

Mary Poole
State Director
Patrick Maley
Deputy Director
Rufus Britt
Associate State Director
Operations
Susan Kreh Beck
Associate State Director
Policy
W. Chris Clark
Chief Financial Officer



COMMISSION
Gary C. Lemel
Chairman
Robin B. Blackwood
Vice Chairman
Lorri S. Unumb
Secretary
Barry D. Malphrus
David L. Thomas

3440 Harden Street Ext (29203)
PO Box 4706, Columbia, South Carolina 29240
803/898-9600
Toll Free: 888/DSN-INFO
Home Page: www.ddsn.sc.gov

TO: DSN BOARD AND QPL FINANCE DIRECTORS
DSN BOARD EXECUTIVE DIRECTORS
QPL CEOS/PRESIDENTS

FROM: DEBRA WILSON
DIRECTOR OF ACCOUNTING & CONTRACTS

DATE: March 27, 2020

RE: RETROACTIVE INCREASE FOR CASE MANAGEMENT & EARLY INTERVENTION – STATE APPROPRIATION ALLOCATION

I know you have been patiently waiting for us to distribute the state funds we were appropriated for the legislatively mandated increases. We have discussed this in numerous meetings, so we assume most of you understand what these funds relate to. To be sure there is a clear record of where these funds came from, what they are for, and how the allocation is being determined, we are going to recap what has occurred to get us to this point.

During FY 2019, SCDDSN initiated the final steps of the previously mandated conversion to market based rates in a fee for service payment system for Case Management and Early Intervention. During the latter part of FY 2019, the State Legislature approved an across the board cost of living pay increase for all of our service lines – including these two service lines. SCDDSN was appropriated the State match portion of the anticipated rate increase. The Legislature anticipated that SCDDSN would be successful in negotiating rate increases for the provider network with SCDHHS to fully fund the increase. After months of negotiation, SCDHHS did agree to increase the rates for these two service lines effective January 1, 2020.

The staff compensation cost of living adjustment required by the Legislature was effective the first payroll pay date in July 2019. With SCDHHS only agreeing to a rate increase effective January 1, 2020, this left SCDDSN with State appropriations intended to be used for match funds that could not be used as match. After considering a variety of options available to us, the SCDDSN Commission agreed to a fair and equitable distribution of the State appropriation funds we were holding for the period July to December 2019.

The process used to compute the allocation of State appropriated funds was as follows:

- 1) We determined the amount of State appropriation provided to SCDDSN for the period July to December 2019 for Case Management and Early Intervention.
- 2) We summarized all Waiver Case Management (WCM) units billed by each provider – Boards and QPLs – for July to December 2019.
- 3) We summarized all Early Intervention (EI) units billed to SCDDSN by each provider – Boards and QPLs – for July to December 2019.

- 4) We obtained from SCDHHS all BabyNet units billed to them by each provider – Boards and QPLs – for July to December 2019.
- 5) Since WCM is paid at two different rates – with and without travel, we had to determine the percentage weighting to assign to the without travel units. The “without travel” rate is 59.09% of the “with travel” rate.
- 6) We summarized all weighted units billed to SCDDSN and SCDHHS to determine the total number of units that were provided that needed to be funded.
- 7) The total State appropriation was divided by the total weighted units provided to arrive at a non-weighted per unit rate of \$.208.
- 8) The unit rate was then multiplied by 59.09% to arrive at the weighted rate to be paid for WCM “without travel”. The unit rate being paid for these units is \$.123.

The final rates that were determined, representing our State appropriation for these services, are as follows:

Case Management – Without Travel	\$.123 per unit
Case Management – With Travel	\$.208 per unit
Early Intervention	\$.208 per unit

You will receive a memo, with your payment schedule, which explains the number of units paid and the respective calculation for your Organization. If you have any questions, please feel free to contact me and I can review the calculation with you. Thank you for your patience.