conduct financial audit of DDSN to the DDSN Commission for review and approval. Audit anticipated to be completed by the end of fiscal year 2016.
45	Ensure that it develops and provides services for which it has received appropriations from the General Assembly. P.60	DDSN will develop and provide services for which the General Assembly has appropriated funding.	PARTIALLY IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today because of subsequent changes.	The example of the PDD program was given as the reason for Partial Implementation status. DDSN has spent all the money associated with this program as of FY 14.

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
46	Develop funded residential services prior to requesting more funds for additional beds. P.60	DDSN will develop all residential expansion funded in the timeframes requested.	IMPLEMENTED	
47	If the DDSN needs state appropriations to make capital grants to the DSN boards and other providers, it should specifically request these funds from the General Assembly. P.60	DDSN will be more specific in the language used in the budget request documents that will state that houses and support buildings will be purchased or constructed.	PARTIALLY IMPLEMENTED DDSN believes this would be considered IMPLEMENTED today	In agency budget request narrative staff clearly describe the intent to use one time funds for capital grants and needs and that recurring funds are necessary for ongoing needs.
48	Implement appropriate controls over its aging caregiver list by establishing written policies for this list and for how service coordinators determine whom to designate as primary caregiver(s). P.61	Individuals living with aging caregivers may be included on the priority one waiting list, the critical needs waiting list, or no waiting list at all, depending on the request for service made by a family and/or that family's circumstances.	IMPLEMENTED	
49	Discontinue awarding grants for general operating expenses to private, non-profit advocacy organizations. P.64	DDSN will stop awarding grants for general operating expenses to private, non-profit advocacy organizations.	IMPLEMENTED	
50	Develop and implement a standard grant application for private, non-profit organizations. P.64	Develop a grant application process for non-profits.	IMPLEMENTED	

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
51	Establish a public directive for the review process of awarding and continuing grants to private, non-profit organizations. P.64	A standard grant application will be incorporated into a department directive and will contain the review process.	IMPLEMENTED	
52	Post on its website all directives that contain information that would be of consumer or public interest. P.66	All directives are posted on DDSN's website.	IMPLEMENTED	
53	Comply with departmental directive 100-01-DD and document the annual review of its posted policies. DDSN should ensure that it corrects and updates policies as a part of this review. P.68	Comply with departmental directive 100-01 and document the review of policies.	IMPLEMENTED	
54	Maintain only one comprehensive and authoritative source of human resources policies. P.68	The General Rules and Regulations: A Handbook for Employees will be updated and placed on website.	NOT IMPLEMENTED	The agency still maintains an employee manual and employment matters are covered under certain directives. Both can be found online and are readily available to staff. Inconsistencies between the two noted by the LAC have been corrected. Individual facilities may have internal operating procedures as well.
55	Take action to improve the content and usability of the public website. P.70	Improve the content and usability of the public website.	IMPLEMENTED	
56	Modify its directives to ensure that commission members' rights as citizens are not encumbered and that their fiduciary duties are not hindered. P.71	Commission members can request and receive the information they desire.	NOT IMPLEMENTED	

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
57	Approve a finance/audit subcommittee charter which provides for members to participate in audit planning and review of audits before they are released. P.73	An Audit Charter has been drafted and approved by the Commission. It establishes a direct reporting relationship between the Director of Internal Audit and the Audit Committee.	IMPLEMENTED	
58	Update its internal audit risk assessment plan to include the central and district offices. P.74	The central and district offices will be included in future assessments.	PARTIALLY IMPLEMENTED	Internal Audit does include DDSN Central and District Offices in the audit risk assessment plan. This was considered partially implemented because there are two separate audit risk plans, one for community providers and one for DDSN regional centers, central and district offices. Given the significant differences in the level of funding for community providers and the funds remaining within the agency, it is better to have two separate audit risk plans.
59	Ensure that the order of priority in its internal audit risk assessment plan is followed as closely as reasonably possible. P.74	Ensure that the order of priority in its internal risk assessment plan is followed as closely as reasonably possible taking into account issues that will arise.	PARTIALLY IMPLEMENTED	DDSN Internal Audit completes a risk matrix and prioritizes audits based on this matrix. However, it is necessary to maintain flexibility in the order in which audits are completed to maximize the specific skills of individual audit staff and scheduling or travel requirements. Individual situations occur that require audits to be performed even if the provider does not score high on the risk matrix.
60	Perform internal audits of its information technology systems. P.74	Information technology systems will be part of the risk assessment process utilized to determine the most appropriate audit efforts.	IMPLEMENTED	

No.	LAC Recommendation	Agency Response	LAC 2014 Determination	Comments
61	Revise its provider audit policy directive to include specific guidance on which consulting services should not be performed by the CPA firms conducting a DSN board's financial audit. P.76	If DDSN or any other party were to become aware of such a violation, notification to the licensing body will take place immediately for appropriate action by the appropriate regulatory body.	NOT IMPLEMENTED	
62	Require DSN boards to annually report all services provided by any CPA firms. P.76	DDSN will require DSN Boards to annually report all services provided by any CPA firms.	IMPLEMENTED	
63	Provide adequate training and technical assistance to the DSN boards' executive directors. P.78	Provide adequate training and technical assistance to the DSN boards' executive directors.	IMPLEMENTED	

IMPLEMENTATION STATUS TODAY

STATUS	CURRENT STATUS	LAC 2014 DETERMINATION	CHANGE
IMPLEMENTED	45	31	+ 14
PARTIALLY IMPLEMENTED	7	17	-10
NOT IMPLEMENTED by AGENCY	8	12	-4
NOT IMPLEMENTED by GENERAL ASSEMBLY	3	3	0

12 Recommendations move from Partially Implemented to Implemented

2 Recommendations move from Not Implemented to Implemented

2 Recommendation moves from Not Implemented to Partially Implemented

6 Recommendations remain Partially Implemented

8 Recommendations remain Not Implemented

3 Recommendations are the responsibility of the General Assembly, none were implemented.

DDSN Implementation Plan for 2014 LAC Report Recommendations

Color Legend

COLOR	CATEGORY	#
Beige	Recommendation is the responsibility of the General Assembly, DDSN cannot implement without a change in state law	10
Blue	Entity other than DDSN is responsible for recommendation, or DDSN cannot implement due to outside requirements or regulations	6
Green	Recommendation Implemented	25
Yellow	Recommendation Partially Implemented or in process	4
Grey	Recommendation goes beyond requirements of state law, DDSN will continue to comply with any statutes enacted by the General Assembly and Governor (three currently under further review and discussions with providers on implications of implementation)	4
	Total Recommendations:	49

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
1	The General Assembly should amend S.C. Code §43-35-15 to include the investigative responsibilities of the Medicaid Fraud Control Unit of the Attorney General's Office. P.10	DDSN will comply with any statutory amendments enacted by the S.C. General Assembly.	General Assembly	No Action Taken	<p>DDSN is a member of the Adult Protection Coordinating Council. During the APCC meeting in August 2014, the LAC staff presented their findings to the Council. The Council delegated further review to the appropriate committee.</p> <p>On October 1, 2014, the APCC Legislative Committee met to discuss the LAC's recommended changes to OAPA during the DDSN Audit. The Committee agreed to consult with the Attorney General's Office regarding the proposed change, and if they agreed, the APCC Legislative Committee would propose an amendment to Section 43-35-15 to include the change. The Committee's recommendations were approved by the APCC at its November 2014 meeting. No further action has been taken.</p> <p>DDSN defers to the opinion of the Attorney General's Office.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
2	<p>The General Assembly should amend S.C. Code §43-35-15(A) to require that all allegations of vulnerable adult abuse, neglect, and exploitation are reported to the Vulnerable Adults Investigations Unit of the South Carolina Law Enforcement Division's toll-free number for referral to the appropriate investigative agency, regardless of criminality and setting of an allegation. P.11</p>	<p>DDSN will comply with any statutory amendments enacted by the S.C. General Assembly.</p>	<p>General Assembly</p>	<p>No Action Taken</p>	<p>DDSN is a member of the Adult Protection Coordinating Council. During the APCC meeting in August 2014, the LAC staff presented their findings to the Council. The Council delegated further review to the appropriate committee.</p> <p>On October 1, 2014, the APCC Legislative Committee met to discuss the LAC's recommended changes to OAPA §43-35-10 etsq. during the DDSN Audit. The Committee discussed a number of financial and infrastructure concerns associated with this recommendation. It was agreed the Committee would take no position on this recommendation. The issue was further discussed by the APCC at its November 2014 meeting. No further action has been taken.</p> <p>DDSN held meeting with consumers, families, advocates and providers in December 2015 for discussion and there was a consensus this recommendation would make reporting easier. DDSN agrees it would be much easier for all stakeholders--consumers, families, staff, advocates, general public--if there was only one number to call to report any allegations of ANE.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
3	The General Assembly should amend S.C. Code §43-35-10(4) to include day programs as a facility type. P.11	DDSN will comply with any statutory amendments enacted by the S.C. General Assembly.	General Assembly	No Action Taken	<p>DDSN is a member of the Adult Protection Coordinating Council. During the APCC meeting in August 2014 the LAC staff presented their findings to the Council. The Council delegated further review to the appropriate committee.</p> <p>On October 1, 2014, the APCC Legislative Committee met to discuss the LAC's recommended changes to OAPA during the DDSN Audit. The Committee acknowledged that not all participants in day programs are from facilities but are from the community. Following passage of the OAPA, DSS and the LTCO program collaborated regarding their respective jurisdictions including for day programs and there had been no issues regarding which program had investigative responsibility. The Legislative Committee agreed not to make recommendations for any changes to OAPA at this time. The Legislative Committee's recommendations were approved by the APCC at its November 2014 meeting and no further action has been taken.</p> <p>DDSN held meeting with consumers, families, advocates and providers in December 2015 for discussion and there was a consensus this recommendation would make reporting easier. DDSN is agreeable to having one toll-free number to report all allegations of ANE which would ensure referral to the appropriate investigative authority.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
4	<p>The General Assembly should amend §43-35-25(D) of the S.C. Code of Laws by deleting the mandated reporter requirements to ensure all allegations of vulnerable adult abuse, neglect, and exploitation are reported to the Vulnerable Adults Investigations Unit of the South Carolina Law Enforcement Division. P.12</p>	<p>DDSN will comply with any statutory amendments enacted by the S.C. General Assembly.</p>	<p>General Assembly</p>	<p>No Action Taken</p>	<p>DDSN is a member of the Adult Protection Coordinating Council. During the APCC meeting in August 2014, the LAC staff presented their findings to the Council. The Council delegated further review to the appropriate committee.</p> <p>On October 1, 2014, the APCC Legislative Committee met to discuss the LAC's recommended changes to OAPA during the DDSN Audit. The Committee reviewed Sections 43-35-15 regarding jurisdictions and 43-35-25 regarding reporting and it was recommended there should be no change in the mandatory reporter requirements. The Committee indicated the language in the statute was stated correctly. The Committee's recommendations were approved by the APCC at its November 2014 meeting and no further action has been taken.</p> <p>DDSN held meeting with consumers, families, advocates and providers in December 2015 for discussion and there was a consensus this recommendation would make reporting easier. DDSN agrees it would be much easier for all stakeholders--consumers, families, staff, advocates and general public--if there was only one number to call to report any allegations of ANE. DDSN believes having one toll-free number to report all allegations of ANE would ensure referral to the appropriate investigative authority.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
5	<p>The S.C. Department of Disabilities and Special Needs should create consumer-friendly posters which are more aligned with consumer comprehension levels.</p> <p>P.13</p>	<p>DDSN is compliant with state statute. The text of the posters is provided by the State Long Term Care Ombudsman Program (SLTCOP) in consultation with the Vulnerable Adults Investigations Unit of the South Carolina Law Enforcement Division (SLED) not DDSN. This recommendation could be directed to the General Assembly to amend state statute or the recommendation could be directed to the SL TCOP to revise the content of the posters.</p>	<p>State Long Term Care Ombudsman Program (SLTCOP)</p>	<p>Discussion and Review</p> <p>No Action Taken</p>	<p>DDSN does not have the authority to change the language of the posters.</p> <p>DDSN is a member of the Adult Protection Coordinating Council (APCC). The recommendation was discussed after the LAC presentation of the DDSN Audit on August 18, 2014. There was lengthy discussion including the statute that gives responsibility for developing the posters to the Long Term Care Ombudsman and SLED. There was a collaborative effort to incorporate the Elder Justice Act reporting requirements to the existing posters; however, it had not been possible to develop an all-encompassing, one size fits all poster that provided the necessary information for residents, families and staff. It had also been confusing for residents and families for staff reporting information to be included on posters placed in common areas. No further action was taken by the APCC on the recommendation.</p> <p>In addition, DDSN standards require information be shared with consumers and families regarding reporting of Abuse, Neglect, and Exploitation (ANE). Consumers in residential services also receive training on Abuse, Neglect and Exploitation. Compliance with this expectation is independently measured for DDSN by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
6	The S.C. Department of Disabilities and Special Needs should ensure posters are placed where they are easy to distinguish for consumers, family, and visitors. P.13	DDSN is compliant with state statutes. DDSN will comply with SLTCOP recommendations.	State Long Term Care Ombudsman Program (SLTCOP)	Discussion and Review No Action Taken	<p>The APCC Chair directed DDSN and the SLTCOP to work together on any identified areas of concern. No further action was taken nor were changes in locations recommended. The SLTCOP staff continue to routinely visit DDSN facilities and have expressed no concerns regarding the placement of OAPA posters</p> <p>In addition, DDSN standards require information be shared with consumers and families regarding reporting of Abuse, Neglect, and Exploitation (ANE). Consumers in residential services also receive training on Abuse, Neglect and Exploitation. Compliance with this expectation is independently measured for DDSN by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
7	The General Assembly should amend S.C. Code §43-35-60 to require vulnerable adult investigative agencies to share specific case dispositions with the relevant facility. P.14	DDSN will comply with any statutory amendments enacted by the S.C. General Assembly.	General Assembly	No Action Taken	<p>DDSN is a member of the Adult Protection Coordinating Council. During the APCC Legislative Committee Meeting on October 1, 2014, it was agreed to make a recommendation to require investigative agencies to share specific case disposition. The recommendation included a caveat that there should be a definition of relevant, as the reference in the LAC report was unclear. The language in the statute was reviewed and it was agreed the language should not be changed from “may” to “shall” share information but “relevant” did need to be defined. The Committee’s recommendations were approved by the APCC at its November 2014 meeting and no further action has been taken.</p> <p>DDSN held meeting with consumers, families, advocates and providers in December 2015 for discussion and there was a consensus this recommendation would make follow up easier. The groups also agreed that a clarification of what is considered relevant would be helpful.</p> <p>DDSN is agreeable to this recommendation. The agency would benefit from the receipt of investigative agencies’ results or findings to facilitate case closure within DDSN’s Incident Management System.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
8	<p>The S.C. Department of Disabilities and Special Needs should develop uniform abuse, neglect and exploitation training, to be completed annually, for regional centers and boards/providers outlining who should report, where the report should be made, and what should be reported.</p> <p>P.16</p>	<p>DDSN currently requires annual training of all regional center and provider staff on Abuse, Neglect and Exploitation and the reporting requirements contained in 534-02-DD. DDSN measures compliance with this directive. DDSN will further utilize the online training developed by the SC Adult Protection Coordinating Council and the USC Children's Law Center to require standardized training. DDSN will conform its policy and monitorship accordingly.</p>	DDSN	<p>Implemented November 2014</p> <p>Updated January 2015</p> <p>Indicators recoupable effective July 2015</p>	<p>Directive 534-02-DD was revised 11/13/14 with additional clarification included 1/26/15 to include the APCC training posted on Office of Aging website, USC Children's Law Center training, and a required competency test for all staff to complete annually.</p> <p>The DDSN Website was also updated to include links to the mandatory training.</p> <p>In addition, the annual ANE training requirement is specifically reviewed during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. Also, if the provider is found out of compliance, DDSN may recoup funding for services delivered by staff that do not meet requirements. Recoupment for these specific indicators within Contract Compliance Review process was added effective July 2015.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
9	<p>The S.C. Department of Disabilities and Special Needs should define the time frame for "annual" as a 12-month period for abuse, neglect, and exploitation training of staff. P.16</p>	<p>DDSN will further define its timeframe for "annual" as 12 calendar months from the prior training date for the required ongoing abuse, neglect and exploitation training of staff.</p>	<p>DDSN</p>	<p>Implemented November 2014 Updated January 2015 Indicators recoupable effective July 2015</p>	<p>Directive 534-02-DD was revised 11/13/14 with additional clarification included 1/26/15 to specify that training will be provided within 12 calendar months, not just "annually."</p> <p>In addition, the annual ANE training requirement is specifically reviewed during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. Also, if the provider is found out of compliance, DDSN may recoup funding for services delivered by staff that do not meet requirements. Recoupment for these specific indicators within Contract Compliance Review process was added effective July 2015.</p>
10	<p>The S.C. Department of Disabilities and Special Needs should assign a specific deficiency class to each licensing indicator considering the associated risk to consumers. P.19</p>	<p>DDSN implemented this recommendation in May 2014 prior to the completion of the LAC Audit.</p>	<p>DDSN</p>	<p>Implemented May 2014 prior to the completion of the LAC Audit.</p>	

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
11	<p>The S.C. Department of Disabilities and Special Needs should include indicators regarding criminal background checks, educational attainment, and age requirements of staff in licensing standards to ensure they are adhered to during initial licensing, and checked annually during quality assurance reviews. P.19</p>	<p>DDSN's current practices address this recommendation.</p> <p>These indicators are measured by DDSN's federally recognized CMS approved Quality Improvement Organization. This occurs already as part of every review for every provider agency every 12 - 18 months, not just at the time of licensure review. If a provider is found not compliant, a plan of correction is required and a follow up visit by the QIO is performed to ensure corrective action has taken place. It should be noted that most providers do not have staff already hired at the time of the initial licensing visit, so the licensing review staff would be unable to review this documentation.</p>	DDSN	<p>Improvements implemented within the QIO system</p> <p>May be considered partially implemented because separate from licensing reviews</p> <p>DHHS Medicaid Recoupment for these indicators effective July 2015</p>	<p>Licensure of facilities and programs does not include initial personnel background checks, educational attainment, age requirements of staff or other personnel related issues because staff are often not hired at the point licensure of the building or program. The agency acknowledges improvements could be made for the verification of personnel issues and has implemented the following within the Quality Improvement Organization (QIO) review system.</p> <p>The Pre-Employment requirements (to include criminal background checks, educational attainment, and age requirements of staff) are specifically reviewed for each service type during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, QIO. If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. Also, if the provider is found out of compliance, DDSN may recoup funding for services delivered by staff that do not meet requirements. Recoupment for these specific indicators within Contract Compliance Review process was added effective July 2015. DDSN conducts quality reviews on all new providers within 3 – 6 months and existing providers every 12 – 18.</p> <p>In addition, the SC Department of Health & Human Services reviews and approves the indicators used by the QIO each year. DHHS has supported DDSN's inclusion of the Pre-Employment review in the Contract Compliance Review Process and DDSN's use of this data for evidentiary reports for CMS Waiver Assurances.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
	Continued from prior page	Continued from prior page			<p>As an enhancement to the current system, also based on LAC comments, directive 406-04-DD changed to remove the 7 day grace period for DSS Central Registry Checks effective July 30, 2015.</p> <p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. Discussion occurred about the difference between licensing, which is generally focused on the building and program, versus the Quality Improvement Process of the agency using the QIO. DDSN is implementing the "spirit" of the intent of the regulation, but not within the licensure process as staff are often not hired at the time of initial licensing. No further change in action was recommended based on discussions.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
12	The S.C. Department of Disabilities and Special Needs' quality management division should compare facility incident logs/reports to its incident management system to ensure all critical incidents are reported as required by directive 100-09-DD. P.20	DDSN will continue to measure compliance with its directive 100-09-DD that requires regional centers and providers to report events meeting the critical criteria to its incident management team. For community providers this activity is measured by DDSN's federally recognized, CMS approved, Quality Improvement Organization (QIO) and/or DHEC. If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place.	DDSN	Implementation of Therap, a computerized medical record system for the entire state system. System is being implemented in stages. Choking and aspiration reporting criteria added October 2014	As an enhancement to the state wide system, DDSN's implementation of Therap will provide additional opportunities for a provider's review and management of their internal reporting process and determination for which incidents need to be included in the reporting process defined in the DDSN Directives for additional oversight. This process allows the individual staff completing an entry describing an incident to assign a review level (1, 2, or 3) to indicate the urgency with which supervisory/ management staff should review the documentation and take appropriate action, as needed. The electronic medical record is available to provider staff in real time and will significantly improve the internal response rate and determination for reporting to DDSN. Therap will include modules for daily "log book" entries as well as incident reports of all types, making it easier to identify areas of concern. This computerized medical record system will provide better and timelier notification to all providers involved with service provision for an individual. The electronic system will also improve provider management staff's identification of incidents and compliance with reporting requirements for DDSN, as well as ensuring communication about safety plans for individuals and systemic quality improvement efforts. The earlier identification and response will also improve DDSN's oversight and overall risk management from an agency perspective. When DDSN has concerns about a provider's rate of reporting, or when the types of reports submitted warrant additional, service-level review, DDSN's oversight access and availability to the electronic records will allow for comparison of incidents reported internally versus those meeting reporting requirements

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
	Continued from prior page	Continued from prior page			<p>for the directives. This will help ensure timely and appropriate reporting among all service providers.</p> <p>DDSN recognizes that provider agencies have internal reporting systems in place that may capture incidents that do not rise to the level of a Critical Incident, as defined in 100-09-DD. Provider staff are required to routinely discuss all incident types in their Risk Management Committees, which are also reviewed by DDSN's federally recognized, CMS approved, Quality Improvement Organization (QIO) and/ or DHEC. If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. DDSN conducts QIO quality reviews on all new providers within 3 – 6 months and existing providers every 12 – 18 months.</p> <p>To further strengthen DDSN's monitoring of data collected, a new discreet reporting criteria was added to Directive 100-09-DD in October 2014. DDSN now requires the reporting of all choking or aspiration-related incidents and follow-up to ensure appropriate protocols have been put in place. Previously, DDSN found that some incidents may not have been reported if outside medical assistance was not required.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
13	<p>The S.C. Department of Disabilities and Special Needs should ensure all provider risk management teams focus on consumer safety issues such as abuse, neglect, and exploitation, critical incidents, and medication errors, in addition to other safety concerns. The risk management teams should actively track, trend, and monitor consumer incidents. P.21</p>	<p>DDSN is compliant with this recommendation. DDSN will continue to measure compliance with its directive 100-26-DD to require all provider risk management teams to focus on consumer safety issues. This activity is measured by DDSN's federally recognized, CMS approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place.</p>	DDSN	<p>Implementation of Therap, a computerized medical record system for the entire state system. The new system is being implemented in stages.</p>	<p>As an enhancement to the state wide system, DDSN's implementation of Therap will provide additional opportunities for a provider's review and management of their internal reporting process and determination for which incidents need to be included in the reporting process defined in the DDSN Directives for additional oversight. This process allows the individual staff completing an entry describing an incident to assign a review level (1, 2, or 3) to indicate the urgency with which supervisory/ management staff should review the documentation and take appropriate action, as needed. The electronic medical record is available to provider staff in real time and will significantly improve the internal response rate and determination for reporting to DDSN.</p> <p>Therap will include modules for daily "log book" entries as well as incident reports of all types, making it easier to identify areas of concern. This computerized medical record system will provide better and timelier notification to all providers involved with service provision for an individual. The electronic system will also improve provider management staff's identification of incidents and compliance with reporting requirements for DDSN, as well as ensuring communication about safety plans for individuals and systemic quality improvement efforts.</p> <p>The earlier identification and response will also improve DDSN's oversight and overall risk management from an agency perspective. When DDSN has concerns about a provider's rate of reporting, or when the types of reports submitted warrant additional, service-level review, DDSN's oversight access and availability to the electronic records will allow for comparison of incidents reported internally versus those meeting reporting requirements</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
	Continued from prior page	Continued from prior page			<p>for the directives. This will help ensure timely and appropriate reporting among all service providers.</p> <p>DDSN will continue the current practice which addresses this concern and exceeds this recommendation. DDSN conducts quality reviews on all new providers within 3 – 6 months and existing providers every 12 – 18 months.</p> <p>However the agency recognized improvements could be made to the system as indicated by the following. Provider staff are required to routinely discuss all incident types in their Risk Management Committees, which are also reviewed by DDSN's federally recognized, CMS approved, Quality Improvement Organization (QIO) and/ or DHEC. If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
14	S.C. Department of Disabilities and Special Needs should amend directive 100-09-DD to require DDSN boards/providers to evaluate consumer supervision/accountability levels during the internal incident review, and adjust those levels, if they have been found to be inadequate. P.23	The practice of DDSN is compliant with this recommendation. DDSN Quality Management staff incorporate a review of consumer supervision/accountability levels as a standard practice. DDSN will formalize this practice by amending directive 100-09-DD to strengthen consumer accountability re-evaluation to ensure appropriate levels of supervision are provided.	DDSN	Implemented October 2014	Amended the directive 100-09-DD to formalize the DDSN practice of incident management review.
15	The S.C. Department of Disabilities and Special Needs should amend directive 533-02-DD, by replacing "when a sexual assault occurs, (alleged by the consumer or observed by staff)," with "when sexual assault is suspected or alleged" in the <i>Procedures in the Event of a Sexual Assault</i> section. P.24	DDSN will amend its directive 533-02-DD by replacing "occurs (alleged by the consumer or observed by staff)" with "is suspected or alleged."	DDSN	Implemented June 2014	Amended directive 533-02-DD to replace "when a sexual assault occurs, (alleged by the consumer or observed by staff)," with "when sexual assault is suspected or alleged" effective June 2014.

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
16	The S.C. Department of Disabilities and Special Needs should require boards/providers to include a history of sexual assault and sexual crime convictions as risks on sexual assessments, and consider these issues in determining accountability levels. P.25	DDSN will amend its directive 510-01 -DD Supervision of People Receiving Services to require providers to include a history of sexual assault and sexual crime convictions as considerations when determining the level of supervision to be provided.	DDSN	Implemented July 2014	Amended directive 510-01 -DD Supervision of People Receiving Services to require providers to include a history of sexual assault and sexual crime convictions as considerations when determining the level of supervision to be provided effective July 30, 2014.
17	The S.C. Department of Disabilities and Special Needs should develop Recommendations and require annual mandatory training for all board/provider staff handling consumer funds/property. P.27	The 567-01-DD directive of DDSN mandates consumer funds training for all staff who handle consumer funds. DDSN has already developed standardized training and will amend its directive to require all staff handling consumer funds to be retrained annually.	DDSN	Implemented October 2014	<p>The training outline attached to Directive 567-01-DD was revised 10/21/14 to include annual training in consumer funds and personal property management.</p> <p>Administrative Key Indicator has been changed. #A1-14. The training requirement is specifically reviewed during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. QM Staff routinely share QIO findings with Internal Audit staff.</p> <p>The Quality Management Division has developed a checklist for Alliant (QIO) to use in reviews including all required components of the initial and annual training for various types of staff.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
18	The S.C. Department of Disabilities and Special Needs Internal Audit division should include a check of annual training on consumers' funds/property in its standard audit plan. P.27	DDSN will measure compliance with directive 567-01-DD requiring annual training for staff handling consumer funds.	DDSN	Implemented October 2014	<p>The training outline attached to Directive 567-01-DD was revised 10/21/14 to include annual training in consumer funds and personal property management.</p> <p>Administrative Key Indicator has been changed. #A1-14. The training requirement is specifically reviewed during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. QM Staff routinely share QIO findings with Internal Audit staff.</p> <p>Quality Management Division has developed a checklist for Alliant (QIO) to use in reviews including all required components of the initial and annual training for various types of staff.</p> <p>In addition, DDSN Internal Audit has updated its Personnel Audit Program to include an audit step to check applicable employees' personnel file for annual training of consumer funds/property.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
19	<p>The S.C. Department of Disabilities and Special Needs should include, in its annual assessments of consumers' vocational status, the consumer's awareness of other options/settings that may be available to the consumer. P.29</p>	<p>DDSN includes the consumer's desires to work in integrated community settings in their annual assessments. If the person is interested in working, the person may be referred to Vocational Rehabilitation or to Employment Services rather than other day services options (e.g., day activity, community services, etc.). DDSN will more clearly document that choice has been discussed and offered to the consumer.</p>	DDSN	Implemented October 2014	<p>The annual assessment was modified to address vocational status and available options and settings available to the consumer.</p> <p>The requirement to conduct an assessment of the consumer's vocational status is specifically reviewed in the Day Services section of the Contract Compliance Review process. Ensuring the consumer's awareness of service options and settings is also included in the evaluation of Case Management through this formal process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. Technical Assistance is provided as needed through DDSN District Office staff, to ensure compliance.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
20	The S.C. Department of Disabilities and Special Needs should further develop and implement system-wide policies and procedures that prioritize integrated employment for consumers. P.29	DDSN will further develop and implement system-wide policies and procedures that prioritize integrated employment for consumers.	DDSN	<p>Implemented</p> <p>Development of an additional employment first directive October 2015</p> <p>Ongoing</p>	<p>Agency requested additional funding specifically for employment initiatives for Fiscal Years 2014 and 2015.</p> <p>During the 2015 Fiscal Year, DDSN engaged in a pilot program to expand access to Individual Employment Services (IES), and incentivize providers to offer IES by offering an outcomes-based payment structure. During the first year of this pilot (April 2014 -March 2015), 28 people began receiving Individual Employment Services with 14 successfully gaining employment. Additionally, Career Support has been provided to 17 people in order for them to successfully maintain their employment.</p> <p>New WOIA federal regulations require state Vocational Rehabilitation agencies to develop better employment opportunities for transitional age youth with ID/DD. DDSN is working closely with VR on this initiative.</p> <p>DDSN continues to support USC's Transition to Employment Advancement Model (SC-TEAM) that has now transitioned into the Expansion of the Transition Alliance of South Carolina (E-TASC) project funded by the Developmental Disabilities Council and the Department of Education. DDSN also continues to employ three (3) Post-secondary Transition Coordinators to assist DDSN providers in collaborating with school districts, VR and other transition stakeholders in the ways that the E-TASC project has identified as best practices. Through their efforts November 2014, the number of local teams increased from 42 to 49. Through coordination and assistance from DDSN, the teams are working together using best practices in transition to improve interagency transition efforts in their communities.</p> <p>DDSN created an employment first directive, 700-07-DD. This directive was sent out for comment in September 2015 with final directive issued October 28, 2015.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
21	<p>The General Assembly should amend state law to require an adult abuse registry listing the names of all individuals who have been found to have abused, neglected, or exploited any vulnerable adult, including DDSN consumers. P.32</p>	<p>DDSN will comply with any statutory amendment enacted by the S.C. General Assembly.</p>	<p>General Assembly</p>	<p>No Action Taken</p>	<p>DDSN is a member of the Adult Protection Coordinating Council. During the APCC Legislative Committee Meeting on October 1, 2014, it was decided to not take action on the recommendation included in the LAC's Audit Report for DDSN. The issue was then under review by a separate committee, convened by the South Carolina Institute on Medicine and Public Health. That committee later formalized a recommendation for the State of SC to have an adult abuse registry in their report, issued in June 2015. DDSN will follow the progress towards implementing recommendations in this report and changes in state law.</p> <p>Previously, H.3450 (Harrison) and S.343 (Lourie) were introduced in 2009. H.3450 was referred to the Committee on Ways and Means 02/05/2009. S.343 passed the Senate, was introduced in the House of Representatives and referred to the Committee on Ways and Means 04/29/2009. H.4339 (Sellers) was introduced in January 2010 and referred to the Judiciary Committee.</p> <p>DDSN held meetings with consumers, families, advocates and providers in December 2015 for discussion. DDSN agrees it would be good for South Carolina to have an Adult Abuse Registry listing names of all individuals involved in substantiated incidents of ANE.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
22	<p>The General Assembly should amend Title 44 to authorize electronic monitoring of common areas of all facilities which provide services to DDSN consumers, including residences and day program facilities. P.33</p>	<p>DDSN will comply with any statutory amendment enacted by the S.C. General Assembly.</p>	<p>General Assembly</p>	<p>Legislation introduced in the Senate April 2013. S 662 Referred to Committee. No Further Action was Taken.</p> <p>Legislation introduced in the Senate January 2015. S 257 Referred to Committee. No Further Action was Taken.</p>	<p>S.662 (Thurmond) was introduced in the Senate April 2013 and referred to the Committee on Medical Affairs. S.257 (Thurmond) was introduced in the Senate January 2015 and referred to the Committee on Medical Affairs.</p> <p>Centers for Medicare/Medicaid Services (CMS) posted on 6/26/2015 guidance on Home and Community Based Services Settings Requirements, one of the suggested items for states to review included cameras. "Look for evidence that settings have institutional characteristics, such as cameras...." (page 8, 3rd bullet). CMS has included the use of cameras as a criteria that may create heightened scrutiny for home and community based settings receiving Waiver funding.</p> <p>DDSN held meeting with consumers, families, advocates and providers in December 2015 for discussion. There was clearly no consensus on this topic. Some advocates liked use of cameras from a safety perspective and others who did not feeling it was a violation of personal rights. Much discussion with both providers and consumers/families/advocates occurred on very individualized use of cameras versus use in all homes or settings.</p> <p>DDSN does not agree with this recommendation for several reasons. First, the right to privacy is a priority for all individuals whether in their living room, den, dining area, or porch/patio of their home. Second, since CMS has taken a strong position on this issue related to the Final Rule and "characteristics of an institution" in community settings, the authorized, uniform use of cameras may jeopardize a significant amount of waiver service funding resulting in the need for additional state funds. DDSN is also concerned about difficulties with implementation should wholesale use of cameras be required.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
23	<p>If the General Assembly fails to amend Title 44 to authorize electronic monitoring of common areas of all facilities which provide services to DDSN consumers, the S.C. Department of Disabilities and Special Needs should require all boards/providers to install such monitoring equipment. P.33</p>	<p>DDSN is compliant with state statutes. DDSN will comply with any statutory amendments enacted by the S.C. General Assembly.</p>	<p>DDSN</p>	<p>No Action Taken</p>	<p>The State must balance the consumer’s right to privacy with the need for oversight and protection.</p> <p>Centers for Medicare/Medicaid Services (CMS) posted on 6/26/2015 guidance on Home and Community Based Services Settings Requirements, one of the suggested items for states to review included cameras. “Look for evidence that settings have institutional characteristics, such as cameras....” (page 8, 3rd bullet). CMS has included the use of cameras as a criteria that may create heightened scrutiny for home and community based settings receiving Waiver funding. CMS has indicated this is institutional and not home like and thus may put the Medicaid funding for those services at risk.</p> <p>In the Commission work session October 15, 2015 this item was reviewed and specifically discussed. Discussion occurred around the expectations of CMS as the Medicaid funding source. Discussed the difference between a single home choosing to install cameras because of a specific need of that individual versus a system wide requirement for all homes in the eyes of CMS. Also reviewed the difference between utilizing technology in order for an individual to live more independently versus monitorship of all homes and residential settings. No change in action was recommended as a result of the discussions. Implementing this recommendation could jeopardize Medicaid funding.</p> <p>DDSN held meeting with consumers, families, advocates and providers in December 2015 for discussion. There was clearly no consensus on this topic. Some advocates liked use of cameras from a safety perspective and</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
	Continued from previous page	Continued from previous page			<p>others who did not feeling it was a violation of personal rights. Much discussion with both providers and consumers/families/advocates occurred on very individualized use of cameras versus use in all homes or settings.</p> <p>DDSN does not agree with this recommendation for several reasons. First, the right to privacy is a priority for all individuals whether in their living room, den, dining area, or porch/patio of their home. Second, since CMS has taken a strong position on this issue related to the Final Rule and “characteristics of an institution” in community settings, the authorized, uniform use of cameras may jeopardize a significant amount of waiver service funding resulting in the need for additional state funds. DDSN is also concerned about difficulties with implementation should wholesale use of cameras be required.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
24	<p>The S.C. Department of Disabilities and Special Needs should comply with state law and enforce directive 406-04-DD that requires all regional centers and boards/providers to conduct pre-hire, criminal history checks for prospective direct caregivers. P.36</p>	<p>DDSN will comply with state statute and measure compliance with directive 406- 04-DD that requires all regional centers and boards/providers to conduct pre-hire, criminal history checks for prospective direct caregivers.</p>	DDSN	<p>Implemented July 2014</p> <p>Recoupment for the indicators effective July 2015</p>	<p>Directive 406-04-DD modified to ensure Regional Centers and community providers to conduct pre-hire criminal history checks.</p> <p>DDSN continues to work with other agencies to identify any obstacles to timely reporting of results of criminal background checks and improve our system of coordination.</p> <p>The Pre-Employment requirements (to include criminal background checks, educational attainment, and age requirements of staff) are specifically reviewed for each service type during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. Also, if the provider is found out of compliance, DDSN may recoup funding for services delivered by staff that do not meet requirements. Recoupment for these specific indicators within Contract Compliance Review process was added effective July 2015.</p> <p>September 2014, DDSN HR revised its internal procedures to include a mandatory pre-employment processing checklist accompanying each prospective employee, regardless of job type for Regional Centers. A follow-up audit of regional HR offices was conducted in September 2015 to ensure staff is complying with this requirement. The follow up audit revealed all but one regional center were in compliance. DDSN HR Division worked with that single regional center. The center came into compliance effective December 2015. All HR offices were found in compliance with the Criminal Reference Checks Policy, #406-04-DD, because all requirements for employing direct care staff were completed.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
25	The S.C. Department of Disabilities and Special Needs should require regional centers and boards/providers to conduct retroactive criminal record checks on all existing direct caregivers with no criminal record check on file. P.36	DDSN is compliant with state statute. DDSN will comply with any statutory amendments enacted by the S.C. General Assembly.	DDSN	Implemented October 2015	Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. Based on discussion Agency decided to implement this recommendation. Communication sent to providers on October 27, 2015 indicating that they are to conduct SLED criminal background checks on all direct caregivers with no check on file. All checks are to be completed by December 31, 2015.
26	The S.C. Department of Disabilities and Special Needs should limit state criminal record checks of DDSN direct caregivers to a maximum period of 45 days prior to date of hire. P.37	DDSN is compliant with state statute. DDSN will comply with any statutory amendment enacted by the S.C. General Assembly.	DDSN	Implemented July 2014	Directive 406-04-DD modified to change time frame to 45 days effective July 2014 for Regional Centers and community providers.

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
27	<p>The General Assembly should amend §44-7-2910 of the S.C. Code of Recommendations Laws to require pre-hire national, fingerprint-based checks for all direct caregivers, regardless of state residency status. P.40</p>	<p>DDSN will comply with any statutory amendment enacted by the S.C. General Assembly.</p>	<p>General Assembly</p>	<p>No Change</p>	<p>DDSN staff worked with Senate Medical Affairs Committee staff which resulted in S.486 introduced in February 2009 by Senator Peeler. The bill was passed by the Senate, introduced in the House of Representatives and referred on 03/31/2009 to the Judiciary Committee.</p> <p>DDSN is a member of the Adult Protection Coordinating Council. The LAC presented their 2014 findings to the council in August 2014. Fingerprint-based background checks were discussed as a means to protect seniors. Discussion included the necessary development of a system that would negate the need for a background check each time an individual changed jobs, but maybe every five years instead. A data base would be needed that an employer could check and make their determination whether to employ the individual. Other concerns with fingerprint background checks included cost and determination of the host agency responsible for the checks. Also noted is the delay in employment while the check is being conducted. In APCC discussions and DDSN Business Process Task Force meetings, service providers expressed that hiring delays significantly impact their ability to maintain staffing ratios.</p> <p>DDSN held meeting with consumers, families, advocates and providers in December 2015 for discussion. While concerns were expressed about delays in hiring which could result in staffing ratios, there was a general consensus that this would be a good process required for all "caregivers." DDSN is agreeable to a law change requiring fingerprint-based background checks for all "caregivers" as defined by statute. See Attached.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
28	The S.C. Department of Disabilities and Special Needs should require all DDSN direct care applicants to undergo a national, fingerprint-based criminal history check, regardless of state residency status. P.41	DDSN is compliant with state statute. DDSN will comply with any statutory amendment enacted by the S.C. General Assembly.	DDSN	Implemented Sept 2014	DDSN Regional Centers conduct National Fingerprint Criminal History Check for all direct care professionals regardless of state residency status.
29	The S.C. Department of Disabilities and Special Needs should require DDSN regional centers and boards/providers to conduct retroactive national, fingerprint-based checks on all existing direct care staff without one on file, by the end of calendar year 2015. P.41	DDSN is compliant with state statute. DDSN will comply with any statutory amendment enacted by the S.C. General Assembly.	DDSN	Discussion and Review No Action Taken	<p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. Based on discussion Agency will review further with providers to determine the possible implications of implementing this recommendation. Discussion with providers of the DDSN Business Process Task Force held on November 6, 2015.</p> <p>DDSN cannot share with the local provider the content of the FBI check per regulations, instead it may only share eligibility for employment based on results.</p> <p>DDSN held meeting with consumers, families, advocates and providers in December 2015 for discussion. While concerns were expressed about delays in hiring which could result in staffing ratios, there was a general consensus that this would be a good process required for all "caregivers." DDSN is agreeable to a law change requiring fingerprint-based background checks for all "caregivers" as defined by statute. See Attached.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
30	<p>The S.C. Department of Disabilities and Special Needs should require regional centers and boards/providers to conduct national, fingerprint-based checks initially and every ten years, and state, name-based criminal history checks annually in the off years when a national, fingerprint-based check is not required. P.42</p>	<p>DDSN is compliant with state statute. DDSN will comply with any statutory amendment enacted by the S.C. General Assembly.</p>	<p>DDSN</p>	<p>Discussion and Review No Action Taken</p>	<p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. Based on discussion Agency will review further with providers to determine the possible implications of implementing this recommendation. Discussion with providers of the DDSN Business Process Task Force held on November 6, 2015.</p> <p>One possible implication discussed in the work session included significant delay in hiring due to long turnaround time of national finger print checks. The delay in initial hiring causes staffing and financial issues for the local provider.</p> <p>DDSN cannot share with the local provider the content of the FBI check per regulations, instead it may only share eligibility for employment based on results.</p> <p>DDSN held meeting with consumers, families, advocates and providers in December 2015 for discussion. While concerns were expressed about delays in hiring which could result in staffing ratios, there was a general consensus that this would be a good process required for all "caregivers." DDSN is agreeable to a law change requiring fingerprint-based background checks for all "caregivers" as defined by statute. See Attached.</p>
31	<p>The S.C. Department of Disabilities and Special Needs should create, or incorporate in an existing directive, a policy concerning off-duty misconduct and outline the ramifications of failing to comply. P.42</p>	<p>DDSN is compliant with state statute. DDSN will comply with any statutory amendment enacted by the S.C. General Assembly.</p>	<p>DDSN</p>	<p>Implemented October 2015</p>	<p>Directive 413-02-DD issued on September 11, 2015 for comment and issued in final form on October 26, 2015. Training will be conducted by DDSN Human Resource staff to all employees by January 2016, and during orientation/on-boarding sessions going forward.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
32	<p>The S.C. Department of Disabilities and Special Needs should require regional centers and boards/providers to conduct a National Sex Offender Registry check on all direct care applicants and existing direct caregivers by the end of calendar year 2014 and take appropriate action if the direct caregiver is on the registry. P.43</p>	<p>DDSN is compliant with state statute. DDSN will comply with any statutory amendment enacted by the S.C. General Assembly.</p>	<p>DDSN</p>	<p>Discussion and Review No Action Taken</p>	<p>The National Sex Offender Registry is not a US Government site, it is a private entity. The database is only as reliable as the entity providing the information. Not all states report to the registry.</p> <p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. This recommendation was specifically discussed. Discussion occurred around the validity of the registry and how that compares with conducting a criminal background check either through SLED or FBI. No change in action was recommended based on discussions.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
33	<p>The S.C. Department of Disabilities and Special Needs should eliminate the grace period and require all checks of the Central Registry of Child Abuse and Neglect to be completed and returned to the respective regional center or board/provider prior to hiring new direct caregivers. P.45</p>	<p>DDSN will require all checks of the Central Registry of Child Abuse and Neglect to be completed and returned to the respective regional center or board/provider prior to hiring new employees who will be working with minors.</p>	<p>DDSN</p>	<p>Implemented July 2014. Recoupments for indicators effective July 2015.</p>	<p>Directive 406-04-DD was changed in July 2014 to eliminate the 7 day grace period for DSS Central Registry Checks. DDSN has worked with DSS to resolve issues regarding delays in the receipt of information needed to complete DSS Central Registry Checks.</p> <p>The Pre-Employment requirements (to include criminal background checks, educational attainment, and age requirements of staff) are specifically reviewed for each service type during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. Also, if the provider is found out of compliance, DDSN may recoup funding for services delivered by staff that do not meet requirements. Recoupment for these specific indicators within Contract Compliance Review process was added effective July 2015.</p> <p>In addition, the SC Department of Health & Human Services reviews and approves the indicators used by the QIO each year. DHHS has supported DDSN's inclusion of the Pre-Employment review in the Contract Compliance Review Process and DDSN's use of this data for evidentiary reports for CMS Waiver Assurances.</p> <p>September 2014, DDSN HR revised its internal procedures to include a mandatory pre-employments processing checklist accompanying each prospective employee, regardless of job type. A follow-up audit of regional HR offices was conducted in September 2015 which confirmed staff are complying with this requirement.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
34	<p>The S.C. Department of Disabilities and Special Needs should require regional centers and boards/providers to conduct retroactive South Carolina Central Registry of Child Abuse and Neglect checks on all existing direct care staff without one on file, to be completed within one year of publication of this report. P.45</p>	<p>DDSN is compliant with state statute. DDSN will comply with any statutory amendment enacted by the S.C. General Assembly.</p>	<p>DDSN</p>	<p>Partially Implemented September 2015</p> <p>Partial status due to change for Regional Centers but not community DDSN boards/private providers</p>	<p>Each regional center HR office has completed Central Registry Checks for employees hired prior to 2007 (the year such checks became part of routine HR pre-employment processing). All DDSN Regional Centers were compliant with LAC Recommendation in September 2015. No change has been implemented for community DSN Boards and private providers as the recommendation goes beyond the scope of the current law.</p> <p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. Based on discussion Agency will review further with providers to determine the possible implications of fully implementing this recommendation to the community provider network. Discussion with providers of the DDSN Business Process Task Force held in November 2015. Concerns about HR processes for existing employees were expressed by providers. DDSN will continue discussion with providers prior to any changes in requirements.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
35	The S.C. Department of Disabilities and Special Needs should, for prospective and existing direct caregivers with former legal residencies in other states, require regional centers and boards/providers to conduct a check of the respective state's equivalent to the South Carolina Central Registry of Child Abuse and Neglect in all states resided in by the individual in the last five years. P.45	DDSN is compliant with state statute. DDSN will comply with any statutory amendment enacted by the S.C. General Assembly.	DDSN	Discussion and Review No Action Taken	Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. This recommendation was specifically discussed. Based on discussion Agency will review further with providers to determine the possible implications of fully implementing this recommendation. Discussion with providers of the DDSN Business Process Task Force held on November 6, 2015. Discussion occurred how this recommendation compares with conducting a criminal background check either through SLED or FBI.
36	The S.C. Department of Disabilities and Special Needs should enforce directive 406-04-DD that requires regional centers and boards/providers to conduct Medicaid Fraud checks on all prospective direct caregivers. P.45	DDSN is compliant with this recommendation. This activity is measured by DDSN's federally recognized, CMS approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place.	DDSN	September 2014 DDSN HR procedures revised Checklist Implemented January 2015 for contracted provider agencies Checklist Revised March 2015	Regional Centers began conducting searches on the CMS List of Excluded Individuals/Entities in March 2009 based on the February 2009 revision of Directive 406-04-DD. September 2014, DDSN HR revised its internal procedures to include a mandatory pre-employment processing checklist accompanying each prospective employee, regardless of job type for Regional Centers. A follow-up audit of regional HR offices was conducted in September 2015 to ensure staff is complying with this requirement. The follow up audit revealed all but one regional center were in compliance. DDSN HR Director is currently working with that regional center to come into compliance. All HR offices were found in compliance with the Criminal Reference Checks Policy, 406-04-DD, because all requirements for employing direct care staff were completed.

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
	Continued from previous page	Continued from previous page		Recoupment for indicators effective July 2015	<p>Quality Management Division has developed a checklist for Alliant (QIO) to use in reviews including all required components of the pre-employment background checks and references. Initially implemented 1/6/15, with additional clarification provided through a revision on 3/27/15.</p> <p>The Medicaid Fraud checks are part of the Pre-Employment requirements specifically reviewed for each service type during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. Also, if the provider is found out of compliance, DDSN may recoup funding for services delivered by staff that do not meet requirements. While this indicator has been in place since July 1, 2009, recoupment for these specific indicators within Contract Compliance Review process was added effective July 2015.</p> <p>In addition, the SC Department of Health & Human Services reviews and approves the indicators used by the QIO each year. DHHS has supported DDSN's inclusion of the Pre-Employment review in the Contract Compliance Review Process and DDSN's use of this data for evidentiary reports for CMS Waiver Assurances.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
37	<p>S.C. Department of Disabilities and Special Needs should enforce its directive requiring regional centers/boards/providers to conduct reference checks on all employees. P.45</p>	<p>DDSN is compliant with this recommendation. This activity is measured by DDSN's federally recognized, CMS approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place.</p>	DDSN	<p>September 2014 DDSN HR procedures revised</p> <p>Checklist Implemented January 2015 for contracted provider agencies</p> <p>Checklist Revised March 2015</p> <p>Recoupment for Indicators effective July 2015</p>	<p>September 2014, DDSN HR revised its internal procedures to include a mandatory pre-employment processing checklist accompanying each prospective employee, regardless of job type for Regional Centers. A follow-up audit of regional HR offices was conducted in September 2015 to ensure staff is complying with this requirement. The follow up audit revealed all but one regional center were in compliance. DDSN HR Director is currently working with that regional center to come into compliance. All HR offices were found in compliance with the Criminal Reference Checks Policy, #406-04-DD, because all requirements for employing direct care staff were completed.</p> <p>The Reference Check requirements are specifically reviewed for each service type during the Contract Compliance Review process by a US Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) approved, Quality Improvement Organization (QIO). If a provider is found not compliant, a plan of correction is required and a follow-up visit by the QIO is performed to ensure corrective action has taken place. Also, if the provider is found out of compliance, DDSN may recoup funding for services delivered by staff that do not meet requirements. While this indicator has been in place since July 1, 2007, recoupment for these specific indicators within Contract Compliance Review process was added effective July 2015.</p> <p>In addition, the SC DHHS reviews and approves the indicators used by the QIO each year. DHHS has supported DDSN's inclusion of the Pre-Employment review in the Contract Compliance Review Process and DDSN's use of this data for evidentiary reports for CMS Waiver Assurances.</p> <p>Quality Management Division has developed a checklist for Alliant (QIO) to use in reviews including all required components of the pre-employment background checks and references. Initially implemented 1/6/15, with additional clarification provided through a revision on 3/27/15.</p>

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No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
38	<p>The S.C. Department of Disabilities and Special Needs should ensure all substantiated abuse, neglect, and exploitation determinations are added to state employee termination documents, even if the termination was prior to the substantiation. P.48</p>	<p>DDSN does not have the authority to substantiate abuse, neglect and exploitation and is bound by the disciplinary guidelines of the state, SC Code § 43-35-15. Many times the employee is terminated before the investigative agency completes their investigation and does not notify the agency of the final disposition. The agency cannot go back and change the reason for a termination after a person leaves the agency. Sharing this information would violate SC Reg. 19-720.03.</p>	<p>Multiple Entities</p>	<p>No Action Taken Cannot implement this recommendation.</p>	<p>DDSN does not conceal substantiation of abuse, neglect or exploitation. DDSN will continue its current practice which is compliant with state law. If the termination is appealed, the reason given for the termination is either upheld or not. The agency cannot go behind the termination letter to change the reason for termination at a later date, because that is not the reason upon which any appeal was based. Changing the reason for termination would violate the employee's rights to be heard on that reason. It would require that the employee be notified of the change and then could open the agency up to litigation for doing that, especially if that reason was then given when asked by future employers of the employee for a reference check. Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. This recommendation was specifically discussed. Discussion occurred around labor laws and state Human Resource processes and requirements. No change in action was recommended based on discussion.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
39	<p>The S.C. Department of Disabilities and Special Needs should add to its human resources policy that if a state employee is being investigated for allegations of consumer abuse, neglect, or exploitation, options that would conceal substantiation of the allegations' final investigative disposition will not be negotiated in the mediation process.</p> <p>P.48</p>	<p>DDSN does not conceal substantiation of abuse, neglect or exploitation.</p>	<p>Multiple Entities</p>	<p>No Action Taken</p> <p>Cannot implement this recommendation.</p>	<p>DDSN does not conceal substantiation of abuse, neglect or exploitation.</p> <p>DDSN will continue its current practice which is compliant with state law.</p> <p>Mediation is a process whereby the agency and the employee come to a mutually agreed upon settlement of the case. The employee is not terminated for abuse, neglect and exploitation but for a reason listed in the agency disciplinary guidelines. The guidelines have been approved by the State Division of Human Resources. The substantiation of the abuse neglect and exploitation by investigative authorities in most, if not all of the cases, is not finished by the time of the mediation. The agency mediates cases so that employees who have been terminated stay terminated and avoid the risk of losing the case at the Employee Grievance Panel level which resulting in having to take the employee back. Mediation is a more cost effective method of handling employee grievances.</p> <p>Commission Work Session to discuss LAC recommendation implementation status held on October 15, 2015. This recommendation was specifically discussed. Discussion occurred around labor laws and state Division of State Human Resource processes and requirements. No change in action was recommended based on discussions.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
40	The S.C. Department of Disabilities and Special Needs should formalize its practice of seeking commission approval for procurements exceeding \$100,000 into a written policy. P.52	DDSN will work with the Commission to formalize approval process for procurements.	DDSN	Implemented August 2014	Commission approved changes to Commission Policy 800 - 03 – CP formalizing the process and limitations for State Director approval authority on August 21, 2014.
41	The S.C. Department of Disabilities and Special Needs should require commission approval for procurements when the full contractual amount exceeds \$100,000. P.52	DDSN will work with the Commission to formalize approval process for procurements.	DDSN	Implemented August 2014	Commission approved changes to Commission Policy 800 - 03 – CP formalizing the process and limitations for State Director approval authority on August 21, 2014.
42	The S.C. Department of Disabilities and Special Needs should publish information about all pilot programs on its website. P.52	DDSN is compliant with its policy 700-05-DD regarding Pilot Services and Programs. Information about pilots of a new service or program in the field are published on the agency's website.	DDSN	Implemented September 2014	Directive 700-05-DD was modified for clarity and implemented August 2014. DDSN clarified pilot services and definitions on the DDSN Website.

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
43	<p>The S.C. Department of Disabilities and Special Needs should request the Materials Management Office of the Budget and Control Board to review its interagency agreements with the University of South Carolina to determine if they meet the requirements set forth in the exemption to the S.C. Consolidated Procurement Code. P.53</p>	<p>DDSN is compliant with the state procurement code as issued by MMO (SC Code 11-35-4840). DDSN was audited by MMO within the LAC audit time period. This audit specifically examined procurement practices and no exceptions were found with regard to interagency agreements.</p>	<p>DDSN</p>	<p>Implemented October 2015</p>	<p>MMO audited DDSN in April 2013. This audit specifically examined procurement practices and no exceptions were found with regard to interagency agreements.</p> <p>DDSN will continue to comply with MMO directives and policies.</p> <p>MMO was asked specifically to review the two interagency contracts with USC in response to this recommendation in addition to the review MMO already conducted during the LAC review period.</p> <p>October 2015, MMO responded that the contracts were consistent with the requirements set forth in the exemption to the S.C. Consolidated Procurement Code. The initial contract was reviewed and approved by MMO but as the contract was renewed the "Justification for Contracts Between State Agencies", form 136, was not completed upon renewal. DDSN will ensure required documentation is submitted timely and approved prior to engaging in future contracts with USC.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
44	The S.C. Department of Disabilities and Special Needs should ensure that the procurement practices of all boards/providers are audited, either internally or externally, on a regular cycle to ensure compliance with agency directive 250-08-DD. P.58	DDSN will continue to measure compliance with directive 250-08-DD, that requires all providers to be compliant with the state procurement code. DDSN Boards are annually audited. DDSN will consider adding this same audit requirement for private providers.	DDSN	No Action Taken	<p>Private providers are paid on a fee for service basis and are not required to submit cost reports at the end of the fiscal year. The assurances that prudent and effective procurement practices are not required for a fee for service provider. To compare with SC DHHS requirements, no fee for service provider is subjected to review of the procurement practices for non-governmental entities, only a review of Medicaid services rendered.</p> <p>State procurement process compliance is extended to DSN Boards which are established by statute and are considered Quasi-Governmental agencies. Cost reports are required to ensure that public funds are used in the most prudent and efficient manner. The state procurement requirement assures this effective and prudent use of public funds.</p> <p>Many private providers in SC are part of a larger national parent organization which holds contracts above the level of the state which benefit that organization as a whole and they have their own procurement protocols for multi-state entities. This could potentially discourage new providers from providing services in SC and thus limit consumer and family choice.</p> <p>DDSN considered added procurement review independent accountants Report On Applying Agreed-Upon Procedures (RoAAP) annual requirement for private providers, however based on all the above it was decided not to take any action.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
45	<p>The S.C. Department of Disabilities and Special Needs Commission should amend the ID age of onset criterion in the agency's eligibility directive to be consistent with state law. P.62</p>	<p>The SC Supreme Court opinion referred to by the LAC addressed DHHS and eligibility for Medicaid Waiver services, not DDSN eligibility. This was a Medicaid Level of Care and Waiver eligibility issue not a DDSN eligibility issue. DDSN requested DHHS to amend the Waiver and this was not done. DDSN does not have the authority to change the Medicaid Waivers.</p>	DDSN	<p>Implemented October 2014</p> <p>DDSN Eligibility Directive 100-30-DD changed in October 2015 to reflect the "developmental period"</p>	<p>DHHS submitted Waiver amendments to CMS defining "developmental period" as age of onset as up to age 22 on Sept 30, 2014.</p> <p>DDSN Commission approved October 2014 to define DDSN eligibility age of onset criteria to be consistent with Waiver requirements as indicated in the Waiver amendments.</p> <p>Waiver amendments and renewals have not yet been approved by CMS as of December 2015. DDSN Directive 100-30-DD defining eligibility was changed in October 2015 to refer to the "developmental period" for intellectual disability and not a specific age in advance of the approval of the waiver amendment given the length of time CMS has taken to approve the amendment.</p>
46	<p>If the Commission determines that the DSM criteria for ID are most appropriate, it should amend the agency's eligibility directive to be consistent with the most recent DSM, promulgate a regulation that specifically defines the ID definition in S.C. Code §44-20-30(12) as the definition in the DSM, and work with the S.C. Department of Health and Human Services to amend any affected Medicaid waiver documents. P.62</p>	<p>DDSN will work with the Commission to determine if the DSM criteria for ID are most appropriate. DDSN will not promulgate regulations as this issue is in litigation. DDSN does not have the authority to amend Medicaid Waiver documents.</p>	DDSN	<p>Implemented October 2014</p> <p>DDSN Eligibility Directive 100-30-DD changed in October 2015 to reflect the "developmental period"</p>	<p>DHHS submitted Waiver amendments to CMS defining "developmental period" as age of onset as up to age 22 on Sept 30, 2014.</p> <p>DDSN Commission approved October 2014 to define DDSN eligibility age of onset criteria to be consistent with Waiver requirements as indicated in the Waiver amendments.</p> <p>Waiver amendments and renewals have not yet been approved by CMS as of December 2015. DDSN Directive 100-30-DD defining eligibility was changed in October 2015 to refer to the "developmental period" for intellectual disability and not a specific age in advance of the approval of the waiver amendment given the length of time CMS has taken to approve the amendment.</p>

DDSN Implementation Plan for 2014 LAC Report Recommendations

No	LAC Recommendation	Agency Response	Responsible Party	Action	Comments
47	The S.C. Department of Disabilities and Special Needs should revise the residency requirements of directive 100-30-DD to be consistent with the residency requirements in S.C. Code §44-20-390. P.62	DDSN will revise the residency requirements in directive 100-30-DD.	DDSN	Implemented September 2014.	Directive 100-30-DD was revised to be consistent for residency requirements effective September 2014.
48	The General Assembly should amend S.C. Code §44-20-365 to require that the S.C. Department of Disabilities and Special Needs Commission recommend closure of a specific regional center if the agency has maximized opportunities for efficiencies. P.65	DDSN will comply with any statutory amendments enacted by the S.C. General Assembly.	General Assembly	No Action Taken	To date, DDSN Commission has not made a recommendation to close a regional center.
49	The General Assembly should approve closure of a S.C. Department of Disabilities regional center upon recommendation of the S.C. Department of Disabilities Commission. P.65	DDSN will comply with any statutory amendments enacted by the S.C. General Assembly.	General Assembly	No Action Taken	To date, DDSN Commission has not made a recommendation to close a regional center.

SC Department of Disabilities and Special Needs
Waiting List Reduction Efforts
As of December 1, 2015

Attachment F

Waiting List	Number of Individuals Removed from Waiting Lists	Consumer/Family Determination		Number of Individuals Services are Pending
		Number of Individuals Enrolled in a Waiver	Number of Individuals Opted for Other Services/ Determined Ineligible	
Intellectual Disability/Related Disabilities (As of July 1, 2014)	1,749 (FY15) <u>1,259 (FY16)</u> 3,008	713 (FY15) <u>410 (FY16)</u> 1,123	591 (FY15) <u>273 (FY16)</u> 864	215 (FY15) <u>806 (FY16)</u> 1,021
Community Supports (As of July 1, 2014)	2,430 (FY15) <u>778 (FY16)</u> 3,208	701 (FY15) <u>266 (FY16)</u> 967	1,409 (FY15) <u>217 (FY16)</u> 1,626	161 (FY15) <u>454 (FY16)</u> 615
Head and Spinal Cord Injury (As of Oct 1, 2013)	621	284	158	179
		2,374	2,648	
Total	6,837	5,022		1,815

Waiting List *	Number of Individuals Added Between July 1, 2014 and December 1, 2015	Number of Individuals Waiting as of December 1, 2015
Intellectual Disability/Related Disabilities	2,470 (688 since 7/1/15)	4,779
Community Supports	2,525 (686 since 7/1/15)	3,478
Head and Spinal Cord Injury	422 (91 since 7/1/15)	0
Total	5,417	8,257**

* There is no longer a Head and Spinal Cord Injury (HASCI) Waiver waiting list.

** Approximately 34 percent of 8,257 are duplicated names; therefore approximately 5,450 people are on waiting lists.

**South Carolina Department Of Disabilities & Special Needs
As Of November 30, 2015**

Service List	10/31/15	Added	Removed	11/30/15
Critical Needs	118	33	27	124
Pervasive Developmental Disorder Program	1621	56	58	1619
Intellectual Disability and Related Disabilities Waiver	4793	101	115	4779
Community Supports Waiver	3534	89	145	3478
Head and Spinal Cord Injury Waiver	0	24	24	0

Report Date: 12/3/15