

## 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 30<sup>th</sup> and three (3) are in process. The review is complete for two (2) of the three (3) private providers with a September 30<sup>th</sup> 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.