

**From:** [Linguard, Christie](#)  
**Subject:** Meeting Notice - The Commission of the SCDDSN - Finance and Audit Committee Meeting - April 6, 2022  
**Date:** Tuesday, April 5, 2022 10:18:03 AM  
**Attachments:** [Finance and Audit Committee Meeting Packet - 04 06 22.pdf](#)

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**Good Morning,**

**The South Carolina Commission on Disabilities and Special Needs will hold an in person Finance and Audit Committee meeting on K YXbYsday, April 6, 2022, at 3:00 p.m. The Committee Meetings are held at the SC Department of Disabilities and Special Needs Central Administrative Office, 3440 Harden Street Extension, Columbia, SC. This meeting can also be viewed via a live audio stream at [www.ddsn.sc.gov](http://www.ddsn.sc.gov).**

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

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

**Thank you.**

**FINANCE AND AUDIT COMMITTEE AGENDA**

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

**April 6, 2022**

**3:00 p.m.**

1. Call to Order *Robin Blackwood, Committee Chair*
2. Statement of Announcement *Robin Blackwood, Committee Chair*
3. Adoption of the Agenda
4. Review Minutes from the March 8, 2022 Meeting **Page 2**
5. Financial Approval & Threshold Report for April 2022 **Page 6** *Candis Golston*
6. Fee-for-Service Update *Lori Manos*
7. Financial Update **Page 7** *Nancy Rumbaugh*
8. Cost Reports Update *Debbie Punzirudu*
9. Information Technology Upgrades *Greg Meetze*
10. Regional Centers Improvements Update *Seth Leslie*
11. DDSN Owned Properties *Seth Leslie*
12. Chief Financial Update *Tracey Hunt*
  - a. Procedures Engagement from State Auditors
  - b. Financial Management Strengthening Project for Boards
  - c. Proviso for Maintenance of State-owned facilities
13. Next Meeting Date – May 4, 2022
14. Adjournment

## **FINANCE AND AUDIT COMMITTEE AGENDA**

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

**March 8, 2022**

**3:30 p.m.**

**In attendance: Robin Blackwood, Chair; Barry Malphrus; Ed Miller; Stephanie Rawlinson; Michelle Fry; Lori Manos; Tracey Hunt; Janet Priest; Andrew Tharin; Candis Golston; Debra Leopard; Debbie Punzirudu; Nancy Rumbaugh; Courtney Crosby; Preston Southern; and Kimberly Cochran.**

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

[The meeting was called to order at 3:33 p.m.](#)

2. Statement of Announcement

*Robin Blackwood, Committee Chair*

[Commissioner Blackwood read a statement of announcement about the meeting that was distributed to the appropriate media, interested persons, and posted at the Central Office and on the website in accordance with the Freedom of Information Act.](#)

3. Adoption of the Agenda

[Brief Summary:](#) Agenda was presented.

[Committee Member\(s\) Guidance \(if any\):](#)

[Committee Vote\(s\) \(if any\):](#) Commissioner Miller made a motion to approve the agenda as written, seconded by Commission Malphrus and unanimously approved by the committee.

4. Review Minutes of the January 19, 2022 Meeting

[Brief Summary:](#) The January 19, 2022 minutes were presented to the committee for approval.

[Committee Member\(s\) Guidance \(if any\):](#) None

[Committee Vote\(s\) \(if any\):](#) On a motion by Commissioner Miller, seconded by Commissioner Malphrus, the minutes were approved.

5. Financial Approval & Threshold Report for March 2022 *Candis Golston*

[Brief Summary:](#) A fixed price bid contract was solicited on 2/12/202 for LPN/RN Support Services providing nursing assignment to the Regional Centers. The contract essentially qualifies vendors

to perform the service at a fixed price. This is a routine solicitation and will only need approved by this committee.

The last item for approval is the Comprehensive Permanent Improvement Plan (CPIP) for Coastal Center campus-wide Fire Alarm Replacement. After review and consideration of the bid, Commission approval is needed to enter into a contract with Hiller Systems, in Summerville, SC for the amount of \$313,762. Ms. Golston noted that three (3) bids were received; one bid was non-responsive; and another withdrew their bid.

Committee Member(s) Guidance (if any): Discussion was held regarding the bidding process. Mr. Tharin noted that the agency projected a cost of \$400,000. For future reference, Commissioner Malphrus noted that the agency should receive at least two viable/responsive bids prior to making a selection. If not, the agency should solicit again for more bids. Ms. Golston responded that per the procurement code, if the agency were to solicit again after receiving one viable bid, then the vendor would have a grievance and a platform to protest.

Committee Vote(s) (if any): On a motion by Commissioner Miller, seconded by Commissioner Malphrus, the fixed price bid for LPN/RN Support Services was approved by the committee. This contract will not need to be approved by the full commission.

On a motion by Commissioner Miller, seconded by Commissioner Malphrus, the bid from Hiller Systems for the Fire Alarm Replacement at the Coastal Regional Center was approved by the committee.

6. Fee-For-Service (FFS) Update *Lori Manos*

Ms. Manos announced that the agency is continuing to make progress on the transition to full FFS with an implementation date of March 1, 2022. A couple of days prior to March 1<sup>st</sup>, the Department of Health and Human Services (DHHS) decided to move the implementation date back one month to April 1, 2022 to ensure that the provider network was fully prepared. However, the go live date for full FFS. Essentially, during the month of March, providers will not bill Medicaid directly for their services but will do a full reconciliation. The band payments were issued throughout the month of March and if the band payment is less than their billing, we will reconcile with the provider. There are five (5) providers that are not providing direct services and will not participate in direct bill.

7. Financial Update *Nancy Rumbaugh*

Ms. Rumbaugh presented the spending plan vs actual expenditures as of February 28, 2022. To date the agency is .25% under budget. This item was received as information only.

8. 6.2% Federal Medical Assistance Percentage (FMAP) Update *Debbie Punzirudu*

Ms. Punzirudu briefed the committee on the 6.2% FMAP funding to providers. To date, we have 70.5%, which is \$3.5 million has been approved and been sent out. There are 61 out of 114 agencies that have been approved, which is 53.5% of the provider network. There are 11 boards which have still not sent in anything at this point, which is 28% of providers. Ms. Punzirudu stated that she has reached out to some of those providers.

Most of the providers indicated that they are awaiting their board approval prior to submitting their proposals.

9. Internal Audit Update

*Courtney Crosby*

Ms. Crosby started with the Agreed-Upon Procedures Report.

- The deadline for the 2021 reports for the boards was October 31<sup>st</sup>. Internal Audit (IA) has received reports for all the boards including those that were granted extensions. Of the 40 reports that have been submitted, the review is complete for 16 and 23 are in process. Contract reductions related to 2021 reports total \$27,200.
- IA has initiated follow-up procedures with five of providers; the field work is complete for two providers and it's underway for three additional providers. The tracking report will be updated and resubmitted to all commission members.

10. Chief Financial Officer (CFO) Update

*Tracey Hunt*

**Financial Statement Audit Request**

As a best practice whenever there is a change in the CFO at an agency, Ms. Hunt would like for an independent audit to take place within the financial division of the agency. Commissioner Blackwood feels that this is a good practice. Commissioner Malphrus is not opposed to an independent audit but would like to know how extensive of an audit we would want to get. The cost of the audit is a great concern. Commissioner Rawlinson is requesting a Financial Statement audit, which has not been done at the agency since 2015. Commissioner Malphrus requested a conversation with Ms. Hunt prior to the committee deciding which type of audit will be conducted at the agency.

Commissioner Malphrus made a motion to proceed with gathering all necessary information for the commission to vote at another date. This motion was seconded by Commissioner Miller and approved by the committee.

**Advances to Boards Discussion**

The finance division will provide a report to the committee to show the 10-year history of repayments from certain boards.

**Financial Assistance Training for Boards**

Ms. Hunt announced that she and Dr. Fry will meet with a couple of state vendors tomorrow just to see what kind of training they offer for the programmatic and financial sides of the boards. Commissioner Malphrus noted that Mr. Clark, former CFO, completed a lot of board training.

**Nurses' Rates**

Ms. Hunt discussed the nurses' rates for several state agencies to compare with our agency. We need to submit a fixed price bid to have our nurses retained. Our old rate is at \$32/\$40 for LPNs/RNs. Our new higher rate is \$80/\$68; the Department of Mental Health's nurses' rates are \$60/\$75; and the Department of Corrections' and the

Department of Juvenile Justices' rates are \$75/\$85. This new rate for our agency will make us more competitive.

**Sale of Proceeds**

Ms. Hunt is working with Mr. Tharin and Ms. Golston to research and identify all properties that the agency can sale. More information will be presented at the next meeting.

- 11. Amending Contract with Center for Disability Resources (CDR) *Janet Priest*  
USC School of Medicine

Ms. Priest announced that she is not going to ask for a contract amendment today. In anticipation of the July 1<sup>st</sup> contract amendment with the CDR, she spoke specifically about positive behavior support training, which is a research-based training strategy wherein staff supervisors on the floor in a residential setting are taught to talk the strategies that when used will increase quality of life and decrease challenging behaviors. It is focused on the strategies that the staff employs when interacting with consumers. This curriculum was created by American Association on Intellectual and Developmental Disabilities (AAIDD) and sold to DDSN in the 90s. Any royalties from the sale of this curriculum comes back to our agency. So far, there are over \$22,000 received. The last day of the class, the instructor actually goes on the job for observation of the student. A refresher course is required of the participants every two years.

There are two kinds of courses that are offered, one is a supervisor course where ideally the supervisor will be trained and models behavior for the staff and also correct staff behavior to align with positive behavior support. The second course is a train the trainer course in which the supervisors trained will then become trainers for their agency. The approximate cost for rolling it out for one year is around \$150,000. The approximate number of trainings will consist of approximately 5-6 supervisory courses with 20 people. The train the trainer courses are smaller with 4-5 courses with 10 people each.

Commissioner Blackwood requested an approximate number of people need the training and how many will actually receive the training. Commissioner Malphrus would like to focus more on training the trainer. Ms. Priest noted that only the supervisors who have successfully completed the supervisory training can proceed with the train the trainer course.

Ms. Priest was asked to move forward and will bring information and the contract amendment back up in June.

- 12. Adjournment

There being no further business, at 4:41 PM on a motion by Commissioner Miller and seconded by Commissioner Malphrus, the meeting was adjourned.

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

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

I. **New Non-Service Contracts \$200,000 or Greater:**

None

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

None

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

None

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

None

V. **New Consulting Contract:**

None

VI. **New Federal Grant:**

None

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

## FY22 Spending Plan VS Actual Expenditures as of 3/30/2022

Category	Spending Plan	Cash Expenditures YTD	SCDHHS Monthly "Wash" Expenditures with Revenue YTD *	Total Monthly Expenditures YTD	Remaining Spending Plan	Spending Plan Deviation with Actual
DDSN spending plan budget	\$ 851,170,837	\$ 518,369,447	\$ 105,488,667	\$ 623,858,114	\$ 227,312,723	<b>REASONABLE</b>
Percent of total spending plan remaining	100.00%	60.90%	12.39%	73.29%	26.71%	
% of FY Remaining					25.00%	
Difference % - over (under) budgeted expenditures					-1.71%	

\* In Mar 2022, providers billed & paid by SCDHHS for approximately \$139.6 million in services (waiver services + state plan services). DDSN paid the \$34.1 million state match to SCDHHS recorded as a cash expenditure and the \$105,488,667 difference was the "wash" Medicaid reimbursement revenue & expense added to maintain "apples to apples" comparison to FY22 spending plan.

Methodology & Report Owner: DDSN Budget Division