

This is a summary of below Committee meeting prepared by the responsible staff executive, who was CFO Chris Clark. After each substantive agenda item, the executive uses a blue font color to briefly summarize the discussion; itemized specific guidance provided by a Commissioner(s), if any; and documents formal vote(s), if any. This summary is supported by a verbatim audio/video recording maintained on DDSN's webpage.

FINANCE AND AUDIT COMMITTEE AGENDA

**Commission of the South Carolina Department of Disabilities and Special Needs
3440 Harden Street Extension
Conference Room 180
Columbia, South Carolina**

November 7, 2019

3:00 p.m.

1. Call to Order *Robin Blackwood, Committee Chair*
2. Adoption of the Agenda
3. Amendments over \$200,000 approvals
 - a. Pickens County DSN Board - \$217,035
 - b. Jasper County Board of DSN Fiscal Agent Payroll - \$1,599,338
 - c. Charles Lea Center Fiscal Agent Payroll - \$409,167
 - d. Charles Lea Center Fiscal Agent Payroll FY 18 and 19 due - \$525,000

Brief Summary: In accordance with standing Commission policy, we presented all amendments in excess of \$200,000. The nature of the amendments related to fiscal agent payroll was discussed at length. Payouts are cash flow only issues since services are recouped from Medicaid and from Providers. The Pickens County DSN Board amendment is related to the opening of the Jericho project. Development of this program will generate additional cash flows for DDSN as well. Providers need these funds in their coffers and we are requesting that the Committee approve issuance of these amendments and payment to providers at this time. We put providers in a bad spot if we hold these funds until the Commission meeting in January.

Committee Member(s) Guidance (if any): Proceed with the amendments and payment of these providers. Add this to the January agenda so that the Commission can ratify this decision.

Committee Vote(s) (if any): All present voted for proceeding in the fashion outlined.

4. HHS Case Management/Early Intervention January 2020 rate increase

Brief Summary: Updated the Committee on where we are with the HHS rate increase for CM and EI. Efforts made by us to get this rate approved was discussed. Due to the timing of the rate increase, January 2020, and the legislative requirement to increase pay rates, July 2019, we have an issue to resolve. The funding in the rate, since not retro to July 2019, will not provide funding to providers for pay increases for the first six months of the fiscal year. We have received \$221,907 of state funds for the period July to December. We are recommending that we distribute these funds to the providers in an equitable manner or return them to the state.

Committee Member(s) Guidance (if any): Commissioner Lemel outlined the various options and agreed we need to determine a fair and equitable manner to distribute the funds to providers vs. returning the funds to the State. It is legislatively mandated that these employees be given a pay raise effective July 2019.

Committee Vote(s) (if any): All Commissioners agreed to proceed with developing a plan once we have a definitive answer on the rate increase January 2020.

5. Provider Audit Policy reassignment

Brief Summary: Discussed that the goal is to reassign the audit directive to the CFO from Internal Audit. We discussed the goals of this change and the timing of proposed changes to be presented.

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

Committee Vote(s) (if any): None

6. New Outlier Procedure

Brief Summary: Discussed the revisitation of the existing broken outlier process. Discussed examples of goals to be achieved with the changes and efforts to communicate these changes to providers.

Committee Member(s) Guidance (if any): Commissioner Lemel asked that this process be developed so it is transparent and fair. The existing process is viewed as taking favorites and is not transparent.

Committee Vote(s) (if any): None

7. Update on Union County DSNB Technical Assistance Visit

Brief Summary: Presented for information only. CTH II House manager from Union who was previously found guilty of exploitation was brought back for trial to determine restitution. The defendant was found to be responsible for restitution for the full amount of questioned costs, as determined by Internal Audit, in the amount of \$26,731.70.

Committee Member(s) Guidance (if any): N/A

Committee Vote(s) (if any): N/A