



South Carolina
Department of Disabilities
and Special Needs

3440 Harden Street Extension
Columbia, South Carolina 29203
(803) 898-9600
Toll Free: 888/DSN-INFO
Home Page: ddsn.sc.gov

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PURPOSE

The purpose of this directive is to establish the conceptual framework for the South Carolina Department of Disabilities and Special Needs (DDSN) Quality Management (QM) oversight of services delivered to those eligible for DDSN's services and ensures compliance with standards, policies and/or other requirements.

DEFINITIONS

Continuous Quality Improvement (CQI) - a quality management strategy that is based on the idea that most processes can be improved and made more efficient. Instead of focusing on an issue only when a problem is inevitable, and a dramatic intervention is necessary, CQI advocates for incremental, but regular changes that become a part of an organization's day-to-day activities.

Quality Assurance (QA) - measures quality as a function of compliance with standards/rules/expectations. QA activities most often involve gathering data via a look-behind (monitoring) of objective standards/rules/expectations.

Quality Improvement (QI) - often measures quality in subjective terms as a function of an opinion/perception/experience of something in the service system. QI typically involves a proactive approach, includes continuous learning, and includes qualitative measures that align with subjective expectations.

Risk Management (RM) - The efforts to eliminate, reduce, and/or control exposure to risk, loss and injury. A broad-based agency Risk Management program should fulfill the following purposes: a) Improve the safety and quality of life for those supported and employees; b) Conserve financial resources; and c) Maintain relationships of trust among stakeholders.

BACKGROUND

The organizational context within which DDSN provides services and supports has been well established through the creation and publication of its Vision, Mission, and Values Statements.

VISION: To provide the very best services to assist individuals with disabilities and their families.

MISSION: Our mission is to assist individuals with disabilities and their families through choice in meeting needs, pursuing possibilities and achieving life goals; and minimize the occurrence and reduce the severity of disabilities through prevention.

VALUES: Health, safety and well-being of each individual; dignity and respect for each individual; individual and family participation, choice, control and responsibility; relationships with family, friends and community connections; personal growth and accomplishments.

DDSN, as the oversight entity for both Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) services and Home and Community-Based Services (HCBS) services, must provide assurances to the South Carolina Department of Health and Human Services (SCDHHS) that Medicaid-funded services are delivered as authorized. Additionally, DDSN must ensure both State-Funded services Medicaid services are also delivered as authorized. There is an expectation that each service provider engages in internal monitoring of the services they deliver. The basic requirements for internal monitoring, including Risk Management and Quality Assurance activities, are outlined in the DDSN Administrative Agency Standards. In addition, DDSN monitors the provider agencies to ensure continued compliance with basic requirements and efforts towards quality improvement.

DDSN believes quality services must be:

- Person-centered and Community Inclusive;
- Responsive, efficient and accountable;
- Practical, positive and appropriate;
- Strengths-based, results-oriented;
- Inclusive of opportunities to be productive and maximize potential, and
- Based on best and promising practices.

DDSN's QM Strategy is a comprehensive approach that includes utilizing quality assurance (QA) and quality improvement (QI) activities to drive continuous quality improvement (CQI). This QM strategy is developed and implemented to:

- Offer the highest quality services that promote choice and control in people's lives;
- Promote and protect the health, safety and rights of people receiving services;
- Implement promising practices; and
- Ensure compliance with standards, policies and/or other requirements.

A successful QM strategy combines the use of QA and QI activities in such a way that processes are built into every day work and quality outcomes are possible as a result. It is important to remember that QA, or compliance with minimum standards, is only the quality floor, not the ceiling. To go beyond, for systemic improvement, QI is also needed.

DDSN must also embed requirements set forth by the Centers for Medicare and Medicaid Services (CMS) into QM strategy/plans. Specifically, DDSN addresses the requirements set forth in CMS HCBS waiver applications and the HCBS Quality Framework in QM activities.

The HCBS Quality Framework establishes common language for QM functional priorities. The framework focuses attention on seven participant-centered desired outcomes:

1. Participant Access;
2. Participant-Centered Service Planning and Delivery;
3. Provider Capacity and Capabilities;
4. Participant Safeguards;
5. Participant Rights and Responsibilities;
6. Participant Outcomes and Satisfaction, and
7. System Performance.

RISK MANAGEMENT ACTIVITIES

DDSN has included measurable risk management activities in the Administrative Agency Standards. Risk management activities strive to prevent negative occurrences in the lives of those supported. DDSN conducts many risk management activities using several sources and measures. This purposeful redundancy is necessary to assess from multiple angles the status of the health and welfare of those supported. The four primary risk management activities are:

- 1) **Traditional Activities:** DDSN and its provider network are involved in all of the traditional areas of risk management that are common to any operating business that owns buildings, vehicles, equipment, and that hires employees and deals interacts with the public. These activities include ensuring the safety of buildings, complying with OSHA standards, and taking appropriate measures to protect against loss through pre-employment screening, pre-service training, insurance coverage, financial auditing, and legal consultation.

- 2) **Participant Oriented Activities:** Since DDSN and its providers are not manufacturers of products, but rather are a service and support network that is intimately involved in the lives of thousands of people, much of the risk that occurs is a result of the responsibility that the provider has to care for people with 24-hours a day, 7 days a week, 365 days a year. Activities under this heading include the tracking and review of, and response to allegations of abuse, neglect and exploitation, critical incidents, complaints/appeals, and mortality.
- 3) **Participant Determined Activities:** This is an area of Risk Management that has developed as a result of the paradigm shift in the treatment and services that has empowered participants to be more in control of their lives/choices and the decisions that are made regarding the services and supports they receive. These participant determined risk factors may relate to issues of diet, exercise, use of potentially harmful substances, sexual practices, hygiene, conformance with medical advice, acceptance of behavioral health services, and acceptance of levels of supervision, to list a few but not all possible factors. At the core of all of these issues is the balance between the person's right to determine the direction and quality of his/her life and the duty to protect the person from foreseeable harmful occurrences. Some of the tools DDSN used in this area are participant and family councils, circles of support, pre-approval of plans of service, ongoing Case Management monitoring of service delivery, the annual planning process, and human rights committees.
- 4) **Internal and External Audit Activities:** Internal Audit provides independent and objective assurance and advice to DDSN and the DDSN Commission on the adequacy and effectiveness of governance and risk management, including internal controls, to support the achievement of organizational objectives, and to promote and facilitate continuous improvement. External audit activities provide additional assurance to satisfy expectations that serve to protect the interest of stakeholders and satisfy requests by management and the Commission to complement internal sources of assurance.

QUALITY ASSURANCE/QUALITY IMPROVEMENT ACTIVITIES

Once appropriate risk management activities are in place, then a strong quality assurance and quality improvement program must rest on a foundation of health, safety, and financial, and operational/administrative integrity. Quality Assurance/Quality Improvement activities strive to increase positive occurrences in the lives of persons served. DDSN has included measurable quality assurance/quality improvement activities in the Administrative Agency Standards.

- 1) **Licensing Activities:** DDSN uses licensing activities to assist in providing a foundation of health and safety upon which other quality of life initiatives may be built. South Carolina state law requires licensing of day programs and residential settings. The law permits the establishment of standards for the qualifications of staff, staff ratios, fire safety, medication management, and health and safety. DDSN contracts with an entity to coordinate licensing inspection activities. Additional inspections may also be coordinated with the State Fire Marshall's Office. Follow-up licensing reviews are completed to assure that corrective action for deficiencies has been taken.

- 2) **Contract Compliance Activities:** The second component of the DDSN Quality Management system is the work done performed by a Quality Improvement Organization (QIO), as designated by the CMS. The QIO, pursuant to its contract with DDSN, conducts a Quality Assurance review of every provider to measure and evaluate the health and welfare of people receiving services. The reviews may take place every 12 to 18 months, depending on the provider's prior performance
- 3) **Post-Payment Claims Review:** DDSN performs a post payment claims review of a representative, random sample of Medicaid claims for services rendered annually to determine if those claims are supported by documentation which substantiates that authorized services were delivered. Post-Payment Claims Reviews will be conducted as a desk review versus on-site review, and providers are required to submit to DDSN documentation to substantiate the sampled claims. Claims from each provider will be reviewed no less than once every three (3) years.
- 4) **Observation of Residential and Day Services:** The Day and Residential Observation/Participant Experience Survey stands alone as a distinct measure of QI/QM. Day Observation/Participant Experience Surveys will be completed annually at all DDSN-licensed facility-based Day Services locations. Residential Observations/Participant Experience Surveys will be completed annually at 25% of Residential Habilitation settings operated by the provider. The Observation/Participant Experience Surveys may be completed in conjunction with other QA/QI activities or may conducted as a separate activity.
- 5) **Participant/Family Satisfaction Measures:** It is very possible for a participant to receive needed services and supports but still feel dissatisfied with life or the services and supports he/she is receiving. Thus, measures of participant with the services and supports received must be considered in order for an agency's services to be truly person-centered and as an important component of data triangulation. Participant and family satisfaction surveys are conducted annually using a planned redundancy model. Each service provider is required to develop and administer its own satisfaction survey. Each provider must comprehensively analyze results must be tabulated and identify areas of weakness, and design and implement a plan of correction. In addition, approximately 500 participants must complete National Core Indicator (NCI) Surveys each year with the assistance of their Case Manager completing Background Documents. The NCI Surveys are coordinated through the Human Services Research Institute (HSRI). This survey information can be used to compare various data for the state to data from other states.
- 6) **Personal Outcomes Measures:** Another way participants' health, welfare, and satisfaction is assessed is through Personal Outcome Measures© were developed by The Council on Quality and Leadership (CQL), a nationally recognized accrediting organization, Personal Outcome Measures© can be used to determine how well services and supports are being received by the person.
- 7) **Quality Enhancement Activities:** With the multiple approaches the DDSN system uses to measure and improve quality, it is important for providers to have a process that allows for the synthesis of all data to understand overall performance of their services. As a part of the

provider's Quality Management Plan, the provider's assessment process should include discussion with a variety of employees throughout the organization, meeting with persons receiving services and their families, reading policies and literature, observing team meetings, identifying current data collection strategies and processes, learning how data is used, observing services in motion, and attending meetings/staffing's and self-advocacy efforts. Ultimately, the team synthesizes all the information identifies the strengths of their system and develops, or builds upon, existing quality management plans.

QUALITY MANAGEMENT PLAN

Each DDSN Contracted Provider Agency is required to have a Quality Management Plan, which shall include the following information:

- Performance measures;
- Performance improvement targets and strategies;
- Methods to obtain feedback relating to personal experience from individuals, staff persons and other affected parties;
- Data sources used to measure performance; and
- Roles and responsibilities of the staff persons related to the practice of quality management.

The provider shall revise the quality management plan no less than every three (3) years. A comprehensive quality management plan should draw ideas, standards, and measures from multiple sources and align with the Mission, Vision, Values, Principles, and Priorities of DDSN. Providers are encouraged to seek consultation and accreditation from nationally recognized leaders in the field.

DDSN QUALITY MANAGEMENT OVERSIGHT ACTIVITIES

DDSN employs a Quality Management system that includes the cycle of design, discovery, remediation, and improvement. Through its Risk Management and Quality Assurance/Quality Improvement processes, DDSN ensures that individual services are being implemented as planned and based on the needs of the person supported, compliance with contract and/or funding requirements, and implement best practices. In addition, the provider's administrative and operational capabilities are routinely reviewed to ensure compliance with DDSN standards, contracts, policies, and procedures.

Meeting service standards and employing qualified staff are basic expectations for service delivery. In addition, DDSN and its provider network have the responsibility to prevent, as much as possible, the occurrence of unfavorable events in the lives of people served. Examples of unfavorable events for people supported include the following: abuse, mistreatment, exploitation, critical incidents, accidents/injuries, medication errors, preventable illnesses, preventable restraints, and preventable deaths. It is very important that service providers have reliable systems for reporting, analyzing, and following up on unfavorable events for people supported. Each of these systems should be governed by policies and procedures and have sufficient resources at their disposal to assure that corrective actions are undertaken to prevent the reoccurrence of unfavorable events in the future. As additional oversight, DDSN has implemented Administrative Reviews, Material Deficiencies Notices, and Corrective Action Plans, and Sanctions to prompt corrective actions necessary for quality improvement.

PROVIDER REPORTING DASHBOARD

The need for improved transparency among government-funded services continues to increase as the public demands more accountability. DDSN believes it is important to maintain a transparent reporting system as a resource for a variety of stakeholders. This resource must reflect reliable measures that will help inform participants and family members when selecting service providers.

The Provider Reporting Dashboard is a resource featured on the DDSN Website. It is available to all stakeholders to learn about the service providers DDSN. The Dashboard includes a three (3)-year trend for compliance reviews, licensing, health and safety reporting, finance and business reporting, and quality indicators. The provider's size, the frequency of reviews, and any special certification information is also included. If a provider has had any Contract Enforcement Actions taken in the past three (3) years that information is also noted.

As additional information for stakeholders, information about the review processes is provided in a prelude to the data. This will include a description of the criteria to qualify for an 18-month review and the process for determining how often a particular site is licensed, reporting requirements for allegations of Abuse, Neglect, and Exploitation or Critical Incident Reporting, Plan of Correction timelines, and possible enforcement actions.

Each indicator or scoring area will have an icon available for the reader to view a description of the measures used to determine compliance.

DDSN ADMINISTRATIVE REVIEWS

The DDSN Risk Management Division may conduct an Administrative Review of Incident Management Report(s) or conduct a review in response to significant concerns related to service delivery. The level of Administrative Review will be determined using the following criteria:

- Significant Injury: Incidents involving significant injury.
- Significant risk: Concerns resulting from the supervision and supports rendered being inconsistent with those outlined in the person's Plan.
- Multiple reports of unauthorized activities, gaps in oversight, or concerns regarding the physical condition of the service settings.
- Complaints and/or observations noted through OA/QI activities, or through contacts with, or contacts related to, the provider.
- Inconsistent documentation related to incident reports.
- A noticeable change in reporting trends.
- Upon the request of the provider agency or another state agency.

The Administrative Review is designed to ensure appropriate safeguards for DDSN service recipients and that compliance with DDSN Standards/Directives/policies is maintained.

MATERIAL DEFICIENCIES and CORRECTIVE ACTION PLANS

When providers fail to meet compliance through the typical remediation process, or when there are documented trends adversely affecting service delivery, a notice of material deficiencies will be issued. When such notice is issued, the provider must submit a Corrective Action Plan (CAP) to the Quality Management Division outlining the actions it will take to thoroughly remediate the areas of deficiency, including, but not limited to, updates in policy(ies), procedures, training(s) by appropriately-credentialed entities or individuals, and/or increased oversight by the agency management.

Criteria for issuing a Notice of Material Deficiencies may include, but are not limited to, the following:

- Incident Management Reports demonstrating a trend of significant injuries or staff actions/inactions that pose a risk to individuals supported;
- 86% (or below) compliance with timely submission of Incident Management Reports for two consecutive quarters;
- Two (2) or more Class I Deficiencies cited for any settings operated by the provider within a 12-month review period;
- 75% (or below) compliance with licensing requirements at two (2) or more settings operated by the provider within a 12-month review period. The compliance score will be determined by the final Report of Findings;
- 60% (or below) compliance with Staff Qualifications and Staff Training requirements as determined through the appropriate review tool for a service (e.g., Contract Compliance or Licensing Reviews). The compliance score will be determined by the final Report of Findings;
- 60% (or below) compliance with service specific requirements as determined through the Contract Compliance Review for a service (e.g., Day Service, Residential Habilitation, Early Intervention, etc.). The compliance score will be determined by the final Report of Findings;
- Evidence of systemic non-compliance in maintaining service delivery documentation to support claims for services rendered; and/or
- Evidence of systemic non-compliance in monitoring participant funds and personal property.

DDSN will specify requirements for a CAP, but will not provide its content. Each provider will be expected to rely upon or develop their internal capacities to reach compliance.

The CAP must identify, with specificity, each of the following elements:

- The dates by which each component will be completed;
- Specific topics and goals of any staff trainings;
- The credentials and experience of the person/entity conducting any staff training that were basis for selection;
- What policies, procedures, or practices will be amended and how; and
- The strategies to be employed to ensure the actions identified in the CAP are implemented and effective to both correct the problem noted and prevent reoccurrence.

Upon receipt of a CAP, DDSN will accept or reject elements of the proposed CAP or the plan in its entirety. In the event of a rejection, the provider shall be required to resubmit a revised CAP. Upon acceptance of the CAP, the provider shall implement the corrective action plan and submit to DDSN an update of progress toward CAP fulfillment every 90 days. If actions from the CAP are not completed by the date specified in the plan, sanctions may be applied.

SANCTIONS

DDSN Licensed Settings

When DDSN Director of Quality Management determines that a licensed setting is in violation of any statutory provision, rule, or regulation relating to the operation or maintenance of such setting, DDSN, upon proper notice to the licensee, may impose a sanction, including but not limited to:

- Deny, suspend, or revoke licenses;
- Require implementation a system for Competency Based Training that includes an evaluation/measure of the effectiveness of staff training to ensure staff members demonstrate the skills necessary to consistently provide the individualized supports;
- Require specific changes in leadership/oversight personnel;
- Implement Enhanced Monitoring. Enhanced Monitoring is a short term, intense intervention that leads to issue resolution and increased capacity to promote the health, safety and welfare of people supported by DDSN;
- DDSN may make referrals to the South Carolina Department of Labor, Licensing and Regulation (SCLLR) for matters related to professional licensing;
- DDSN may recommend that SCDHHS terminate the Medicaid provider agreement;
- DDSN may refer the provider to South Carolina Law Enforcement Division (SLED) and/or the Office of the Inspector General for investigation;
- DDSN may impose any other sanctions in accordance with DDSN policies and procedures.

DDSN shall utilize inspections, investigations, consultations, and other pertinent documentation regarding the licensed setting to enforce DDSN Standards and Directives.

In determining sanctionable activity, DDSN shall consider the specific conditions and their impact or potential impact on health, safety or well-being of participants including, but not limited to: serious deficiencies in medication management; serious housekeeping/maintenance/fire and life safety related problems that pose a health threat to the residents; unsafe condition of the building; direct evidence of abuse, neglect, or exploitation with untimely reporting/response; lack of food or evidence that participants are not being fed properly; no staff available at the setting with participants present; and/or unsafe procedures/treatment being practiced by staff. DDSN may also consider any other pertinent conditions that may be applicable to current Directives and Standards.

The Director of Quality Management will make a recommendation for penalties to the DDSN Sanctions Review Committee. The recommendation will include documentation of the deficiency, the provider's appeal, if applicable, and corresponding Plan of Correction. The Sanctions Review Committee will be composed of the Associate State Director of Operations, the Associate State

Director of Policy, the Chief Administrative Officer, the DDSN General Counsel, a member selected by I.M.P.A.C.T. S.C., a DDSN Provider representative elected among their peers, and a representative from the State Long Term Care Ombudsman Program and will meet on a quarterly basis. Upon recommendation from the Sanctions Review Committee, the Licensee will receive prompt, formal notification of the Sanction and the terms required to satisfy remaining requirements.

Community-Based Services

DDSN may also impose sanctions for non-compliance with Administrative Agency Standards, including staff qualifications and training requirements. DDSN may also impose sanctions for failure to meet key elements of service delivery which are not subject to post-payment claims review. The Director of Quality Management will make a recommendation for sanction to the DDSN Sanctions Review Committee. The recommendation will include documentation of the deficiency, the provider's appeal, if applicable, and corresponding Plan of Correction. The Sanctions Review Committee will be composed of the Associate State Director of Operations, the Associate State Director of Policy, the Chief Administrative Officer, the DDSN General Counsel, a member selected by I.M.P.A.C.T. S.C., and a DDSN Provider representative elected among their peers. and will meet on a quarterly basis. Upon recommendation from the Sanctions Review Committee, the provider will receive formal notification of the Sanction and the terms required to satisfy remaining requirements.

When a provider demonstrates non-compliance in one or more areas of contractual responsibility or failure to submit or implement a CAP, DDSN, upon proper notice, may impose a sanction, including but not limited to:

- Require implementation a system for Competency Based Training that includes an evaluation/measure of the effectiveness of staff training to ensure staff members demonstrate the skills necessary to consistently provide the individualized supports;
- Require specific changes in leadership/oversight personnel;
- Implement Enhanced Monitoring. Enhanced Monitoring is a short term, intense intervention that leads to issue resolution and increased capacity to promote the health, safety and welfare of people supported by DDSN;
- DDSN may make referrals to SCLLR for matters related to professional licensing;
- DDSN may recommend that SCDHHS terminate the Medicaid provider agreement;
- DDSN may refer the provider to SLED and/ or the Office of the Inspector General for investigation;
- DDSN may impose any other sanctions in accordance with DDSN policies and procedures.

DDSN will empanel a Sanctions Board to review circumstances which could lead to the imposition of a sanction. The Sanctions Board will make a recommendation regarding the specific sanction to be imposed to the DDSN State Director. The DDSN State Director will determine the sanction, if any, to be imposed.

POST-PAYMENT CLAIMS REVIEW

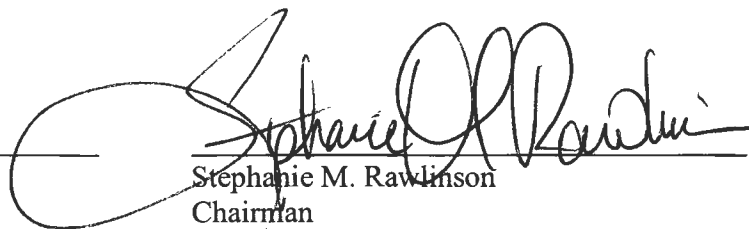
Performance Measures in the DDSN-operated HCBS Waivers require DDSN and DHHS to assure that services are provided in accordance with the service definitions and/or are supported by documentation of service delivery. To that end, DDSN will conduct Post Payment Claims Reviews (PPCR). The PPCR is used to verify that service authorized to a person was delivered by the provider on every date reimbursement for the service was sought. This Review will include a determination of whether:

- The person was eligible for services at the time of the claim;
- The service was authorized in the person's Case Management Plan;
- The units of service align with the authorized units in the plan; and
- There is sufficient documentation to support the service was delivered in accordance with the applicable service standards and service definitions. Supporting documentation will vary depending on the service delivered. Documentation may include, but is not limited to: evidence of training goal/objective implementation, evidence of implementation of supervision plan, service notes, T-Logs, evidence of recreation/leisure activities, behavior support data, meeting notes, medication administration records, medical appointment records, etc.

Provider agencies must have an established internal monitoring processes to ensure the integrity of the services provided meets the scope of the defined service(s), DDSN, and Medicaid requirements. The agencies must also have policies/procedures for documenting service delivery, consistent with the scope of the defined service(s), DDSN, and Medicaid requirements. Discrepancies found within the service documentation and actual service delivery will be reported to SCDHHS Program Integrity for further investigation.



Barry D. Malphrus
Vice Chairman



Stephanie M. Rawlinson
Chairman