

SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

SPECIAL-CALLED MEETING

MINUTES

May 8, 2020

The South Carolina Commission on Disabilities and Special Needs met on Friday, May 8, 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 via Skype:

Gary Lemel – Chairman

Robin Blackwood – Vice Chairman

Lorri Unumb – Secretary

Barry Malphrus

David Thomas

DDSN Administrative Staff

Director Mary Poole; Mr. Pat Maley, Deputy Director; Mr. Chris Clark, CFO; Mr. Rufus Britt, Associate State Director, Operations; Mr. Robb McBurney, Legislative Liaison; Kyla Schultz, Risk Management Director; Lori Manos, Program Manager, Ms. Sandra Delaney, Administrative Coordinator

Notice of Meeting Statement

Secretary Unumb 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.

Chairman Lemel called the meeting to order and noted that this meeting was called by the members of the Finance Committee to meet the requirements of the rules of order regarding the calling of special meetings. He added the purpose of this special meeting is limited to discussion regarding the options related to addressing the current day program funding gap that is created by the epidemic crisis.

Adoption of the Agenda

On motion of Commissioner Unumb, seconded by Commissioner Blackwood, the Commission unanimously adopted the May 8, 2020 Special-Called Meeting Agenda. (Attachment A)

Discussion of Options Related to Addressing Day Program Closure Funding

Mr. Maley walked-through the one-page summary of recommendations that was provided and noted the material is the same as presented at the April 28 Finance and Audit meeting with the exception of the 80 percent Day Program attendance requirement issue (no. 6) and equity issues for QPL Day fee-for-service providers (no. 5). Discussion followed. Commissioner Malphrus stated for the record, the Commission has millions and millions of dollars in liabilities, that the reason that is so smart to do that is because the Commission truly has millions and say that we don't know what that is going to cost in the future and nobody can tell us how much those liabilities are going to cost us in the in the near future and at the moment if we think about it this way and it was a very interesting thing to me on that plan was that the providers actually have collectively 64 million dollars in reserve as I understand it and we technically have zero in reserve right now and so I just think that in and of itself makes very small room for us. Commissioner Malphrus made the motion, using the one-page summary as a basis, to amend paragraph number one to remove the language of "hold harmless" and say instead that "DSN would not at this time seek recoupment for the seven weeks that were paid March 16 to April 30". Furthermore, amend paragraph six to state that "DSN would hold the Boards harmless completely as to not meeting the fiscal year twenty-eighty percent day attendance through February of 2020", the pre-covid estimated at 2.5 million so that language would be "hold harmless" and paragraph one remove the old harmless but simply indicate that we are not seeking recoupment at this time additionally add in number seven that would state that "It is the intent of the Commission that we have Band B's and I's beyond a fee-for-service basis by January 1 of 2021." Discussion followed. Commissioner Malphrus motioned to amend the motion by adding, that number seven of the one-page summary would include a resolution to have fee-for-service by January 1, 2021, however, provided that upon recommendation of staff, that date may be moved at the discretion of the Commission to a date in the second half of the fiscal year (June 30, 2021). Commissioner Blackwood seconded the motion. Commissioner Malphrus called for a vote on the motion. The motion passed with all members voting aye. (Attachment B)

Next Regular Meeting

May 21, 2020

Adjournment

On motion of Commissioner Unumb, seconded by Commissioner Malphrus and passed, the meeting was adjourned.

Submitted by,



Sandra J. Delaney

Approved:



Commissioner Lorri Unumb
Secretary

SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

SPECIAL-CALLED MEETING

A G E N D A

**South Carolina Department of Disabilities and Special Needs
3440 Harden Street Extension
Conference Room 251
Columbia, South Carolina**

May 8, 2020

10:00 A.M.

1. Call to Order *Chairman Gary Lemel*
2. Notice of Meeting Statement *Commissioner Lorri Unumb*
3. Adoption of Agenda
4. Discussion of Options Related to Addressing
Day Program Closure Funding *Mr. Pat Maley*
Mr. Chris Clark
5. Adjournment

Day Program COVID-19 Transition Plan Recommendations for the DDSN Commission (5/8/2020)

The below plan recommendations were derived from the ATTACHMENT to this document setting forth a detailed analysis of the issue and the range of options available. The ATTACHMENT is materially the same as presented at the Finance Committee meeting on April 28th, with the exception of the 80% Day Program attendance requirement issue (#6) and equity issues for QPL Day fee-for-service providers (#5) detailed below.

1. DDSN will absorb the reduced service billings estimated at \$5.7 million and the \$4.0 million in Medicaid revenue billings (70.63% federal share). **DDSN will not at this time seek recoupment for the seven weeks that were paid March 16 – April 30.**
2. The decrease in Day service billings for the remainder of the fiscal year (May 1st to June 30th [9 weeks]) is estimated at \$7.2 million and a corresponding \$5.1 million in Medicaid revenue (70.63% federal share). This revenue gap will come from two equal sources; DDSN and Board Providers will each absorb \$3.6 million. DDSN will leave 50% of at-home Day service costs (pre-COVID-19) in the Provider bands for replacement services for these consumers. Any unused portion of these 50% replacement service band funds could be used to offset potential increased costs from Day services in the residential setting and Day Program fixed costs. DDSN will closely monitor at-home consumers' use of replacement services and Day service costs if resumed during the remainder of FY20.
3. In an abundance of caution, if a Providers' aggregate consumer replacement service costs exceeds 50%, DDSN will reimburse any costs above 50% on a case-by-case basis after the close of FY20. As an indicator of post COVID-19 at-home consumers' obtaining replacement services to date, 1662 at-home consumers (20%) currently had no service utilization (\$0) in the past month. A month's band payment for these 1662 at-home consumers is estimated at \$2.0 million.
4. DDSN will obtain the Providers' \$3.6 million portion through reductions in the last two FY20 bi-monthly band payments (mid-May & first of June). DDSN will be in a position to use the 6.2% FMAP to lend Providers funds during June's one band payment month, which will then be recouped during July's three band payments within a 30 day period.
5. **NEW:** DDSN has 8 very small QPLs providing Day services on a fee-for-service basis. These 8 QPL providers serve approximately 0.1% of at-home consumers (1/10th of 1%). Shortly after the Governor's Executive Order leading to the closure of Day Programs on March 16th, DDSN authorized 20% vacancy day payments contained in existing contracts to continue to these providers. DDSN attempted to obtain additional relief to these Day Program QPLs through Appendix K, but it was not approved by SCDHHS. SCDHHS's preference is to address retainer type payments at a later date in "Phase II," rather than through the initial Appendix K. DDSN will continue to pursue this equity issue.
6. **NEW:** DDSN adjusts the prior DRAFT recommendation to the Finance Committee on April 28th. **DDSN will hold Day Program Providers harmless for not meeting the 80% day attendance for FY 2020, which was estimated at \$2.5 million through February 2020 (pre-COVID-19).** DDSN has not enforced this contract requirement for many, many years and will not re-start in the midst of COVID-19.
7. **It is the intent of the Commission that DDSN convert the current capitated Bands B & I to a fee-for-service model by January 1, 2021. However, provided upon recommendation of staff, that date may be moved at the discretion of the Commission to a date later in the second half of the fiscal year (June 30, 2021).**

As a reminder to address unforeseen DDSN financial risks, DDSN still retains a significant recoupment tool to address its most significant financial liability risk of a large annual cost settlement repayment to SCDHHS due to lack of Certified Public Expenditures from Providers. In this very unlikely event, DDSN has authority from Legislative Proviso 36.13, *"If the department's Medicaid allowable costs, in the aggregate, do not meet the level of certified public expenditures (CPEs) reported to the Department of Health and Human Services, the department is allowed to recoup funds necessary to remain in compliance with federal Medicaid CPE rules."*