

## 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

September 7, 2021

3:00 p.m.

In attendance: Robin Blackwood, Chair; Barry Malphrus; Ed Miller; Pat Maley; Candis Golston; Debra Leopard; Debbie Wilson; Nancy Rumbaugh; Michael Mickey; and Christie Linguard

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

[The meeting was called to order at 3:02 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 \(if any\):](#)

[Committee Vote\(s\) \(if any\):](#) Commissioner Malphrus made a motion to amend the agenda to add the Finance Committee Procedures. Commissioner Blackwood asked that the agenda also be amended to include the 6.2% FMAP. Commissioner Miller seconded the motion to amend the agenda and unanimously approved by the committee.

4. Review Minutes of the August 13, 2021 Meeting

[Brief Summary:](#) The August 13, 2021 minutes were presented to the committee for approval.

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

[Committee Vote\(s\) \(if any\):](#) Commissioner Miller made a motion to adopt the summary as presented, seconded by Commissioner Malphrus and unanimously approved by the committee.

5. Finance & Audit Committee Procedures *Robin Blackwood, Committee Chair*

[Brief Summary:](#) Commissioner Blackwood discussed the procedures for this commission committee for approval.

Committee Member(s) Guidance (if any): Commissioner Blackwood recommended that any other commission member who would like to sit in on any committee that he/she is not assigned to, then that member should see approval from the chair of such committee prior to attending it. If the member would like to attend virtually, then they are free to do so. A non-member commission member cannot vote in committee meetings. All of these decisions are based on the Freedom of Information Act (FOIA).

Committee Vote(s) (if any): Commissioner Malphrus made a motion to approve the procedures for this committee, seconded by Commissioner Miller and unanimously approved by the committee.

6. Directive 250-10-DD: Capitated Payment System for Services *Pat Maley*

Brief Summary: Mr. Maley presented this directive for approval to be put out for external comment. Dramatically changed because of the elimination of the at-home services to the capitated model.

Committee Member(s) Guidance (if any):

Committee Vote(s) (if any): Commissioner Miller made a motion to table this directive until the next Finance and Audit meeting, seconded by Commissioner Malphrus and unanimously approved by the committee.

Directive 200-02-DD: Financial Management of Personal Funds *Pat Maley*

Brief Summary: Mr. Maley presented this directive for approval; the changes are minimal with clarity.

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

Committee Vote(s) (if any): Commissioner Malphrus made a motion to approve the directive as presented and put it out for public comment for ten (10) days, seconded by Commissioner Miller and unanimously approved by the committee.

7. Monthly Report for Contracts over \$200,000 *Pat Maley*

Brief Summary: Mr. Maley presented two existing contracts over \$200,000. The first contract requires the agency to add one more vendor to the two we have now. The second contract now has seven vendors. Commissioner Malphrus asked about the temporary timeframe, to which Ms. Golston stated that it will be to DDSN's discretion to change the length of time; it is currently a five year contract. This contract is controlled by the execution of a purchase order.

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

Committee Vote(s) (if any): Commissioner Miller made a motion to approve both contracts as presented, seconded by Commissioner Malphrus and unanimously approved by the committee.

8. Monthly Band B & I Report (Outliers & Band Changes) *Pat Maley*

Brief Summary: Mr. Maley presented four band outliers for approval.

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

Committee Vote(s) (if any): Commissioner Malphrus made a motion to approve the four band outliers as presented, seconded by Commissioner Miller and unanimously approved by the committee.

9. **Advance 2.5% Cost-of-Living Adjustment (COLA) & Processing Retirement Health Appropriations to Providers**

*Pat Maley*

Brief Summary: Mr. Maley would like the committee to consider paying providers in advance through rate increases (retroactive payment through July 1<sup>st</sup>) of 2.5%. We have to get numbers to the budget office.

If the committee likes, Mr. Maley will prepare a white paper and get it in the commission packet. Commission members can decide by next Tuesday prior to the agenda being posted.

Committee Member(s) Guidance (if any): Commissioner Malphrus asked that we table Mr. Maley's recommendation for the next committee meeting. Commissioner Blackwood asked that we wait to see if we get any updates on rates from the Department of Health and Human Services in the next couple of days, prior to adding this information to the commission packet. If we do not receive any updates, then we can bring this discussion back up at the next committee meeting.

Committee Vote(s) (if any): None

10. **Fee-for-Service Update**

*Pat Maley*

Brief Summary: Mr. Maley stated that we are waiting for the ID/RD Renewal. We have added the tier residential waivers in the settings. Commissioner Malphrus stated that since it looks like we are going fee-for-service, we need to have a commission meeting to vote – for the history of this commission.

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

Committee Vote(s) (if any): None

11. **Cost Reports Update**

*Pat Maley*

Brief Summary: Mr. Maley met with the cost report manager. Cost Report FY14 should be done by the end of September and FY15 came in from the CPA in draft form today.

Commissioner Blackwood asked if the director of Internal Audit be included on the process of the cost reports. Commissioner Malphrus suggested once the agency has caught up to current cost reports, the internal audit director should then start reviewing the process.

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

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

12. Chief Financial Officer Report

Pat Maley

Brief Summary:

FY23 legislative budget should be turned in by September 24, 2021. Options in front of us are that the agency has \$54.0 million of carry forward; \$20 million in 6.2% FMAP; and \$42.5 million FMAP funding to use over the next three years. Mr. Maley feels that the agency's number one need by far is to have a budget request to support the ID/RD Waiver renewal. We do not have this number yet. We must develop a strategy to ask for recurring funding for over a three year period for the renewal. Hopefully, the General Assembly will see a way to give the agency recurring money.

The agency's number two recommendation should be to look at the number of waiver slots. The agency has to do an analysis.

If we get the rates before next Wednesday at noon, we can incorporate into a legislative proposal to consider.

13. 6.2 % Enhanced FMAP

Commissioner Blackwood asked Mr. Maley to discuss how the agency has spent the 6.2% FMAP funding and how providers have benefited from this funding. Mr. Maley called the committee's attention to his April 6<sup>th</sup> memo – during recessions/pandemics – given by the federal government. The agency has received approximately \$10 million dollars a quarter. The agency could receive \$80 million at the end of the health emergency. The memo outlines how we spent the money.

Commissioner Blackwood thanked Mr. Maley for providing a little more clarity.

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

Committee Vote(s) (if any): None

12. Next Meeting Date

The next committee meeting will take place on Tuesday, October 5, 2021 at 3:00 PM.

14. Adjournment

At 4:25 PM on a motion by Commissioner Miller and seconded by Commissioner Malphrus, the meeting was adjourned.