

From: [Linguard, Christie](#)
Subject: 2nd Meeting Notice - The Commission of the SCDDSN - Finance and Audit Committee Meeting - June 6, 2022
Date: Thursday, June 2, 2022 3:42:58 PM
Attachments: [REVISED Finance and Audit Committee Meeting Packet - June 2022.pdf](#)

Everyone,

Attached is a revised agenda for the Finance and Audit Committee meeting on Monday, June 6, 2022 at 3:00 PM.

Thank you,

From: Linguard, Christie <>
Sent: Wednesday, June 1, 2022 1:42 PM
Subject: Meeting Notice - The Commission of the SCDDSN - Finance and Audit Committee Meeting - June 6, 2022

Everyone,

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

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

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

Thank you.

FINANCE AND AUDIT COMMITTEE AGENDA (REVISED)

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

June 6, 2022

3:00 p.m.

1. Call to Order *Robin Blackwood, Committee Chair*
2. Statement of Announcement *Robin Blackwood, Committee Chair*
3. Adoption of the Agenda
4. Review Minutes from the May Meeting *Pages 2-4*
5. Financial Approval & Threshold Report *Page 5* *Candis Golston*
Nursing Services Fixed Price Bid
6. Financial Update *Page 6* *Nancy Rumbaugh*
7. Administration for Community Living (ACL) and Department
of Transportation (DOT) Grants *Rob McBurney*
8. Sale of Property *Pages 7-8* *Andrew Tharin*
York County Property on Diane Road-1.6 acres
9. Interdisciplinary Technical Advisory Team *Janet Priest*
10. Internal Audit Update *Courtney Crosby*
11. Chief Financial Update *Tracey Hunt*
12. Next Meeting Date – July 6, 2022 @ 3:30 PM
13. Adjournment

FINANCE AND AUDIT COMMITTEE AGENDA

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

May 4, 2022

1:00 p.m.

In attendance: Robin Blackwood, Chair; Barry Malphrus; Michelle Wood; Michelle Fry; Lori Manos; Tracey Hunt; Janet Priest; Andrew Tharin; Greg Meetze; Debra Leopard; Debbie Punzirudu; Nancy Rumbaugh; Preston Southern; and Christie Linguard.

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

[The meeting was called to order at 3:04 p.m.](#)

2. Statement of Announcement *Robin Blackwood, Committee Chair*

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

3. Adoption of the Agenda

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

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

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

4. Review Minutes of the April 6, 2022 Meeting

[Brief Summary:](#) The April 6, 2022 minutes were presented to the committee for approval.

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

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

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

[Brief Summary:](#) There were no items for financial threshold approval for the month of May.

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

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

6. Fee-For-Service (FFS) Update

Lori Manos

Ms. Manos commenced by stating there were 107,000 claims submitted during the month of April with a pay rate of 99.8%. This pay rate is well above the normal every day Medicaid provider pay rate. Commissioner Malphrus stated that this is remarkable and he appreciates every effort on the staff's part to make FFS a success.

7. Financial Update

Nancy Rumbaugh

Ms. Rumbaugh presented the spending plan vs actual expenditures as of April 30, 2022. To date, the agency is 3.27% under budget.

8. Cost Reports Update

Debbie Punzirudu

Ms. Punzirudu briefed the committee on the status of the cost reports. The FY2021 report is on schedule to be submitted to the Department of Health and Human Services (DHHS) by June 30, 2022. She noted that there are three components of the cost reports: provider vetting; working of the trial balance; and the central office cost report depreciation Q5 adjustments and reclasses. The vetting of the reports is the most time-consuming component. The FY2020 report is due on August 12, 2022. Approximately 75% of the vetting process is complete.

March Reconciliations for Residential Habilitation Providers

A reconciliation between Fee-For-Service (FFS) and the band payment system was required for all agencies who provide residential habilitation for the month of March. Ms. Punzirudu explained the payment process of the reconciliations. The Boards were paid an additional \$1,975,000; only one Board owed the agency money (\$25,000), which has already been collected. Seven (7) private providers were paid an additional \$315,000; the agency collected additional monies that were paid out by DDSN of \$193,000. Therefore, the overall net cost to the agency for March FFS reconciliation was \$2,143,000. Commissioner Blackwood asked about the occupancy level in the Day Programs. Ms. Punzirudu stated that she can get that information to her after the meeting.

9. Five (5) Year Comprehensive Permanent Improvement Plan (CPIP)

Andrew Tharin

Mr. Tharin presented the five (5) year plan for the CPIP projects. He would like to present the first-year plan to the Commission for approval so that we can submit to the SC Department of Administration. Commissioner Malphrus asked if Mr. Tharin could provide changes to the full commission. Mr. Tharin stated that he would provide last year's five-year plan for a basis of comparison.

10. Internal Audit (IA) Update

Courtney Crosby

Ms. Crosby began with the Agreed Upon Procedures (AUP) Report; IA has completed 32 of the 40 Board reports and eight (8) are in process. The review is complete for six (6) of the nine (9) private providers with a year end of June 30th and three (3) are in process. The review is complete for two (2) of the three (3) private providers with a September 30th year end. The agency has not received the last one (1). The 2021 contract reduction is currently at \$34,700. The quarterly audit

observation tracking report was sent out in late April. The IA division is working to streamline the follow-up process to be able to complete these procedures with greater efficiency. The division is also working to complete several ongoing audits.

11. Chief Financial Update

Tracey Hunt

A Statement of Work was received from a contract vendor on the financial strengthening project. A meeting is scheduled with leadership here at the agency to go through this document. The State Auditor's Office is coming over next week to meet with the finance division to look at what we have been doing and offer any kind of best practices or confirm that what we are doing is a best practice. Once there is a final report, it will be shared with this committee and the commission as well.

Consultant Report

Ms. Hunt spoke briefly about the consultant report that was provided to each member. Commissioner Malphrus had questions regarding a few of the consultants listed. Ms. Hunt asked if she could gather more information and send it in an email. He noted that this report is what he had in mind when the Policy Committee changed the directive for consultants. He thanked the staff for producing this report. Commissioner Malphrus also asked how long do the physical therapy, psychiatric services, etc. last for each facility and do each facility have leeway as to who they hire and not hire, so that they can get the most for their money. Ms. Hunt stated that there is flexibility on the contract service list and sometimes as a sole source. Going forward, Commissioner Malphrus would also like to see the sole source contracts.

12. Next Meeting Date and Time: June 6, 2022 at 3:00 PM

13. Adjournment

There being no further business, at 1:45 PM on a motion by Commissioner Malphrus and seconded by Commissioner Woodhead, the meeting was adjourned.

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

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

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

Solicitation 5400019193- LPN/ RN Support Services: A fixed priced bid contract was solicited on 2/12/2020 for Supplemental License Nursing Personnel. The contract period for this was established as a (1) year contract with (4) renewals. At the current time, one additional vendor has applied to be qualified and awarded a fixed price bid contract. There are 20 temp. agencies that have been awarded a contract on the FPB since July 2020. This vendor will be added to provide the Regional Centers an option to procure services as needed.

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

None

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

None

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

V. **New Consulting Contract:**

None

VI. **New Federal Grant:**

None

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

FY22 Spending Plan VS Actual Expenditures as of 5/31/2022

| Category | Spending Plan | Cash Expenditures YTD | SCDHHS Monthly "Wash" Expenditures with Revenue YTD * | Total Monthly Expenditures YTD | Remaining Spending Plan | Spending Plan Deviation with Actual |
|---|----------------|-----------------------|---|--------------------------------|-------------------------|-------------------------------------|
| DDSN spending plan budget | \$ 851,170,837 | \$ 579,574,169 | \$ 151,355,227 | \$ 730,929,396 | \$ 120,241,441 | REASONABLE |
| Percent of total spending plan remaining | 100.00% | 68.09% | 17.78% | 85.87% | 14.13% | |
| % of FY Remaining | | | | | 8.33% | |
| Difference % - over (under) budgeted expenditures | | | | | -5.79% | |

* In May 2022, providers billed & paid by SCDHHS for approximately \$199.8 million in services (waiver services + state plan services). DDSN paid the \$ 48.5 million state match to SCDHHS recorded as a cash expenditure and the \$151,355,227 difference was the "wash" Medicaid reimbursement revenue & expense added to maintain "apples to apples" comparison to FY22 spending plan.

Methodology & Report Owner: DDSN Budget Division

Consideration of Surplus Property

Disposition of Lots 2 and 3 – Diane Road, York, SC

Staff needs Commission approval to surplus Lots 2 and 3 Diane Road, York, SC. Commission has previously approved the surplus of these lots in 2019. However, due to the time lapse in the previous approval an updated approval is being sought. The relevant facts are:

- The lots were bequeathed to the SC Department of Mental Retardation in 1985, per the deed recorded in York County courthouse. These two un-improved residential lots are recorded in a single plat totaling 1.6 acres.
- DDSN was unaware of owning these lots until February 2019 after researching question raised by a York realtor. The two lots do in fact belong to DDSN and not Mental Health or any other agency.
- DDSN has no plans for these Diane Road Lots.
- An appraisal in April 2019, gave an opinion of the market value of \$20,000.
- Once the lots are fully approved as surpluses property by all involved parties, DDSN will move forward via the Division of Real Property Services, State Fiscal Accountability Authority's (SFAA), to list the property with the state contracted realtor (CBRE) for marketing and selling the property. The property has to be sold on the open market at or above the appraised value.
- Proceeds from such sale will be split between DDSN and the State after reimbursing DDSN for its outlay for the appraisal.
- Upon approval by the Commission DDSN will work with staff at the Division of Real Property Service (SFAA) to complete the sale.

Michelle G. Fry, J.D., Ph.D.
State Director
Janet Brock Priest
Associate State Director
Operations
Lori Manos
Associate State Director
Policy
Constance Holloway
General Counsel
Harley T. Davis, Ph.D.
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Chief Financial Officer
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June 6, 2022

Ms. Ashlie Lancaster
Director
Department of Administration
Division of Facilities Management and Property Services
1200 Senate Street, Suite 460
Columbia, SC 29201

Dear Ms. Lancaster:

This letter hereby confirms continuance of the state real property surplus as submitted by the Department of Disabilities and Special Needs in February 2020 for Lots 2 and 3 on Diane Road in the Town of York (York County). If any other documents within the original package need updating, please let me know.

Sincerely,

Michelle G. Fry, J.D., Ph.D.
State Director

MGF/vw

cc: Constance Holloway, SCDDSN General Counsel (*via email*)
Tracey Hunt, SCDDSN Chief Financial Officer (*via email*)