

**Michelle G. Fry, J.D., Ph.D.**  
*State Director*  
**Rufus Britt**  
*Associate State Director*  
*Operations*  
**Lori Manos**  
*Interim Associate State Director*  
*Policy*



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## **MEMORANDUM**

To: Executive Directors/Chief Executive Officers (CEOs)

From: Dr. Michelle Fry *Michelle Fry*  
State Director

Date: January 7, 2022

Re: Commission Approved Uses of 6.2% FMAP Funds to Assist the  
Provider Network Experiencing Significant Challenges during COVID  
Crisis Requiring Certifications of Compliance

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### I. Background

#### A. DDSN 6.2% FMAP Revenue and Cash Reserves

DDSN FY22 Cash Carry Forward was \$50.6 million, primarily as a result of accumulated monies from the 6.2% FMAP. Some of these funds will be needed to fund the IDR Waiver Renewal rate increases for the last six months of FY22 (1/1/22 to 6/30/22); estimated increase costs of \$7 million in state match. We are also currently estimating increase in administrative budget needs to fulfill what will be increased oversight responsibilities under the new administrative contract with SCDHHS of all providers, rather than only DDSN-funded providers, which expands our oversight responsibilities to approximately 700 additional providers.

Even accounting for these increased costs and being mindful to have sufficient reserves, DDSN has sufficient reserves to fund initiatives out of the accumulated 6.2% FMAP. Revisiting options is particularly timely because the 10% FMAP has been more delayed than expected. Further, some initiatives in the DDSN 10% FMAP plan are not in the final plan submitted to CMS by SCDHHS.

## II. Commission Approved Recommendations Requiring Certifications of Compliance

- A. Using 6.2% FMAP funds in DDSN cash reserves, approve the disbursement of \$5 million to the provider network to address ***“targeted staff retention & recruiting in the form of enhanced pay rates, bonus pay, incentive pay, and hiring bonus.”***

### **Implementation:**

For DDSN Providers whose allocation is under \$1,000, a signed attestation stating funds will be expended as articulated above (See Attached Form). For DDSN Providers whose allocation exceeds \$1,000, a plan detailing how funds will be utilized consistent with the above parameters as well as a proposed plan for providing evidence funds were in fact expended as proposed and allowed. DDSN will perform compliance monitoring. Submit signed attestations and plans to [financial.techsupport@ddsn.sc.gov](mailto:financial.techsupport@ddsn.sc.gov).

- B. Using the 6.2% FMAP funds in DDSN cash reserves, approve the disbursement of \$4 million to incentivize and reward Day Service providers for re-opening services to at-home individuals. The funding will be allocated based on actual units of day services provided between 7/1/21-12/31/21 (consistent with the original 10% FMAP request that was excluded). Each service provider will receive payment per unit to reward and provide relief for expenses associated with re-opening service provision to at-home individuals.

### **Implementation:**

Post the closure date for Day Service Attendance Log (DSAL) submissions (Tuesday, January 11, 2022), DDSN will finalize award amounts and will initiate electronic payment through accounts payable no later than Friday, January 14, 2022.

The Commission and our team here at DDSN appreciate the efforts of our network to maintain engagement with and continuity of services to those we serve and their families throughout the COVID-19 Public Health Emergency.

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## **ATTESTATION**

Date:

To: South Carolina Dept. of Disabilities and Special Needs

Pursuant to guidance issued by DDSN dated January 7, 2022 related to the use of 6.2% FMAP funds to address the labor shortage through funding for targeted staff retention & recruiting in the form of enhanced pay rates, bonus pay, incentive pay and hiring bonus, I attest to the following:

All funds received by our agency will be used solely for the purpose as stated within the above guidelines, or will be recouped by DDSN.

By signing below, I acknowledge that our agency agrees and will comply with the above requirements.

\_\_\_\_\_  
Agency Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title