

## 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

May 4, 2021

3:00 p.m.

In attendance: Robin Blackwood, Chair; Barry Malphrus; Ed Miller; Stephanie Rawlinson; Constance Holloway; Pat Maley; Rufus Britt; Candis Golston; Debra Leopard; Andrew Tharin; Michael Mickey; Brian Nanney; Debbie Wilson; Karli Riviello; and Christie Linguard

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

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

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 Miller made a motion to accept the agenda as presented, seconded by Commissioner Malphrus and unanimously approved by the committee.

4. Review Minutes of the April 6, 2021 Meeting

[Brief Summary:](#) The April 6, 2021 minutes were presented to the committee for approval.

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

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

5. Directives *Pat Maley*

- a. 275-04-DD: Procedures for Implementation of DDSN Audit Policy for DSN Boards
- b. 275-05-DD: Procedures for Implementation of DDSN Audit Policy for Contracted Service Providers

Brief Summary: Mr. Maley addressed both Audit Policies for DSN Boards and for Contracted Service Providers and pointed out that they essentially say the same thing but are for different personnel. A substantial amendment was standardizing the sample size for the Report on Applying Agreed-Upon Procedures (RoAAP). The auditor will now have to select a representative sample of at least 10% from all individuals for each Medicaid billable service area. This is a big increase and we will more than likely get external comments. Mr. Maley asked if there are very minor comments for change, if we could bypass bringing it back to the Finance & Audit Committee and take to the full Commission.

Committee Member(s) Guidance (if any): Commissioner Malphrus feels that the fines/penalties for late submission should be higher. Mandatory audit rotation was briefly discussed but deferred until a later date. The commission members discussed adding language for consecutive year contract reductions for boards and providers who do not submit their reports within five (5) business days of the due date.

Committee Vote(s) (if any): Commissioner Malphrus made a motion to add that the contract reduction would double in consecutive years for not meeting a reporting deadline, seconded by Commissioner Miller, and unanimously approved by the committee.

6. Cost Reports

*Pat Maley*

Brief Summary: Mr. Maley announced that the 2013 cost reports are in, and now the finance division is collecting billable revenue. All reports should be completed by the end of May.

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

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

7. Administrative Contract

*Constance Holloway*

Brief Summary: Ms. Holloway noted that this contract is in its final stages having been reviewed by DDSN and DHHS staff. It is now with Director Kerr at SC DHHS. Questions obtained at the last Commission meeting were submitted to Margaret Alewine at SCDHHS, and it was noted that the answers to these questions are not a substantial enough reason to halt the execution of the contract. We should receive the contract in the next few weeks and it should be ready for signatures at that time.

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

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

8. Fee-for-Service Update

*Pat Maley*

Brief Summary: Mr. Maley referenced the packet sent out last week to Commission members. A draft memo denoting the number of Band swaps (Bands G to H and H to G) was discussed in detail. Rufus Britt and his staff reviewed the 36 band swaps of which he approved 34. We still have 10 outstanding (HRST has been completed Band G to H); the 10 corresponding Band H to G were given to staff outside of the risk management area.

The agency has requested all providers send their residential band outliers and Band Gs to Hs swaps as soon as possible to be considered. Rufus Britt and his staff are reviewing these documents and making determinations on a weekly basis. We have received six to date by three different providers. We will bring these to the Commission every month.

Moving residential to fee-for-service requires a waiver amendment to our ID/RD Waiver. We are in the process of getting our renewal, which would go into effect in January 1, 2022; therefore, the soonest we could have an amendment is after January 1, 2022. Each residential setting has to be described in great detail to find higher rates for low, medium and high service levels.

Committee Member(s) Guidance (if any): Commissioner Blackwood asked Pat Maley to update the Implementation Plan for Fee-For-Service document and email it to all commission members.

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

9. Proposed Non-Service Contracts \$200,000 or Greater

*Pat Maley*

Brief Summary: Going forward, this item should be on the agenda for approval. Detailed discussion was held regarding three different solicitations. Mr. Maley will bring the PARI contract, Emergency Procurement fiscal agent contract for Jasper County, and an interim CPIP for a generator in Jasper County all to the next full commission meeting for approval. Mr. Maley also informed the committee that the Department of Administration's pilot project for the VDI software fell through; therefore, we will have to spend the \$487,000 for the software equipment.

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

Committee Vote(s) (if any): Regarding Solicitations #5400020880 and #540020743, Commissioner Miller made a motion to continue with the current process and post the awards, seconded by Commissioner Malphrus and approved by the committee.

Commissioner Miller made a motion that staff should bring these non-service contracts to the Finance & Audit Committee and not the full commission and Mr. Maley will draft a procedure and send to Commissioner Blackwood, seconded by Commissioner Malphrus and unanimously approved by the committee.

10. Financial Audit Planning

*Constance Holloway*

Brief Summary: Interim Director Holloway and Commissioner Blackwood briefed the committee on the conversation they had with Sue Moss and her staff (George Gentry and George Kennedy) at the State Auditor's Office. Essentially, it was determined that it may be in the agency's best interest to not seek a financial audit. We may want to specify exactly what we wanted audited (i.e., a specific contract or provider).

Committee Member(s) Guidance (if any): Commissioner Miller asked that the recording of the meeting be transcribed.

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

11. Chief Financial Officer Report

*Pat Maley*

Mr. Maley stated that the agency paid \$2.4 million to the provider network (40% revenue loss as specified in Appendix K). The National Health Emergency has been extended for another 90 days. The agency will get 6.2% FMAP through October. The monthly Human Service Provider network meeting occurred yesterday, and they wanted to know how the agency will proceed with the FMAP monies. Mr. Maley assured them that once the agency receives guidance from CMS, he will let them know. Lastly, the agency's cash balance at the end of the year is still about \$50 million. The agency is communicating with the providers that this is an asset of the agency to serve our consumers. There is an itch to spend this money but we want to be diligent and not waste these funds. Commissioner Malphrus noted that one of the biggest priorities should be capital improvements.

12. Next Meeting Date

The next committee meeting will take place on Tuesday, June 1, 2021 at 3:00 PM.

13. Adjournment

At 4:45 PM on a motion by Commissioner Miller and seconded by Commissioner Malphrus, the meeting was adjourned.