

FINANCE WORK GROUP

AGENDA

April 7, 2020

1 pm – Room 251

- 1) Introduction to Michael Mickey – CIO
- 2) Situational reports
- 3) Website resources
- 4) Early Intervention DHHS limits (Joyce Kimrey)
- 5) Case Management and Early Intervention retro state funds – April 16th check/payment
- 6) FEMA (Andrew Tharin)
- 7) Day Program rate setting project
- 8) Day Program contract unit requirements
- 9) Day Program unit billing during closures
- 10) Accounting issues surrounding COVID-19
- 11) Vacancy extension to 60 days – occurring 2/13/20 or later
- 12) Bonus/Incentives
- 13) Recovery Rebate Checks
- 14) Emergency procurement interim procedure
- 15) Year-end processes
- 16) Galasso Training Session - May 7th
- 17) Auditor Training – to be announced
- 18) Quarterly Finance Basic Training – May 28th
- 19) Question and Answer Session

Mary Poole
State Director
Patrick Maley
Deputy Director
Rufus Britt
Associate State Director
Operations
Susan Kreh Beck
Associate State Director
Policy
W. Chris Clark
Chief Financial Officer



COMMISSION
Gary C. Lemel
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Barry D. Malphrus
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TO: DSN BOARD AND QPL FINANCE DIRECTORS
DSN BOARD EXECUTIVE DIRECTORS
QPL CEOS/PRESIDENTS

FROM: DEBRA WILSON
DIRECTOR OF ACCOUNTING & CONTRACTS

DATE: March 27, 2020

RE: RETROACTIVE INCREASE FOR CASE MANAGEMENT & EARLY INTERVENTION – STATE APPROPRIATION ALLOCATION

I know you have been patiently waiting for us to distribute the state funds we were appropriated for the legislatively mandated increases. We have discussed this in numerous meetings, so we assume most of you understand what these funds relate to. To be sure there is a clear record of where these funds came from, what they are for, and how the allocation is being determined, we are going to recap what has occurred to get us to this point.

During FY 2019, SCDDSN initiated the final steps of the previously mandated conversion to market based rates in a fee for service payment system for Case Management and Early Intervention. During the latter part of FY 2019, the State Legislature approved an across the board cost of living pay increase for all of our service lines – including these two service lines. SCDDSN was appropriated the State match portion of the anticipated rate increase. The Legislature anticipated that SCDDSN would be successful in negotiating rate increases for the provider network with SCDHHS to fully fund the increase. After months of negotiation, SCDHHS did agree to increase the rates for these two service lines effective January 1, 2020.

The staff compensation cost of living adjustment required by the Legislature was effective the first payroll pay date in July 2019. With SCDHHS only agreeing to a rate increase effective January 1, 2020, this left SCDDSN with State appropriations intended to be used for match funds that could not be used as match. After considering a variety of options available to us, the SCDDSN Commission agreed to a fair and equitable distribution of the State appropriation funds we were holding for the period July to December 2019.

The process used to compute the allocation of State appropriated funds was as follows:

- 1) We determined the amount of State appropriation provided to SCDDSN for the period July to December 2019 for Case Management and Early Intervention.
- 2) We summarized all Waiver Case Management (WCM) units billed by each provider – Boards and QPLs – for July to December 2019.
- 3) We summarized all Early Intervention (EI) units billed to SCDDSN by each provider – Boards and QPLs – for July to December 2019.

- 4) We obtained from SCDHHS all BabyNet units billed to them by each provider – Boards and QPLs – for July to December 2019.
- 5) Since WCM is paid at two different rates – with and without travel, we had to determine the percentage weighting to assign to the without travel units. The “without travel” rate is 59.09% of the “with travel” rate.
- 6) We summarized all weighted units billed to SCDDSN and SCDHHS to determine the total number of units that were provided that needed to be funded.
- 7) The total State appropriation was divided by the total weighted units provided to arrive at a non-weighted per unit rate of \$.208.
- 8) The unit rate was then multiplied by 59.09% to arrive at the weighted rate to be paid for WCM “without travel”. The unit rate being paid for these units is \$.123.

The final rates that were determined, representing our State appropriation for these services, are as follows:

| | |
|----------------------------------|-----------------|
| Case Management – Without Travel | \$.123 per unit |
| Case Management – With Travel | \$.208 per unit |
| Early Intervention | \$.208 per unit |

You will receive a memo, with your payment schedule, which explains the number of units paid and the respective calculation for your Organization. If you have any questions, please feel free to contact me and I can review the calculation with you. Thank you for your patience.

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TO: DSN Board and QPL CEO's/Presidents/Executive Directors
DSN Board and QPL Finance Directors

FROM: CFO W. Chris Clark, CPA, CGMA

DATE: March 27, 2020

RE: 30 day residential bed vacancy extension due to COVID-19

The existing 30 day bed vacancy rule is being relaxed as a temporary-interim procedure to respond to the expected delays providers could have in filling beds due to COVID-19. The existing rule is being extended to 60 days for those vacancies occurring after February 12, 2020 (30 days prior to the Governor declared state of emergency on March 13, 2020). Vacancy letters and contract amendments will be adjusted to reflect this extension of the funded vacancy period.

Intermittent vacancy funding will be increased from the current 45 days to 60 days. Billable vacancies for fee for service residential placements will remain at their current levels.

We will notify you when this interim procedure is terminated and vacancy rules return to their prior levels.

We ask that providers still make every effort to fill their vacancies in a timely manner. SCDDSN is unable to recover these costs and will be incurring lost revenues due to each of these vacancies. In difficult times like these, we need to work to benefit one another and the individuals needing our care and services.

If you should happen to have any questions, then please let us know by emailing contracts@ddsn.sc.gov.

COVID-19 Information

COVID-19 Information Links

- [FEMA Procurement Training Opportunity \(PDF\)](#) - Online training to help participants understand how to comply with Federal procurement requirements specific to COVID-19. Sessions currently offered 3/31/2020 and 4/7/2020.
- [COVID-19 PA Applicant Briefing \(PPT\)](#) - Provides general information on the Public Assistance program, systems, eligibility, and processes specific to COVID-19 (DR-4492).
- [COVID-19 Major Declaration Fact Sheet \(PDF\)](#) - Published 3/29/2020 by SCEMD.
- [COVID-19 Eligible Emergency Protective Measures Fact Sheet \(PDF\)](#) - Published 3/19/2020 by FEMA.
- [COVID-19 Public Assistance Simplified Application Fact Sheet \(PDF\)](#) - Provides an overview of the FEMA Public Assistance application process for applicants requesting reimbursement related to federal emergency and major disaster declarations for COVID-19.
- [Grants Portal Account and Request for Public Assistance \(PDF\)](#) - This PA Applicant Quick Guide explains the steps an Applicant must take in creating a Grants Portal user account and submitting Requests for Public Assistance (RPA).
- [Expedited Funding for COVID-19 - PA FEMA Job Aid \(PDF\)](#) - Published 3/25/2020 by FEMA.
- [COVID-19 Emergency Medical Care - PA FEMA Fact Sheet \(PDF\)](#) - Provides additional guidance related to the eligibility of emergency medical care activities as an emergency protective measure.
- [COVID-19 Non-Congregate Sheltering FAQ \(PDF\)](#) - Published 3/21/2020 by FEMA.
- [COVID-19 Private Nonprofit Organizations FEMA Fact Sheet \(PDF\)](#) - Provides guidance for determining the eligibility of PNP applicants and work performed in accordance with the COVID-19 emergency and major disaster declarations.
- [FEMA Infectious Disease Event Fact Sheet \(PDF\)](#) - Published 5/13/2016 by FEMA.
- [COVID-19 Environmental and Historic Preservation Fact Sheet \(PDF\)](#)
- [COVID-19 Floodplain Considerations for Temporary Critical Facilities Fact Sheet \(PDF\)](#)

**RENEWAL NUMBER THREE
AND
AMENDMENT
BETWEEN
SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS
AND
«PROV»
FOR
PERSON-CENTERED SERVICES AND SUPPORTS
FUNDED THROUGH A CAPITATED MODEL**

THIS RENEWAL/AMENDMENT is entered into as of the first day of July 2016 by and between the South Carolina Department of Disabilities and Special Needs, hereinafter referred to as “DDSN”, and «prov», hereafter referred to as the “Provider”.

DDSN and the Provider are mutually desirous of revising and amending the Contract entered into July 1, 2013 (as amended) as follows:

REVISION I

Article I, **Contract Period and Renewal**, is hereby amended to revise the termination date from June 30, 2016 to **June 30, 2017**.

REVISION II

Appendix A, **Approved Budgets for Programs under Contract**, is hereby amended to add Appendix A-3 in order to reflect the inclusion of the fiscal year 2016 - 2017 (July 1, 2016 through June 30, 2017) information. Appendix A-3 is attached hereto and incorporated by reference.

REVISION III

Article II, **Administration of Person-Centered Services, Scope of Services, and Provider’s Responsibility**, Section B, *Individualized Estimated Cost of Services*, is hereby removed from the contract.

REVISION IV

Article III, **Conditions for Reimbursement**, Section C, Sub-section 5 and 6 are amended as follows: (changes are high-lighted)

5. Providers must expend for capitated services a minimum of **ninety percent (90%)** of total revenues received from all sources for services covered by this Contract. DDSN may recoup unexpended funds paid to the Provider if the **ninety percent (90%)** expenditure level is not maintained. This will generally occur at year-end reconciliation. This Contract’s funding is recognized as the last dollars spent.

6. Providers may maintain a maximum total reserve up to three (3) months of operating expenditures. The three (3) months reserve may change at the discretion of DDSN in order to ensure DDSN's financial solvency. For purposes of this provision, operating expenditures include expenditures of all Provider programs and activities related to the DDSN service delivery system. The Provider shall identify and document expenditures for programs and activities not related to the DDSN service delivery system. Provider shall not withhold services in order to generate funds to be carried forward. DDSN may recoup funds paid to the Provider if the total reserve exceeds the three (3) month maximum even if the ninety percent (90%) provision indicated in item 5 above is met. This will generally occur at year-end reconciliation. If DDSN's Medicaid allowable costs, in the aggregate, do not meet the level of certified public expenditures (CPEs) reported to the Department of Health and Human Services, DDSN is allowed to recoup funds necessary to remain in compliance with federal Medicaid CPE rules.

All other terms and conditions as set forth in the July 1, 2013 Contract (as amended) remain the same and in full force and effect.

IN WITNESS WHEREOF, DDSN and the Provider, by their authorized agents, in consideration of the mutual promises, covenants, and stipulations exchanged between them, have executed this Amendment to be effective as of July 1, 2016.

**SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS
(DDSN)**

BY:

Tom Waring
Associate State Director
Administration

Witness for DDSN

**«PROV»
(PROVIDER)**

BY:

«dir»
«title»
On behalf of «prov»

Witness for Provider

APPENDIX B

PROVISIONS RELATED TO DISPOSITION OF FACILITIES OWNED BY PROVIDER IF CONTRACT EXPIRES OR IS TERMINATED

This Appendix pertains to a Contract termination or expiration or elimination of a facility from the Contract where the Provider owns the facility or facilities wherein services under this Contract are provided. Should the Provider or Sponsoring Agency cancel this Contract or eliminate any facility(ies) where DDSN funds were utilized to support the costs for such facility(ies) (i.e. purchase, rent, utilities, maintenance, etc.) from the Contract for any reason, the following provisions shall govern the facility(ies):

- A. If the facility(ies) is(are) to be sold, the Provider shall offer to DDSN or another contracted provider selected by DDSN the right of first refusal to purchase the facility(ies) at a price determined by a qualified real estate appraiser unless paid for through a DDSN capital grant. If paid for through a DDSN capital grant, the price shall be determined by the amount of the Grant. If DDSN and/or the contracted provider decide not to purchase the facility(ies), the following provisions shall govern the facility(ies):
1. The Provider shall unconditionally offer to lease to DDSN, or a substitute provider selected by DDSN, all facilities used to provide services under this Contract.
 2. The lease rate shall be equal to the debt service and expense portion of the loan for the facilities or, if greater, at a rate equal to the fair market value of such facilities, with such value to be determined by an agreed upon appraisal process.
 3. DDSN shall have sole discretion as to the followings:
 - whether the lease shall be entered into and/or renewed;
 - whether a substitute provider shall be selected; and
 - whether the facility will continue to be used for DDSN funded services and, if so, what services shall be provided at the leased facilities.
 4. DDSN, at its sole discretion, shall have the right to assign these lease rights to a substitute provider selected by DDSN.
 5. In addition to the provisions listed above, the Provider shall be unconditionally required, on a first priority basis, to offer to sell the facilities used to any such substitute provider selected by DDSN or to DDSN in the event of cancellation of this Contract. The following conditions shall govern this provision:
 - a. DDSN shall choose whether the offer shall be to the substitute provider or to DDSN.
 - b. The sale price shall be the fair market value as determined by an agreed upon appraisal process.
 - c. DDSN will have sole discretion whether to continue services at the facility and whether to support purchase by a substitute provider or to purchase the facility itself.
 - d. The substitute provider, if it purchases the facility, or DDSN, if it purchases the facility, will assume the Provider's obligations.
- B. Where construction or purchase of the facilities was funded by U. S. Department of Housing and Urban Development (HUD) or Farmers Home Administration (FmHA) grants or loans, paragraph A is subject to approval by HUD or FmHA.

FISCAL YEAR 2019-20 PROVISOS

1 of regularly scheduled insulin and injections of prescribed anaphylactic treatments. The provision of medications by designated unlicensed persons
2 does not include rectal and vaginal medications, sliding scale insulin or other injectable medications. A written or electronic record regarding each
3 medication provided, including time and amount administered, is required as part of the provision of medication. Provision of medication does not
4 include judgment, evaluation or assessment by the designated unlicensed persons. The designated unlicensed persons and the nurses, pharmacists and
5 medical doctors that train, approve, and supervise these staff shall be protected against tort liability provided their actions are within the scope of their
6 job duties and the established medical protocol.

7 The Department of Disabilities and Special Needs shall establish curriculum and standards for training and oversight.

8 This provision shall not apply to a facility licensed as an intermediate care facility for individuals with intellectual and/or related disability.

9 **36.8.** (DDSN: Child Daycare Centers) Of the funds appropriated to the department, the department shall provide reimbursement for services
10 provided to department eligible children at daycare centers previously under contract prior to December 31, 2008. The reimbursement shall not be less
11 than eighty percent of the amount reimbursed in the previous fiscal year. By September fifteenth, the department must transfer \$100,000 to the Anderson
12 County Disabilities Board for the provision of these services.

13 **36.9.** (DDSN: Debt Service Account) The department shall utilize the uncommitted dollars in their debt service account, account E164660, for
14 operations and services that are not funded in the appropriations bill. By August first, the department must report to the Governor, the Chairman of the
15 Senate Finance Committee, and the Chairman of the House Ways and Means Committee on the remaining balance in this account and on the amounts
16 and purposes for which the account was used in the prior fiscal year.

17 **36.10.** (DDSN: Traumatic Brain Injury) Funds appropriated to the agency for Traumatic Brain Injury/Spinal Cord Injury Post-Acute Rehabilitation
18 shall be used for that purpose only. In the event the department receives a general fund reduction in the current fiscal year, any reductions to the
19 post-acute rehabilitation funding shall not exceed reductions in proportion to the agency as a whole.

20 **36.11.** (DDSN: Medicaid Direct Billing) The department shall facilitate Medicaid direct billing for all providers, including local disabilities and
21 special needs boards, who choose to initiate the direct billing process regardless of the receipt of capital grant funds from the department for the specific
22 facility involved. All entities receiving capital grant funds must use the funds as originally specified in the award. If the purpose or use of a facility
23 constructed or purchased with departmental grant funds is altered without the department's approval, the entity must repay the department the amount
24 of the funds awarded. The use of direct billing shall not be construed as a change in the purpose or use of a facility.

25 **36.12.** (DDSN: Carry Forward Authorization) For the current fiscal year, the department is authorized to carry forward any balance of General
26 Funds appropriated for the reduction of the department's waiting lists in the prior fiscal year and must utilize these funds for the same purpose in the
27 current fiscal year. Within thirty days after the close of the fiscal year, the department shall report the balance carried forward to the Chairman of the
28 Senate Finance Committee and the Chairman of the House Ways and Means Committee.

29 **36.13.** (DDSN: Service Providers Expenditure Requirement) For the current fiscal year, in order to accommodate service provider infrastructure
30 needs resulting from the reductions in the department's waiting lists, service providers including local disabilities and special needs boards are authorized
31 to carry forward from the prior fiscal year unexpended funds based on a ninety percent expenditure requirement for capitated services. Service providers
32 shall not withhold services in order to generate funds to be carried forward. The expenditure requirement shall not affect the department's three month
33 reserve limitation policy. If the department's Medicaid allowable costs, in the aggregate, do not meet the level of certified public expenditures (CPEs)
34 reported to the Department of Health and Human Services, the department is allowed to recoup funds necessary to remain in compliance with federal
35 Medicaid CPE rules.