



DDSN EXECUTIVE MEMO

TO: DSN BOARD FINANCE DIRECTOR
DSN BOARD EXECUTIVE DIRECTOR

FROM: W. CHRIS CLARK, CPA, CGMA
CHIEF FINANCIAL OFFICER

DATE: DECEMBER 22, 2020

RE: 60% AT HOME DAY PROGRAM RECOUPMENT AND
RETRO FEE FOR SERVICE FOR DAY ATTENDANCE – JUL THROUGH SEP 30, 2020

COVID-19 continues to negatively impact the State's Adult Day Program services. Providers have done an excellent job of continuing to offer these services to persons served in DDSN licensed/Provider operated residential facilities. Providers have had mixed success in re-opening the congregate Adult Day Program facilities for those residing at home. As a result of the closures, DDSN continues to experience revenue shortfalls in our Adult Day Program services billing. A comparison of Adult Day Program billing for July to September 2020 revealed that these billings were down by \$6,890,000 from the same period in the prior year.

The Commission approved a recoupment plan at its September 17, 2020 meeting that consisted of: 1) 60% recoupment of the experienced reduction in Adult Day Program funding and 2) a fee-for-service payment to each Finance Manager for each unit of Adult Day Program services and Supported Employment services provided to at-home consumers (Bands B and I). The 60% recoupment for the first quarter of the fiscal year (July to September 2020) equated to \$4,129,822. Based on at-home Adult Day Program services units provided by the Finance Managers across the State, a retroactive fee-for-service payment of \$2,147,745 will be made. The net recoupment for the all Providers was \$1,982,077.

The 60% recoupment was based on the lost revenues, as mentioned above, and was allocated to Providers based on the same percentages we used for the 50% recoupment in FY 2020. The fee-for-service payment being made is based on W99 Medicaid Paid Claims data for July 2020 to September 2020. The paid claims data was filtered to eliminate all of the attendance associated with those served in residential services, leaving at-home consumer day attendance only. Each unit of service is being paid at the full Medicaid pass-through rate of \$31.29.

At this time, we have not paid Providers for Supported Employment services provided to non-residential consumers served. We will be making this payment on a not so distant future payment schedule. IDR and HASCI Waiver services will be paid at the IDR pass-through rate of \$16.48 per 15 minute unit. CS Waiver services will be paid at the CS pass-through rate of \$21.95 per 15 minute unit.

The recoupment and fee-for-service process for October to December 2020 will be completed sometime in February and will be processed on one of your March payment schedules.

Note that the 60% recoupment amount should be reported in your records, on your audit report, and in your cost reports similar to last fiscal year's 50% recoupment, as a non-operating expense or other use of revenues.

If you should happen to have any questions regarding this recoupment/payment, then please do not hesitate to contact me at 803-898-4084 or at chris.clark@ddsn.sc.gov.