

## FINANCE AND AUDIT COMMITTEE AGENDA

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

September 14, 2020

2:30 p.m.

In attendance: Robin Blackwood, Chair; Barry Malphrus; Ed Miller (joined at 2:45pm); Stephanie Rawlinson (joined at 2:55pm); Mary Poole; Pat Maley; Chris Clark; Kevin Yacobi; Debbie Wilson

1. Call to Order *Robin Blackwood, Committee Chair*
2. Statement of Announcement *Robin Blackwood, Committee Chair*
3. Adoption of the Agenda

Brief Summary: Agenda was presented.

Committee Member(s) Guidance (if any): None

Committee Vote(s) (if any): Approved as presented

4. Review Minutes of the August 6, 2020 Meeting

Brief Summary: Minutes of the prior meeting were presented.

Committee Member(s) Guidance (if any): None

Committee Vote(s) (if any): Commissioner Malphrus indicated that modifications to the minutes needed to be made to reflect his request for content made during the August meeting. The minutes were tabled until October meeting pending revision.

5. FY 2022 State Budget Request – action required *Chris Clark*

Brief Summary: Budget request is due at the end of September for the following fiscal year. We are under a continuing resolution and have been asked to take our FY 2021 request and resubmit those requests with any reprioritization or modifications. We distributed our expected request to the provider network to ask for their feedback but did not expect much feedback since we could not add new dollars to the request. Only three responses were received from providers and each of them were requesting an increase in the case management rate. This is not a budget matter, but a rate negotiation matter with HHS so it had no bearing on our request. We reprioritized some of the budget items. The PARI program was removed from the budget request and we removed the non-recurring funds for provider facility transfers.

Committee Member(s) Guidance (if any): Commissioner Blackwood asked the difference between the total cost between prior request and this revised request. Pat Maley stated that it is about \$1 million less. \$16.3 million in state dollars and the rest is Medicaid.

Committee Vote(s) (if any): Committee approved submission of the budget request to the Commission. First by Commissioner Blackwood and Second by Commissioner Malphrus. Commissioner Miller showed up at the tail end of this discussion and did not vote.

**6. Outlier Update – information**

*Chris Clark*

Brief Summary: Committee requested that we bring this topic back to them in September. Chris explained the process that is being discussed is for at-home consumers. The residential outlier process is still being finalized and will be shared at a later date. A detailed discussion of the process used for the FY 2020 at-home outliers was held. Chris proposed to the Committee that \$500,000 be added back to the outlier funding for the providers. This is approximately half of the attrition we have seen in the outlier funding since FY 2018. No money is new and is just restarting an already existing process.

Committee Member(s) Guidance (if any): Committee accepted the information as presented. Commissioner Rawlinson joined the meeting at the tail end of this topic.

Committee Vote(s) (if any): None

**7. State-Owned Facilities Conveyance Project – action required**

*Chris Clark*

Brief Summary: The final step of transferring the properties to the providers was discussed. We have requested to be on the agenda for their October 13<sup>th</sup> meeting. We are asking the Committee to approve the approach being taken and ratify the request to be on the SFAA agenda. Discussed with the Committee the intent to take some of our savings from the transferring of the maintenance to the providers. We propose to take \$150,000 of our savings to address deferred maintenance issues that might have a history.

Committee Member(s) Guidance (if any): Commissioner Malphrus commented that the intent of the transfer was to be fair and to save the funds for maintenance. He proposed that the Committee review and approve every funding that is recommended by management. The Finance and Audit Committee will review and discuss each project recommended for funding.

Committee Vote(s) (if any): Motion by Commissioner Miller and second by Commissioner Malphrus to the funding process recommendation. A motion to move forward with the conveyance was motioned by Commissioner Malphrus and second by Commissioner Miller. Both votes were unanimous.

**8. Band B and I Project Update – action required**

*Chris Clark*

Brief Summary: Chris updated the Committee on the delays related to implementing fee-for-service and recommended that the target date of September 30<sup>th</sup> be moved to December 31<sup>st</sup>. Mary commented on the need to ensure that the implementation be done in a manner that is thoughtful and ensures continuity with the provider network and services delivered.

Committee Member(s) Guidance (if any): Received as information.

Committee Vote(s) (if any): Committee did not take a vote.

9. At-Home Recoupment/Settlement Options – action required

*Chris Clark*

Brief Summary: Chris explained to the Committee options related to addressing funding prospective band payments with adult day programs being closed and SCDDSN inability to recover funds through billable activities. Chris proposed to the Committee that we implement option 3 that includes recouping 60% of lost day program revenues and funding day services on a per unit basis to incentivize day programs reopening. SCDDSN will be able to increase revenues as units are billed.

Committee Member(s) Guidance (if any): Committee recommended that this be discussed in full with the Commission and have the motions by the Commission members instead of just the Committee. Commissioner Rawlinson asked why we do not remove the 80% attendance requirement if we are not going to enforce it. Chris commented that the 80% attendance was left in the contracts as a fail safe. Commissioner Miller asked that we ensure that we consider each provider if they have unique circumstances.

Committee Vote(s) (if any): None taken

10. Chief Financial Officer Report

*Chris Clark*

Brief Summary: Chris discussed the Office of State Auditor's report and explained that the results were very favorable.

Committee Member(s) Guidance (if any):

Committee Vote(s) (if any):

11. Director of Internal Audit Report

*Kevin Yacobi*

Brief Summary: No topics presented by Kevin.

Committee Member(s) Guidance (if any):

Committee Vote(s) (if any):

12. Adjourn

*Robin Blackwood*

Commissioner Malphrus motioned to adjourn, seconded by Commissioner Miller at 3:45 pm.