



## South Carolina Department of Alcohol and Other Drug Abuse Services

HENRY McMASTER  
Governor

SARA GOLDSBY  
Director

January 24, 2020

Via E-mail

The Honorable Jay West, Chair  
Healthcare and Regulatory Subcommittee  
Legislative Oversight Committee  
South Carolina House of Representatives  
Post Office Box 11867  
Columbia, South Carolina 29211

RE: Contract Between DAODAS and DSS for Drug-Testing Services

Dear Representative West:

Thank you for the opportunity to clarify the outstanding issues surrounding the former contract between the S.C. Department of Social Services (DSS) and DAODAS for the delivery of drug-testing services and referral for treatment, when necessary, within the state's system of county alcohol and drug abuse authorities.

The original contract was a fixed-price contract that included funding for county authority employees to be co-located within local DSS offices *and* for the provision of drug-testing services for DSS clients (for which the cost could be highly variable). These funds were first contracted between DSS and DAODAS, with DSS sending the dollars to our agency and not directly to the county authorities.

Under that original contract, DAODAS awarded subcontracts to all of the (at that time) 33 county authorities, but services were available in all 46 counties of our state. (As you know, several of these local agencies provide services in more than one county.) When initially awarded, there was some delay in local substance use disorder (SUD) service providers' contracting processes, but in the end, all of the county authorities participated and the entire state was covered in terms of services, to include co-located staff and/or drug-testing services.

During this time, the county authorities billed DAODAS – not DSS – for both the co-located staff's time and the drug tests administered. According to our information, certain local DSS offices already had in place contracts with separate drug-testing services, and these were being billed to the DSS state office. This is where some of the confusion regarding billing could have occurred with the previous administration at DSS.

In the second year of the contract, DSS decreased the funding available for this project, first reducing the funding for the co-located staff member in each local DSS office.

January 24, 2020

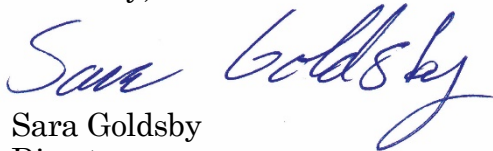
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This reduction led to a significant decrease in services, because when SUD staff were co-located, important communication, case management, and proper training occurred on interpreting clients' drug test results. In fact, a number of the county alcohol and drug abuse authorities maintained these co-located staff after the DSS funding was depleted. Overall, however, many local DSS offices did not have the appropriate space to house an SUD employee, which led to a lack of integration between these local offices and a lack of training for DSS employees on proper interpretation of drug tests.

In the third year of the contract, DSS further reduced the available funding and in November 2017 executed direct one-year contracts with alcohol and drug abuse authorities in only four counties (Dorchester, Greenville, Orangeburg, and Lancaster). These contracts were for the co-located staff only, and all funding for drug testing ceased. It was then that DSS decided to contract with a single drug-testing provider for the entire state. (From January to October 2018, DSS also contracted with Behavioral Health Services of Pickens County for a co-located staff person.)

I hope that this information is of assistance. We have attached the scope of work for the original contract to further demonstrate the requirements of the contract and the amount paid to each of the county authorities during the first year of the contract.

Sincerely,

A handwritten signature in blue ink that reads "Sara Goldsby". The signature is written in a cursive style with a large, sweeping "S" and "G".

Sara Goldsby  
Director

SG/sld/jmm

Attachment

cc: DAODAS Executive Management

CONTRACT  
BETWEEN  
THE SOUTH CAROLINA STATE  
DEPARTMENT OF SOCIAL SERVICES  
AND  
DEPARTMENT OF ALCOHOL AND OTHER DRUG ABUSE SERVICES

**CONTRACTOR RESPONSIBILITIES**

Within the contract period, the Contractor agrees to provide the following services in the manner and method herein stipulated:

A. Description of Services and Purpose

**Scope of Work**

The intent of this agreement is for DSS to provide funding of DAODAS' infrastructure to provide alcohol and other drug abuse (AOD) treatment staff co-located within DSS, testing, screening and assessment services for persons/families in South Carolina that DSS has involvement.

**DSS will:**

1. Provide space in county offices for thirty-three (33) alcohol and other drug abuse (AOD) treatment staff.
  2. Refer persons related to child welfare cases for AOD drug screening and testing, and assessment. This will be done statewide. Define our expectations in terms of the referral process to the local DAODAS entity, what test(s) we request, and a reasonable time frame to receive the results.
  3. Provide contact names and phone numbers for the 46 DSS counties.
  4. Participate and provide relevant cross training between DSS and DAODAS.

**DAODAS will:**

1. Provide thirty-three (33) alcohol and other drug abuse (AOD) treatment staff to be physically co-located within DSS.
2. Accept all referred persons for AOD testing, screening and assessment. Assurance that all referrals will be served and follow specifics outline in any court orders. See
3. Provide all necessary drug screenings, testing and assessments in accordance with the referrals received from DSS. DAODAS Commissions will respond to each DSS referral within 10 business days on each client. Commissions serve the 46 counties in SC must Provide contact names and phone numbers for each of the commissions. Participate and provide relevant cross training locally between DSS and DAODAS and other child welfare stakeholders.
4. Provide the following reporting to DSS: Mid-year and end of the year reports on number of clients served and the outcomes for those clients. For the current contract period, the Provider shall also provide an unduplicated client count of clients served

by child, 0-18, or adults 20-59, and 60 years and above for the federal fiscal years covered in this contract, April 1, 2015 -September 30, 2015 and October 1, 2015 - March 31, 2016.

5. DAODAS commissions will follow their financial analysis of all clients referred by DSS to determine the client's ability to pay and other payment structures. DSS will not pay for services beyond initial testing and screening.
6. Ensure Continuous Quality Improvement/Quality Assurance by monitoring and tracking outcomes, providing guidance and supervision to co-located AOD staff. Provide necessary and agreed upon reports with invoices to demonstrate the quality of the AOD services.

B. Location of Facilities

The location(s) of facilities used in providing services is (are) listed in the approved program plan.

C. Budget

The program budget for the services to be provided pursuant to this contract is incorporated herein.

D. Fees for Services

The Provider shall be allowed to collect fees provided a fee schedule has been submitted to and approved by SCDSS. However, services shall not be denied to any client based on the client's inability to pay such fees.

E. Monitoring

The contractor shall collect, maintain, and report statistical data and/or information as requested by SCDSS. Such information will be used for project monitoring and evaluation. At any time and as often as SCDSS and/or appropriate federal agencies may deem necessary, Contractor shall make all program records and service delivery sites open to SCDSS in order that SCDSS may perform program reviews. SCDSS shall have the right to examine and make copies, excerpts, or transcripts from all records, contact the client for documentation of service delivery, and to conduct on-site reviews of all matters relating to service delivery as specified by this contract.

F. Compliance by Contractor

- a. delivery as specified by this contract.

G. Compliance by Contractor

- a. The obligation of SCDSS to make payment shall be conditioned upon full and faithful compliance by the Contractor with all stipulations, covenants, and conditions of this contract.

H. Safeguarding Information

- a. The Contractor shall safeguard the use and disclosure of information concerning applicants for and recipients of services in accordance with applicable federal and state laws and applications and shall restrict access to, and use and disclosure of such information in compliance with said laws and regulations.

I. Conditions for Contract Continuation.

- a. No longer than thirty (30) days after SCDSS has conducted a review of records or performance, SCDSS will issue to the Contractor a report of such review. Such report shall be sent to the Contractor by certified mail, return receipt requested. If the report identifies deficiencies, it will specify conditions for contract continuation. Such conditions will state both the corrective action which must be taken and the time frame in which such action must be taken. The contract will be terminated effective any date that the Contractor fails to meet the specified conditions. This Contract section will automatically terminate on any date that the Contractor fails to meet specified condition(s) without any further action by SCDSS. Notice of termination will follow.

J. Jaidon's Law Compliance

- a. DAODAS and DSS will work collaboratively to define "successful completion" that will include, but limited to: client successfully achieved treatment goals with DAODAS and DSS treatment plans, demonstrated change in behavior, and client being in recovery.
- b. Particular collaboration with DSS and DAODAS around the babies who are born testing positive and drug testing in for cases in which to the prior to Permanency Planning Hearing for cases as required by Jaidon's Law (Act No. 281 (R317, H3102) Effective June 10, 2014).

**ARTICLE IV**

**SCDSS RESPONSIBILITIES**

SCDSS agrees to purchase from the Contractor and to pay for the services provided pursuant to this contract in the manner and method herein stipulated:

A. Payment for Allowable Expenditures Only

SCDSS will make payment only for allowable expenditures reasonably and necessarily incurred by the Contractor in the course of providing services pursuant to this Contract. Payment by SCDSS for services provided pursuant to this contract constitute payment in full to the Contractor and the Contractor shall not bill, request, demand, solicit or in any manner receive or accept payment or contributions from the client or any other person, family member, relative, organization or entity for care or services to a client except as may otherwise be allowed under the federal regulations or in accordance with SCDSS policy. Any collection of payment or deposits in violation of this section shall be grounds for termination of this Contract and reimbursement for any services to clients made after such collection or attempt to collect may be denied by SCDSS and shall be subject to recoupment of for any client payment made.

B. Limit on Total Reimbursement

Total reimbursement to the Contractor pursuant to this contract shall not exceed the following maximum sum(s):

**Total Funds** Amount **\$3,000,000.00**

The budget includes funds for thirty-three (33) alcohol and other drug abuse (AOD) treatment staff, totaling \$1,815,000.00 and Continuous Quality Improvement/Quality Assurance, totaling \$185,000.00 and drug testing totaling \$1,000,000.00.

In no event shall SCDSS reimburse the Contractor for an amount in excess of the sum of the amounts set forth in this section. In the event that annual expenditures for a budgeted category shall vary more than fifteen percent (15%) above the budget amount for such category, SCDSS shall not be liable to reimburse the Contractor to the extent of the excess variance above fifteen percent (15%).