SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

MINUTES

October 15, 2020

The South Carolina Commission on Disabilities and Special Needs met on Thursday, October 15, 2020, 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 In-Person
Gary Lemel – Chairman
Barry Malphrus – Vice Chairman
Robin Blackwood – Secretary
Eddie Miller
Stephanie Rawlinson
David Thomas

DDSN Administrative Staff

Mary Poole, State Director; Pat Maley, Deputy Director; Chris Clark, CFO; Rufus Britt, Associate State Director, Operations; Susan Beck, Associate State Director, Policy; Constance Holloway, General Counsel; Michael Mickey, Chief Information Officer; Kevin Yacobi, Director of Internal Audit; and Christie Linguard, Administrative Coordinator.

Notice of Meeting Statement

Chairman Lemel called the meeting to order and Secretary Blackwood read a statement of announcement about the meeting that was distributed to the appropriate media, interested persons, and posted at the Central Office and on the website in accordance with the Freedom of Information Act.

Adoption of the Agenda

On motion of Commissioner Rawlinson, seconded by Commissioner Malphrus, the Commission unanimously adopted the October 15, 2020 Meeting Agenda. (Attachment A)

Invocation

Commissioner Thomas gave the invocation.

Approval of the Minutes of the September 17, 2020 Commission Meetings

On motion of Commissioner Malphrus, seconded by Commissioner Thomas, the Commission unanimously approved the September 17, 2020 Commission Meeting minutes.

Commissioners' Update

Chairman Lemel announced that he attended MaxAbilities of York County's 40th (Ruby) Anniversary Celebration held on September 24, 2020 from 5:00 – 7:00 PM. A video highlighting the history of the center was shown.

Public Input

There were no requests for public input.

Commission Committee Business

A. Finance and Audit Committee

Committee Chairman Blackwood stated the Committee met on October 12, 2020 and presented the following topics for review and/or approval by the Commission:

Quarterly Provider Contracts Summary

Mr. Clark discussed the details on the contracts summary for those amounts over $200,000. Amounts were approved in prior Commission meetings other than the one that being presented as the next topic. Commissioner Thomas made a motion to accept this summary as written, seconded by Commissioner Blackwood and approved unanimously by the Commission. (Attachment B)

Contract Amendments over $200k

One contract amendment for Mentor exceeded the $200,000 required approval amount. Chairman Lemel noted that the Finance and Audit Committee has already approved the contract amendments and the motion was brought out of the Committee. The members of the Commission unanimously approved the amendments presented. (Attachment C)

Internal Audit Committee Charter

Director of Internal Audits, Kevin Yacobi, presented the Internal Audit Committee Charter for the Commission's approval. Commissioner Malphrus made a motion to accept the Charter as edited by the Finance

and Audit Committee, seconded by Commissioner Thomas and unanimously approved by the Commission. (Attachment D)

Internal Audit Charter (275-05-DD)

Commissioner Rawlinson accepted this charter/directive as information only. After the ten (10) day public comment period, it will be taken back to the Finance and Audit Committee and then here to the Commission for final approval. (Attachment E)

B. Policy Committee

Committee Chairman Malphrus deferred the presentation of the following policy revisions to Ms. Beck. These revisions were reviewed and discussed at the October 13, 2020 Policy Committee meeting. Copies had previously been provided to the Commission:

603-12-DD: Immunization Procedure for DDSN Regional Centers – This updated policy now includes details from the Vaccination Information Policy (603-08-DD). Commissioner Rawlinson made a motion to approve this policy as presented, seconded by Commissioner Thomas and unanimously approved by the Commission. (Attachment F)

603-08-DD: Vaccination Information; 603-10-DD: Latex Protocol for DDSN Regional Centers; 300-06-DD: Energy Management Systems Operations and Parameters – Since each of the listed policies are addressed in other policies, Ms. Beck recommended that these policies be marked obsolete from the agency's directives. Commissioner Malphrus made a group motion to approve marking all three (3) policies as obsolete, seconded by Commissioner Rawlinson, and the unanimously approved by the Commission. (Attachment G)

Other Committee Updates – Commissioner Malphrus indicated that there are 14 directives associated with information security that will be combined and then sent out for public comment. He also thanked the Committee members for their hard work and noted that the Policy Committee will not meet in December.

Old Business

A. COVID Update

Mr. Britt briefed the Commission on COVID policies, updated positive result numbers and hazard/hero pay for staff members.

B. Office of the State Auditor Report-Corrective Action Plan

Mr. Clark shared the corrective action plan responses with the Commission. On a motion by Commissioner Miller, seconded by Commissioner Malphrus, the corrective action plan responses were unanimously approved by the Commission. (Attachment H)

C. Band B & I switch to Fee for Service (FFS) Update

Mr. Clark presented a chart/timeline and detailed discussion ensued about the Band B & I to FFS. This update was received as information only. (Attachment I)

D. Internal Audit Monthly Report

Mr. Yacobi provided the Commission members with standards for the professional practices of internal audits along with the latest self-assessment audit report completed for SFYs 2016 and 2017. These items were received as information only. (Attachment J)

E. Waiver Slots & Enrollment Process

Commission members were provided a copy of the May 2020 internal audit report analysis of the agency's waiver slots. Mr. Yacobi and Ms. Beck provided a brief overview of this analysis and answered questions from Commission members. (Attachment K)

New Business

A. Financial Update

Mr. Clark gave the financial update as of September 30, 2020. He reminded all Commission members that all state agencies are operating under a continuing resolution appropriation. On a motion by Commissioner Thomas, seconded by Commissioner Miller, the Commission unanimously approved the financial update as presented. (Attachment L)

B. 2021 Spending Plan/Capital Budget

Mr. Clark presented the 2021 Spending Plan and the Capital Budget/Expenditures. He noted high level assumptions and other components of the spending plan development. He called attention to the improvements made to the budget process including prior year comparatives with explanations. He expressed that the spending plan would be revised once the final State budget is approved unless we remain under a continuing resolution. Commissioner Thomas made a motion to approve the 2021 Spending Plan as presented, seconded by Commissioner Rawlinson, and unanimously approved by the

Commission members. A discussion was held regarding the current assumption that no financing of capital projects would be obtained, but that this is still a recommendation Mr. Clark stands by. Also, preliminary indications are that we will not need the full amount shown for vehicles to purchase the 30 vehicles recommended for replacement in 2021. Also, a discussion was held related to the need to renovate/improve the two electrical grids at two of the regional centers. Commissioner Miller made a motion to approve the Capital Budget/Expenditures as a whole but not the individual line items, which will come back to the Commission for approval prior to spending the money. This motion was seconded by Commissioner Rawlinson and unanimously approved by the Commission members.
(Attachment M)

C. VDI Computer Project Approval

Mr. Clark welcomed the new Chief Information Officer, Michael Mickey, who presented the VDI computer project software for purchase. On a motion by Commissioner Thomas, seconded by Commissioner Miller, the Commission unanimously approved the purchase of the new VDI software. (Attachment N)

D. HHS Admin Contract Update

Mr. Clark briefly gave background information on the Admin. Contract from HHS and answered any questions. This item was received as information only.

E. Appendix K Update

Mr. Clark gave a brief overview of Appendix K and informed the members of the Commission that he will continue to update them on an as needed.

F. State Director Review

Chairman Lemel asked each Commission member to complete their assessment forms for State Director Mary Poole and hand them to him after this meeting. He will compile and send to the SC Agency Head Salary Commission with a copy to Commission members for their record. On a motion by Commissioner Rawlinson, seconded by Commissioner Blackwood, the Commission unanimously approved the State Director's Review and the process by which it will be submitted.

State Director's Report

Director Poole provided a State Director's Report. (Attachment O)

Executive Session

At 1:32 p.m., Chairman Lemel requested a motion to begin Executive Session after a five minute break to discuss a personnel matter. On a motion by Commissioner Miller, seconded by Commissioner Rawlinson and unanimously approved by the Commission, executive session will began at 1:37 p.m.

Upon rising out of Executive Session at 2:04 p.m., Chairman Lemel announced that there was no action taken, no votes held and no motions made.

Next Regular Meeting

November 19, 2020

Adjournment

On a motion by Commissioner Thomas, seconded by Commissioner Malphrus and unanimously approved by the Commission, the meeting was adjourned at 2:05 p.m.

Submitted by,

Christie D. Linguard

Approved:

Commissioner Robin Blackwood
Secretary

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 (SKYPE)
Columbia, South Carolina

October 15, 2020 **10:00 A.M.**

1. Call to Order — *Chairman Gary Lemel*
2. Notice of Meeting Statement — *Commissioner Robin Blackwood*
3. Welcome
4. Adoption of Agenda
5. Invocation — *Commissioner David Thomas*
6. Approval of the September 17, 2020 Commission Meeting Minutes
7. Commissioners' Update — *Commissioners*
8. Public Input
9. Commission Committee Business

   A. Finance and Audit Committee — *Committee Chairman Robin Blackwood*

      1. Quarterly Provider Contracts Summary
      2. Contract Amendments over $200k
      3. Internal Audit Committee Charter
      4. Internal Audit Charter (275-05-DD)

   B. Policy Committee — *Committee Chairman Barry Malphrus*

      1. 603-12-DD: Immunization Procedure for DDSN Regional Centers
      2. 603-08-DD: Vaccination Information
      3. 603-10-DD: Latex Protocol for DDSN Regional Centers
      4. 300-06-DD: Energy Management Systems Operations and Parameters
      5. Other Committee Updates

10. Old Business:

    A. COVID Update — *Mr. Rufus Britt*
    B. Office of the State Auditor Report-Corrective Action Plan — *Mr. Chris Clark*
    C. Band B & I switch to Fee for Service (FFS) Update — *Mr. Chris Clark*
    D. Internal Audit Monthly Report — *Mr. Kevin Yacobi*
    E. Waiver Slots & Enrollment Process — *Mr. Kevin Yacobi & Ms. Susan Kreh Beck*

11. New Business:

    A. Financial Update — *Mr. Chris Clark*
    B. 2021 Spending Plan/Capital Budget — *Mr. Chris Clark*
    C. VDI Computer Project Approval — *Mr. Chris Clark*
    D. HHS Admin Contract Update — *Mr. Chris Clark*
    E. Appendix K Update — *Mr. Chris Clark*
    F. State Director Review — *Chairman Gary Lemel*

12. State Director's Report — *State Director Mary Poole*
13. Executive Session
14. Enter into Public Session
15. Next Regular Meeting (November 19, 2020)
16. Adjournment

Attachment B

Sum of 21 funds	Column Labels																	
Row Labels	Band B	Band B Outlier	CRCF	CSW	CTH I	CTH II	Family Supp/ Respite	HASCI Res	HASCI Transition Prog	ICF	Prevention	Residential - HM	Residential- QPL	SFH	SLP I	SLP II	SLP III	Grand Total
Allendale/Barnwell			$ (99,069)	$ 15,045														$ (84,024)
Anderson	$ 69,970			$ (30,090)			$ (14,000)											$ 25,880
Arc of the Midlands															$ 72,510			$ 72,510
Babcock Center	$ 181,922	$ (31,080)		$ 30,090		$ 99,069		$ 80,409	$ 28,000		$ 1,700					$ (77,156)		$ 312,954
Beaufort	$ (55,976)			$ 15,045		$ (43,762)												$ (84,693)
Berkeley	$ 27,988			$ 15,045		$ 99,069												$ 142,102
Burton Center	$ 97,958			$ (15,045)		$ (179,478)												$ (96,565)
Calhoun						$ 99,069												$ 99,069
Charles Lea	$ 153,934			$ 30,090		$ (171,117)	$ (37,472)											$ (24,565)
Charleston	$ 69,970					$ 80,409			$ 28,000									$ 178,379
Cherokee	$ (27,988)			$ 30,090														$ 2,102
CHESCO	$ 13,994		$ (99,069)	$ (15,045)		$ (99,069)												$ (199,189)
Chester/Lancaster	$ (13,994)			$ 45,135														$ 31,141
Clarendon	$ (13,994)					$ (117,729)												$ (131,723)
Colleton	$ (23,317)					$ (92,627)												$ (115,944)
Darlington	$ 27,988					$ 80,409												$ 108,397
Dorchester	$ 30,961			$ 30,090		$ (80,409)												$ (19,358)
Fairfield	$ 13,994																	$ 13,994
Florence				$ (15,045)														$ (15,045)
Georgetown	$ (27,988)																	$ (27,988)
Hampton	$ (13,994)																	$ (13,994)
Horry	$ (27,988)			$ 45,135					$ 28,000		$ 1,700							$ 46,847
Jasper				$ (60,180)											$ 67,782			$ 7,602
Laurens				$ 15,045		$ 6,442									$ (22,594)			$ (1,107)
Marion/Dillon	$ 27,988			$ (15,045)														$ 12,943
Marlboro	$ (13,994)																	$ (13,994)
MaxAbilities of York	$ 55,976		$ 99,069	$ 45,135												$ 38,578		$ 238,758
Newberry	$ (13,994)			$ 15,045														$ 1,051
Oconee	$ (27,988)			$ 75,225											$ 22,594		$ (53,696)	$ 16,135
Orangeburg	$ (13,994)			$ 15,045														$ 1,051
Pickens	$ 27,988			$ 15,045														$ 43,033
Prisma Health-Midlands											$ 1,700							$ 1,700
SC Mentor												$ 123,662	$ 244,492	$ (141,959)				$ 226,195
Spinal Cord Injury Association											$ 1,000							$ 1,000
Sumter	$ (13,994)									$ 26,646								$ 12,652
ThinkFirst Lowcountry											$ 4,700							$ 4,700
Thrive Upstate	$ 55,976			$ 75,225					$ 28,000	$ 106,283					$ 22,594			$ 288,078
Tri-Development Center	$ (41,982)			$ 45,135	$ (40,589)	$ (222,567)			$ 28,000		$ 1,700							$ (230,303)
Union						$ 80,409												$ 80,409
Williamsburg	$ 13,994			$ (15,045)														$ (1,051)
Grand Total	**$ 539,416**	**$ (31,080)**	**$ (99,069)**	**$ 391,170**	**$ (40,589)**	**$ (461,882)**	**$ (51,472)**	**$ 80,409**	**$ 140,000**	**$ 132,929**	**$ 12,500**	**$ 123,662**	**$ 244,492**	**$ (141,959)**	**$ 162,886**	**$ (38,578)**	**$ (53,696)**	**$ 909,139**

Attachment C

2021 Residential Amendments for Review

	Amendment #1	FY 2021	Description
SC Mentor	Residential- QPL	$ 244,492	Residential services for 3 additional individuals*
SC Mentor	SFH	$ (141,959)	Termination of SFH to 3 individuals
SC Mentor	Residential - HM	$ 123,662	Residential services to 1 additional HM individual*
			* Beds open when freeze was lifted
Total Payment-Mentor		***$ 226,195***	

SCDDSN Finance Audit Committee Charter
Proposed Changes (July 2020)

Purpose

To assist the Commission in fulfilling its oversight responsibilities relating to the system of internal control, governance, risk management, the performance of the internal audit function, and the Agency's process for monitoring compliance with laws, regulations, and departmental policies/directives, the DDSN Commission was within its authority to name a Finance and Audit Committee (the Committee). The Committee also provides an open avenue of communication between Internal Audit and the Commission.

Authority

The Finance Audit committee charter gives the Committee the authority to conduct or authorize audits/investigations into any matters within its scope of responsibility.

In discharging its responsibilities, the Committee will have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The Committee will also have unrestricted access to records, data, and reports (manual or electronic). If access to requested documents is denied due to legal or confidentiality reasons, the Committee and/or the Director of Internal Audit will follow a prescribed, Commission approved mechanism for resolution of the matter.

The Committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. This includes the Committee requesting to meet with the Director of Internal Audit to discuss audit matters on a periodic basis without management present. The organization's management and staff should cooperate with all Committee requests.

The Committee may engage independent counsel and/or other advisors it deems necessary to carry out its duties.

Composition

The Committee will consist of at least three Commission members. The Chairman of the Commission will appoint Committee members as well as the Committee Chairman.

Meetings

The Committee will meet, at a minimum, on a quarterly basis, with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. The Committee may invite members of management, auditors, or others to attend meetings and provide pertinent information, as necessary.

Responsibilities

The Committee will carry out the following responsibilities:

Values and Ethics

To obtain reasonable assurance with respect to the Agency's values and ethics practices, the audit committee will:

- Review and assess the policies, procedures and practices established by the governing body to monitor conformance with its code of conduct and ethical policies by all managers and staff of the organizations.

- Provide oversight of the mechanisms established by management to establish and maintain high ethical standards for all of the managers and staff of the organizations.
- Review and provide advice on the systems and practices established by management to monitor compliance with laws, regulations, policies, and standards of ethical conduct and identify and deal with any legal or ethical violations.

Internal Control

- Consider the effectiveness of the agency's internal control system as it relates to DDSN operations as well as the agency's provider network.
- Understand the scope of internal and external auditors' review of internal control and obtain reports on significant findings and recommendations, together with management's responses. This includes DDSN operations and the agency's provider network, as a whole, and its individual service providers.

Governance

To obtain reasonable assurance with respect to the Agency's governance process, the Committee will review and provide advice on the governance process established and maintained within the organization and the procedures in place to ensure they are operating as intended.

Risk Management

To obtain reasonable assurance with respect to the organization's risk management practices, the Committee will:

- Obtain from the Director of Internal Audit an annual report on management's implementation and maintenance of an appropriate enterprise wide risk management process.
- Provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by DDSN executive management and the Commission.
- Provide oversight of the adequacy of the combined assurance being provided.
- Review and provide advice on the risk management processes established and maintained by management and the procedures in place to ensure that they are operating as intended.

Internal Audit

To facilitate organizational independence, the Director of Internal Audit will report to the Committee, on the following:

- Review and discuss with the Director of Internal Audit the Enterprise Risk Management plan, risk assessments, audit activities, and resources to include staffing of the internal audit function, requesting Commission approval for proposed changes as needed.
- Review and assess the adequacy of the Internal Audit Charter, requesting Commission approval for proposed changes on a periodic basis.
- Approve decisions regarding the appointment and removal of the Director of Internal Audit. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Director of Internal Audit.
- Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' the Definition of Internal Auditing, Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing.*

- At least once per year, review the performance of the Director of Internal Audit and concur with the annual compensation and salary adjustment.
- Review the results of internal audit findings with the Commission and share with management.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to the Agency's personnel and for monitoring compliance.

Fraud

To obtain reasonable assurance with respect to the organization's procedures for the prevention and detection of fraud, the Committee will:

- Oversee management's arrangements for the prevention and deterrence of fraud.
- Ensure that appropriate action is taken against known perpetrators for fraud.
- Challenge management and internal and external auditors to ensure that the entity has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.

Reporting Responsibilities

- As requested, report to the Commission about Committee activities, issues, and related recommendations.
- Review any relevant reports issued or received, related to Committee responsibilities.

Other Responsibilities

- Perform other activities related to this charter as requested by the Commission.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter annually, requesting Commission approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all of the responsibilities outlined in this charter have been carried out.
- Self-evaluate the Committee's and individual members' performance on a regular basis.

Gary Lemel
DDSN Commission Chair

Robin Blackwood
Finance/Audit Committee Chair

Reference Number:	275-05-DD
Title of Document:	General Duties of the DDSN Internal Audit Division
Date of Issue:	February 14, 2002
Effective Date:	April 16, 2017
Last Review:	~~February 8, 2018~~XXXX, 2020
Date of Last Revision:	~~February 8, 2018~~XXXX, 2020 (**REVISED**)
Applicability:	DDSN Central Office, DDSN Regional Centers and all providers of DDSN Sponsored Services including: Adult Companion Providers, Case Management Providers, Day Service Providers (i.e., career prep, day activity, community services, support center), Early Intervention Providers, Employment Services Providers, Financial Management Providers, HASCI Rehabilitation Support Providers, ICF/IID Providers, Intake Providers, Residential Habilitation Providers and Respite Providers.

~~INTERNAL AUDITING AND THE ROLE OF INTERNAL AUDIT~~ Purpose and Mission

The South Carolina Department of Disabilities and Special Needs (DDSN's) Internal Auditing (IA) is an independent, objective assurance and consulting activity designed to add value and improve the agency's/Service Providers' ~~an organization's~~ operations. It helps the ~~an~~ organizations accomplish their ~~its~~ objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, governance, and the implementation of best practices.

Standards

IA will govern itself by adherence to the mandatory elements to The Institute of Internal Auditors International ~~DDSN recognizes the importance of internal auditing and bases its approach on the International Standards for the~~ Professional ~~Practice of Internal Auditing and the Professional~~ Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing*, and the Definition of Internal Auditing. ~~as developed and maintained by the Institute of Internal Auditors.~~

Authority~~UTHORITY~~

It is the policy of DDSN to establish and support an Internal Audit Division as an independent appraisal function to examine and evaluate DDSN and provider activities as a service to Executive Management and the DDSN Commission.

The State Director shall appoint the Director of Internal Audit, subject to the approval of the full DDSN Commission. The Director of Internal Audit shall be responsible for the day-to-day administration and operation of the Internal Audit Division, subject to policies, rules and regulations adopted by ~~the State Director and~~ the ~~Finance/Audit Committee of the~~ DDSN Commission.

Subject to the approval of the State Director, the Director of Internal Audit shall prescribe the organizational structure and the personnel necessary to carry out the Internal Audit function.

The Director of Internal Audit reports administratively to the State Director and functionally to the Finance/Audit Committee Chair of the DDSN Commission.

An annual audit plan will be developed by the Director of Internal Audit and submitted for review to the State Director, reviewed and approved ~~with final review~~ by the Finance~~/~~ Audit Committee, with final approval by the DDSN Commission. If adjustments are necessary due to changes in needs or priorities of DDSN, the changes will be coordinated with affected personnel.

In carrying out their responsibilities, members of the Internal Audit Division will have full, free, and unrestricted access to all DDSN and service provider organizations' activities, records (manual and electronic), property, and personnel, and to the Finance/Audit Committee of the Commission, as necessary.

The Director of Internal Audit will have unrestricted access to, and communicate and interact directly with, the Audit Committee, including in private meetings without management present.

To establish, maintain, and assure that DDSN IA has sufficient authority to fulfill its duties, the Audit Committee will:

- Approve the IA Division's internal audit charter;
- Approve the Internal Audit Committee Charter

- Approve the audit plan;
- Approve the internal audit budget and resource plan;
- Receive communications from the Director of Internal Audit on the internal audit division's performance relative to the plan and other matters;
- Approve decisions regarding the appointment and removal of the Director of Internal Audit;
- Approve the remuneration of the Director of Internal Audit; and
- Make appropriate inquiries of management and the Director of Internal Audit to determine whether there is inappropriate scope or resource limitations.

Independence and Objectivity

The DDSN Internal Audit Division is a staff function, and as such, does not have any responsibility or authority over areas that are being audited; therefore, any review or recommendation by Internal Audit will not in any way relieve the supervisor of the assigned responsibilities inherent with his/her position.

The Director of Internal Audit will ensure that the IA Division remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Director of Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to the appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

~~PURPOSE~~ Scope of IA Activities

The primary objective of the Internal Audit Division is to assist members of management in the effective discharge of their responsibilities by reviewing activities/programs and providing analyses, recommendations, and information regarding the activities/programs reviewed. The reviews are conducted to assure DDSN and its provider organizations comply with applicable State/Federal laws, standards, directives, policies, procedures and regulations. As such, the DDSN Internal Audit Division is concerned with all phases of DDSN and its provider organizations' operations. To this end, the Internal Audit Division will:

1) ~~1)~~ Determine the adequacy, efficiency, and effectiveness of systems of internal accounting and operating controls;

2) Determine the accomplishment ~~consistency~~ of ~~with~~ established goals and objectives;

3) Review and determine the reliability and integrity of financial information;

4) Determine the means of safeguarding assets and consumer funds; and

5) Review and determine compliance with ~~plans~~, policies, procedures, laws, and regulations.

6) Should Internal Audit discover a conflict of interest regarding any DDSN staff, the Audit Director will report such conflict to the Finance Audit Committee in Executive Session.

~~AACTIVITI~~ctivities~~ES~~

Specific internal audit responsibilities are as follows:

1. Perform scheduled audits of service provider organizations, DDSN Regional Centers, and DDSN Central Office for the effectiveness of operations and compliance with established standards and policies.

2. Perform special request audits in response to allegations/complaints/concerns of a financial or programmatic nature.

3. Provide consultation, technical assistance, and training to DDSN ~~District~~ Divisions~~Offices~~, DDSN Regional Centers and the service provider organizations.

4. Review, evaluate, and follow up on internal audit findings and recommendations with appropriate management staff.

5. Coordinate internal audit efforts with ~~those of the Office of the State Auditor and other~~ external auditors/reviewers.

6~~5~~6. Report to the DDSN Commission as requested to outline internal audit activities and review completed reports.

Audit Process/Steps~~UDIT PROCESS/STEPS~~

DDSN Internal audits will be conducted in accordance with this policy and with the procedures outlined in the DDSN *Audit Procedures Manual*. Generally, an audit of any activity or facility will consist of the following steps with the exception for a special audit~~s~~ (i.e., cash related, suspected fraud, etc.) which will be conducted on a no-notice or short notice basis.

1. When practical (i.e., time or type of audit), an engagement memo will be issued prior to a scheduled audit. The purpose of the engagement memo is to notify management of the area to be reviewed, describe the audit to be performed, and to request items needed at the onset of the review. If time does not permit, management will be notified by telephone and/or e-mail as soon as possible.

2. Preliminary planning consists of consideration being given to: any prior audit results (if

applicable); internal controls; record keeping employed; documentary evidence required (i.e., required by policy, procedure, law, regulation, etc.); applicable policies and procedures; prior reviews by external and internal parties; and the type of report to be issued.

3. An audit program will be developed based on decisions reached during the preliminary planning. The program will be modified as dictated by discoveries made during the audit.

4. An entrance conference will be conducted between the auditor and management of the work unit(s) to be reviewed to discuss the nature of the audit, the areas to be audited, and the support required.

5. Fieldwork will consist of inquiry of appropriate personnel, observation of applicable activities, and examination of applicable records and documents. Fieldwork will depend on the type of audit being performed as well as the type of activity, operation, or program being reviewed.

6. The auditor will conduct an exit conference with management at the conclusion of the fieldwork to discuss the results of the audit. The exit conference should be a summary of concerns noted during the review that were communicated to auditee management throughout the engagement.

7. Findings will be documented after the completion of the fieldwork. These draft findings will be sent to the appropriate manager for the area being audited with a request that the findings be reviewed and corrective action plans be submitted to DDSN Internal Audit within 30 calendar days, or less, per DDSN Internal Audit's request.

Reporting~~EPORTING~~

A draft report will be issued upon receipt of an acceptable corrective action plan; the draft will then be forwarded to the auditee for a final review for completeness and accuracy with follow-up to Internal Audit staff regarding any corrections/concerns detailed in the draft report.

Upon receiving the auditee's corrective action plan, Internal Audit staff will review actions to ensure satisfactory disposition of the audit findings and recommendations. If a corrective action plan is considered unsatisfactory, DDSN Internal Audit staff will hold further discussions to achieve acceptable disposition. If a mutually acceptable corrective action plan cannot be attained, an auditor's comment may be noted in the final report.

Once the draft report is accepted by both parties, a final report will be issued which incorporates the findings and submitted corrective action plans.

The results of formal audits and/or investigations will be reported to appropriate management based on the entity reviewed. In almost all cases (exceptions being criminal cases where DDSN

Internal Audit staff is assisting law enforcement and is precluded from discussing the review based on the signing of non-disclosure statements), audit reports will be shared with the DDSN State Director, DDSN Commissioners, appropriate DDSN management levels, and in the case of provider organizations, the Executive Director and members of the organizations' governing board. ~~Legislative members representing the area(s) in which a DDSN Provider maintains its operational headquarters shall be notified by DDSN of reportable conditions in Internal Audit Division reports when the conditions relate to the governance of the local provider, primarily in the areas of the Board of Directors, or gross negligence on the part of the executive management. In addition, this same entity will be notified when the local provider is issued an audit report in which no reportable conditions or minimal conditions are noted.~~

~~FINANCIAL SANCTIONS~~ Financial Sanctions

A financial sanction, by way of a contract withhold, is only applicable to repeat findings as they relate to the health, safety and/or welfare of individuals being served.

The sanction will only apply when a follow-up audit is conducted and finds the accepted corrective action from the initial audit was not implemented. The Provider will then be given notice and be allowed 90 days to implement the agreed upon corrective action. If in the subsequent visit (i.e., the third visit), the corrective action plan was not implemented, the Provider will receive a financial sanction in the amount of ~~$500.~~a minimum of $1,000 with a potential increase based on the discretion of the Finance Audit Committee.

An appeals process will be available to any Provider who is assessed a financial sanction. The appeal shall be requested within 30 days of notice of the sanction. The Appeals Committee membership will include: two (2) DDSN staff members; two (2) community provider members from each provider association; and one (1) consumer or family member. Once appointed, the Appeals Committee shall decide among the membership who shall be named as chair. Once appointed, the members shall serve for two (2) years.

~~STATEMENT ON FRAUD~~ Statement on Fraud

Auditors should be alert to situations (i.e., observations, informants) or transactions that could indicate actual or potential fraud or abuse, and consider extending audit steps and procedures, as necessary, to determine the effect of fraud on the audit results. The Audit Director should be made aware as soon as the auditor discovers potential or suspected fraud.

Auditors should exercise due professional care in pursuing indications of suspected fraudulent activity so as to avoid mistaken accusations or alerting suspected individuals and to not interfere with potential investigations or legal proceedings. If an auditor suspects fraud, embezzlement, or other possible criminal conduct, this should be discussed with the Auditor-In-Charge before proceeding further. The Auditor-In-Charge will in turn initiate a conference with the DDSN Audit Director and any other parties deemed appropriate (i.e., DDSN General Counsel). Depending on the extent and severity of the suspected fraud, appropriate reporting to the

responsible entity (i.e., local law enforcement, SLED, etc.) will take place, and fieldwork in the area may be discontinued temporarily.

If the findings from an audit give the auditor reason to believe that fraud may have occurred in the Medicaid program, under the Code of Federal Regulations, 42 CFR §455.15, then the case must be referred to the Medicaid Fraud Control Unit (MFCU) in the South Carolina State Attorney General's Office.

Quality Assurance and Improvement Program

IA will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Audit and the *Standards,* and an evaluation of whether the internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Director of Internal Audit will communicate to senior management and the Commission on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments, and external assessments conducted at least every five years.

~~Susan Kreh Beck, Ed.S., LPES, NCSP~~Barry D. Malphrus
~~Associate State Director-Policy~~Vice Chairman
~~(Originator)~~

~~Patrick J. Maley~~ Gary C. Lemel
~~Interim State Director~~Chairman
~~(Approver)~~

Reference Number:	603-12-DD
Title of Document:	Immunization Procedure for DDSN Regional Centers
Date of Issue:	May 1, 2002
Effective Date:	May 1, 2002
Last Review Date:	~~February 12, 2015~~XXXX, 2020
Date of Last Revision:	~~February 12, 2015~~XXXX, 2020 (**REVISED**)
Applicability:	DDSN Regional Centers

PURPOSE:

To provide procedures for immunizations and screening of persons residing in ~~The~~ South Carolina Department of Disabilities and Special Needs (DDSN) Regional Centers (in accordance with the accepted state and federal standards) for the control and prevention of communicable disease.

~~GENERAL:~~**POLICY:**

Each person must have documentation of having received the appropriate vaccines for their age. If there is reason why a particular ~~immunization~~ vaccine has not been given, a written statement by a licensed ~~***physician***~~ primary care provider is required.

~~ABBREVIATIONS/TERMS:~~

~~DT diphtheria, tetanus vaccine~~
~~DTP diphtheria, tetanus, pertussis vaccine~~
~~DTaP diphtheria, tetanus, acellular pertussis vaccine~~
~~OPV oral polio vaccine~~
~~IPV inactivated polio virus vaccine~~
~~MMR measles, mumps, rubella vaccine~~
~~Td tetanus vaccine with a low concentration of diphtheria vaccine~~

~~Hib haemophilus influenza b conjugate vaccine~~
~~HBV hepatitis B vaccine~~
~~Pneumovax pneumococcal polysaccharide vaccine~~
~~Varivax varicella zoster virus vaccine (chickenpox)~~
~~children persons ≤ 18years old~~
~~adults persons ≥18 years old~~
~~VIS Vaccine Information Statements~~
~~Prevnar pneumococcal vaccine for infants and toddlers~~

PROCEDURE:

I. Vaccination Information

A. Legal Requirements

~~1. As required under the National Childhood Vaccine Injury Act (42 U.S.C.~~ 1. ~~300aa-26), all health care providers in the United States who administer any vaccine containing diphtheria, tetanus, pertussis, measles, mumps, rubella, polio, hepatitis B. Haemophilus influenza type b (Hib), or varicella (chickenpox) vaccine shall, prior to administration of each dose of the vaccine, provide a copy of the most current relevant vaccine information materials that have been produced by the Centers for Disease Control and Prevention (CDC):~~

~~i. To the parent or legal representative of any child to whom the provider intends to administer such vaccine, and~~

~~ii. To the parent or legal representative of any adult to whom the provider intends to administer such vaccine~~

All vaccine providers, public or private, are required by the National Vaccine Childhood Injury Act (NCVIA – 42 U.S.C. § 300aa-26[2 pages]) to give the appropriate Vaccine Information Sheets (VIS) to the patient (or parent or legal representative) prior to every dose of specific vaccines.

The appropriate VIS must be given to the parent or legal representative of any child or adult to whom the provider intends to administer such vaccine prior to the vaccination, and must be given prior to each dose of a multi-dose series. It must be given regardless of the age of the recipient.

2. The most up to date ~~Vaccine Information Sheets (~~VIS~~)~~ are available from the facility Infection ~~Prevention~~ Control Nurse. Copies of the most current VISs can be found at: https://www.cdc.gov/vaccines/hcp/vis/current-vis.html.

3. The materials shall be presented orally if necessary.

~~4. "Legal Representative" is defined as a parent or other individual who is qualified under State Law to consent to the immunization of a minor.~~

B. Record Keeping

1. Health care providers shall make a notation in the person's permanent medical record at the time the VIS is given indicating:

   i) The edition date of the VIS;

   ii) The date these materials are provided to the legal representative~~;~~ ~~and,~~

   iii) To whom the VIS is provided.

2. All health care providers administering these vaccines must record ~~on~~ the name of the person who administers the vaccine, the date of administration, the manufacturer, lot number, and expiration date of the vaccine used in the person's permanent immunization record ~~the name of the nurse who administers the vaccine, the date of administration, the manufacturer, lot number, and expiration date of the vaccine used. (see Attachment A)~~ located in the Electronic Medical Record (EMR).

3. All immunizations given to ~~consumers~~ residents and employees must be entered in the statewide immunization registry - Immunization Information System (IIS).

C. New Admissions

1. A review of the immunization history by healthcare personnel will determine what vaccines are needed. The necessary VIS will be given or mailed to the legal representative of the person to receive the vaccine by ~~the Case Manager/Qualified Intellectual Disability Professional~~ a designated employee at each Regional Center.

2. Documentation that the vaccination information was provided and the date it was provided will be included ~~on~~ in the immunization record in the person's permanent immunization record in the EMR by the healthcare personnel administering the vaccine.

D. Current Persons Residing at DDSN Regional Centers

1. Prior to the annual review, each person's immunization record will be reviewed by the unit healthcare personnel in order to assess for needed vaccinations for that year.

2. At the time of the annual review, if not before, the legal representative will be ~~given~~ provided with the required VIS prior to the anticipated vaccination date by the ~~Case Manager/Qualified Intellectual Disability Professional~~ person designated at each DDSN Regional Center.

3. The provision of ~~that information~~ the VIS and who received it will be ~~duly noted~~ documented in the permanent medical record ~~by the Case Manager/Qualified Intellectual Disability Professional.~~

II. **Adolescent~~Routine Childhood~~ Immunization Schedule**: The recommended child and adolescent immunization schedule for ages 18 years or younger ~~(~~will be sent out as updates occur to each nurse's station by the Infection Control Nurse.~~).~~ Annual updates can be found at: https://www.cdc.gov/vaccines/schedules/downloads/child/0-18yrs-child-combined-schedule.pdf.

III. ~~**Routine**~~ **Adult Immunization Schedule**: The recommended adult immunization schedule for ages 19 or older ~~(~~will be sent out as updates occur to each nurse's station by the Infection Control Nurse.~~).~~ Annual updates can be found at: https://www.cdc.gov/vaccines/schedules/downloads/adult/adult-combined-schedule.pdf.

IV. ~~**Recent Recipients of Immune Globulins**~~**Immunocompromised Persons**

A. Parentally administered live virus vaccines will not be given to persons who are severely immunocompromised, pregnant or to those who have had an allergic reaction to a prior does of the same vaccine. ~~have received immune globulin within the previous three (3) months because the desired immune response may be inhibited.~~

~~B. If an immune globulin must be administered within 14 days after parental administration of a live virus vaccine, the vaccine will be administered again after three (3) months~~.

V. **Administration of Vaccines**

Prior to the administration of any vaccine, the package insert should be reviewed carefully. Certain vaccines have special handling and administration procedures that must be adhered to so~~in order to not compromise~~ the effectiveness of the vaccine is not compromised.~~.~~ ~~See Attachment B for rules of simultaneous administration of vaccines.~~

~~Susan Kreh Beck, Ed.S., LPES, NCSP~~	~~***Beverly A.H. Buscemi, Ph.D.***~~
~~Associate State Director-Operations~~	~~State Director~~
Barry D. Malphrus	Gary C. Lemel
Vice-Chairman	Chairman
~~(Originator)~~	~~(Approved)~~

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

~~Attachment A: ***S.C. Department of Disabilities and Special Needs Immunization Record***~~
Terms and Abbreviations related to Immunizations
~~Attachment B: ***Rules of*** Guidance for Simultaneous Administration of Vaccines~~

Reference Number:	603-12-DD	
Title of Document:	Immunization Procedure for DDSN Regional Centers	
Date of Issue:	May 1, 2002	
Effective Date:	May 1, 2002	
Last Review Date:	October 15, 2020	
Date of Last Revision:	October 15, 2020	(**REVISED**)
Applicability:	DDSN Regional Centers	

PURPOSE:

To provide procedures for immunizations and screening of persons residing in South Carolina Department of Disabilities and Special Needs (DDSN) Regional Centers (in accordance with the accepted state and federal standards) for the control and prevention of communicable disease.

POLICY:

Each person must have documentation of having received the appropriate vaccines for their age. If there is reason why a particular vaccine has not been given, a written statement by a licensed primary care provider is required.

PROCEDURE:

I. Vaccination Information

A. Legal Requirements

1. All vaccine providers, public or private, are required by the National Vaccine Childhood Injury Act (NCVIA – 42 U.S.C. § 300aa-26[2 pages])

to give the appropriate Vaccine Information Sheets (VIS) to the patient (or parent or legal representative) prior to every dose of specific vaccines. The appropriate VIS must be given to the parent or legal representative of any child or adult to whom the provider intends to administer such vaccine prior to the vaccination, and must be given prior to each dose of a multi-dose series. It must be given regardless of the age of the recipient.

2. The most up to date VIS are available from the facility Infection Control Nurse. Copies of the most current VISs can be found at: https://www.cdc.gov/vaccines/hcp/vis/current-vis.html.

3. The materials shall be presented orally if necessary.

B. Record Keeping

1. Health care providers shall make a notation in the person's permanent medical record at the time the VIS is given indicating:

   i) The edition date of the VIS;

   ii) The date these materials are provided to the legal representative;

   iii) To whom the VIS is provided.

2. All health care providers administering these vaccines must record the name of the person who administers the vaccine, the date of administration, the manufacturer, lot number, and expiration date of the vaccine used in the person's permanent immunization record located in the Electronic Medical Record (EMR).

3. All immunizations given to residents and employees must be entered in the statewide immunization registry - Immunization Information System (IIS).

C. New Admissions

1. A review of the immunization history by healthcare personnel will determine what vaccines are needed. The necessary VIS will be given or mailed to the legal representative of the person to receive the vaccine by a designated employee at each Regional Center.

2. Documentation that the vaccination information was provided and the date it was provided will be included in the immunization record in the person's permanent immunization record in the EMR by the healthcare personnel administering the vaccine.

D. Current Persons Residing at DDSN Regional Centers

1. Prior to the annual review, each person's immunization record will be reviewed by the unit healthcare personnel in order to assess for needed vaccinations for that year.

2. At the time of the annual review, if not before, the legal representative will be provided with the required VIS prior to the anticipated vaccination date by the person designated at each DDSN Regional Center.

3. The provision of the VIS and who received it will be documented in the permanent medical record.

II. Adolescent Immunization Schedule: The recommended child and adolescent immunization schedule for ages 18 years or younger will be sent out as updates occur to each nurse's station by the Infection Control Nurse. Annual updates can be found at: https://www.cdc.gov/vaccines/schedules/downloads/child/0-18yrs-child-combined-schedule.pdf.

III. Adult Immunization Schedule: The recommended adult immunization schedule for ages 19 or older will be sent out as updates occur to each nurse's station by the Infection Control Nurse. Annual updates can be found at: https://www.cdc.gov/vaccines/schedules/downloads/adult/adult-combined-schedule.pdf.

IV. Immunocompromised Persons

A. Parentally administered live virus vaccines will not be given to persons who are severely immunocompromised, pregnant or to those who have had an allergic reaction to a prior dose of the same vaccine.

V. Administration of Vaccines

Prior to the administration of any vaccine, the package insert should be reviewed carefully. Certain vaccines have special handling and administration procedures that must be adhered to so the effectiveness of the vaccine is not compromised.

Barry D. Malphrus
Vice-Chairman

Gary C. Lemel
Chairman

PROPOSED TO MARK OBSOLETE

Attachment G

Beverly A. H. Buscemi, Ph.D.
State Director
David A. Goodell
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SOUTH CAROLINA Department OF Disabilities AND Special Needs

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Reference Number:	603-08-DD
Title of Document:	Vaccination Information
Date of Issue:	May 1, 1995
Effective Date:	May 1, 1995
Last Review Date:	July 7, 2015
Date of Last Revision:	July 7, 2015 **(REVISED)**
Applicability:	DDSN Regional Centers

GENERAL:

As required by Public Law 99-660, the Centers for Disease Control and Prevention (CDC) has developed extensive vaccine information materials. In the June 20, 1994 edition of the *Federal Register,* requirements were published for the use and distribution of the vaccination information. "Effective October 1, 1994, each health-care provider who administers any vaccine containing diphtheria, tetanus, pertussis, measles, mumps, rubella or polio vaccine shall, prior to administration of the vaccine, provide a copy of the relevant vaccine information materials, contained in this notice, to any adult to whom such provider intends to administer such vaccine and to the legal representative of any child to whom such provider intends to administer such vaccine."

PROCEDURE:

I. NEW ADMISSION

A. Upon admission, a New Admission Packet will include the required information on vaccines that might be given to complete or update immunizations (diphtheria, tetanus, pertussis, measles, mumps, rubella, polio, vericella, influenza, pneumococcal, meningococcal and hepatitis). This information will be given to

the person being admitted or their legal representative. These vaccine information statements are available at the following Centers for Disease Control and Prevention Website: http://www.cdc.gov/vaccines/hcp/vis.

B. During the admission process, documentation that the vaccination information was provided will be included in the newly-created 20-Tab Record under Section 19 Admissions and Administrative.

II. CURRENT RESIDENTS OF REGIONAL CENTERS

A. Prior to each annual Support Plan meeting, an individual's immunization record will be reviewed in order to assess for needed vaccination for that year.

B. The individual will be administered any necessary vaccine, as recommended by current CDC or medically accepted standards.

C. At the time of the Support Plan meeting, if not before, the individual or legal representative will be given the required vaccination information prior to the anticipated vaccination.

D. The provision of that information and who received it will be duly noted in the Support Plan record.

In case of any emergency, the appropriate vaccination will be given, and written information given to the individual or the legal representative as soon as possible, though preferably prior to the vaccination.

Susan Kreh Beck, Ed.S., NCSP
Associate State Director-Policy

Beverly A.H. Buscemi, Ph.D.
State Director

David Goodell
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SOUTH CAROLINA Department OF Disabilities AND Special Needs

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Reference Number:	603-10-DD	
Title of Document:	Latex Protocol for Regional Centers	
Date of Issue:	November 16, 1998	
Effective Date:	November 16, 1998	
Last Review Date:	February 12, 2015	
Date of Last Revision:	February 12, 2015	**(NO REVISIONS)**
Applicability:	DDSN Regional Centers	

General:

There has been an eight-fold increase in latex-glove usage since 1989 when the Center for Disease Control and Prevention (CDC) issued "Universal Precautions." Occupational Safety and Health Administration (OSHA) then released "Occupational Exposure to Bloodborne Pathogens; Final Rule" on December 6, 1991. The increase in glove use preceded reports of an increase in latex sensitivity/allergy. Nationally, the Americans with Disabilities Act (ADA) require that employers make reasonable accommodation for latex-sensitive employees. The Food and Drug Administration (FDA) issued a requirement in 1997 for all products containing latex to be labeled as such. The National Institute for Occupational Safety and Health (NIOSH) has also issued a NIOSH alert regarding the risk of developing latex sensitivity and becoming allergic to latex. Latex gloves, specifically powdered latex gloves, are the main offender. Any gloves used by employees providing direct care or hands-on services should be comparable to latex in barrier protection. Many products are available that meet these criteria.

Latex-sensitized individuals can develop a wide range of IgE-mediated allergic responses, including immediate contact and systemic urticaria, allergic conjunctivitis, rhinitis, asthma and even anaphylaxis. Although the prevalence of latex allergy in the general public is low; probably less than 1.0%, the risk of becoming sensitized to latex for the health-care workers ranges from 8-17%.

I. Purpose:

The South Carolina Department of Disabilities and Special Needs (DDSN) Regional Centers will plan and implement steps to provide a latex safer living and working environment on the campuses.

II. Policy:

It is the policy of DDSN to recognize and reduce the potential risk of latex sensitivity. The following steps will accomplish this.

A. Identify those with known risk for latex sensitization and/or latex allergy.

B. Educate staff regarding the potential problem and ways to reduce it.

C. Select and implement measures that will help create a latex-safer environment.

III. Definitions:

A. Latex: natural rubber product used to make latex gloves as well as many products used in health care and in the community (i.e., various types of tubing, bandages, balloons, elastic, etc.).

B. Risk factors: populations at particular risk for latex-sensitivity/allergy are as follows:

1. People with spinal bifida
2. Those with congenital urinary anomalies
3. Health-care workers
4. Rubber-industry workers
5. History of latex sensitivity
6. History of sensitivity to banana, avocado, kiwi, chestnuts, pineapple or passion fruit
7. History of multiple medical and/or surgical procedures
8. History of non-medical-related anaphylactic reaction during anesthesia

C. Reactions to latex - the three types of reactions associated with latex gloves are:

1. Irritant Contact Dermatitis (non-allergic, non-life threatening). The most common reaction is dry, itching, burning areas of redness within the boundary of the gloved area. Can be caused by other chemical irritants associated with gloving (e.g., soaps).
2. Allergic Contact Dermatitis (delayed-type hypersensitivity: Type IV, non-life threatening). It results from exposure to chemicals added to latex. The poison ivy-looking rash begins 24 to 48 hours after contact and

spreads outside of the skin area touched by latex. People who are prone to allergies would be more susceptible to this reaction.

3. Urticaria (Latex allergy, immediate type of hypersensitivity: Type I, life threatening. The reaction can occur within minutes of exposure to latex or can be hours later. The affected area may extend beyond glove boundary and become systemic. Symptoms can include hives, swelling, watery eyes, runny nose, difficulty breathing, abdominal cramps, dizziness, low blood pressure, rapid heart rate and anaphylactic shock. People with particular susceptibility are those with spinal bifida, occupational exposure (e.g., health care) and genetic predisposition (prone to allergies).

IV. Procedure:

A. Responsibilities of the DDSN Regional Centers:

1. Employees

a) Provide to staff non-latex gloves and other personal protective equipment that meets standards for barrier protection and reduce exposure to latex.
b) Provide educational programs and training to staff about latex allergies.
c) Administer an oral or written latex-sensitivity screen to employees for risk factors.
d) Refer employees exhibiting latex allergy symptoms (urticaria) for evaluation by a physician.
e) For those evaluated by a physician for latex sensitivity and/or allergy, provide non-latex gloves, personal protective equipment and assess the work environment as recommended. Reasonable accommodations will be made as deemed necessary.
f) Each Regional Center will provide a list of alternative non-latex medical products that can be substituted for products containing latex.

2. Individuals living at DDSN Regional Centers

a) Assess all the individuals living at the Regional Centers for latex sensitivity/allergy risk factors. File the assessment in the individual's health record next to Immunization Record. Referrals will be made for definite diagnosis (see Appendix A).
b) Identify each person's latex-sensitivity/allergy on their Major Problem List and on all consultation forms, Medication Administration Records (MARs) and Physician Orders.

c) For individuals with a definitive diagnosis of latex allergy, further assessment of the living/program areas will be done. Non-latex alternative products will be provided.

David A. Goodell
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(Originator)

Beverly A.H. Buscemi, Ph.D.
State Director
(Approved)

Susan Kreh Beck, Ed.S., NCSP
Associate State Director-Policy
(Originator)

To access the following attachment, please see the agency website page "Attachments to Directives" under this directive number.

Attachment: Assessment for Latex Sensitivity/Allergy Risk Factors

ASSESSMENT FOR LATEX SENSITIVITY/ALLERGY RISK FACTORS

File Number: _____

NAME: _____ DATE: _____

- ☐ Multiple medical or surgical procedures
- ☐ Spina Bifida
- ☐ Congenital urinary anomalics
- ☐ Sensitivity to banana, avocado, kiwi, chestnuts, pineapple or passion fruit
- ☐ Asthma or hayfever
- ☐ Unexplained allergic anaphylatic reaction during a medical procedure
- ☐ Immediate swelling, redness or itching after contact with something made from latex such as gloves, a gastrostomy tube, Band-Aids, a foley catheter or dental supplies

PROPOSED TO MARK OBSOLETE

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Reference Number:	300-06-DD
Title of Document:	Energy Management Systems Operations and Parameters
Date of Issue:	February 12, 1998
Effective Date:	February 12, 1998
Last Review Date:	March 14, 2016
Date of Last Revision:	March 14, 2016 **(NO REVISIONS)**
Applicability:	DDSN Facilities

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1. Purpose:

Energy management systems installed in DDSN Regional Residential Centers or individual buildings are intended to regulate heating/cooling requirements in buildings to provide optimum indoor comfort levels while achieving cost savings through management of energy demands. Energy management systems have been installed at the four DDSN Regional Centers and have the capability to control individual HVAC equipment as well as other energy management techniques for conservation of energy. The intent of this policy is to set parameters for controlling building heating and cooling within approved and acceptable limits. It is the intent of this policy to prescribe energy management measures in nonresidential buildings. Residential buildings should maintain optimum temperatures 24 hours per day. Residential buildings shall be monitored only and have optimum temperature set limits controlled by the energy management system. Individual buildings may require adjustments based on the needs of the individuals living there. To achieve the goals of energy management while maintaining an indoor environment at acceptable comfort levels, the operations guidelines contained in this directive are to be enacted.

2. Definitions:

Acceptable Temperature Limits:

The ranges of indoor temperatures for heating and cooling seasons which are considered acceptable for habitation in the workplace. For the heating season the acceptable temperature limits are 66 degrees Fahrenheit to 70 degrees Fahrenheit. For the cooling season the acceptable temperature limits are 74 degrees Fahrenheit to 78 degrees Fahrenheit.

Non-Residential:

Any building not used for living, eating and sleeping. Buildings used for programs, education, recreation, office, and other support activities are considered non-residential.

Optimal Start:

The time at which the energy management system switches from night set-back to normal operational mode in order to heat or cool the building to the set temperature at the beginning time of normal business hours. The energy management system uses the outdoor temperature to compute the "optimal" start time.

Residential:

A building is considered residential when it is used primarily for living, eating and sleeping. For the purposes of energy management, an infirmary, or hospital is considered residential.

3. Procedure:

A. Setback Temperature Limits:

All non-residential buildings shall have temperature limits modified during nighttime, weekend, and holiday hours of non-use. Setback temperature limits shall be 55 degrees Fahrenheit (60 degrees Fahrenheit for heat pump systems) during the heating season and 85 degrees Fahrenheit during the cooling season. Portions of non-residential buildings used 24 hours per day may be exempted from the setback requirement.

B. Daytime Temperature Limits:

All non-residential buildings shall maintain indoor temperatures between 66 degrees Fahrenheit and 70 degrees Fahrenheit for heating season and between 74 degrees Fahrenheit and 78 degrees Fahrenheit for cooling season.

C. Optimal Start:

The energy management system shall utilize the "optimal" start time sequences established using outdoor temperature reading. The energy management system, for non-

residential buildings, shall be programmed so that the "optimal" start for heating or cooling will bring the indoor temperature to the set limit at the beginning time of normal business hours.

D. The un-authorized use of portable electric heaters is prohibited. Use of electric supplemental heaters shall be approved only as outlined in Article 4.C.

4. Exceptions:

A. Residential Buildings:

The energy management system is to be utilized to "monitor" indoor temperature in all residential and health care buildings, and to control temperature set points at appropriate limits. The use of the energy management system in these buildings will limit temperature extremes caused by inappropriate use of building thermostats.

B. Inappropriately Placed Sensors:

In some buildings, sensors may be so located as to not accurately represent the ambient temperature of the area served by HVAC equipment. Air temperature should be checked in several locations throughout the service area to determine the "actual" ambient temperature. Set points for these specific sensor locations may be adjusted above or below the "acceptable" limits of this policy. This should be done on a case-by-case basis for a specific problem. Should large differences be encountered, consideration should be given to relocating the sensors to a more representative location. Temperature settings for non-residential buildings that are outside of the acceptable temperature limits shall be documented as to the reason for the variation, and shall be approved by the Director of Physical Plant.

C. Chronic Temperature Differences:

Buildings or portions of buildings with substantial variance from acceptable temperature limits shall be investigated for possible blockage of air flow or other problems with the HVAC system. The Division of Engineering and Planning is available to assist with troubleshooting equipment and design problems. Auxiliary equipment such as fans and electric heaters may be used as a temporary measure in areas of chronic temperature differences, but use of such equipment must be reviewed by the Director of Physical Plant and approved on a case-by-case basis. Use of such equipment should be for a limited period of time until a permanent correction of the HVAC system is completed.

Tom Waring
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(Originator)

Beverly A.H. Buscemi, Ph.D.
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Associate State Director
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W. Chris Clark
Chief Financial Officer

SOUTH CAROLINA
Department
OF
Disabilities
AND
Special Needs

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David L. Thomas

September 15, 2020

South Carolina Office of the State Auditors
George L Kennedy, III, CPA
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Dear Mr. Kennedy:

Please find enclosed the South Carolina Department of Disabilities and Special Needs responses for the results from the FY2019 performance of agreed-upon procedures. Listed below are current commission members and their mailing and email addresses:

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Sincerely,

Mary Poole
State Director

Enclosure
/s

South Carolina Office of the State Auditor
Agreed-Upon Procedures – South Carolina Department of Disabilities and Special Needs (J16)

Cash Receipts/Revenues

1. Compare current year revenues at the fund and account level from sources other than State General Fund appropriations to those of the prior year. Obtain from management an understanding of variations over $30,000 - General Funds, $1,900,000 – Earmarked Funds, $10,000 - Restricted Funds, $10,000 - Federal Funds and 10%.

2. Randomly select fifteen cash receipts transactions and inspect supporting documentation to:

    - Ensure supporting documentation for transaction agrees with the general ledger as to amount, date, payor, document number, and account classification.
    - Determine that revenues/receipts were deposited in a timely manner, in accordance with Proviso 117.1 of the fiscal year 2019 Appropriation Act.
    - Ensure that both revenue collections and amounts charged are properly authorized by law.
    - Determine that receipts are recorded in the proper fiscal year.

    We found no exceptions as a result of the procedures.

Cash Disbursements/Non-Payroll Expenditures

3. Compare current year non-payroll expenditures at the fund and account level to those of the prior year. Obtain from management an understanding of variations over $1,200,000 - General Funds, $1,900,000 – Earmarked Funds, $10,000 - Restricted Funds, $15,000 – Federal Funds and 10%.

4. Randomly select fifteen non-payroll disbursements and inspect supporting documentation to determine:

    - The transaction is properly completed as required by Department procedures; invoice(s) agree(s) with general ledger as to vendor, amount, number, and date.
    - All supporting documents and approvals required by Department procedures are present and agree with the invoice.
    - The transaction is a bona fide expenditure of the Department.
    - The transaction is properly classified in the general ledger.
    - Disbursement complied with applicable State laws, rules, and regulations including the State Consolidated Procurement Code, state travel regulations etc.
    - Disbursements are recorded in the proper fiscal year.
    - Clerical accuracy/confirm proper sales/use tax.

    We found no exceptions as a result of the procedures.

Payroll

5. Compare current year payroll expenditures at the fund and account level to those of the prior year. Obtain from management an understanding of variations over $1,200,000 - General Funds, $1,900,000 – Earmarked Funds, $10,000 - Restricted Funds and 10%.

6. Compute the percentage distribution of fringe benefit expenditures by fund source and compare to the actual distribution of recorded personal service expenditures by fund source. Obtain an explanation of variations greater than 10%.

Payroll (Continued)

7. Compare the percentage change in personal service expenditures between the current year and prior year to the percentage change in employer contributions expenditures between the current year and prior year. Obtain an explanation of variations greater than 10%.

8. Haphazardly select five employees who terminated employment during the fiscal year to determine if they were removed from the payroll in accordance with the Department's policies and procedures, that the employee's last pay check was properly calculated and that the employee's leave payout was properly calculated in accordance with applicable State law.

9. Haphazardly select five employees hired during the fiscal year to determine if they were added to the payroll in accordance with the Department's policies and procedures and that their first pay check was properly calculated in accordance with applicable State law.

   We found no exceptions as a result of the procedures.

Journal Entries and Transfers

10. Haphazardly select nine journal entries and six transfers for the fiscal year to:

    - Trace postings to the general ledger, confirming amounts agree with supporting documentation.
    - Confirm transaction is properly approved.
    - Inspect supporting documentation to confirm the purpose of the transaction.

    We found no exceptions as a result of the procedures.

Reporting Packages

11. Obtain copies of fiscal year end reporting packages submitted to the Office of the State Comptroller General. (CG). Inspect the Master Reporting Package Checklist to determine the appropriate reporting packages were submitted by the due date established by the CG's Reporting Policies and Procedures Manual.

12. In addition to the procedure above, perform the following:

    - Cash and Investments Reporting Package

      Determine if responses are reasonable/accurate based on inspection of the South Carolina Enterprise Information System (SCEIS) general ledger, the SCEIS Yearend Reporting - Cash and Investments report and/or Department prepared records. In addition, determine if amounts agree to State Treasurer's Office Composite Bank Account reports and year end reconciliations.

    - Operating Leases Reporting Package

      Confirm that the Department submitted copies of leases to the CG in accordance with the CG's Reporting Package Instructions. Additionally, agree applicable effective lease dates and future minimum payments on the Future Minimum Payment Schedule to the prior year Schedule. Inspect any changes to determine if the effective lease dates and future minimum payments were properly calculated and reported on the Future Minimum Payment Schedule.

Reporting Packages (Continued)

- Subsequent Events Questionnaire

  Determine if responses are reasonable/accurate and any required supplemental information was properly prepared and submitted based on inspection of the SCEIS general ledger and/or Department prepared records. In addition, haphazardly select five payables from the Subsequent Events Accounts Payable Worksheet and determine if the amounts were properly classified, calculated and reported and excluded from the original Accounts Payable Reporting Package submission.

Findings

Cash and Investments Reporting Package - Not all of the required information was submitted with the reporting package for one bank account not reflected in SCEIS and reported on the Deposits with Banks Reporting Form. The Department omitted the bank statement and the reason for the account not being recorded in SCEIS.

Operating Leases Reporting Package - Similar to the finding reported in the prior year engagement, we were unable to confirm part of the $2,200 in future minimum lease payments which were reported. We were also unable to confirm that all leases were submitted to the CG.

Subsequent Events Questionnaire - Similar to the finding reported in the prior year engagement, amounts of approximately $7,700 were reported incorrectly as fiscal year 2019 payables.

Management's Response

The agency concurs with the finding under Reporting Packages that not all the required account information was submitted, operating leases did not contain enough information to confirm future minimum payments and the agency incorrectly reported an amount as prior year payable

Cash and Investments Reporting Package – The one bank account in question had a zero balance. In the future, DDSN will provide all required account composite information including those statements with a zero balance. In previous years, the agency did not submit account composite information with zero balances.

Operating Leases Reporting Package - The agency is currently working with state-wide agency staff to obtain copies of all lease agreements. Obtaining these copies has proven difficult on all levels. The agency's Finance and Information Technology are working to compile a master list lease agreement to ensure all lease information is captured and reported as required. This information will be provided to the Comptroller General's office in the current year Subsequent Event Closing Package for FY2020.

Subsequent Events Questionnaire -The agency incorrectly reported approximately $ 7,700 as a prior year payable in the Subsequent Event package. Beginning with FY2020 closing packages, Finance will print and view each disbursement being included in both closing packages, Prior Year Payable and Subsequent Event. These additional steps should identify disbursement entries incorrectly labeled or coded as "Prior Year Payables" in the system.

Composite Reservoir Accounts

13. Obtain a listing of Department composite reservoir accounts and confirm with management that the listing is complete.

14. Obtain fiscal year monthly reconciliations for select Department composite reservoir accounts and for five haphazardly selected reconciliations, perform the following procedures:

Composite Reservoir Accounts (Continued)

- Determine that selected reconciliations were timely performed, reviewed, and properly documented in accordance with State regulations, and are mathematically correct.
- Agree applicable amounts from reconciliations to the general ledger.
- Agree applicable amounts from reconciliations to the State Treasurer's Office monthly reports.
- Determine if reconciling differences were adequately explained and properly resolved.
- Determine if necessary adjusting entries were made in the accounting records.

Finding

Similar to the finding reported in the prior year engagement, two of the five reconciliations selected were not prepared in a timely manner in accordance with the Department's procedures.

Management's Response

Composite Reservoir Accounts - The agency concurs with the finding under Composite Reservoir Accounts that reconciliations were not prepared in a timely manner in accordance with the Department's procedures. The agency did not have adequate staffing to provide segregation of duties when there was an extended absence. As a result, the reconciliations were delayed in order to maintain segregation of duties. Since this time, DDSN has hired a regional finance manager that will provide backup to all regions to prevent this from happening in the future.

Assets and Personal Property

15. Haphazardly select five capital asset acquisitions and inspect supporting documentation, the SCEIS general ledger and the SCEIS Asset History Sheet to determine that each asset was properly capitalized and posted to the general ledger as to amount and account and assigned the proper useful life in accordance with the CG's Reporting Policies and Procedures Manual.

16. Haphazardly select five capital asset retirements and inspect supporting documentation, and the SCEIS Asset History Sheet, to determine that each asset was approved for removal, and that the asset was properly removed from the Department's books/general ledger in accordance with the CG's Reporting Policies and Procedures Manual.

17. Confirm that an inventory of Department property, excluding expendables, was completed during the fiscal year as required by South Carolina Code of Law 10-1-140.

    We found no exceptions as a result of the procedures.

Appropriation Act / Department-Specific Provisos

18. Confirm that the Department submitted to the State Human Affairs Commission employment and filled vacancy data by race and sex by October thirty-first of the fiscal year in accordance with Proviso 117.13 of the Appropriation Act.

19. Confirm compliance with the Bank Account Transparency and Accountability proviso of the Appropriation Act.

20. Confirm compliance with fiscal year 2019 Department-specific state provisos 36.9, 36.10, 36.13, and 36.15 by inquiring with management and observing supporting documentation, where applicable.

Appropriation Act / Department-Specific Provisos (Continued)

We found no exceptions as a result of the procedures.

Status of Prior Findings

21. Through inquiry and inspection, determine if the Department has taken appropriate corrective action on the findings reported during the engagement for the prior fiscal year.

We determined the Department has taken adequate corrective action on the prior year findings except where identified in the Composite Reservoir Accounts and Reporting Packages findings above.

Number	Task Name	Bucket Name	Progress	Priority	Assigned To	Due Date	Description	Checklist Items
1	Assess impact of unusual invoice services	General To do	Completed	Medium	Manos, Lori;Orner, Ben		What is the impact? In the current plans there are 65 needs that are board billed Assistive Tech. 43 of those are one-time or yearly.	
2	Analysis - provider level impact - FY 2019	Analysis	Completed	Important	Clark, Chris;Orner, Ben			
3	Add DDSN as financial manager in Therap for Authorizations	Env Mod Invoices	Completed	Medium	Lloyd, Donna;Orner, Ben		Therap can add this at any time.	
4	Analysis - statewide impact of flip	Analysis	Completed	Important	Clark, Chris;Orner, Ben			
5	Guidance for Case Managers	Env Mod Invoices	Completed	Medium	Manos, Lori;Orner, Ben;Ritter, Melissa			
6	Date of implementation?	Env Mod Invoices	Completed	Medium	Orner, Ben		July 1 or Oct 1?	
7	Establish Method/Process for processing invoices for Modification/Assistive Tech	Env Mod Invoices	Completed	Medium	Lloyd, Donna;Clark, Chris;Wilson, Debra			
8	Modifications billed direct to DDSN?	Env Mod Invoices	Completed	Medium	Lloyd, Donna;Clark, Chris;Wilson, Debra			
9	Parking Lot - Respite to Direct bill instead?	General To do	Completed	Medium	Lloyd, Donna;Clark, Chris;Wilson, Debra		Do we want to require boards to go to direct billed respite for the simplification of payment?	
10	Explore HASCI as part of new invoices	IT	Completed	Medium	Lloyd, Donna;Ritter, Melissa		Complete	
11	Analyze Medicare part B/D Premium for liability purposes	Medicare B/D	Completed	Medium	Lloyd, Donna;Orner, Ben		Believe this is complete	
12	Identify Overenrollments	Overenrollments	Completed	Medium	Wilson, Debra			
13	Determine if we will still fund overenrollments	Overenrollments	Completed	Medium	Clark, Chris		Chris reports we will grandfather overenrollments that currently exist in system	
14	Waiver Amendment for Employment Services Group (HASCI) App K	Pass Through Rates	Completed	Medium	Manos, Lori;Beck, Susan K.;Clark, Chris;Ritter, Melissa			
15	Establish Provider Meeting Series for Input	General To do	In progress	Important	Clark, Chris	10/02/2020	Setup Series of Meetings with Providers to Gather Ideas and Input	
16	Create repository for Case Managers to send invoices	Internal Fiscal Considerations	In progress	Medium	Manos, Lori;Lloyd, Donna;Orner, Ben;Wilson, Debra	10/30/2020		
17	Analyze affect on R2D2 reports	IT	In progress	Important	Lloyd, Donna;Clark, Chris;Wilson, Debra	10/30/2020	Ask Providers what reports they are using so we can identify those that we need to ensure will still function	
18	Update waiver credit report to report only residential consumers	IT	In progress	Important	Lloyd, Donna;Bradley, Maxine	10/30/2020	To split out between at home and residential. We will only recoup those that are not at home consumers In IT requirement that need to be reviewed by business team.	
19	Create new invoices	IT	In progress	Important	Lloyd, Donna;Bradley, Maxine;Wilson, Debra	10/30/2020	Day Programs to pay for day attendance and supported employment services In IT requirement that need to be reviewed by business team.	
20	Edit Medicare Part D report/pull back to remove B&I individuals	IT	In progress	Important	Lloyd, Donna;Orner, Ben	10/30/2020	split between residential and at home - this needs to be done as a process that needs to be created for future use when bands are flipped. In IT requirement that need to be reviewed by business team.	
21	W-9 for Providers - Process	Env Mod Invoices	In progress	Medium	Orner, Ben;Wilson, Debra;Mitchell, Carol	11/06/2020	State vendor number. Can't wait until the Case Manager sends in the invoice before we get the W-9 (at time provider added to Therap?)	

Number	Task Name	Bucket Name	Progress	Priority	Assigned To	Due Date	Description	Checklist Items
22	Adjust Contract Language	Internal Fiscal Considerations	In progress	Important	Clark, Chris;Leopard, Debra	11/06/2020		Share comments from Ralph and Susan;Remove at home adult day program 80% attendance requirement;Share word document with Janet Priest;Get provider comments and input on their suggested changes
23	Answer question of whether we will pay pass-through rates?	Pass Through Rates	In progress	Important	Manos, Lori;Beck, Susan K.;Orner, Ben;Ritter, Melissa;Wilson, Debra	11/06/2020	Three waivers - three rates Rate being paid higher than rate of reimbursement CS-87.8 ID 65.93 HASCI 20.30 PAY 70.59 (Hourly Employment)	
24	Position for Adjusted Payment Schedules for 12/16/20 Payment	Internal Fiscal Considerations	In progress	Urgent	Clark, Chris;Wilson, Debra;Leopard, Debra	11/13/2020		Split IDRD Waiver Credit reports into Residential and At-Home and adjust recoupment;Split Medicare Part D into Residential and At- Home and adjust recoupment;Eliminate recoupment of respite ;Adjust contract amounts for revised rates;Eliminate recoupment of in-home supports;Eliminate recoupment of CS Waiver direct billed credit reports
25	Need Medicare part D split by provider for FY 2019 and FY 20 Jul to Feb by Provider	IT	In progress	Important	Lloyd, Donna;Clark, Chris;Orner, Ben;Bradley, Maxine	11/13/2020		Split between Band B and I (at home) consumers vs all others (residential)
26	Revise Finance Manual and Forms	Internal Fiscal Considerations	In progress	Medium	Manos, Lori;Wilson, Debra;Mitchell, Carol	11/27/2020		
27	Get with DHHS, get same rate for all waivers	Pass Through Rates	In progress	Low	Manos, Lori;Maley, Pat;Clark, Chris	03/31/2021		summarize the different services and rates for each waiver ;Rates of concern are - Employment services individual for CS and IDRD; HASCI rates
28	Need to Difficulty of Care Rate - Adult Day Program	Pass Through Rates	In progress	Low	Manos, Lori;Beck, Susan K.;Clark, Chris;Ritter, Melissa;Britt, Rufus	03/31/2021	Appendix K? Provider Group for day program cost data.	
29	Notify Providers of expected change in day attendance requirements	Percentage of Attendance	Not started	Medium	Clark, Chris	09/18/2020		
30	Add Case Management agency/Case Managers to PreAuth	Env Mod Invoices	Not started	Medium	Lloyd, Donna;Orner, Ben	10/23/2020		
31	Add Community Supports Waiver to Blanket open Purchase Order	Env Mod Invoices	Not started	Medium	Wilson, Debra;Mitchell, Carol	11/06/2020	current Purchase Orders are for HASCI and/or IDRD	
32	Are there any changes to standards or directives needed?	General To do	Not started	Important	Manos, Lori;Beck, Susan K.;Orner, Ben;Ritter, Melissa	11/06/2020		
33	Consider impact on Cost Reports, Audit Reports, and Agreed Upon Procedures Requirements	General To do	Not started	Medium	Yacobi, Kevin;Clark, Chris	11/06/2020		
34	Create a procedure for providers to request Difficulty of Care rate for Day Programs	Outliers	Not started	Important	Clark, Chris;Wilson, Debra	11/06/2020	we need to develop process to identify and approve Difficulty of Care rate	
35	Determine assessment of high needs for Difficult of Care rate?	Pass Through Rates	Not started	Important	Manos, Lori;Beck, Susan K.;Clark, Chris;Orner, Ben;Britt, Rufus	11/06/2020		
36	How will we juice the rates for other service lines to stabalize network	Analysis	Not started	Important	Clark, Chris	11/13/2020		Develop alternatives that are available to us for rate structures;Consider addressing ICF bed fees and care and maintenance reductions;Look at Residential bed vacancy funding;Consider ECTH 1 vs. CTH 1
37	Provider Level Analysis - Look at 2020 numbers	Analysis	Not started	Urgent	Clark, Chris;Orner, Ben	11/13/2020	Need Ben's help to run figures by provider for 2020	
38	Consider changes needed to outlier funding directive	Internal Fiscal Considerations	Not started	Medium	Clark, Chris	11/13/2020		Directive outlining funding for at home consumers needs to be revised

Number	Task Name	Bucket Name	Progress	Priority	Assigned To	Due Date	Description	Checklist Items
39	Establish Process for Providers to Bill DDSN Direct	Internal Fiscal Considerations	Not started	Medium	Clark, Chris;Wilson, Debra	11/13/2020		Consider what vendors will bill DDSN direct in addition to for Mod services;Communicate need to get W-9 so vendors can be setup;Establish process to share with vendors/providers
40	Consider ability to pay providers more frequently than once per month	Internal Fiscal Considerations	Not started	Medium	Wilson, Debra	11/13/2020		Can we get billing documents out of our systems more frequently than once per month?;Should we do a prepayment for a period of time, then reverse it later in the year?
41	Determine how to fund over-enrolled individuals	Overenrollments	Not started	Medium	Manos, Lori;Clark, Chris;Orner, Ben	11/13/2020	Should probably only be funded day program based on attendance only One's getting it now will get state funds to continue at same level (day services only) determine if they have medicaid and can be put in State Funded Community Supports/CS Waiver	Need to find way to track them.
42	Round table with Providers for training topics	Training	Not started	Medium	Clark, Chris	11/13/2020	Survey providers?	
43	Create process/communicate - day program providers to bill DDSN directly (except for residential)	Training	Not started	Medium	Clark, Chris;Wilson, Debra;Mitchell, Carol	11/13/2020		
44	Consider safety net/loan program to assist with transition	Analysis	Not started	Medium	Maley, Pat;Clark, Chris	11/20/2020		If a loan program, then what will agreement/arrangement look like?;Are there any approvals we need from the State level to loan funds?
45	Establish Method/Process for verifying billed is authorized/approved by DDSN	Internal Fiscal Considerations	Not started	Medium	Manos, Lori;Orner, Ben;Wilson, Debra	11/20/2020	automate the reporting of authorization in existence to support amount being billed	
46	Establish process for third party day program providers to bill DDSN Direct	Internal Fiscal Considerations	Not started	Medium	Wilson, Debra	11/20/2020		
47	Establish procedures for providers to bill DDSN for Board Billed services	Internal Fiscal Considerations	Not started	Medium	Wilson, Debra	11/20/2020		Will they need to sign off on DSAL and logs to be paid? Can we find a better way to get approvals?;Will providers use HASCI type process to bill DDSN for respite and similar services they will be pay
48	Consider how we want to handle Fiscal Agent in-home support for December	Internal Fiscal Considerations	Not started	Important	Wilson, Debra	11/20/2020	Payroll period will not cutoff cleanly on December 31. How do we want to handle with Providers?	
49	Establish cutoff rules related to board billed Waiver costs	Internal Fiscal Considerations	Not started	Medium	Wilson, Debra	11/20/2020	What happens when a provider pays a bill in January for a service ordered, delivered, authorized, etc before December 31?	
50	How does CS Waiver cap figure into enhanced rate?	Outliers	Not started	Medium	Manos, Lori;Beck, Susan K.;Orner, Ben;Wilson, Debra	11/20/2020	need to communicate with HHS on CS Waiver cap being exceeded due to Difficulty of Care rate and similar rate issues; also, need to develop internal processes to monitor the cap	
51	Compute phase out of Band B Outliers	Outliers	Not started	Medium	Clark, Chris;Wilson, Debra	11/20/2020		Consider impact of timing of funding and underlying costs to providers;Cost settlement process needed to true up band B outliers through Dec 2020
52	Conduct study on Day Attendance percentages and establish new expectation	Percentage of Attendance	Not started	Medium	Clark, Chris	11/20/2020	Establish day attendance requirements for other bands attending the day program	Run reports to see what residential attendance historically runs;Establish agreed upon residential attendance requirements in contracts;Discuss possible percentage requirements with Pat and Mary
53	Reminder communication for ISR Handling/Blank ISR if needed	Training	Not started	Medium	Wilson, Debra;Mitchell, Carol	11/20/2020		
54	Inform Case Managers of need to send Board Billed services to DDSN?	Training	Not started	Medium	Manos, Lori;Orner, Ben	11/20/2020		

Number	Task Name	Bucket Name	Progress	Priority	Assigned To	Due Date	Description	Checklist Items
55	Consider how we want to handle Fiscal Agent Respite payroll for December	Internal Fiscal Considerations	Not started	Important	Wilson, Debra	11/27/2020	Need to consider payroll periods will not cleanly cut-off at 12/31. How will we settle this with providers?	
56	Rerun list of Overenrollments	Overenrollments	Not started	Medium	Bradley, Maxine;Wilson, Debra	11/27/2020	Need to coordinate timing with Carol	
57	Consider timing of Mods for Band I take back	Internal Fiscal Considerations	Not started	Medium	Clark, Chris;Wilson, Debra	11/30/2020	Concern related to Mods incurred first part of year but not fully funded at time of flip - example - mod of $12,000 incurred by provider, we take funds from them or they have paid bill direct, then we take back 75% of the band. This will leave them upside down on these bands if we do not consider this issue	
58	HOLD - Give slot/begin enrollment	Overenrollments	Not started	Medium	Manos, Lori;Orner, Ben	12/11/2020		
59	Need to Address HHS Residential Rates	Pass Through Rates	Not started	Low	Maley, Pat;Clark, Chris	03/31/2021	Residential rates need to be established based on acuity level	

Report for a Self-Quality Assessment

SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

SELF QUALITY ASSESSMENT OF SCDDSN INTERNAL AUDIT ACTIVITY

Fiscal Year 2016 and 2017

CONTENTS

SELF-QUALITY ASSESSMENT EVALUATION SUMMARY

EXECUTIVE SUMMARY

As requested by the chief audit executive (CAE), South Carolina Disabilities and Special Needs (SCDDSN) Internal Audit conducted a self-quality assessment of the internal

audit activity of the SCDDSN. The principal objectives of the self-quality assessment were to assess the internal audit activity's conformance to The Institute of Internal Auditors' (IIA's) *International Standards for the Professional Practice of Internal Auditing* (*Standards*), evaluate the internal audit activity's effectiveness in carrying out its mission (as set forth in its charter and expressed in the expectations of SCDDSN's management), and identify opportunities to enhance its management and work processes, as well as its value to SCDDSN.

OPINION AS TO CONFORMANCE WITH THE *STANDARDS*

It is our overall opinion that the internal audit activity generally conforms to the *Standards* and Code of Ethics. For a detailed list of conformance with individual *Standards*, please see attachment A. The self-assessment identified opportunities for further improvement, details of which are provided in this report.

The IIA's *Quality Assessment Manual* suggests a scale of three ratings, "Generally Conforms," "Partially Conforms," and "Does Not Conform." "Generally Conforms" means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the *Standards*. "Partially Conforms" means deficiencies in practice are noted that are judged to deviate from the *Standards*, but these deficiencies did not preclude the internal audit activity from performing its responsibilities in an acceptable manner. "Does Not Conform" means deficiencies in practice are judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities.

SCOPE AND METHODOLOGY

As part of the preparation for the self-quality assessment, the internal audit activity prepared an advanced preparation document with detailed information and sent out surveys to its staff and a representative sample of SCDDSN executives. A summary of the survey results (without identifying the individual survey respondents) has been furnished to the internal audit activity. Before commencement of the onsite work by the self-quality assessment team conducted a preliminary survey to gather additional background information, select executives for surveys during the fieldwork, and finalize

planning and administrative arrangements for the self-quality assessment. The internal audit activity's risk assessment and audit planning processes, audit tools and methodologies, engagement and staff management processes, and a representative sample of the internal audit activity's workpapers and reports were also reviewed.

RECOMMENDATIONS AND OBSERVATIONS: SUMMARY

The internal audit activity environment where we performed our review is well structured and progressive where the *Standards* are understood, and management is endeavoring to provide useful audit tools and implement appropriate practices. Consequently, our comments and recommendations are intended to build on this foundation already in place in the internal audit activity.

Recommendations and observations are divided into four groups:

- Recommendations that concern SCDDSN as a whole and suggest actions by senior management. Some of these are matters outside the scope of the self-quality assessment, as set out above, which came to our attention through the surveys. These are included because they will be useful to SCDDSN management and because they impact the effectiveness of the internal audit activity and the value it can add.

- Recommendations that relate to the internal audit activity's structure, staffing, deployment of resources, and similar matters that should be implemented within the internal audit activity, with support from senior management.

- Observations that recognize best practices employed by the internal audit activity leading to a level of performance beyond generally conforming to the mandatory guidance of The IIA's International Professional Practices Framework (IPPF).

- Observations of process improvement opportunities for the internal audit activity to consider in its continuous improvement efforts. These do not

indicate a lack of conformance to mandatory guidance of the IPPF. They are offered as suggestions for the continued growth of the internal audit activity's successful internal audit practice.

Highlights of the more significant recommendations and observations are summarized below, with detailed descriptions following later in the report.

PART I—RECOMMENDATIONS FOR CONSIDERATION BY SCDDSN MANAGEMENT

There were no recommendations for consideration by SCDDSN Management.

PART II—RECOMMENDATIONS FOR THE INTERNAL AUDIT ACTIVITY

1. Ensure periodic internal assessments are conducted as part of the internal audit activity's Quality Assurance and Improvement Program (QAIP). Also, consider documenting in the internal audit policies and procedures the requirements for performing external assessments at least once every five years and reporting the results of the QAIP, including both internal and external assessments, to senior management and the board by documenting and implementing a process that ensures all significant findings are addressed timely (Standard 1312).

PART III—OBSERVATIONS OF BEST PRACTICES

SCDDSN Internal Audit does implement best practices.

PART IV—OBSERVATIONS OF PROCESS IMPROVEMENT OPPORTUNITIES

Increase use of computer-assisted audit techniques (CAATs) for continuous auditing.

Shondala Hall CGAP
Self-Assesor

RECOMMENDATIONS AND OBSERVATIONS: DETAILS

PART I—RECOMMENDATIONS FOR CONSIDERATION OF SCDDSN MANAGEMENT

There were no recommendations for consideration by SCDDSN Management.

PART II—RECOMMENDATIONS FOR THE INTERNAL AUDIT ACTIVITY

1. Establish Procedures to Perform Periodic Internal Assessments

Standard 1312 : Although the internal audit policies and procedures address performing external assessments at least once every five years (Standard 1312) and reporting of the results of internal and external assessments to senior management and the board (Standard 1320), due to unseen circumstances the Internal Audit Department did not receive an external assessment timely.

Recommendation

Ensure periodic internal assessments are conducted as part of the internal audit activity's QAIP. These assessments should address conformance with Attribute and Performance Standards, the Definition of Internal Auditing, and the Code of Ethics. Also, consider documenting in the Internal Audit Policies and Procedures Manual the requirements for performing external assessments at least once every five years as required by Standard 1312 and reporting the results of the QAIP, including both internal and external assessments, to senior management and the board.

Internal Audit Response

Agreed. Internal audit will ensure periodic internal assessments are conducted and adequately documented. Internal audit policies does reflect the requirements for external assessments and reporting the results of the QAIP, both internal and external assessments to senior management and the board. Due to unseen circumstances, IA was on target to receive an external assessments from an agency(s) and due to conflict of interests of the team that was to perform the review, we declined the group and decided instead to perform a self-assessment.

PART III—OBSERVATIONS OF BEST PRACTICES

SCDDSN Internal Audit does implement best practices.

PART IV—OBSERVATIONS OF PROCESS IMPROVEMENT OPPORTUNITIES

1. Increase Use of Computer-assisted Audit Techniques for Continuous Auditing

The internal audit activity makes effective use of computer-assisted audit techniques (CAATs) to generate and analyze test data. There is an opportunity to get further benefit from this software by developing continuous auditing routines in which testing is performed periodically or on an ongoing basis rather than only during an audit project. Continuous auditing routines will improve the internal audit activity's monitoring of risks and controls and can be shared with management to be used for self-assessment.

ATTACHMENT A

SCDDSN ORGANIZATION

Self-Quality Assessment Evaluation Summary

(GC = Generally Conforms, PC = Partially Conforms, DNC = Does Not Conform)

Quality Assessment Evaluation Summary—Overall Evaluation	GC	PC	DNC
OVERALL EVALUATION	X		

Quality Assessment Evaluation Summary—Major/Supporting Standards		GC	PC	DNC
1000	**Purpose, Authority, and Responsibility**			
1010	Recognition of the Definition of Internal Auditing, the Code of Ethics, and the *Standards* in the Internal Audit Charter	X		
1100	**Independence and Objectivity**			
1110	Organizational Independence	X		
1111	Direct Interaction with the Board	X		
1120	Individual Objectivity	X		
1130	Impairment to Independence or Objectivity	X		
1200	**Proficiency and Due Professional Care**			
1210	Proficiency	X		
1220	Due Professional Care	X		
1230	Continuing Professional Development	X		

Quality Assessment Evaluation Summary—Major/Supporting Standards		GC	PC	DNC
1300	**Quality Assurance and Improvement Program**			
1310	Requirements of the Quality Assurance and Improvement Program	X		
1311	Internal Assessments	X		
1312	External Assessments		X	
1320	Reporting on the Quality Assurance and Improvement Program	X		
1321	Use of "Conforms with the *International Standards for the Professional Practice of Internal Auditing*"	X		
1322	Disclosure of Nonconformance	X		
2000	**Managing the Internal Audit Activity**			
2010	Planning	X		
2020	Communication and Approval	X		
2030	Resource Management	X		
2040	Policies and Procedures	X		
2050	Coordination	X		
2060	Reporting to Senior Management and the Board	X		
2070	External Service Provider and Organizational Responsibility for Internal Auditing	X		
2100	**Nature of Work**			
2110	Governance	X		
2120	Risk Management	X		

Quality Assessment Evaluation Summary—Major/Supporting Standards		GC	PC	DNC
2130	Control	X		
2200	**Engagement Planning**			
2201	Planning Considerations	X		
2210	Engagement Objectives	X		
2220	Engagement Scope	X		
2230	Engagement Resource Allocation	X		
2240	Engagement Work Program	X		
2300	**Performing the Engagement**			
2310	Identifying Information	X		
2320	Analysis and Evaluation	X		
2330	Documenting Information	X		
2340	Engagement Supervision	X		
2400	**Communicating Results**			
2410	Criteria for Communicating	X		
2420	Quality of Communications	X		
2421	Errors and Omissions	X		
2430	Use of "Conducted in Conformance with the *International Standards for the Professional Practice of Internal Auditing*"	X		
2431	Engagement Disclosure of Nonconformance	X		
2440	Disseminating Results	X		

Quality Assessment Evaluation Summary—Major/Supporting Standards		GC	PC	DNC
2450	Overall Opinions	X		
2500	**Monitoring Progress**	X		
2600	**Communicating the Acceptance of Risks**	X		
	The IIA's Code of Ethics	X		

RATING DEFINITIONS

"Generally Conforms" means the assessor has concluded the following:

- For individual standards, that the internal audit activity conforms to the requirements of the standard (e.g., 1000, 1010, 2000, 2010, etc.) or elements of the Code of Ethics (both Principles and Rules of Conduct) in all material respects.

- For the sections (Attribute and Performance) and major categories (e.g., 1000, 1100, 2000, 2100, etc.), the internal audit activity achieves general conformity to a majority of the individual standards and/or elements of the Code of Ethics, and at least partial conformity to others, within the section/category.

- For the internal audit activity overall, there may be opportunities for improvement, but these should not represent situations where the internal audit activity has not implemented the *Standards* or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives.

"Partially Conforms" means the assessor has concluded the following:

- For individual standards, the internal audit activity is making good faith efforts to conform to the requirements of the standard (e.g., 1000, 1010,

2000, 2010, etc.) or element of the Code of Ethics (both Principles and Rules of Conduct) but falls short of achieving some major objectives.

- For the sections (Attribute and Performance) and major categories (e.g., 1000, 1100, 2000, 2100, etc.), the internal audit activity partially achieves conformance with a majority of the individual standards within the section/category and/or elements of the Code of Ethics.

- For the internal audit activity overall, there will be significant opportunities for improvement in effectively applying the *Standards* or Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the internal audit activity and may result in recommendations to senior management or the board of the organization.

"Does Not Conform" means the assessor has concluded the following:

- For individual standards, the internal audit activity is not aware of, is not making good faith efforts to conform to, or is failing to achieve many/all of the objectives of the standard (e.g., 1000, 1010, 2000, 2010, etc.) and/or elements of the Code of Ethics (both Principles and Rules of Conduct).

- For the sections (Attribute and Performance) and major categories (e.g., 1000, 1100, 2000, 2100, etc.), the internal audit activity does not achieve conformance with a majority of the individual standards within the section/category and/or elements of the Code of Ethics.

- For the internal audit activity overall, there will be deficiencies that will usually have a significant negative impact on the internal audit activity's effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board.

Independent Validator Statement

The validator was engaged to conduct an independent validation of the Department of Disabilities and Special Needs internal audit activity's self-assessment. The primary objective of the validation was to verify the assertions made in the attached self-assessment report concerning adequate fulfillment of the organization's basic expectations of the internal audit activity and its conformity to The Institute of Internal Auditors' (IIA's) *International Standards for the Professional Practice of Internal Auditing* (*Standards*). Other matters that might have been covered in a full external assessment, such as an in-depth analysis of successful practices, governance, consulting services, and use of advanced technology, were excluded from the scope of this independent validation by agreement with the chief audit executive.

In acting as validator, I am fully independent of the organization and have the necessary knowledge and skills to undertake this engagement. The validation, conducted during the period of Fiscal Year 2016 and 2017, consisted primarily of a review and test of the procedures and results of the self-assessment. In addition, surveys were conducted with the president and CEO, the chief financial officer, the audit committee chair, other senior members of management, and the external auditors.

I concur fully with the internal audit activity's conclusions in the self-assessment report attached. Implementation of the recommendations contained in the self-assessment report will improve the effectiveness and enhance the value of the internal audit activity and support conformity to the *Standards*.

Name Kelvin Washington, CIA

Independent Validator

Kelvin Washington 3/16/17 Date

International Standards for the Professional Practice of Internal Auditing

1300 – Quality Assurance and Improvement Program

The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.

1310 – Requirements of the Quality Assurance and Improvement Program

The quality assurance and improvement program must include both internal and external assessments.

1311 –Internal assessments must include:

- Ongoing monitoring of the performance of the internal audit activity.
- Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices.

1312 – External Assessments

External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. The chief audit executive must discuss with the board:

- The form and frequency of external assessment.
- The qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.

1320 – Reporting on the Quality Assurance and Improvement Program

The chief audit executive must communicate the results of the quality assurance and improvement program to senior management and the board. Disclosure should include:

- The scope and frequency of both the internal and external assessments.
- The qualifications and independence of the assessor(s) or assessment team, including potential conflicts of interest.
- Conclusions of assessors.
- Corrective action plans.

1321 – Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing"

Indicating that the internal audit activity conforms with the International Standards for the Professional Practice of Internal Auditing is appropriate only if supported by the results of the quality assurance and improvement program.

1322 – Disclosure of Nonconformance

When nonconformance with the Code of Ethics or the Standards impacts the overall scope or operation of the internal audit activity, the chief audit executive must disclose the nonconformance and the impact to senior management and the board.

SOUTH CAROLINA
Department
OF
Disabilities
AND
Special Needs

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

June 17, 2020

Ms. Mary Poole
State Director
P. O. Box 4706
Columbia, SC 29240

Dear Ms. Poole:

Attached is our report on the analysis of DDSN Funded Waiver Slots. In our opinion, the analysis brought agreement for a valid number of funded waiver slots for the Agency to plan and move forward. We will review the agency's actions for tracking and monitoring these slots moving forward and continue to report to the DDSN Commission.

We appreciate the cooperation of all the DDSN staff from the many areas of the agency who worked with us on the audit.

Sincerely,

Kevin Yacobi / Bton

Kevin Yacobi, CIA, CGAP, CRMA, CBM, CFS
Director of Internal Audit

Attachment
cc: Mr. Patrick Maley
DDSN Commission Members
Ms. Susan Beck
Mr. Chris Clark
Mr. Rufus Britt III

Internal Audit Report 20-17
Analysis of DDSN Waiver Slots
May 14, 2020

Contents

SOUTH CAROLINA Department OF Disabilities AND Special Needs

Internal Audit Report 20-17

Analysis of DDSN Waiver Slots

May 14, 2020

Background, Purpose and Scope

The SC Department of Disabilities and Special Needs (SCDDSN), as defined in the South Carolina Code of Law, serves persons with mental retardation, autism, traumatic brain injury and spinal cord injury and conditions related to each of these four disabilities. It is the mission of SCDDSN to assist people with disabilities and their families through choice in meeting needs, pursuing possibilities and achieving life goals, and minimizing the occurrence and reducing the severity of disabilities through prevention. To that end, the Department has established an Internal Audit Division to ensure continuity, quality, and responsiveness in services and supports to persons with disabilities by furnishing information, analyses and recommendations to the Commission, management, and service provider organizations.

In February 2020, Executive Management asked Internal Audit (IA) to validate the Policy Division's (PD) analysis of available "funded" waiver slots. At the time, the Policy Division calculated 1,121 available "funded" waiver slots as of June 30, 2019 which resulted in an overstatement 506 slots. This overstatement equated to an estimated $8.5 million unfunded liability.

This Policy Division's analysis started with a simple determination that in the fall of 2019, HASCI available "funded" waiver slots were overstated by 66 slots effective June 30, 2019. This was based on a simple tracing of legislative and DDSN spending plans beginning with FY2013. Given this HASCI overstatement, the question was raised if DDSN's Community Supports Waiver (CSW) and Intellectual Disability/Related Disability Waiver (IDRD), 1024 available "funded" waiver slots, were also overstated for the June 2019 date. DDSN management stated "it appeared unusual for DDSN to have so many available "funded" waiver slots three full FYs after DDSN's most recent legislative waiver funding increase at the beginning of FY17 (750 slots)".

In order to communicate our professional opinion of the importance of the finding in this report, we have ranked the concern as Needs Improvement. During our review, deficiencies may also have been discovered which, in our opinion, represented minimal exposure to the organization. These were informally communicated to appropriate DDSN management and were not included in this report.

The scope of the audit encompassed the period July 1, 2013 through June 30 2017. Information and analysis was provided to IA on February 6, 2020. IA worked with DDSN Information Technology (IT) to develop some reporting capabilities and began an analysis as

soon as the information was received from the Policy area and while awaiting development of the requested IT report. Final analysis was presented to DDSN executive management on May 14, 2020.

Business Objective	Control Assessment
Conduct validation testing of Policy area analysis of funded waiver slots in relation to legislative appropriations (Objective 1).	**Needs Improvement**

Summary of Findings

The audit was performed in accordance with International Standards for the Professional Practice of Internal Auditing and SCDDSN directive 275-05-DD, "General Duties of the Internal Audit Division." Our review was limited in scope and would not necessarily have detected other significant deficiencies that may exist. Our findings are:

Control Summary	
Sound Controls	**Areas for Control Improvement**
	• A formal documented process needs to be developed for tracking and monitoring legislative funding for waiver slot development so the organization does not find itself in a negative financial position regarding slot awards and a revenue shortfall (Objective 1).

FINDING AND MANAGEMENT RESPONSE

In our opinion, the actions taken or planned to be taken as indicated in the management response adequately addresses the audit finding.

WAIVER SLOT ALLOCATION

NEEDS IMPROVEMENT

The Policy area and Internal Audit started with the number of slots as we exited FY13 as the baseline. The logic for this baseline was that the agency faced, as did the rest of the country, a deep financial setback in 2008; numerous cuts had to be made in programs and services. The rebuilding from this financial crisis took several fiscal years without new monies for appropriated slots until FY14. Additionally, the baseline numbers coming out of FY13 were used because the system would have had a chance to level out during this five year period as no money was awarded for new slots. The Policy area's baseline number for waiver slots,

which included the Intellectual Disabilities/Related Disabilities waiver (IDRD), the Community Supports waiver (CS), and the Head and Spinal Cord Injury waiver (HASCI) was 8,798. Internal Audit's baseline number was very close to the Policy area number at 8,800. This minimal difference does lend itself to a sound number leading into the analysis of additionally funded slots by the legislature.

Internal Audit examined DDSN's spending plans and legislative funding since FY2013. After tracing DDSN's spending plan, Internal Audit's preliminary assessment was DDSN had overstated "funded" waiver slots by 51 and not 506. The difference appeared to be the Policy Division had not accurately count all IDRD waiver slots in DDSN spending plan; it did not count residential bed expansions as an increase in waiver funded slots. After reconciling this issue with the Policy Division, the PD concurred it had made a mistake in its original "funded" waiver slot analysis, and concurred with Internal Audit's assessment. The below table identifies a comparison of the funded slots by fiscal year by Policy and IA.

Analysis of Funded Waiver Slots

	Policy Numbers		Audit Numbers	
FY 13 Base	8798		8800	
FY	**IDRD/CS**	**HASCI**	**IDRD/CS**	**HASCI**
2014	126	15	126	15
2015	1400	300	1650	300
2016	1100	35	1178	35
2017	750	10	875	10
	3376	360	3829	360
New Funding	3736		4189	
Total Beds	12534		12989	
Presented to Commission	13040		13040	
Variance	506		51	

During the above analysis, IA noticed a number of consumers in pending status for a slot in excess of 18 months. This was brought to the attention of DDSN Executive Management who agreed and acknowledged the waiver enrollment process is inordinately slow for many reasons, as set forth in the Executive Memo titled "Process Improvement Initiative- Waiver Enrollment (C/S and ID/RD)", dated March 27, 2019 (link below):

https://ddsn.sc.gov/sites/default/files/Documents/m.EDS%2C%20CEOs%20-%20Process%20Improvement%20-%20Waiver%20Enrollment%20-%20CS%20and%20IDRD%20(032619).pdf

Executive management stated the problem was identified for action in March 2019, but was stalled at the Policy Committee to await approval to implement deadlines on consumer services. However, DDSN management states there are other aspects of the plan that are procedures and can be implemented without further delay. Consequently, DDSN executive management needs to assure these procedures are implemented as quickly as possible. Without some actionable steps taken, the pending list will continue to increase and inhibit individuals from accessing needed services.

Management Response

The initial analysis [by Policy area] excluded the residential expansion. In review of your [Internal Audit's] numbers, the difference in our analysis constitutes those residential expansion slots. Therefore, we concur with your [Internal Audit's] analysis.

Angela M. Sharperson
In-Charge Auditor

Kevin Yacobi, CIA, CGAP, CRMA, CBM, CFS
Director of Internal Audit

DDSN Executive Memo

TO: **EXECUTIVE DIRECTORS, DSN BOARDS**
CEOS, CONTRACTED SERVICE PROVIDERS

FROM: **ASSOCIATE STATE DIRECTOR, SUSAN KREH BECK, ED.S., LPES, NCSP** SKB

DATE: **MARCH 27, 2019**

RE: **Process Improvement Initiative – Waiver Enrollment (CS and ID/RD)**

The purpose of this Executive Memo is to notify providers DDSN has a process improvement plan for waiver enrollment and requests provider input prior to finalizing. Your feedback is requested no later than **April 17, 2019**. Please send your feedback to choney@ddsn.sc.gov with the subject matter "Waiver Enrollment Improvement Plan."

Currently, 1419 individuals have a waiver slot and pending enrollment in the IDRD or CS Waiver. The average days pending is 255 days (8.5 months) with 728 individuals (51%) pending over 12 months. This stagnation pattern has been ongoing for multiple years. This elongated pattern of holding onto a waiver slot without enrolling or declining is fundamentally unfair to those still on the waiver waiting list in need of services.

Factors driving this stagnation include receiving a waiver slot without Medicaid eligibility; consumer/family confusion sorting out the DDSN case manager's role and the Medicaid financial lookback case worker's role; not understanding waivers; holding waiver slots while attempting to secure a service provider, particularly respite; and no process time constraints/deadlines on holding a waiver slot. Process changes are designed to address these factors in a reasonable and compassionate manner. A summary of the significant changes are:

- Upon DDSN eligibility determination, DDSN will engage at multiple points prior to waiver slot award to guide and encourage non-Medicaid eligible consumers to obtain Medicaid. If a consumer is still not Medicaid eligible three months prior to receiving a waiver slot, the consumer will be assigned a Case Manager to assist in Medicaid eligibility, as well as being placed on a Medicaid Processing list until Medicaid eligible prior to receiving a waiver slot.
- Consumers will be contacted by DDSN three (3) months prior to receiving a waiver slot and assigned a Case Manager, as well as be briefed and provided written materials explaining the waiver enrollment process in preparation of receiving a waiver slot.
- Medicaid financial lookback worker's role will be delayed until after the DDSN Case Manager makes initial contact to explain the process, which will prevent confusion.
- Case Manager's level of care will be coordinated to be held until after Medicaid completes its 118A financial lookback form, which prevents level of care determinations expiring after 30 days requiring resubmission.
- Establish a "soft" six (6) month deadline requiring justification approved by the Executive Director of the case management provider to extend in 30 days intervals up to 12 months. Not enrolling based on waiting to secure a service provider will not be an acceptable reason.

Guidance for Waiver Enrollment Timeline - ID/RD and CS Waivers is attached to this memo. If you have questions, please contact Ben Orner at borner@ddsn.sc.gov or (803) 898-3520.

Attachment

Guidance for Waiver Enrollment Timeline: Intellectual Disability/Related Disabilities (ID/RD) and Community Supports (CS) Waivers

OVERVIEW:

A stagnation pattern has emerged in regards to waiver enrollment in the past few years. This elongated timeframe of holding onto a waiver slot without enrolling or declining is fundamentally unfair to those remaining on the waiver waiting list. Factors driving this stagnation include receiving a waiver slot without Medicaid eligibility; individual/family confusion sorting out the DDSN Case Manager's role and the Medicaid financial lookback case worker's role; not understanding waivers; holding waiver slots while attempting to secure a service provider, particularly respite; and no process time constraints/deadlines for holding a waiver enrollment slot.

The purpose of this new guidance is to move the enrollment forward in a quick and efficient manner in order to create a fair and equitable process that meets the needs of as many individuals as possible. The process steps outlined below have been refined over multiple versions and intended to help Case Managers and DDSN process waiver enrollments in a sensible timeframe.

PROCESS STEPS:

A. Upon determination of DDSN eligibility:
   a. Each individual is added to the CS and IDRD Waiver waiting lists, which is confirmed via an eligibility notification letter to the individual.
   b. Individuals under the age of 27 without Medicaid eligibility are informed in the eligibility notification letter to contact Family Connections of SC for assistance in obtaining Medicaid, which is necessary for waiver enrollment.
   c. Individuals over the age of 27 without Medicaid eligibility should call the DDSN POC number listed on the eligibility letter for guidance to initiate Medicaid enrollment. The Eligibility letter will also include a DDSN POC number for the individual (family) to call to obtain waiver program information, decline being added to the waiver waiting lists, or any waiver question or issue throughout the duration of the waiver waiting list and enrollment process.

B. Six months prior to reaching the top of the waiting list:
   a. Individuals who have not been through the DDSN eligibility process will be contacted by DDSN. DDSN eligibility is not a requirement to be on the waiver waiting list, but a level of care is needed for waiver enrollment. The individual must go through intake or provide sufficient level of care records for a determination during the waiver enrollment process.

C. Three months prior to reaching the top of the waiting list:
   a. DDSN contacts individual in order to conduct preparations for waiver enrollment. The individual's Medicaid eligibility status will determine the type of contact that is initiated (see below).

b. Individual with active Medicaid:

i. If the individual does not currently have a Case Manager:
   1. DDSN will contact the individual to offer choice of Medicaid Targeted Case Management (MTCM) provider. During this contact, DDSN will prepare the individual and family by informing them of the following:
      a. Overview of the enrollment process;
      b. General enrollment timelines;
      c. Upon waiver slot award, they may receive information requests from Medicaid for historical financial records as part of the process; and
      d. Waiver enrollment should not be delayed while the individual and/or family arranges for services, with an emphasis on focusing their immediate attention on possible challenges such as arranging respite services.

ii. If the individual already has a MTCM Case Manager, the Case Manager is notified via SComm (Therap) of the impending waiver award slot in three months. The Case Manager prepares the individual and family similar to "i" immediately above.

c. Individual without active Medicaid:

i. Individuals without active Medicaid are likely provided State Funded Case Management (SFCM), which is paid at a "fee-for-service rate" based on activity. Case Management provider of choice on record at DDSN is notified of the pending waiver enrollment. (If the individual does not have a Case Management provider on record at DDSN, DDSN contacts the individual/family and offers choice of Case Management. The selected Case Management is notified by DDSN of impending waiver slot award.) The Case Manager conducts the following:
   1. Case Manager establishes contact and assists the individual/family in completing a paper Medicaid Application. The Case Manager will also request the individual/family's voluntary consent for the SCDHHS Medicaid worker to contact the Case Manager in the Medicaid application process (form 1282);
   2. The completed application is faxed to the SCDHHS "Out-Station" Medicaid worker dedicated to DDSN individuals located at each Regional Center;
   3. SCDHHS "Out-Station" worker processes the application with full awareness of the need to assess for "Category 15" (Individuals Receiving Home and Community Based Waiver Services) since these individuals will potentially enter waiver services; and
   4. Case Manager continues to work the case and assist until a Medicaid determination is made.

D. Upon availability of new waiver slots, DDSN awards slots at the top of the waiting list who have active Medicaid. If an individual still has been unable to obtain Medicaid over the prior three months assisted by a Case Manager, the individual is placed on a separate processing list until they are able to obtain Medicaid. Once Medicaid is obtained, the next available slot is awarded.

E. Upon waiver slot award, the Case Manager is sent a copy of the slot award form, which indicates whether or not an SCDHHS Form 118A (Waiver Client Status Document) from Medicaid is required.

F. Upon receipt of waiver slot award from DDSN, the Case Manager makes contact with the individual within 10 business days.

G. Twenty-one days after the waiver slot award, DDSN sends the SCDHHS Form 118A to the SCDHHS Out-Station worker for financial clearance, if applicable (not all individuals require the SCDHHS Form 118A). SCDHHS processing outcomes include:

   a. If SCDHHS returns the SCDHHS Form 118A to DDSN with no certification of Medicaid, then the slot will be revoked and a letter sent to the individual allowing one year to obtain Medicaid, at which time they should notify DDSN and the slot will be returned.
   b. If SCDHHS Out-Station worker is unable to gain the cooperation of the individual to complete the SCDHHS Form 118A process, SCDHHS makes a "non-cooperation determination." Based on this outcome, the Case Manager will follow DDSN's non-signature/non-cooperation policy after discussing with the individual, if possible.
   c. When SCDHHS returns the SCDHHS Form 118A certification of Medicaid approval to DDSN, DDSN records the SCDHHS Form 118A return date in the Tracking Database and upload a copy to the individual's Oversight Document Storage in Therap (File Name: 118AFormReturnedMMDDYYYY). Only after confirming the SCDHHS Form 118A approval, the Case Manager is permitted to submit the level of care to DDSN. This prevents a premature level of care determination going stale after 30 days requiring resubmission.
   d. If an individual does not require an SCDHHS Form 118A form, DDSN uploads a standard form notifying the Case Manager in the individual's Oversight Document Storage in Therap with a standard naming convention. This permits the Case Manager to submit the level of care to DDSN.
   e. **Optional**, but not required, step to speed up enrollment timeframe: If the Case Manager gets the Freedom of Choice form prior to the 21 day mark, they can send it to the Waiver Enrollment Staff at DDSN in order to shorten the 21 day wait.

H. Upon receipt of waiver slot award from DDSN, the Case Manager conducts an initial home visit within 30 days. The Case Manager obtains/presents the following information and begins gathering information for the Annual Assessment and Plan:

   a. Case Manager Face-to-Face Meeting Guide:
      i. Explains all forms below (b-g) and not just the forms requiring a signature;
      ii. Explains the waiver award/enrollment timeline expectations;
      iii. Emphasizes the need to decide on declining services at the earliest date in order to allow others on the waiting list access to services;
      iv. Explains potential conflicts with MCO's or other waiver programs; and
      v. Explains the 6 month completion expectation and that 30-day extensions will not be granted for being unable to find a waiver service or provider. Reasonable guidance and assistance in lining up services before enrollment can be expected from Case Managers, but such activity cannot be a reason to delay submission of required documentation for enrollment. Unreasonable delays is unfair to individuals on the waiting list in need of opportunity to receive waiver services.
   b. Freedom of Choice form – Required signature;
   c. Acknowledgment of Rights and Responsibilities Form - Required signature;

d. Form 1282 (Medicaid consent form for Case Manager to communicate with Medicaid) – individual/family consent voluntary;
e. Waiver Information Sheet – Present and discuss with individual/family;
f. Waiver Enrollment Timeline – Present and discuss with individual/family; and
g. Statement of Consumer Declining Waiver Services – Required signature if declining.

I. If the individual signs the Freedom of Choice (FOC) form and wishes to pursue waiver enrollment, the Case Manager monitors the individual's Document Storage File in Therap to verify the completion of the Medicaid SCDHHS Form 118A form. When verified, the Case Manager completes the initial ICF/IID Level of Care (LOC) within 30 days. Exceptions to this are:

a. If the individual is already enrolled in the Community Supports (CS) Waiver and is moving to the ID/RD Waiver (or vice-versa), a new initial LOC is not needed. The Case Manager can recertify the LOC under the new waiver for enrollment.
b. In rare cases, the individual may not yet be eligible for DDSN Services, which requires the Case Manager to wait until completion of the DDSN eligibility process to ensure records and tests are available for the Case Manager's LOC.

J. Upon completion of the LOC, FOC, and SCDHHS Form 118A process, the individual is enrolled in the waiver.

a. Enrollment occurs regardless of whether services are ready for implementation;
b. Individual has 60 days to get a service before being terminated from the waiver; and
c. If terminated from the waiver due to not being able to locate a service provider, the individual holds their waiver slot for 90 days for additional time to obtain services. This affords the individual 150 days from enrollment to receive a service or relinquish their waiver enrollment slot.

K. If the Case Manager loses adequate contact with the individual to progress completing the waiver enrollment process, the Case Manager is required to follow the Non-Signature Declination Policy in the Waiver Manual.

L. If the individual is not enrolled in the waiver after five months, the individual/family and Case Manager is notified by DDSN the enrollment six month deadline is approaching and the Case Manager needs to request additional time if needed. If a Case Manager fails to submit a request to extend the enrollment period, then a formal letter is sent to the family (CC: Case Manager), which informs they have 30 additional days to be enrolled or request an extension or their slot will be revoked.

If additional time beyond six months is needed and justifiable, a 30 day extension form is submitted containing the basis for the additional time and requires the Case Manager's Executive Director (ED) to personally sign the request. This form should be submitted to DDSN no later than 10 days prior to the 6 month deadline. That request provides an additional 30 days and a new request has to be submitted every 30 days with the Executive Director's signature in order to maintain the slot

After nine months, further extensions requires Skype or face-to-face meetings between the Case Manager and the Director of Waiver Administration. Any extension beyond 12 months requires DDSN State Director approval. Case Manager's should not request an extension due to not being able to locate a service provider or indecision on the family's part regarding the process.

Contacts:

Business Process Owner:
Ben Orner, borner@ddsn.sc.gov, 803-898-3520

Waiver Enrollment Staff, DDSN:
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Annie Moss (District 2, QPLs), amoss@ddsn.sc.gov, 864-938-3137

Waiver Policy (Manuals):
Jennifer Jaques (IDRD), jjaques@ddsn.sc.gov, 803-898-9279
Randy Swingle (CS), rswingle@ddsn.sc.gov, 803-898-9703
Melissa Ritter (HASCI), mritter@ddsn.sc.gov, 803-898-5120

Enrollment timeline/checklist:

Upon DDSN Eligibility:	❑ Add to CS and ID/RD waiting lists ❑ Under 27 without Medicaid: family calls Family Connections of SC ❑ Over 27 without Medicaid: family calls DDSN POC	
6 Months From Enrollment:	❑ Individuals who have not been through the DDSN eligibility process will be contacted by DDSN.	
3 Months From Enrollment (DDSN contacts the individual to prepare for enrollment). Type of contact depends upon Medicaid status:	<u>Active Medicaid:</u> ❑ If no Case Manager, DDSN offers choice of provider ❑ Case Manager discusses with family: enrollment process/timeline, Medicaid process, arranging services/choosing providers	<u>No Active Medicaid:</u> ❑ Case Manager provider notified (DDSN contacts family if no Case Manager) ❑ Case Manager Conducts following: ❑ Assist w/ paper Medicaid application ❑ Form 1282 ❑ Application faxed to SCDHHS out-station ❑ SCDHHS out-station processes application ❑ Case Manager follows-up as needed
Slot awarded:	❑ New waiver slots are awarded to individuals at the top of the waiting list with have active Medicaid. If still an individual still does not have Medicaid, the individual is placed on a separate processing list. ❑ Case Manager is sent a copy of the slot award form, which indicates whether or not an SCDHHS Form 118A from Medicaid is required. ❑ Case Manager makes contact with the individual within 10 business days.	
21 days after slot award:	❑ 21 days after slot award, DDSN sends the SCDHHS Form 118A for financial clearance (if applicable).	
SCDHHS returns SCDHHS Form 118A:	<u>**Possible outcomes from return of SCDHHS Form 118A:**</u> ❑ No certification of Medicaid: Slot will be revoked w/ 1 year to obtain Medicaid (slot returned if Medicaid established). ❑ SCDHHS makes a "non-cooperation determination": Follow non-signature/non-cooperation policy after discussing with the individual, if possible. ❑ SCDHHS Form 118A certification of Medicaid approval: DDSN records the SCDHHS Form 118A return date in the Tracking Database and upload a copy to the individual's Oversight Document Storage in Therap (File Name: 118AFormReturnedMMDDYYYY). (LOC can be submitted after confirming the SCDHHS Form 118A.) ❑ No SCDHHS Form 118A form required: DDSN uploads a standard form notifying the Case Manager in the individual's	

	Oversight Document Storage in Therap with a standard naming convention. (LOC can be submitted to DDSN.) ❑ Optional: Obtain Freedom of Choice form prior to the 21 day mark and send it to Waiver Enrollment Staff.
Initial home visit:	❑ Upon receipt of waiver slot award from DDSN, the Case Manager conducts an initial home visit within 30 days. (Reference Meeting Guide Checklist for more detailed information.)
FOC signed and individual wishes to pursue waiver enrollment:	❑ Case Manager monitors Document Storage File in Therap to verify the completion of the Medicaid SCDHHS Form 118A. When verified, the Case Manager completes the initial ICF/IID Level of Care (LOC) within 30 days. Exceptions: a. If the individual is already enrolled in the Community Supports (CS) Waiver and is moving to the ID/RD Waiver (or vice-versa), a new initial LOC is not needed. The Case Manager can recertify the LOC under the new waiver for enrollment. b. Not yet be eligible for DDSN Services: Case Manager to wait until completion of the DDSN eligibility process
Enrollment completion criteria:	❑ Upon completion of the LOC, FOC, and SCDHHS Form 118A process, the individual is enrolled in the waiver.

Case Manager **Face-to-Face Meeting Guide Checklist:**

- ❑ Explain **ALL** forms:
  - ❑ Freedom of Choice form – Required signature
  - ❑ Acknowledgment of Rights and Responsibilities Form - Required signature
  - ❑ Form 1282 (Medicaid consent form for Case Manager to communicate with Medicaid) – individual/family consent voluntary
  - ❑ Waiver Information Sheet – Present and discuss with individual/family
  - ❑ Waiver Enrollment Timeline – Present and discuss with individual/family; and Statement of Consumer Declining Waiver Services – Required signature if declining.
- ❑ Explain the waiver award/enrollment timeline expectations
- ❑ Emphasize the need to decide on declining services at the earliest date in order to allow others on the waiting list access to services
- ❑ Explain potential conflicts with MCO's or other waiver programs
- ❑ Explain the 6 month completion expectation and that 30-day extensions will not be granted for being unable to find a waiver service or provider. Reasonable guidance and assistance in lining up services before enrollment can be expected from Case Managers, but such activity cannot be a reason to delay submission of required documentation for enrollment. Unreasonable delays is unfair to individuals on the waiting list in need of opportunity to receive waiver services.

FM Budget vs Actual

Status of Data 10/9/2020 05:40:25

All State Agencies are Operating Under a Continuing Resolution Appropriations

FY 20/21 Legislative Authorized & Spending Plan Budget VS Actual Expenditures (as of 9/30/2020)

Funded Program - Bud	Continuing Resolution Appropriations	Adjustments	Adjusted Budget	YTD Actual Expense	Remaining Budget	Percent Expended - Target % 25.00%
ADMINISTRATION	$ 8,386,999	$ -	$ 8,386,999	$ 1,794,590	$ 6,592,409	21.40%
PREVENTION PROGRAM	$ 657,098	$ -	$ 657,098	$ 12,500	$ 644,598	1.90%
GREENWOOD GENETIC CENTER	$ 15,185,571	$ -	$ 15,185,571	$ 4,863,600	$ 10,321,971	32.03%
CHILDREN'S SERVICES	$ 24,891,594	$ -	$ 24,891,594	$ 2,121,682	$ 22,769,912	8.52%
IN-HOME FAMILY SUPP	$ 91,302,031	$ 7,000	$ 91,309,031	$ 12,353,876	$ 78,955,155	13.53%
ADULT DEV&SUPP EMPLO	$ 83,358,338	$ -	$ 83,358,338	$ 24,309,013	$ 59,049,325	29.16%
SERVICE COORDINATION	$ 22,666,140	$ -	$ 22,666,140	$ 2,455,891	$ 20,210,249	10.84%
AUTISM SUPP PRG	$ 26,368,826	$ -	$ 26,368,826	$ 4,487,478	$ 21,881,348	17.02%
HD&SPINL CRD INJ COM	$ 5,040,532	$ -	$ 5,040,532	$ 1,238,189	$ 3,802,343	24.56%
REG CTR RESIDENT PGM	$ 90,937,897	$ 281,000	$ 91,218,897	$ 18,066,284	$ 73,152,613	19.81%
HD&SPIN CRD INJ FAM	$ 29,301,050	$ -	$ 29,301,050	$ 4,923,093	$ 24,377,957	16.80%
AUTISM COMM RES PRO	$ 29,749,084	$ -	$ 29,749,084	$ 9,932,107	$ 19,816,977	33.39%
INTELL DISA COMM RES	$ 340,593,466	$ 420,151	$ 341,013,617	$ 85,810,776	$ 255,202,841	25.16%
STATEWIDE CF APPRO		$ 49,799	$ 49,799		$ 49,799	0.00%
STATE EMPLOYER CONTR	$ 36,362,643	$ 126,653	$ 36,489,296	$ 7,365,234	$ 29,124,062	20.18%
Earmarked Authorization over DDSN Spending Plan	Spending Plan in Process	$ -			$ -	
Legislative Authorized Total	**$ 804,801,269**	**$ 884,603**	**$ 805,685,872**	**$ 179,734,313**	**$ 625,951,559**	**22.31%**
Percent of total spending plan budget			100.00%	23.32%	76.68%	REASONABLE
% of FY completed (expenditures) & % of FY remaining (available funds)			100.00%	25.00%	75.00%	
Difference % - over (under) budgeted expenditures			0.00%	-1.68%	1.68%	

Carry Forward + Cash Flow Analysis Indicates Sufficient Cash to Meet FY 20 Estimated Expenditure Commitments: YES_X__ ; At-Risk___ ; NO___

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

Expenditure	FY 19 - % of total	FY 18 - % of total
Central Office Admin & Program	2.35%	2.37%
Indirect Delivery System Costs	1.22%	1.56%
Board & QPL Capital	0.07%	0.14%
Greenwood Autism Research	0.03%	0.03%
Direct Service to Consumers	96.33%	95.90%
Total	**100.00%**	**100.00%**

NOTE: Prior FY data will be calculated and presented to provide assurance as to the consistent pattern of direct service & non-direct service expenditures and explanation for increases/decreases

Methodology & Report Owner: DDSN Budget Division

South Carolina Department of Disabilities and Special Needs
Spending Plan
FY 2021

	FY 2021	FY 2020	Difference FY 2020 to FY 2021
Total Revenue Anticipated	$ 782,346,089	$ 786,407,997	$ (4,061,908)
Total Expenses Anticipated	$ 749,450,015	$ 785,074,502	$ (35,624,487)
Projected Surplus (Deficit)	$ 32,896,074	$ 1,333,496	$ 31,562,578
Less: Prior Year Carryforward Funds in Surplus	$ 12,776,335		
Less: CARES Act Funds	$ 2,043,000		
Operational Surplus	$ 18,076,739		

Budget Notes:

1. Projected surplus includes $12.7 million carryforward, $2 million in CARES Act funds, $8.5 million administrative contract revenue, Appendix K retainer payments, and reflects the impact of the 6.2% enhanced FMAP for July to March.

2. State appropriations are based on continuing resolution (CR) and will be adjusted based on final budget through a revision to this plan.

3. State plan revenues and expenditures were overstated in FY 2020 due to confusion on how these dollars pass through SCDDSN's books. The impact of the overstatement was a wash to the bottom line since it impacted revenues and expenditures in the same way.

4. Prior year included estimated impact of the Direct Care Professional $1 increase. FY 2021 reflects the actual impact within the various revenue and expenditure line items.

5. A capital budget has been developed and we have proposed funding accordingly.

6. Due to increased precision and knowledge of SCDDSN's system, there are a variety of variances of revenues and expenditures that are not due to changes in utilization, but due to increases in knowledge and precision in the budget process.

South Carolina Department of Disabilities and Special Needs
Spending Plan - Revenues
FY 2021

	FY 2021	FY 2020	Difference FY 2020 to FY 2021	Notes
State Appropriations	$ 271,939,252	$ 264,509,717	$ 7,429,535	Based on 2021 Continuing Resolution (CR).
Anticipated First Filled Slots - IGT	$ 1,808,437	$ 550,000	$ 1,258,437	Based on actual first filled slots amount.
Greenwood Genetic Center - Non-Recurring TGEM	$ -	$ 2,000,000	$ (2,000,000)	Non-recurring funds not in 2021 CR.
BabyNet Admin Contract	$ 800,000	$ 400,000	$ 400,000	2020 Payment made in 2021.
Greenwood Genetic Center - Admin Contract	$ -	$ 1,189,300	$ (1,189,300)	This amount is duplicated in the Medicaid Revenues Amt.
HHS Admin Contract	$ 8,500,000	$ -	$ 8,500,000	Based on preliminary administrative contract.
Care and Maintenance - Regional Center	$ 4,900,000	$ 4,700,000	$ 200,000	
State Carry Forward Funds	$ 49,799	$ 59,903	$ (10,104)	
Other Carry Forward Funds	$ 12,726,536	$ 148,865	$ 12,577,671	Prior year funds remaining .
Federal Funds - Other	$ 142,750	$ 340,000	$ (197,250)	
Federal Funds - FEMA	$ 265,820	$ 420,984	$ (155,164)	
SC CARES Act	$ 2,043,000	$ -	$ 2,043,000	Estimated CARES Act funds to be received.
EIA Funds	$ 408,653	$ 408,653	$ -	
Other Earnings	$ 176,000	$ 644,450	$ (468,450)	Prior year amount reflected budgeted excess property sales.
Medicaid Revenue	$ 478,585,842	$ 511,036,125	$ (32,450,283)	See supporting schedule.
Total Anticipated Revenue	**$ 782,346,089**	**$ 786,407,997**	**$ (4,061,908)**	

South Carolina Department of Disabilities and Special Needs
Spending Plan - Medicaid Revenues
FY 2021

	FY2021	FY2020	Difference FY 2020 to FY 2021	Notes
Medicaid Revenues				
ICF/ID				
ICF/ID Regional Centers	$ 108,957,222	$ 105,577,471	$ 3,379,751	Reflective of increased ICF rate
ICF/ID Community	$ 48,951,796	$ 49,772,084	$ (820,288)	
Less: Match	$ (38,924,573)	$ (45,315,465)	$ 6,390,892	
Subtotal - ICF/ID	**$ 118,984,445**	**$ 110,034,090**	**$ 8,950,355**	
Rehab Supports				
Rehab Billing	**$ -**	$ 395,313	$ (395,313)	Program DC'd Feb 2020
Less: Match	**$ -**	$ (115,313)	$ 115,313	
			$ -	
Subtotal - Rehab Supports	$ -	**$ 280,000**	**$ (280,000)**	
Greenwood Genetic Center				
Metabolic	$ 1,248,089	$ 1,976,564	$ (728,475)	Updated based on billing
Genetic Counseling	$ 2,599,875	$ 2,541,296	$ 58,579	Updated based on billing
Less: Match	$ (948,523)	$ (1,317,860)	$ 369,337	
Subtotal - GGC Services	**$ 2,899,441**	**$ 3,200,000**	**$ (300,559)**	
Admin Contract	$ 2,378,600	$ 2,378,600	$ -	
Less: Match	$ (1,189,300)	$ (1,189,300)	$ -	
Subtotal - GGC Admin	**$ 1,189,300**	**$ 1,189,300**	**$ -**	
Subtotal - GGC	**$ 4,088,741**	**$ 4,389,300**	**$ (300,559)**	
Case Management Pass-Through				
Amount Billed	$ 19,200,000	$ 21,500,000	$ (2,300,000)	Updated based on billing
Less: Match	$ (4,732,800)	$ (6,271,550)	$ 1,538,750	
Subtotal - Case Management	**$ 14,467,200**	**$ 15,228,450**	**$ (761,250)**	
Early Intervention				
Amount Billed	$ 6,868,850	$ 7,855,000	$ (986,150)	Updated based on billing
Less: Match	$ (1,693,172)	$ (2,291,304)	$ 598,132	
Subtotal - Early Intervention	**$ 5,175,678**	**$ 5,563,696**	**$ (388,018)**	
ID/RD, CS, and HASCI Waiver Billings - Residential and Day				
Residential - Waiver	$ 265,000,000	$ 248,998,631	$ 16,001,369	Updated based on billing
Day Program -Waiver	$ 50,000,000	$ 83,517,617	$ (33,517,617)	Updated based on billing
Supported Employment - Waiver	$ 2,000,000	$ 2,514,116	$ (514,116)	Updated based on billing
New Waiver slots	$ 1,000,000	$ 1,000,000	$ -	
Residential Vacancies Filled	$ 1,000,000	$ 1,000,000	$ -	
Less: Match	$ (78,633,500)	$ (98,311,757)	$ 19,678,257	
Subtotal - ID/RD, CS, and HASCI Res and Da	**$ 240,366,500**	**$ 238,718,607**	**$ 1,647,893**	
Enhanced Waiver Services				
IDRD, CSW, HASCI	$ 125,000,000	$ 86,873,757	$ 38,126,243	Updated based on billing
Less: Match	$ (30,812,500)	$ (25,341,075)	$ (5,471,425)	
Subtotal - Enhanced Waiver Services	**$ 94,187,500**	**$ 61,532,682**	**$ 32,654,818**	
DSP Increase - anticipated rate increase	$ -	$ 25,000,000	**$ (25,000,000)**	Prior year budget item
Appendix K Retainer				
Amount Billed	$ 1,746,222	$ -	$ 1,746,222	Actual billed
Less: Match	$ (430,444)	$ -	$ (430,444)	
Subtotal - Appendix K Retainer	**$ 1,315,778**	**$ -**	**$ 1,315,778**	
State Plan				
State Plan Services		$ 71,000,000	$ (71,000,000)	Amount is not actually a revenue for us
Less: Match	$ -	$ (20,710,700)	$ 20,710,700	
Subtotal - State Plan	**$ -**	**$ 50,289,300**	**$ (50,289,300)**	
TOTAL MEDICAID	**$ 478,585,842**	**$ 511,036,125**	**$ (32,450,283)**	

Match Composite Rate - FMAP Enhanced July 2020 to March 2021; Regular rate April 2021 to June 2021

South Carolina Department of Disabilities and Special Needs
Spending Plan - Expenses
FY 2021

	FY 2021	FY 2020	Difference FY 2020 to FY 2021	Notes
Community Providers Related Expenditures				
Community Contracts per Commission Package	$ 530,531,931	$ 530,859,166	$ (327,235)	Based on contracts approved by Commission
Recoupments:				
Waiver Credit Reports - IDRD	$ (43,500,000)	$ (38,629,089)	$ (4,870,911)	Based on consumer budgets
Waiver Credit Reports - CSW	$ (3,250,000)	$ (3,109,509)	$ (140,491)	Based on consumer budgets
Medicare Part D	$ (3,200,000)	$ (11,250,000)	$ 8,050,000	Incorrect amount used prior year - Medicare Part B was used
Self-Directed Care - IDRD	$ (600,000)	$ (605,000)	$ 5,000	
Self-Directed Care - CSW	$ (4,950,000)	$ (4,700,000)	$ (250,000)	Based on budgets and spending levels
Respite - Statewide - Charles Lea and Jasper Contracts	$ (9,800,000)	$ (8,979,767)	$ (820,233)	Based on budgets and spending levels
Respite - Statewide - Recoupment	$ -	$ (10,000,000)	$ 10,000,000	Respite contracts no longer in community contract amt
Bed Fees - Community ICF/ID	$ (1,490,728)	$ (1,443,872)	$ (46,856)	
District Fiscal Agent Imprest Respite/Attendant Care/In Home Supports	$ 20,000,000	$ -	$ 20,000,000	Anticipateed payout to Jasper and CLC - prior year in contracts
State Funded Case Management	$ -	$ 565,000	$ (565,000)	Already in contracts above
State Funded Residential Contracts- Wellpath/Willowglen/Pine Grove	$ 3,786,788	$ 4,139,000	$ (352,212)	Based on State Funded Slots report
HASCI Board Billed Services	$ 1,000,000	$ 1,000,000	$ -	Based on budgets and spending levels
Environmental Mods - HASCI	$ 750,000	$ -	$ 750,000	Based on budgets and spending levels
Private Vehicle Mods - HASCI	$ 500,000	$ -	$ 500,000	Based on budgets and spending levels
Environmental Mods - IDRD	$ 100,000	$ 200,000	$ (100,000)	Based on budgets and spending levels
Private Vehicle Mods - IDRD	$ 75,000	$ 80,000	$ (5,000)	Based on budgets and spending levels
Outlier Funding to be Awarded	$ 1,500,000	$ -	$ 1,500,000	Additional funds to commit to outliers
State Family Support/Respite Pot	$ 200,000	$ -	$ 200,000	Amount missed in prior year
Bed Vacancies - Statewide Average Filled (20 beds)	$ 1,000,000	$ 1,000,000	$ -	
Waiver slots added - Statewide estimated net addition (200 slots)	$ 1,000,000	$ 1,000,000	$ -	
Subtotal - Community Providers Related Expenditures	**$ 493,652,991**	**$ 460,125,929**	**$ 33,527,062**	
Regional Center Related Expenditures				
Regional Centers	$ 100,745,000	$ 72,500,000	$ 28,245,000	DSP increases, increase in workers comp, adding employer contributions
Triage Beds	$ 580,500	$ 580,500	$ -	
Employer Contributions	$ -	$ 21,000,000	$ (21,000,000)	Consolidated above
Autism Homes	$ 1,373,809	$ 150,000	$ 1,223,809	
Subtotal - Regional Center Related Expenditures	**$ 102,699,309**	**$ 94,230,500**	**$ 8,468,809**	
Administrative Services				
Fiscal/Engineering/IT/Audit/HR/Legal (Program 11)	$ 8,611,347	$ 7,800,000	$ 811,347	
Children Services (Program 31)	$ 101,000	$ 77,000	$ 24,000	
IDRD Division (Program 33)	$ 987,850	$ 997,650	$ (9,800)	
District Ops/Operations/CAT/QA (Program 36)	$ 5,060,925	$ 4,669,830	$ 391,095	
Autism Division (Program 42)	$ 679,491	$ 820,000	$ (140,509)	
HASCI Division (Program 51)	$ 274,200	$ 310,000	$ (35,800)	
Employer Contributions (Program 91) WC and UC only	$ -	$ 2,100,000	$ (2,100,000)	Combined with expense line items above
Add: Risk Management Department	$ 115,000	$ -	$ 115,000	
Add: Trainers	$ 143,000	$ 125,000	$ 18,000	
Add: Server Maintenance at DOE	$ 100,000	$ 100,000	$ -	
Contracts: Therap, Alliant, Health Risk Screening	$ 3,109,222	$ 3,043,154	$ 66,068	
Subtotal - Administrative Services	**$ 19,182,035**	**$ 20,042,634**	**$ (860,599)**	

	FY 2021	FY 2020	Difference FY 2020 to FY 2021	Notes
Waiver Enhanced Services				
Total Waiver Enhanced Services	$ 122,000,000	$ 86,873,757	$ 35,126,243	Based on billing levels including fiscal agent services above.
Less: Fiscal Agent Attendant/Respite/In-Home Supports	$ (20,000,000)	$ -	$ (20,000,000)	Remove duplicative effect of fiscal agent services
Subtotal - Waiver Enhanced Services	**$ 102,000,000**	**$ 86,873,757**	**$ 15,126,243**	
State Plan Services/Other Direct Paid Services				
Medicare Part B	$ 12,000,000	$ 11,250,000	$ 750,000	
Prescriptions on State Plan	$ 28,000,000	$ 25,000,000	$ 3,000,000	Correcting this area for incorrect budgeting of this in the prior year.
Other State Plan	$ 40,000,000	$ 47,000,000	$ (7,000,000)	
Less: FFP Paid	$ (60,280,000)	$ -	$ (60,280,000)	
Subtotal - State Plan/Other Direct Paid Services	**$ 19,720,000**	**$ 83,250,000**	**$ (63,530,000)**	State match of approx $19.7 million on State Plan
COVID-19 Related Expenditures				
Actual Expenditures	**$ 1,598,000**	**$ -**	**$ -**	Additional Expenses incurred due to COVID in FY 2021
Other Miscellaneous Contracts/Items				
Bed fees	$ 1,954,262	$ 1,600,000	$ 354,262	
Contracts with Vendors outside Regional Centers	$ 229,918	$ 640,838	$ (410,920)	Generator Match for FEMA Grants
Systemwide DSP Increase Anticipated	$ -	$ 34,000,000	$ (34,000,000)	Prior year budget item built into 2021 numbers - contracts/regional centers
Greenwood Genetics Center - TGEM Initiative	$ -	$ 2,000,000	$ (2,000,000)	Non-recurring funds not in 2021 CR.
Childhood Protective Custody Transition	$ 400,000	$ 400,000	$ -	
Capital Projects Funding	$ 7,313,500	$ 1,500,000	$ 5,813,500	Reflective of Capital Funds needed per capital budget.
Intake	$ 300,000	$ 400,000	$ (100,000)	
Interpreter Services	$ 300,000	$ 100,000	$ 200,000	
Audiology	$ 100,000	$ 100,000	$ -	
Subtotal - Other Miscellaneous Contracts/Items	**$ 10,597,680**	**$ 40,740,838**	**$ (30,143,158)**	
Grand Total - Expenditures	**$ 749,450,015**	**$ 785,263,658**	**$ (37,411,643)**	

Capital Expenditures	FY 2021
Vehicles (30)	$ 1,520,000
Facilities - CPIP	$ 3,818,500
Facilities - Non PIP	$ 750,000
Central Office - ADA Renovations	$ 150,000
IT	
PC's	$ 250,000
Infrastructure - VDI	$ 500,000
Power BI	$ 200,000
Kronos	$ 125,000
	$ 7,313,500

Funding Provided:	w/ Lease	w/o Lease
Care and maintenance - 2021 funding	$ 3,500,000	$ 3,500,000
Master Lease Program (if approved)	$ 1,835,000	$ -
Existing Cash in CPIP Fund	$ -	$ -
	$ 5,335,000	$ 3,500,000
Additional State Appropriations Needed	$ 1,978,500	$ 3,813,500
Total Funding	$ 7,313,500	$ 7,313,500

CPIP Projects - as outlined in 5 year plan - will be revisited/repriced	
Regional Centers - paving, resurfacing, site work	$ 500,000
Whitten Center - New Floor Covering	$ 225,000
Whitten Center - Windows Replacement	$ 249,000
Coastal Center - Central Kitchen Renovation	$ 200,000
Midlands Center - Generator Replacements	$ 180,000
Whitten Center - Generator Replacement	$ 135,000
Whitten Center - Renovation to Dorm	$ 300,000
Regional Centers - HVAC replacements	$ 249,000
Regional Centers - plumbing repairs	$ 500,000
Midlands Center - Electric Grid	$ 1,280,500
	$ 3,818,500

DESKTOP Virtualization

Department of Disabilities and Special Needs

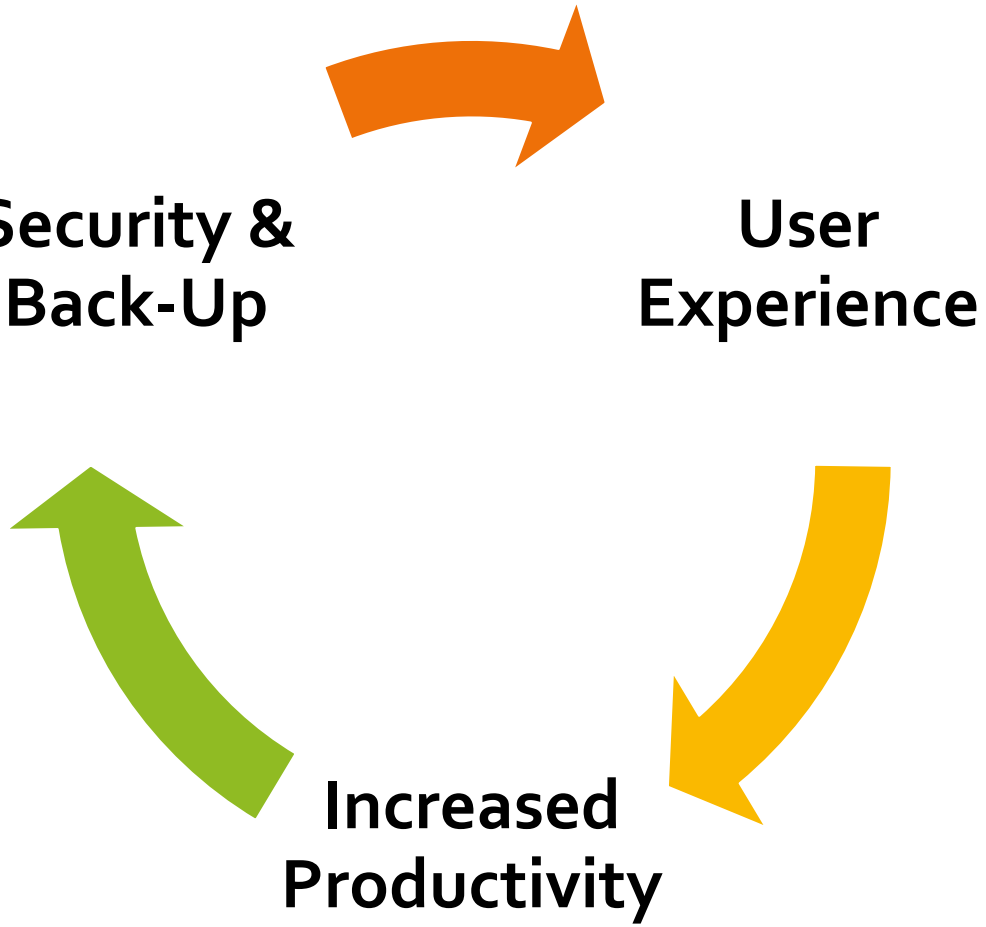
Michael Mickey CIO

What is VDI

Desktop virtualization is a software technology that separates the desktop environment and associated application software from the physical client device that is used to access it.

VDI Benefits Affecting Environment

- Manageability
- Flexibility
- Accessibility



Benefits to the Workforce

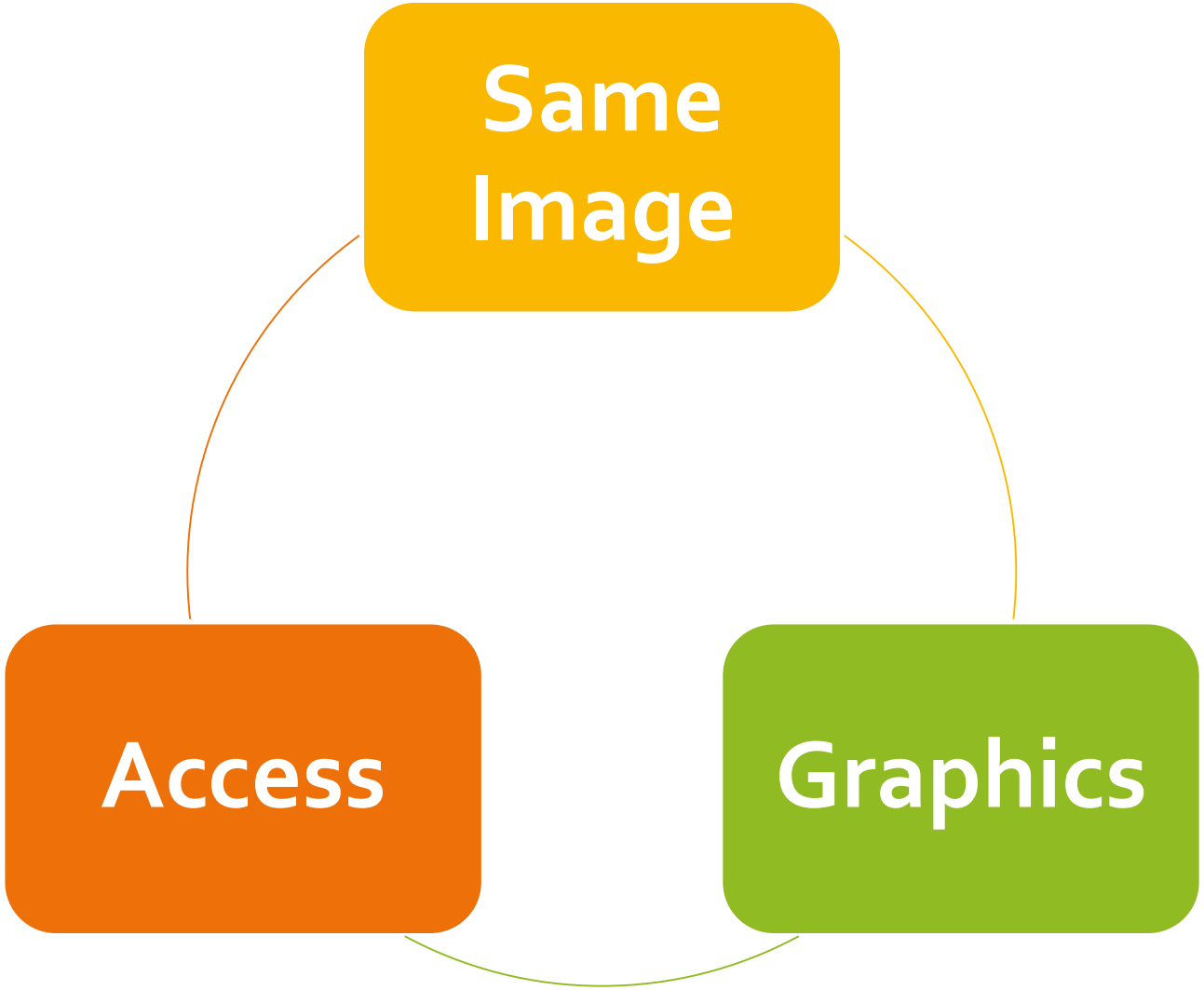
VDI Benefits Affecting Savings

- Cost-Savings
- Energy Savings
- Resource Reallocation and Savings

Resource Reallocation and Savings

- Repurposing Staff
  - Maintenance
  - System Updates
  - Software support
- Change in Technology
  - End Points
  - Cloud Technology
  - Uniformity
  - Always available
- Upcoming initiative
  - Upcoming Off the shelf applications
- Supporting the VDI Infrastructure

VDI Benefits Affecting Desktops



DDSN- IT Desktop/Server Cash Flow

Current Projection (*Without VDI Investment*)

	FY2021	FY2022	FY2022	FY2023	FY2024	Totals
IT Computers	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 1,000,000
IT Server Infrastructure	$ -	$ 245,000	$ 125,000	$ -	$ -	$ 370,000
IT Desktop Technicians (5)	$ 335,000	$ 335,000	$ 335,000	$ 335,000	$ 335,000	$ 1,675,000
	$ 535,000	$ 780,000	$ 660,000	$ 535,000	$ 535,000	**$ 3,045,000**

Future Projection (With VDI Investment)

	FY2021	FY2022	FY2023	FY2023	FY2024	Totals
IT Computers	$ -	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 100,000
VDI Infrastructure	$ 487,000	$ 65,000	$ 67,000	$ 67,000	$ 67,001	$ 753,001
IT Desktop Technicians	$ 134,000	$ 134,000	$ 134,000	$ 134,000	$ 134,000	$ 670,000
	$ 621,000	$ 224,000	$ 226,000	$ 226,000	$ 226,001	**$ 1,523,001**
Annual Savings (Cost Increase)	$ (86,000)	$ 556,000	$ 434,000	$ 309,000	$ 308,999	$ 1,521,999

IT Desktop Technicians Salary: Estimated at $67,000 per employee

IT Computers (Future Projection) Represents Laptops

VDI Investment Project Savings

Questions

State Director's Report - October 15, 2020

1) I want to introduce Christie Linguard is our new Executive Admin Assistant – who started on Monday and who, I hope is not second guessing her decision to take on this task with a 4 commission meeting week! Nothing like trial by fire!

2) I also want to take a moment to say that the Governor has proclaimed October 11-17 as Case Manager Appreciation Week.

3) State Fiscal Accountability Authority: update on the virtual meeting held on 10/13 this past Tuesday.
    a. Just as a reminder – the two topics regarding SCDDSN were:
        i. Transfer of property from Whitten Center to the City of Clinton
        ii. Conveying the current DDSN owned properties that are currently being used by local boards to those boards.
    b. We shared all information with Department of Admin on **September 10th** as required.
    c. Constance offered each member an opportunity to meet with us in advance.
    d. However, only Curtis Loftis took us up on the offer. We met with him and satisfied his questions.
    e. Hugh Leatherman's office asked a few questions of the Department of Admin earlier in the week and we were able to answer his questions.
    f. For the meeting, all of our team was in attendance – virtually of course in Rm 180.
    g. The meeting had significant technical issues throughout the meeting, especially with Senator Leatherman's audio.
    h. Just after the meeting started Richard Eckstrom requested that items 9 &10 (both DDSN items) be carried over. He was told that he needed to make that motion when the items came up on the agenda. So the meeting went on.
    i. The Whitten Center matter was carried over as Richard Eckstrum and Murrell Smith indicated they had some questions.
    j. The transfer of properties had a motion but not a second.

k. We did not get any questions – we were prepared – but no questions. We do know that the zoom meeting froze at some point.
l. We will need to request to be added to the agenda for the December meeting.
m. We are in the process of reaching out to Murrell Smith's office to set up a time to discuss his questions.
n. We have a meeting setup to discuss with Richard Eckstrum on October 29th.
o. We will be happy to set up a meeting with any member of the commission to discuss either project – although the conveyance of the properties to the providers is one we have talked about before with this commission – the Whitten Center property transfer is another matter since it was approved back in 2016 – you may have questions about that one and we will be happy to answer those.

4) Our budget hearing with the Budget Office is scheduled for October 28th. Commissioners are welcome to attend.

5) The 2017 Cost Report is supposed to be completed and ready for our final review tomorrow. 2013 – 2015 are well under way. We have begun developing a team and rebuilding our internal capabilities to complete our own cost reports. We have initiated the preparation of 2018 with a team of existing staff, but have posted a position to hire a full time staff dedicated to Medicaid Cost Report preparation.

6) DSP staffing has dipped due to COVID but our efforts to hire have not. We continue to find innovative ways to hire.

7) Given DDSN will not get a budget enhancement this year, we are predicting that we may run short of funded HASCI waiver slots this year. This is just an early notice we will be coming back in the next several months with information to help decide if we need to start a waiting list or come up with internal financing options.

8) Central Office staff is still operating at "Phase II" staffing plan set forth by the Department of Administration. DDSN's daily remote staffing goal was 50% and we have met that with no covid cases among staff and many days we are as high as 70%. The statewide average is about 50% in office and 50% working remote.

9) I am pleased to announce that our new Legislative/Public Information Officer will start on Monday the 26th. Kimberly Corley McLeod comes to us from the Emergency Management Division.