

South Carolina Department of Disabilities and Special Needs

1

House Legislative Oversight Committee Healthcare and Regulatory Subcommittee

October 24, 2017

Dr. Beverly A. H. Buscemi

State Director

SC Department of Disabilities and Special Needs

2

Agenda

- **Finances (answers to questions from Oct. 10th meeting)**
 - **State Funded History**
 - **Executive Summary of the Band System**
 - **Room and Board**

- **Services (DDSN and Provider Network)**

- **Turnover Rates**

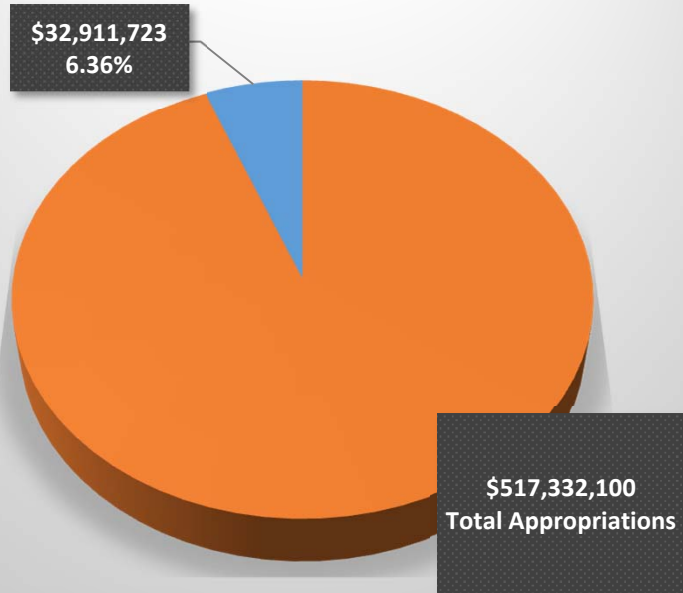
- **Provider Oversight – ANE allegations**

DDSN Expenditures

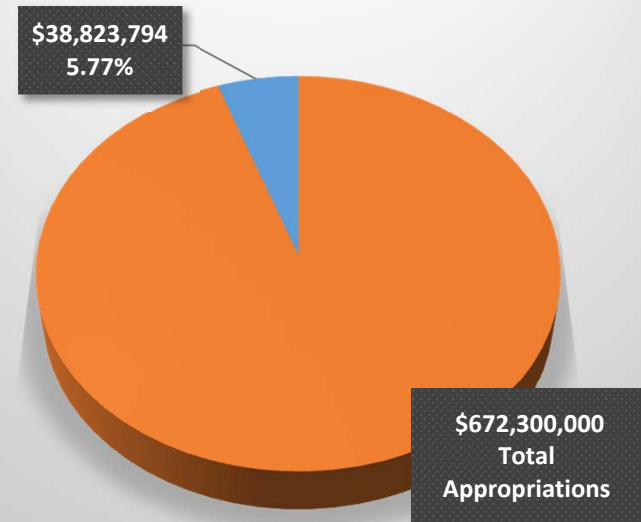
State Funded Services to Total Appropriations

3

Percentage of FY 2009



Percentage of FY 2018 State Funded to Total Appropriations

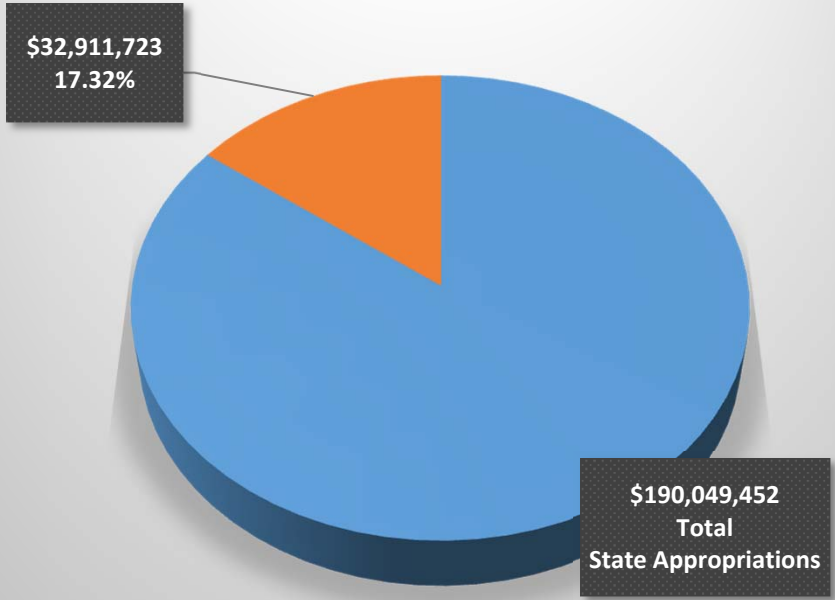


Additional requested information, corresponds with Slides 44 – 57 of 10/10/17 DDSN presentation.

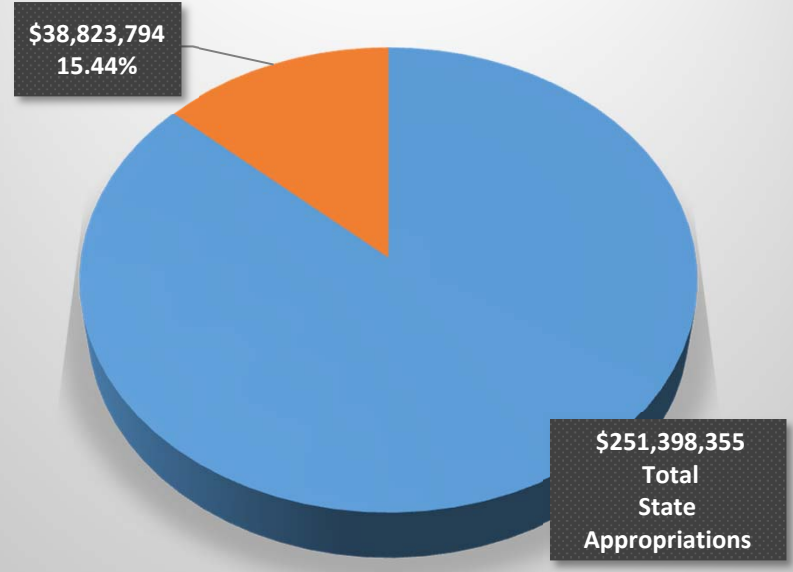
DDSN Expenditures

State Funded Services to State Appropriations

Percentage of FY 2009



Percentage of FY 2018



Additional requested information, corresponds with Slides 44 – 57 of 10/10/17 DDSN presentation.

DDSN Funding Bands — only applies to DSN Boards

5

- The Band payment system for the local DSN Boards (Boards) originated in 1999.
- Individuals receiving services are assigned to a specific band payment based on their individual needs.
- This band payment is paid in advance of services delivered and equates to a per member per month payment.
- Cost settled at the end of the year.

DDSN Funding Bands — only applies to DSN Boards

6

➤ Band System Benefits:

- All Boards are paid the same equitable rate.
- Flexibility to move resources within operations to meet consumers' unique needs.
- Improved financial stability through prospective payment coupled with fiscal discipline of finite bands.
- Consumer flexibility through policies of residential and day program attendance.
- Simplifies administration through DDSN's centralized administrative process of billing Medicaid .
 - DDSN bears responsibility for Medicaid ineligibles and audit risks from Federal Medicaid Audits.
- DDSN is the “provider of record” for DDSN Medicaid services.

DDSN Funding Bands — only applies to DSN Boards

7

- Using historical cost and reporting statistics DDSN develops the average band payments.
- Band payments are lower than the Medicaid Fee for Service rates paid to DDSN from DHHS.
 - DDSN's overhead
 - Statewide system costs
 - System policies (i.e. 80 % residential and day program attendance)
 - Providers historical pattern of generating billable Medicaid service units

DDSN Funding Bands — only applies to DSN Boards

8

- Ten band categories
- Three are for in-home services (Bands A, B, and I)
- Seven are for residential services (Bands C through H and R).
- Each band contains the average cost for consumers (much like a managed care capitated model).
- From these band payments Boards are expected to pay for all consumer needs.

DDSN Funding Bands — only applies to DSN Boards

9

- **Boards function as the fiscal agent for individual consumers.**
- **This means that charges for some services that are directly billed to Medicaid by private providers will be taken out of the Board band payment.**

DDSN Current Funding Bands

10

		Funding Bands effective 7/1/17
Band A	State Funded Community Supports	14,607
Band B	At Home –IDRD Waiver	13,328
Band C	Supported Residential – SLP II	33,520
Band D	Supported Residential – SLP I	20,312
Band E	Supported Residential – CTH I	24,954
Band F	Supported Residential-Enhanced CTH I	38,870
Band G	Residential Low Needs	66,267
Band H	Residential High Needs	86,755
Band I	At Home – Community Supports Waiver	14,086
Band R	Residential Placement from Regional Centers	95,459

Overview of DDSN's Band Payment System available in today's notebooks.

DDSN Funding Bands — only applies to DSN Boards

11

- There is an expectation consumers' needs will vary within each band, but will “average out” for total actual costs paid.
- DDSN has an “outlier” process, which provides additional revenue to a band if the costs for a specific consumer are inordinately high based on the needs of that individual.

DDSN Funding Bands — only applies to DSN Boards

12

- After the end of the fiscal year, DDSN requires Boards to submit audited annual financial statements and cost data for services provided.
- DDSN performs test of each Board's annual financial statements to ensure 98 % of band funds (95 % for non-band funds) are expended.
- Proviso 36.15 allows the 98 % to be adjusted to 90%, if the department can validate that the certified public expenditures support the Medicaid allowable costs.

DDSN Funding Bands — only applies to DSN Boards

13

- If Medicaid cost reimbursements exceed Boards' and DDSN's associated costs, DDSN must repay DHHS the Medicaid reimbursed cost difference
 - Approximately 71 % of each dollar
- If Medicaid cost reimbursement fall short of Boards' and DDSN's associated costs, DDSN cannot seek additional funds from DHHS.

DDSN Funding Bands — only applies to DSN Boards

14

- June 2017 DSN Commission authorized review of the band system for potential modifications or restructuring.
- Band system is in need of “rebasement” at a minimum.
- Boards functioning as the fiscal agent is becoming more administratively burdensome and potentially conflicts with CMS rules.

Room and Board for Residential Settings

15

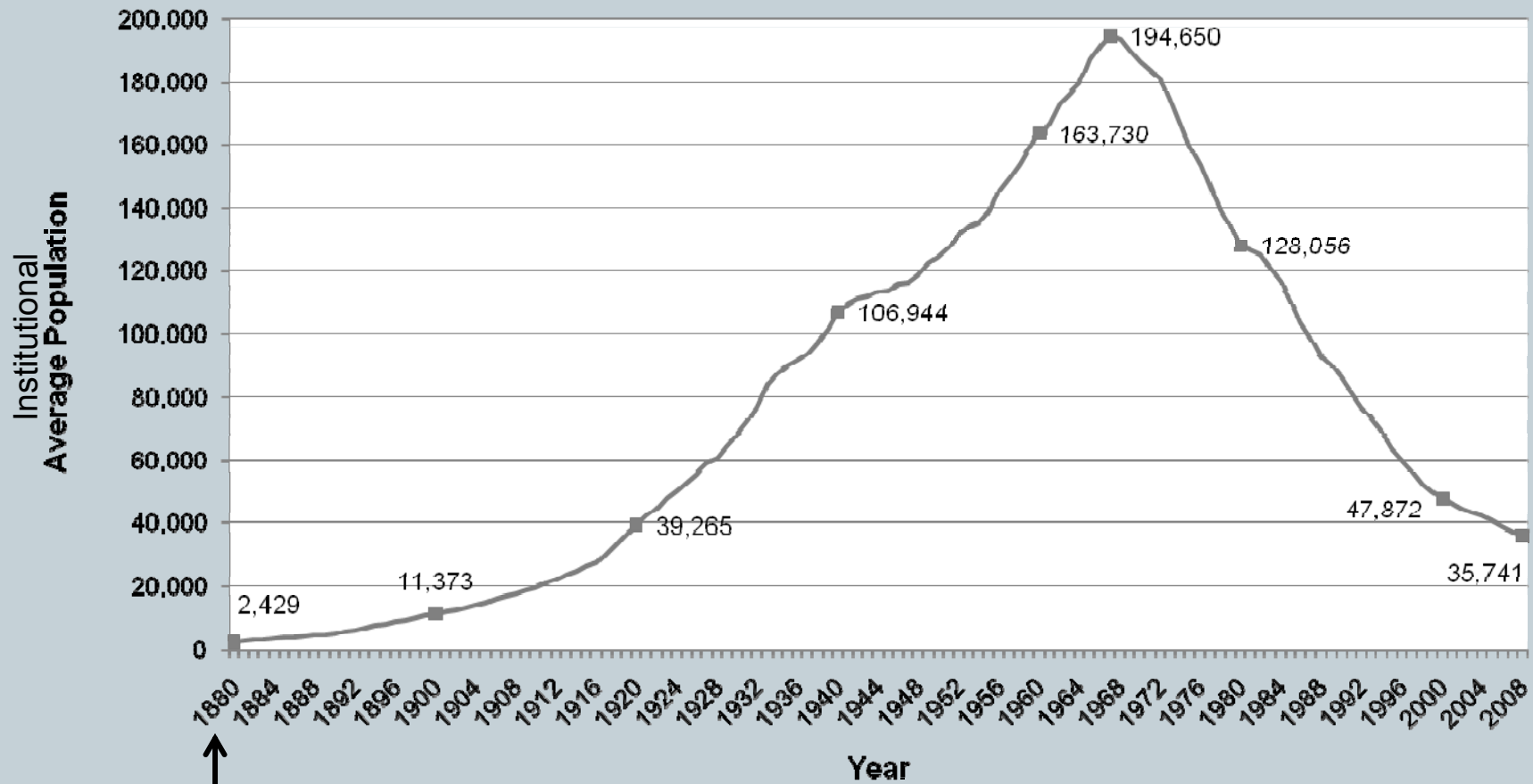
- Residential Habilitation is defined as care, supervision and skills training. It is the Medicaid Service most often used to pay for residential care.
- Individuals are required to pay for their Room and Board if they have financial resources.
- The Medicaid service of Residential Habilitation includes payment for supervision.
- The consumer is not charged any of the cost for staff supervision.

Services - DDSN and the Provider Network

- **History**
- **DDSN Operated Medicaid Waivers**
- **DDSN Residential Services**
- **If DDSN Had Infinite Resources**

Know the History: How has the past influenced our future?

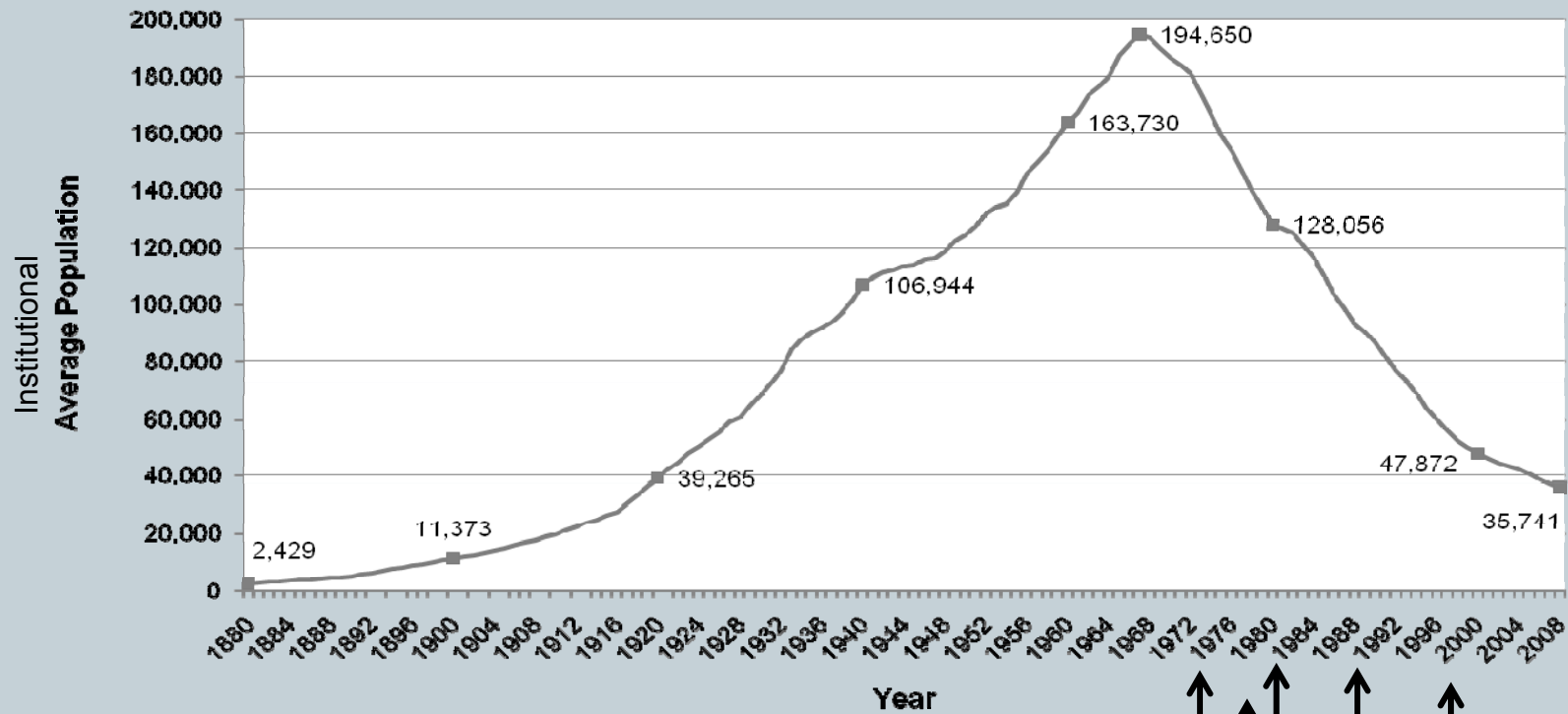
17



↑
The asylum model 1800s

Know the History: The Impact of Public Policy

18



The Right to Education 1976
1972 in Pennsylvania

Civil Rights of Institutionalized Persons Act 1980

Medicaid Home & Community Services 1981

ADA
1990

Olmstead
Decision
1999

DDSN Operated Medicaid HCBS Waiver Services

19

What is a Medicaid Waiver?

- **The HCBS Waiver program was established by the Omnibus Budget Reconciliation Act of 1981 and was incorporated into the Social Security Act.**
- **Home and Community-Based (HCBS) Waivers are alternatives to institutional care.**

DDSN Operated Medicaid HCBS Waiver Services

20

- Prior to 1981, people needing long term care services could only receive Medicaid funding for those services in an institutional setting such as a nursing home.
- The change to the Social Security Act allowed states to choose to offer Medicaid funding for long term care services when those services are provided in the person's home or community. This became known as the Home and Community Based Services (HCBS) Waiver or Medicaid Waiver option.

DDSN Operated Medicaid HCBS Waiver Services

21

When the HCBS Waiver option is selected by a state, that state is choosing to **waive** the institutional requirements for the delivery of long term care services.

DDSN Operated Medicaid HCBS Waiver Services

22

When choosing to waive the institutional requirements, the state must also decide:

- The **group or groups of people** for whom those requirements will be waived (e.g., elderly and disabled, intellectual disability/related disability, traumatic brain injury, spinal cord injury).
- The **goods or services** to be funded through the HCBS Waiver (services that are in addition to those already funded as part of the State's Medicaid Program Plan).

DDSN Operated Medicaid HCBS Waiver Services

23

Today, there are multiple waiver programs with serving varied groups of people all offering varied packages goods or services.

DDSN Operated Medicaid HCBS Waiver Services

24

When choosing to offer HCBS Waiver, the state must make several **assurances** to CMS including that:

- ✓ necessary safeguards are taken to protect the health and welfare of all participants;
- ✓ all participants require the level of care that would be provided in an institution;
- ✓ participants are given the choice of either institutional or home and community-based services; and
- ✓ the expenditures under the waiver will not exceed the amount that would have been spent if the participant had chosen services in an institution.

DDSN Operated Medicaid HCBS Waiver Services

25

- **DDSN operates four Medicaid HCBS Waivers on behalf of SCDHHS.**
 - **Intellectual Disabilities & Related Disabilities (ID/RD) Waiver**
 - **Head & Spinal Cord Injuries (HASCI) Waiver**
 - **Pervasive Developmental Disorder (PDD) Waiver**
 - **Ending in December 2017**
 - **Community Supports Waiver (CSW)**

A comprehensive list of all four DDSN operated HCBS waiver services is included in the notebooks, pages 131 – 132 of 189.

DDSN Operated Medicaid HCBS Waiver Services

26

➤ **Examples of Waiver Services** (availability varies by waiver type and individual assessed needs)

- Personal care/Attendant care
- Employment services
- Respite care for families
- Behavior Support Services
- Nursing services
- Day supports
- Adult Day Health Care
- Private vehicle modifications
- Environmental modifications
- Specialized medical equipment and assistive technology
- Residential Habilitation

A comprehensive list of all four DDSN operated HCBS waiver services is included in the notebooks, pages 132 – 132 of 189.

DDSN Operated Medicaid HCBS Waiver Services

27

Residential Services:

- In accordance with state and federal law, DDSN provides residential services in the least restrictive setting possible.
- There is a hierarchy of restrictiveness for the different residential service settings, generally:
 - most restrictive = ICF/IID (institution)
 - least restrictive = Supported living in own home.

A comprehensive list of all four DDSN operated HCBS waiver services is included in the notebooks, pages 131 – 132 of 189.

A list of DDSN residential setting options and descriptions is included in the notebooks. Page 24 of 189.

DDSN Operated Medicaid HCBS Waiver Services

28

Residential Services (either ICF/IID or HCBS Waiver funded Residential Habilitation) typically, are the most expensive services.

For that reason, admission into Residential Services is stringently assessed and limited to those whose health, safety and welfare are in jeopardy.

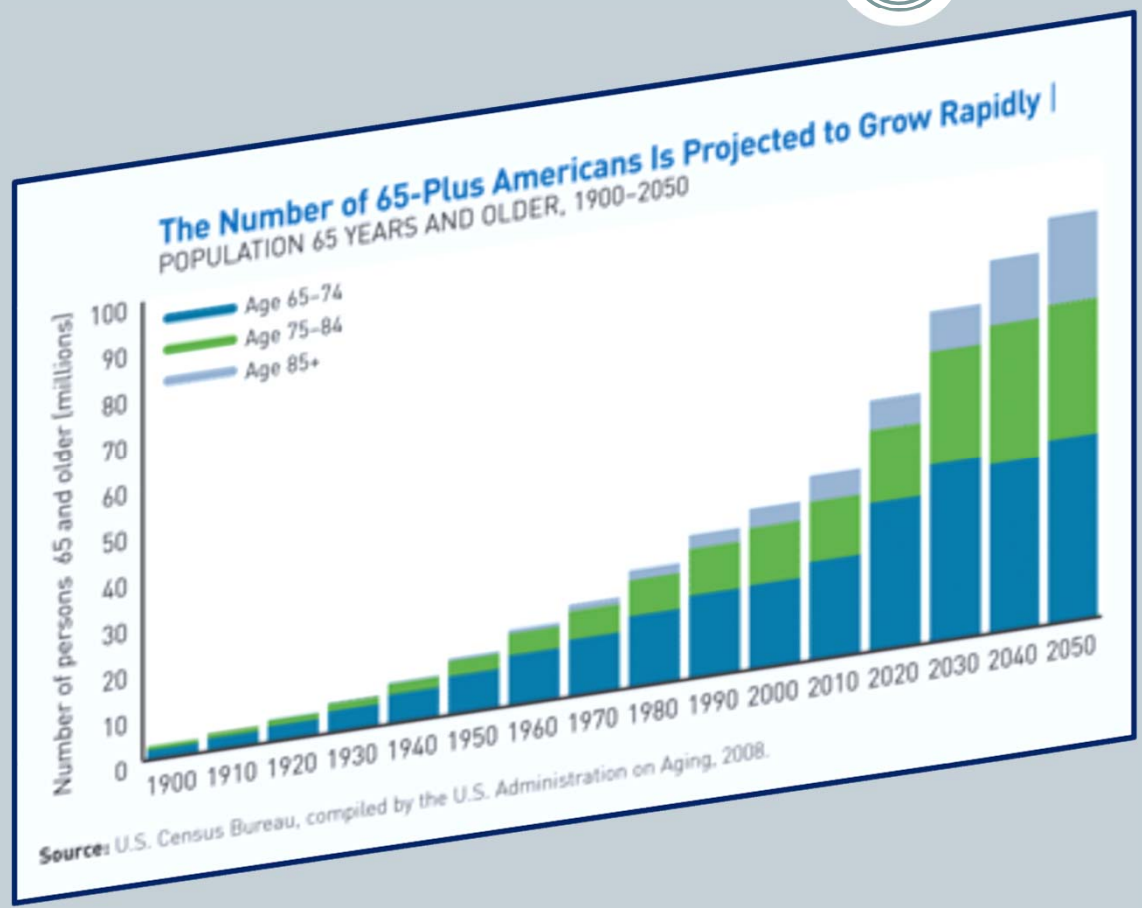
What services would DDSN offer with Infinite Resources?

29

If money were no object?

- (1) Increase Direct Support Professionals and other staff wages

What services would DDSN offer with Infinite Resources? Impact of the Baby Boom Generation



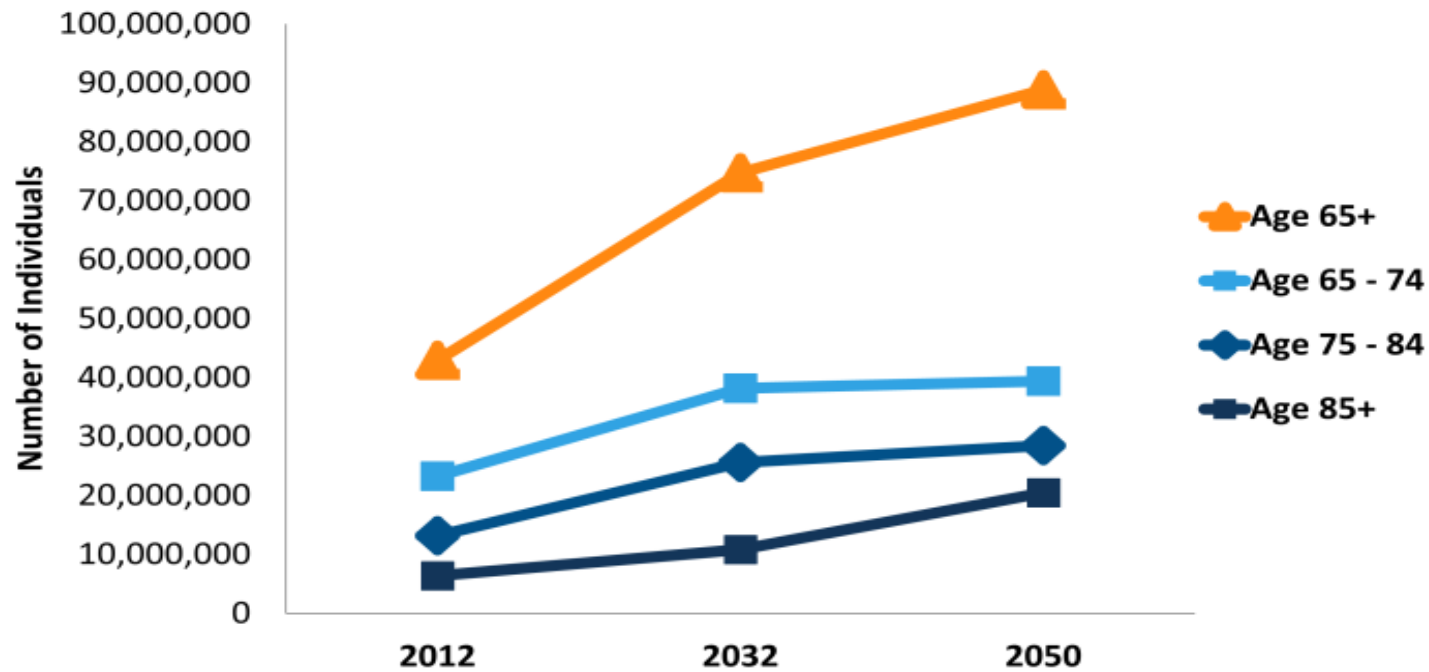
70% of Americans who reach age 65 will need some form of long-term care for an average of three years.

The iconographic representation shows 100 human figures arranged in four rows of 25. The first three rows consist of 70 red figures, representing the 70% of Americans who will need long-term care. The fourth row consists of 30 grey figures, representing the remaining 30% of the population.

What services would DDSN offer with Infinite Resources? Stats on Aging Population

Figure 1

The 65 and Over Population Will More Than Double and the 85 and Over Population Will More Than Triple by 2050



SOURCE: A. Houser, W. Fox-Grage, and K. Ujvari. *Across the States 2013: Profiles of Long-Term Services and Supports* (Washington, DC: AARP Public Policy Institute, September 2012), http://www.aarp.org/content/dam/aarp/research/public_policy_institute/lrc/2012/across-the-states-2012-full-report-AARP-ppi-lrc.pdf.



What services would DDSN offer with Infinite Resources?

32

(2) No waiting lists for services:

- HCBS Waiver services are optional and chosen by the state.
- The number of people who can participate in HCBS Waivers is directly dependent upon State appropriation of funds.

What services would DDSN offer with Infinite Resources?

33

(3) Offer Residential Services more broadly:

- Residential Services are among the most expensive services therefore access is limited to those whose health, safety and welfare are in jeopardy.
- Would allow families to be more proactive in planning for their loved ones.
- Would allow for more options that are less restrictive.

What services would DDSN offer with Infinite Resources?

34

(4) Offer enhanced employment supports:

- Better coordination and supports available for youth as they approach high school graduation.
- More exposure to employment possibilities and opportunities to ensure that individuals receive experience in order to determine employment interests.
- Enhanced follow along for individuals currently employed to ensure continued employment.

What services would DDSN offer with Infinite Resources?

35

(5) Provide additional Post Acute Rehabilitation services:

- Rehabilitation services provided for uninsured or under-insured individuals to address needs as soon as possible post-injury for traumatic head injuries and traumatic spinal cord injuries.
- The eligibility criteria is currently set very high, additional funding would allow more people to benefit from this service and improve their overall level of functioning after the injury and life long.

What services would DDSN offer with Infinite Resources?

36

(6) Increased Crisis Management Supports:

- Increase access to psychiatric supports.
- Increase access to behavioral supports services.
- Create temporary, non-institutional, out of home placements for those in crisis.

What services would DDSN offer with Infinite Resources?

37

(7) Additional Community Service Options –offer services not currently available or in larger amounts:

- Respite (in home and out of home) to give families frequent, routine breaks from the responsibilities of care.
- Personal care.
- Assistive devices, home and vehicle modifications when necessary to increase independence.

National Measures and Benchmarks

What are other states doing well?

National Benchmarks

39

- What other states exemplify service to populations served by DDSN?
- How do we know? How is it measured?
 - Case for Inclusion annual report by UCP
 - State of the States in Intellectual and Developmental Disabilities – University of Colorado
 - In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities - The University of Minnesota
 - The National Report on Employment Services and Outcomes – University of Massachusetts/Boston
 - National Community of Practices for Supporting Families of Individuals with I/DD Across the Lifespan

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

UCP Case for Inclusion Report

40

- The most comprehensive rating of state ID/DD service systems is conducted by United Cerebral Palsy (UCP).
- UCP is a national disability advocacy organization that was founded in 1949.
- UCP has been conducting annual independent assessments of states' use of Medicaid and other public supports to promote individuals with intellectual and developmental disabilities participating in all aspects of community life since 2006.

UCP Ranking Description

41

- All 50 states and the District of Columbia are assessed .
- Data from twenty-five measures are compiled.
- Measures are grouped into five overarching areas:
 - Promoting Independence
 - Health Safety & Quality of Life
 - Keeping Families Together
 - Promoting Productivity
 - Reaching Those in Need

The full report UCP Case for Inclusion 2016 is available in the DDSN supplemental notebook, Tab 2.

UCP Ranking Description (continued)

42

- Measures were selected based upon family and advocate input on those areas most important to individuals with intellectual and developmental disabilities.
- Each measure was weighted to reflect importance.
- Data used was from other nationally recognized sources (e.g., Universities of Minnesota, Colorado, Massachusetts; National Core Indicators).

UCP Five Major Ranking Categories

43

Category	Measures	Weight of All Measures
Promoting Independence	8	50%
Health, Safety and Quality of Life	5	14%
Keeping Families Together	3	8%
Promoting Productivity	5	12%
Reaching Those In Need	4	16%

The full report UCP Case for Inclusion 2016 is available in the DDSN supplemental notebook, Tab 2.

UCP Rankings Over Time

44

	Average	2016	2015	2014	2013	2012
Arizona	1	1	1	1	1	1
South Carolina	15	14	9	6	12	13
Southeastern Average	41	35	32	47	46	42

Southeastern Average defined by CMS SE region

The full report UCP Case for Inclusion 2016 is available in the DDSN supplemental notebook, Tab 2.

UCP Category Rankings - 2016

45

Category	Arizona	South Carolina	Southeastern Average
Promoting Independence	4	36	34
Health, Safety and Quality of Life	25	4	15
Keeping Families Together	1	3	27
Promoting Productivity	27	21	37
Reaching Those In Need	5	31	42

The full report UCP Case for Inclusion 2016 is available in the DDSN supplemental notebook, Tab 2.

UCP National Findings

46

- **“All states have room to improve.”**
- **Top performing states have no common characteristic.**
 - **Urban and rural**
 - **Wealthy and poor**
 - **High and low tax burden**
 - **High and low spenders on services**
- **Waiting lists for residential & community services continue to climb.**

UCP SC Findings

47

- SC is one of the top performing states in supporting individuals with intellectual/developmental disabilities actively participate in their communities.
- SC has been successful despite our low per person service expenditures.
- SC excels in helping individuals with disabilities remain with their families.
- SC is effective in protecting the health and safety of individuals with disabilities.
- For individuals with disabilities who are not able to remain with their families, SC needs to support more individuals in smaller living situations.

State Performance Measures

- The University of Minnesota has been compiling statistics on state ID/DD residential services since 1990 and broadened their focus to include services provided to individuals living with their families in the mid-2000s.
- The size of the residential setting that individuals are served in is an important benchmark gauging the degree to which state service delivery systems are able to integrate individuals.
 - Facilities which serve 16 + individuals are generally considered to be institutional and not effective in including individuals with disabilities into their communities.
 - Facilities which serve 3 individuals or less are generally considered to be the most effective in including individuals with disabilities into their communities.

State Performance Measures

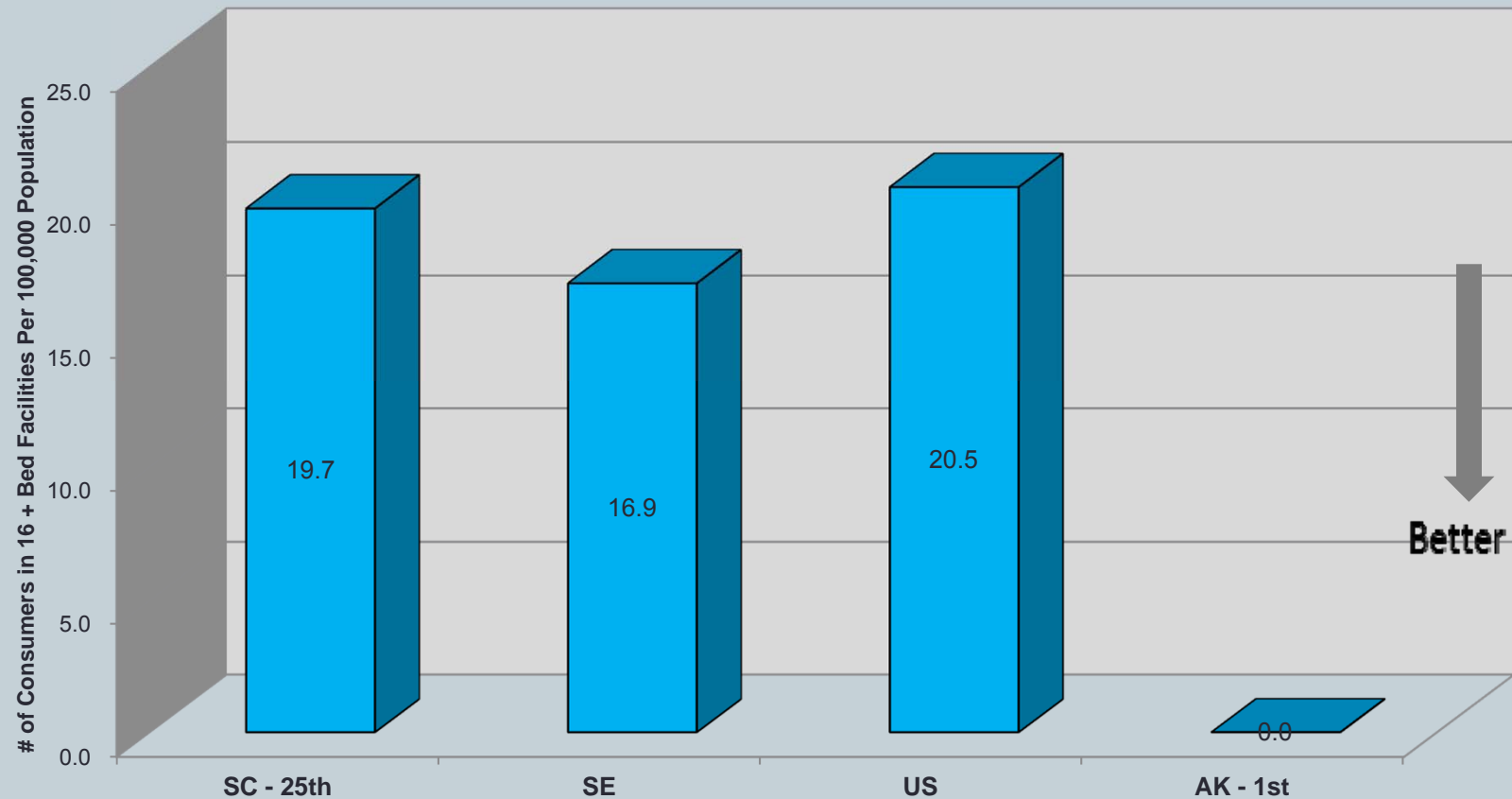
49

- **South Carolina is slightly below the national average and slightly above the southeastern average on supporting persons in 16 + bed facilities.**
- **South Carolina is well beneath the national and southeastern average on supporting persons in smaller living arrangements.**
 - **This is due to increased cost of supporting persons in smaller settings.**

State Performance Measures

50

State ID/DD Performance Measures



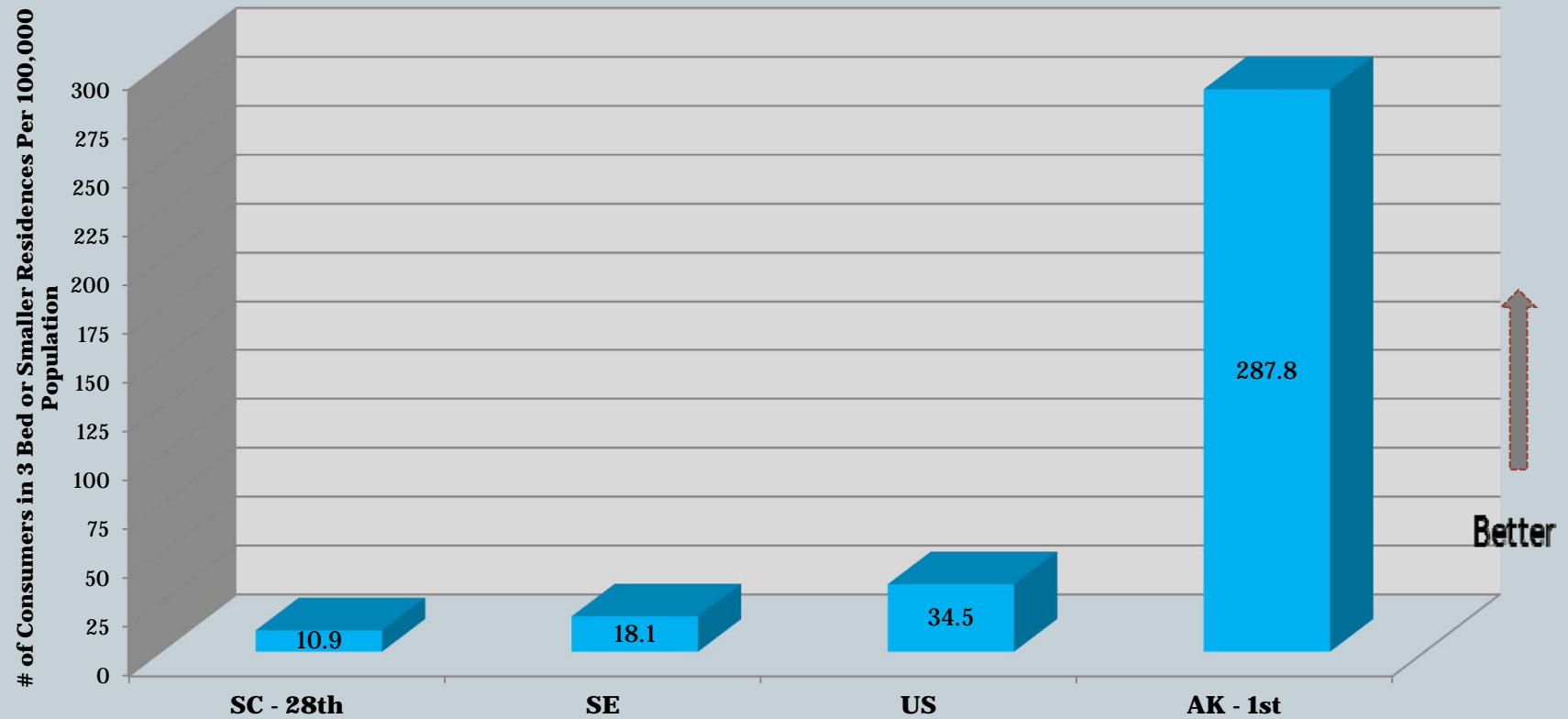
Data Source – In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities: Status and Trends through 2014 published by the University of Minnesota

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

State Performance Measures

51

State ID/DD Performance Measures



Data Source – In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities: Status and Trends through 2014 published by the University of Minnesota

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

State Performance Measures

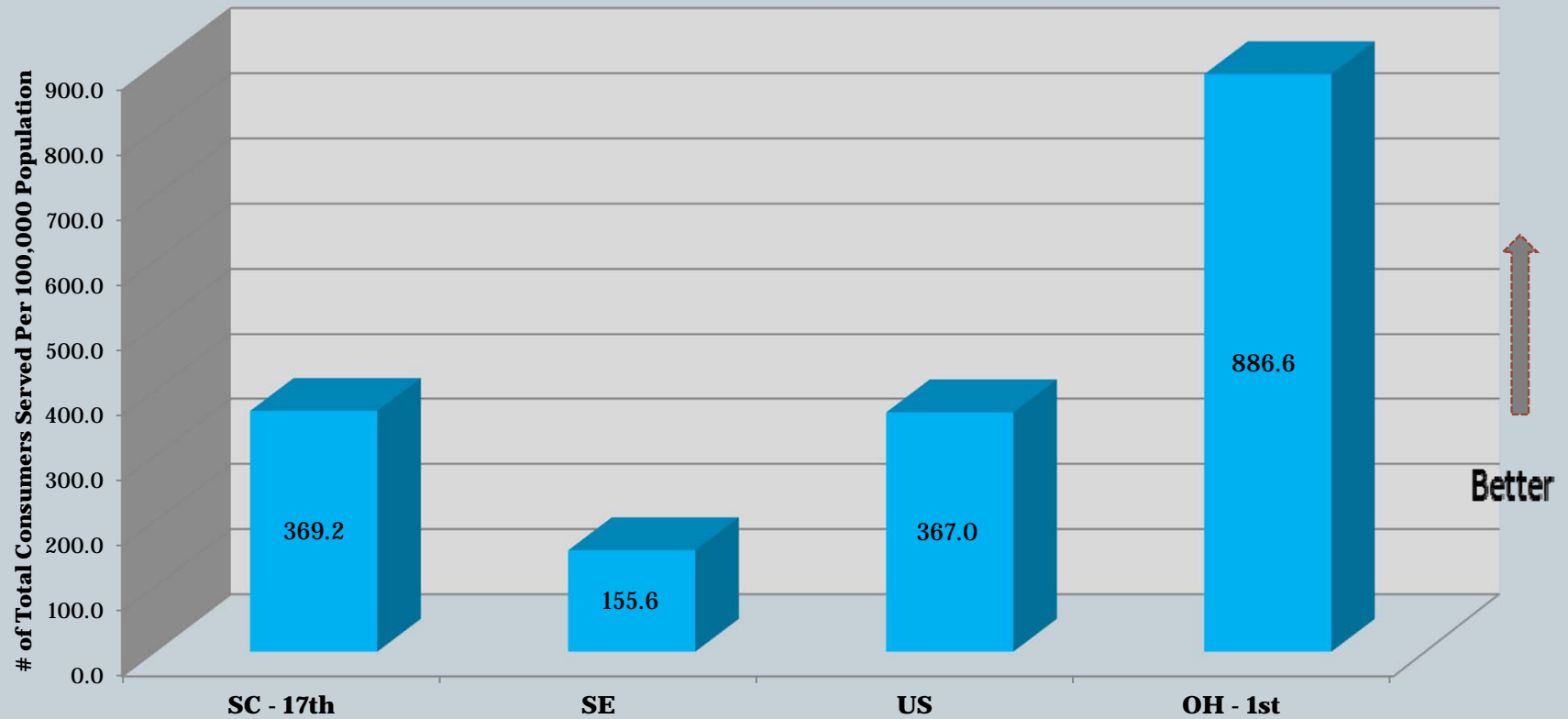
52

- The number of individuals served by the state service system is an important measure of the degree to which needs are being met.
- It is generally considered preferable to serve individuals while living with family instead of removing them from the family.
 - More family friendly
 - Less expensive
- South Carolina exceeds both national and southeastern average for the number of persons they serve and the proportion of persons served while living with family.

State Performance Measures

53

State ID/DD Performance Measures



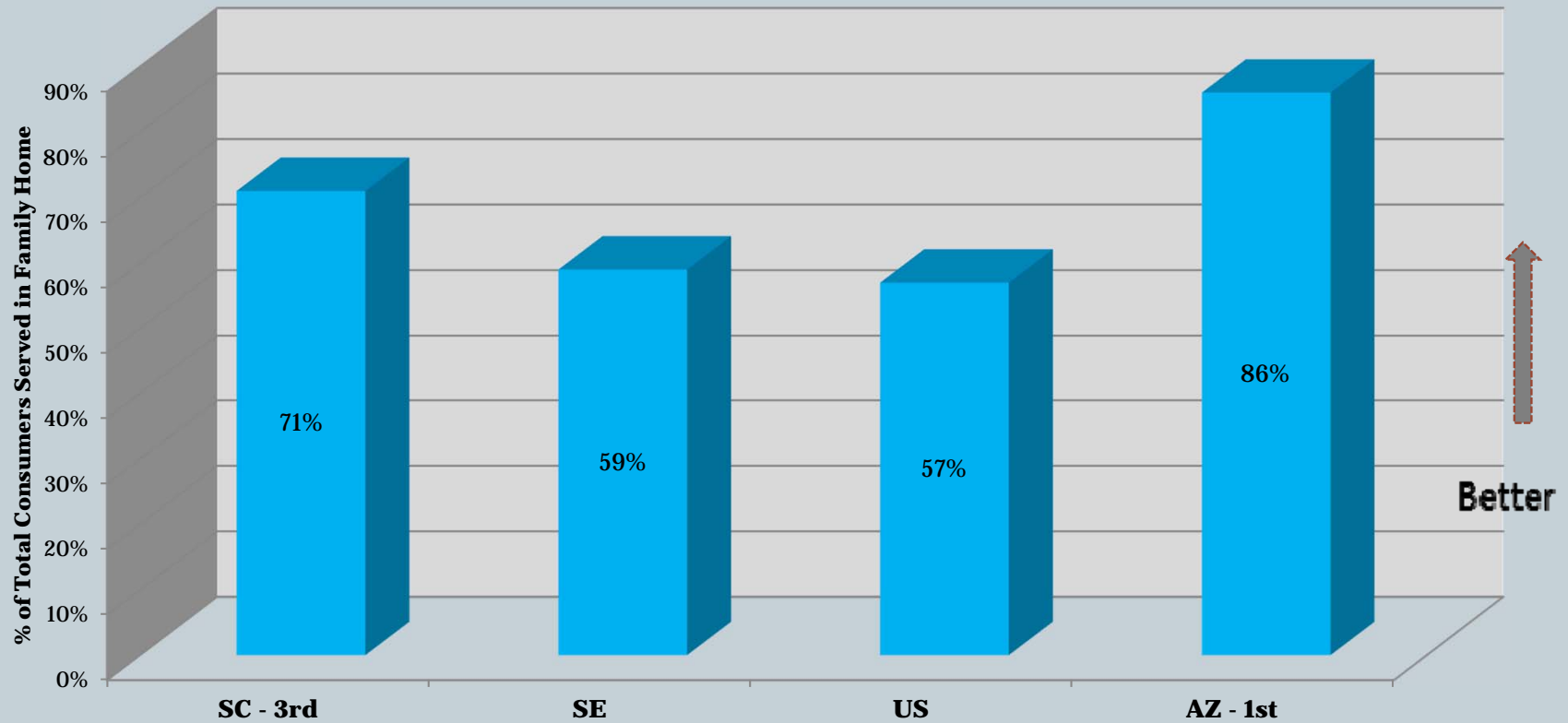
Data Source – In-Home and Residential Long-Term Supports and Services for Persons with Intellectual and Developmental Disabilities: Status and Trends through 2014 published by the University of Minnesota

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

State Performance Measures

54

State ID/DD Performance Measures



Data Source – In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities: Status and Trends through 2014 published by the University of Minnesota

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

State Performance Measures

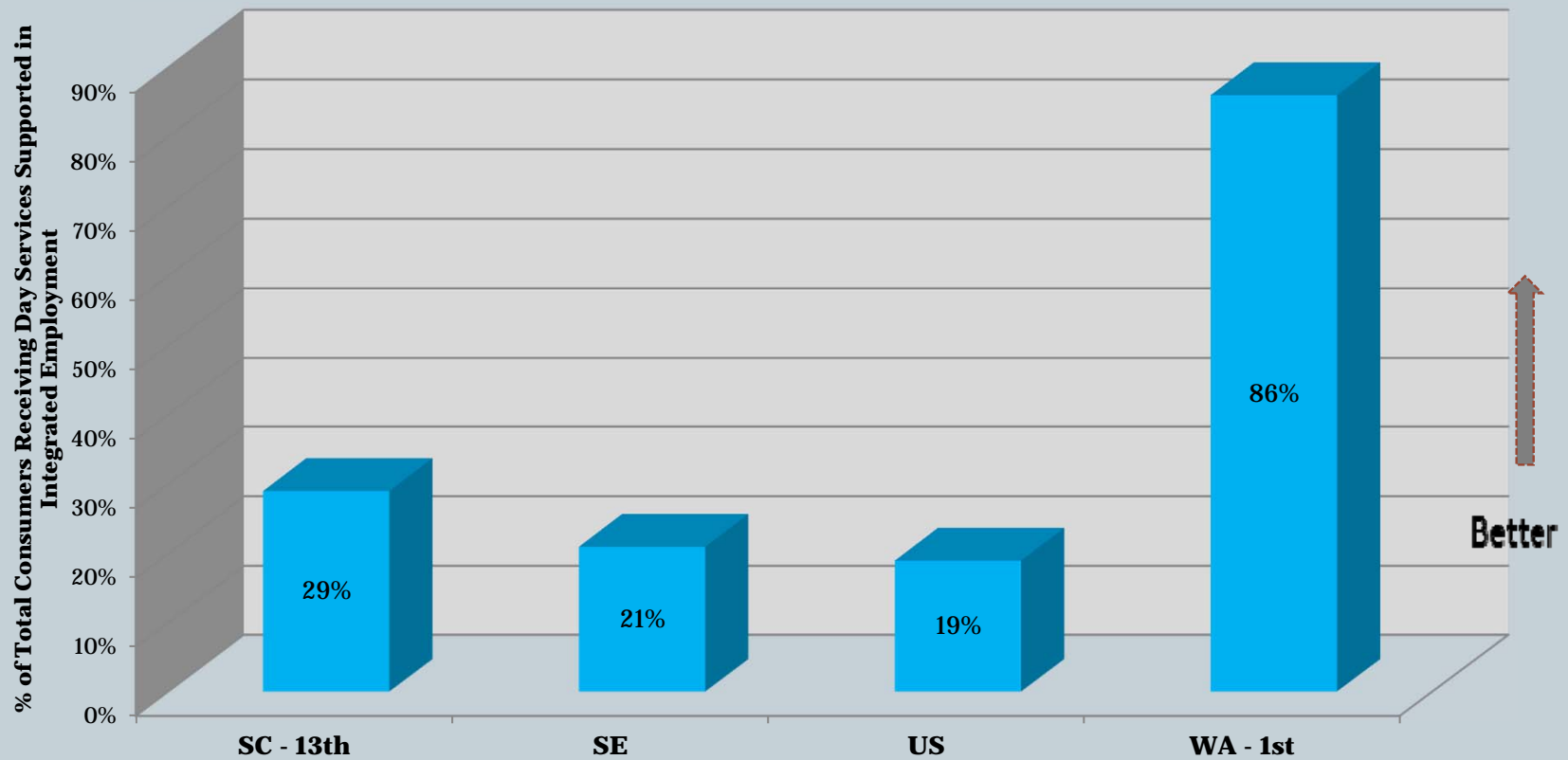
55

- The University of Massachusetts/Boston has been compiling reports on the status of state employment supports provided to individuals with disabilities since the mid-1980s.
- One of the most important desires for individuals with disabilities is to be employed in a business where they can interact with others who do not have a disability.
- South Carolina exceeds both the national and southeastern average for supporting individuals in integrated employment settings.

State Performance Measures

56

State ID/DD Performance Measures



Data Source - State Data: The National Report on Employment Services and Outcomes 2015 published by the University of Massachusetts/Boston

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

State Performance Measures

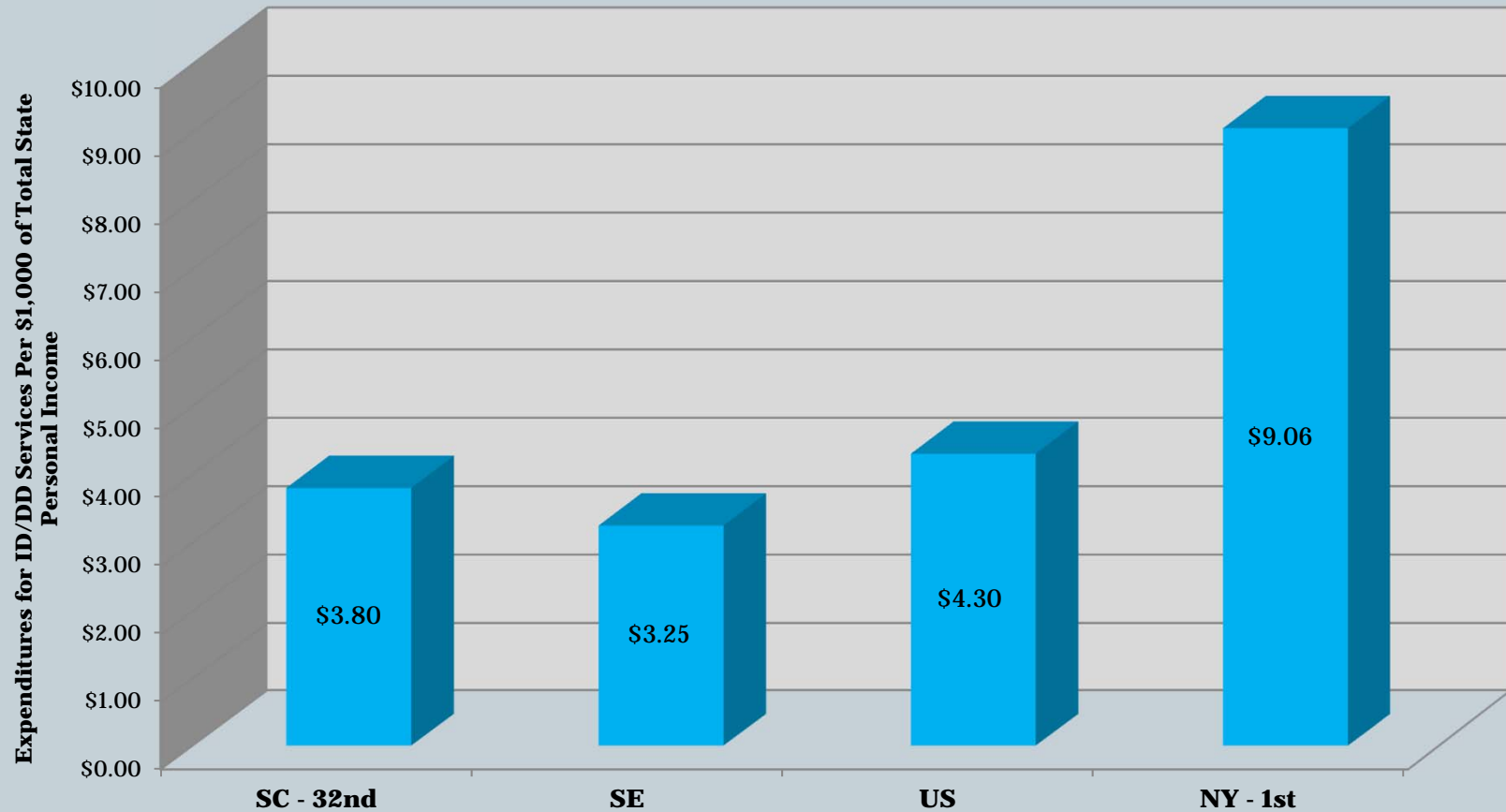
57

- While the amount of expenditures devoted to supporting persons with Intellectual Disabilities is not the most important ones, it does have an impact on the quantity and quality of services that can be provided.
- The University of Colorado has been producing reports on state ID/DD expenditures since 1990.
- While South Carolina's disability system uses resources efficiently to maximize the number of persons served, it does not rank high among other states in the level of funding devoted to services for persons with intellectual disability.

State Performance Measures

58

State ID/DD Performance Measures



Data Source - The State of the States in Intellectual and Developmental Disabilities 2015 published by the University of Colorado

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

National Best Practice Goals

59

- **Employment**
- **Supporting Families**

Fact sheets from RRTC Advancing Employment for Individuals with Intellectual and Developmental Disabilities are available in the DDSN supplemental notebook, Tab 3.

Individual state fact sheets from Supporting Families are available in the DDSN supplemental notebook, Tab 3.

ThinkWork! Project

Holistic view of overall performance based on ID/DD, VR, and Education data.

Research Questions:

- What is the relationship between state employment system characteristics and employment outcomes ?
- How do specific Employment First efforts intersect?



Reference documents are available
in the DDSN supplemental notebook, Tab 3



Key findings: composite indicator

	Rank	Overall CI Score	IDD Score	VR Score	Education Score
MD	1	47.38	21.60	15.22	10.56
NH	2	47.26	22.76	9.63	14.86
VT	3	46.88	22.76	13.75	10.37
OR	4	44.77	21.60	12.81	10.35
WA	5	44.26	22.84	10.87	10.56
IA	6	42.48	15.42	13.78	13.28
OK	7	41.98	21.67	12.79	7.52
SD	8	40.51	14.33	14.72	11.46
CO	9	39.78	14.47	13.92	11.39
DE	10	39.60	19.20	14.32	6.08



Reference documents are available
in the DDSN supplemental notebook, Tab 3



Top Performers Across Systems and States

Top 10 states based on CI Scores (ranked descending order)

- **Maryland**
- **New Hampshire**
- Vermont
- Oregon
- Washington
- Iowa
- Oklahoma
- **South Dakota**
- **Colorado**
- Delaware

Top IDD System Performers

- **Maryland**
- **New Hampshire**
- Vermont
- Oregon
- Washington
- Oklahoma

Top VR System Performers

- **Maryland**
- **South Dakota**
- **Colorado**
- Delaware

Top Education System Performers

- **New Hampshire**
- Iowa
- **South Dakota**
- **Colorado**



Reference documents are available in the DDSN supplemental notebook, Tab 3



Best Practice of Employment

63

- The federal government designates one agency in each state that is the “state designated unit”. The “state designated unit” receives the federal funding provided to the state to help that state’s citizens with disabilities meet their employment goals.
- In South Carolina, the “state designated unit” is the SC Vocational Rehabilitation Department (SCVRD). SCVRD’s mission reflects their responsibility as the “state designated unit”:

“To prepare and assist eligible South Carolinians with disabilities to achieve and maintain competitive employment”

Best Practice of Employment

64

- In 48 states in the US, “state designated unit” contracts with the state’s ID/RD agency or with local ID/RD providers to deliver needed services.
- The ID/RD agency or providers, because of their specific expertise and experience with this population, can deliver these services very effectively and efficiently.

Employment in South Carolina

65

- **DDSN, through its network of providers, has been successful in increasing the number in integrated employment by almost 25% over the past year with over 1000 people now employed.**
- **South Carolina is unique. In South Carolina, SCVRD provides services to people with ID/RD directly or internally.**

Employment in South Carolina

66

DDSN works cooperatively SCVRD on behalf of people with disabilities in two ways:

- Case managers refer working age adults to SCVRD for preparation and assistance to achieve and maintain competitive employment. DDSN Case Managers continue to increase their referrals to SCVRD. This year referrals increased by 339% with a total of 487 referrals made.
- Once SCVRD has prepared and assisted someone to achieve employment and he/she is stable on the job (*typically 90 days after employment start date*), then DDSN provides the ongoing supports. DDSN has provided ongoing supports to approximately 35 people over the past two (2) years who have been assisted by SCVRD to achieve employment.

Supporting Families

67

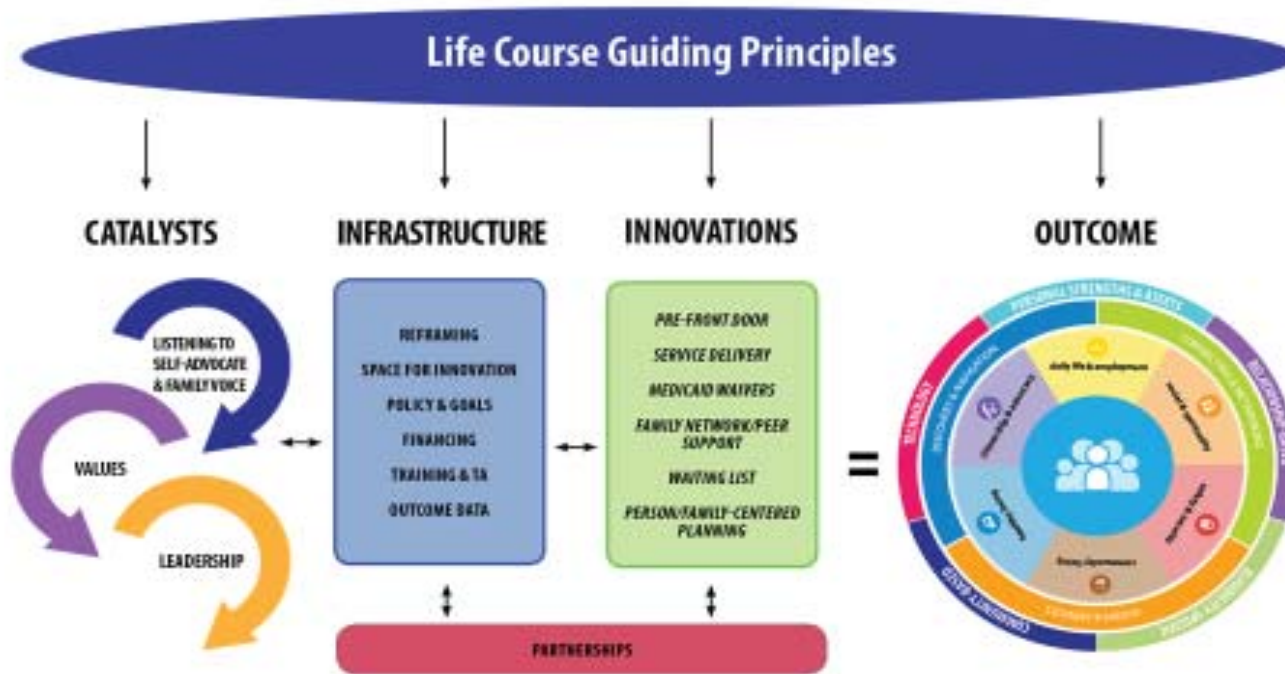
National Community of Practices for Supporting Families of Individuals of ID/DD Across the Lifespan.

- Participating states have changed the front door into the system, improved cultural considerations in supporting families, guided and influenced policymakers and helped shape waivers and other Medicaid authorities to focus on supporting families and individuals throughout the lifespan.

Supporting Families

68

Systems Drivers for Implementing Change



Michelle "Shell" Reynolds, PhD, UMKC Institute for Human Development, UCEDD. Revised June 2014. Adapted from Hall et al, 2007



© 2014 | UMKC Institute for Human Development, UCEDD | SUPPORTSTOFAMILIES.ORG

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

**DDSN Operated
Regional Centers**

Regional Center History

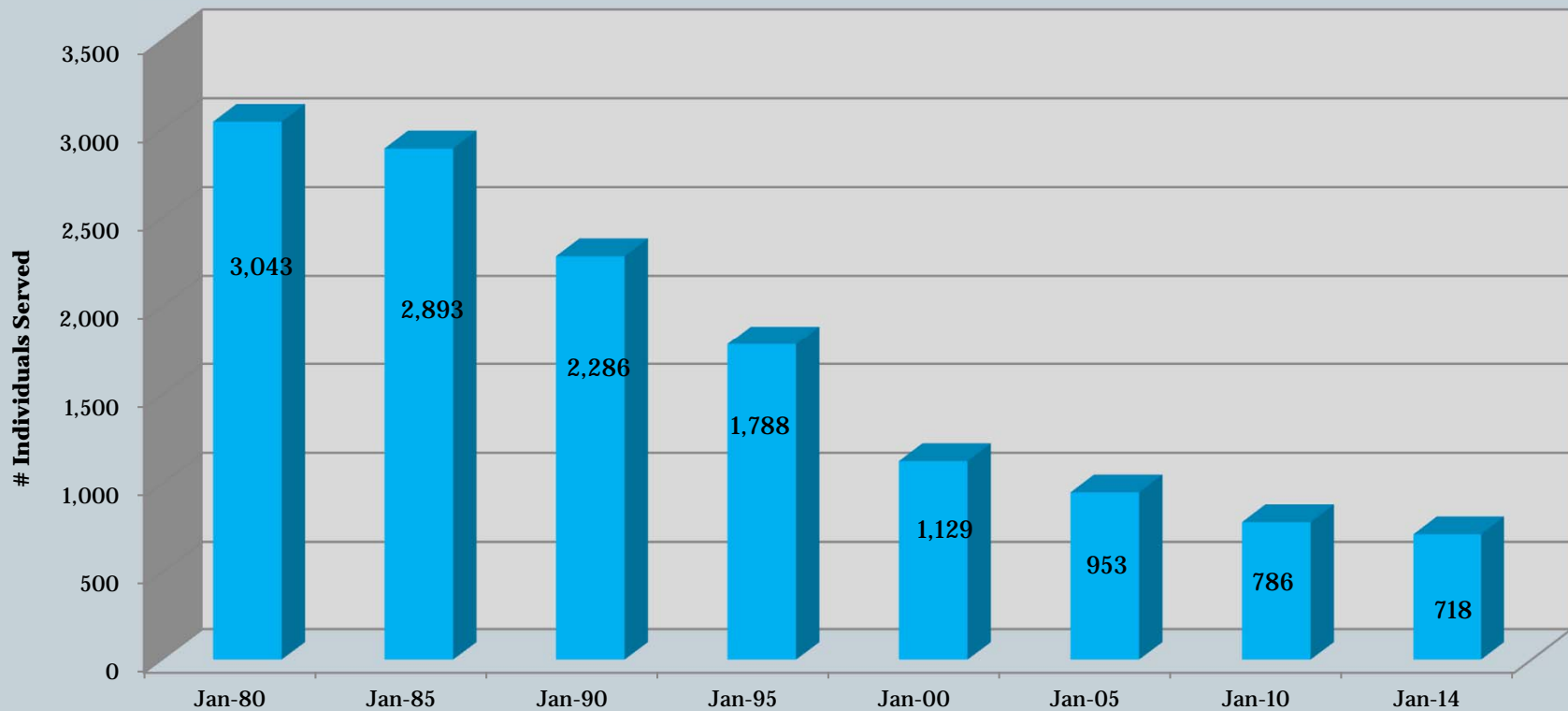
70

- Before 1980, regional centers used to be the only significant service available to South Carolinians with intellectual disabilities; this was typical of disability services available in other states.
- In 1980 there were 3,043 individuals served in DDSN regional centers.
- In keeping with national best practice, family preference and disability law, community services have become the primary service offered to South Carolinians with disabilities while the number of persons served in the regional centers has significantly declined.

Regional Center History

71

DDSN Regional Center Census



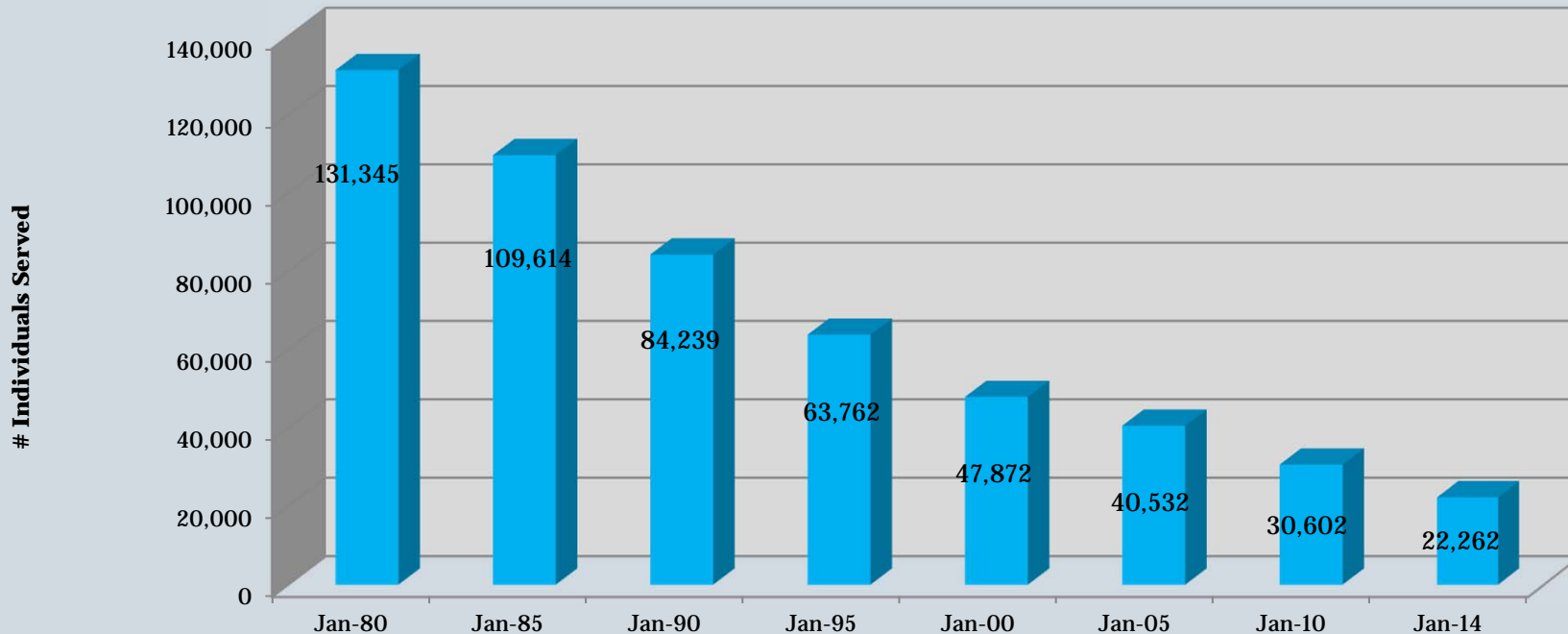
Data Source – In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities: Status and Trends published by the University of Minnesota

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

Regional Center History

72

US Public ICF/IID Census



Data Source – In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities: Status and Trends published by the University of Minnesota

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

Regional Center History

73

Community Services for Persons w/ ID in US

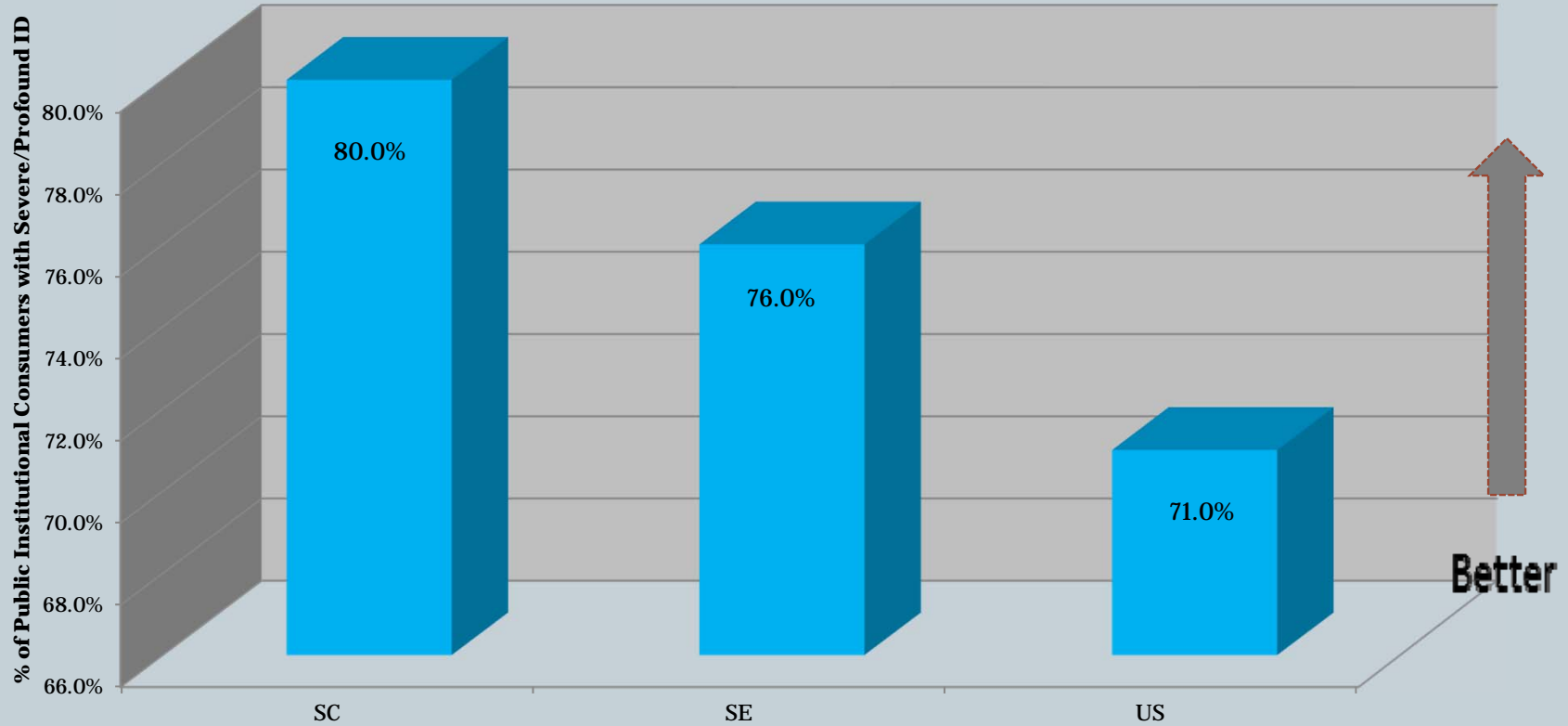


Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

Regional Center History

74

State DD System Resource Utilization



Data Source – In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities: Status and Trends Through 2014 published by the University of Minnesota

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

Regional Center Role

75

- **DDSN currently operates five regional centers.**
- **Regional centers are geographically distributed around the state – Coastal Center in Ladson, Midlands Center in Columbia, Pee Dee Center in Florence, Saleeby Center in Hartsville and Whitten Center in Clinton.**
- **Regional centers provide 24 hour per day/365 day per year medical, therapy, psychological, recreational and personal care services.**

Regional Center Role

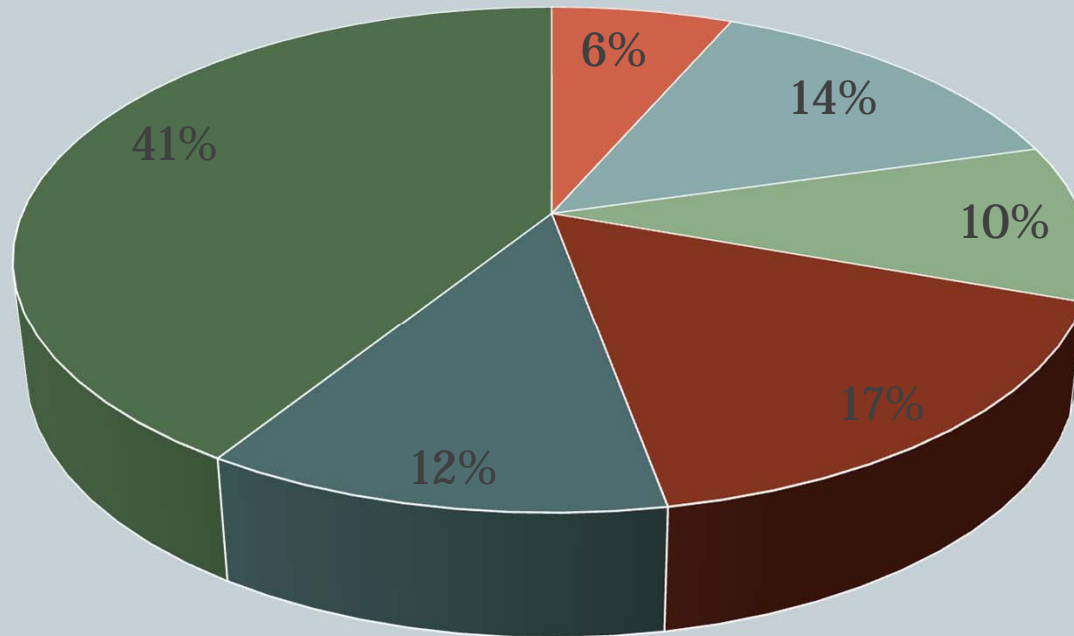
76

- The regional centers have always served as the safety net for the DDSN system.
- Typically individuals with the most complex medical or behavioral needs are supported at the regional centers; assuring that the most expensive and comprehensive services are offered to those with the most complicated needs.
- A small number of the individuals judicially admitted to DDSN after being found not competent to stand trial for criminal charges are served at the regional centers.

Regional Center Role

77

Length of Stay for Individuals Residing at Regional Centers

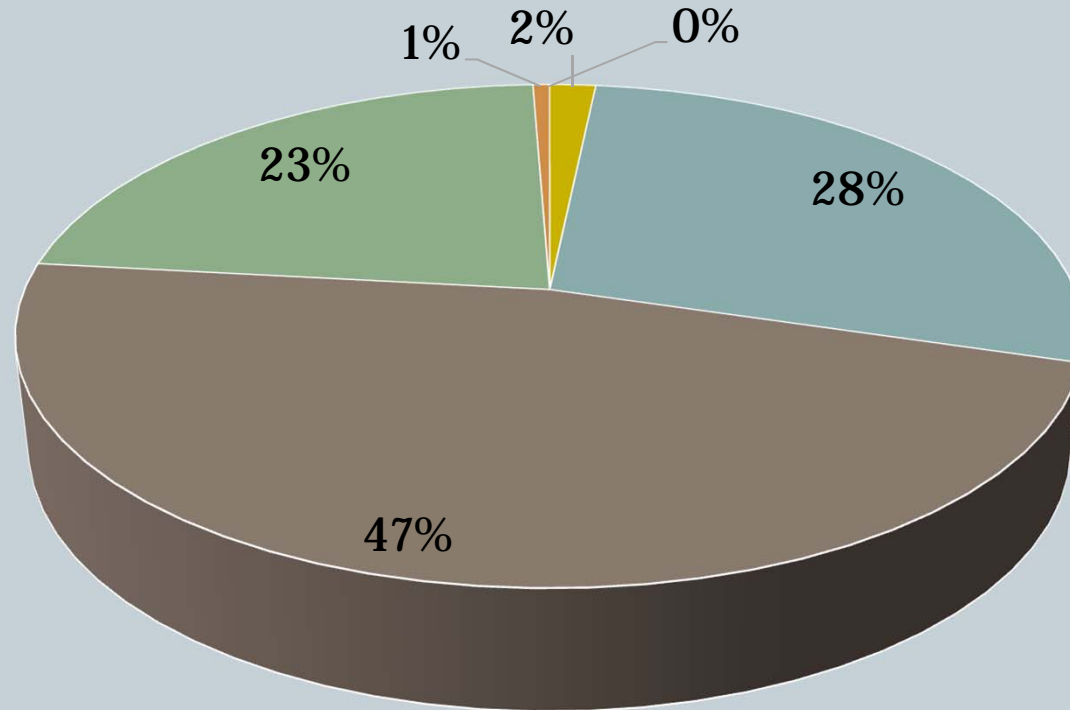


0 - 1 Year 1 - 5 Years 5 - 10 Years 10 - 20 Years 20 - 30 Years 30 + Years

Regional Center Role

78

Age of Individuals Residing at Regional Centers

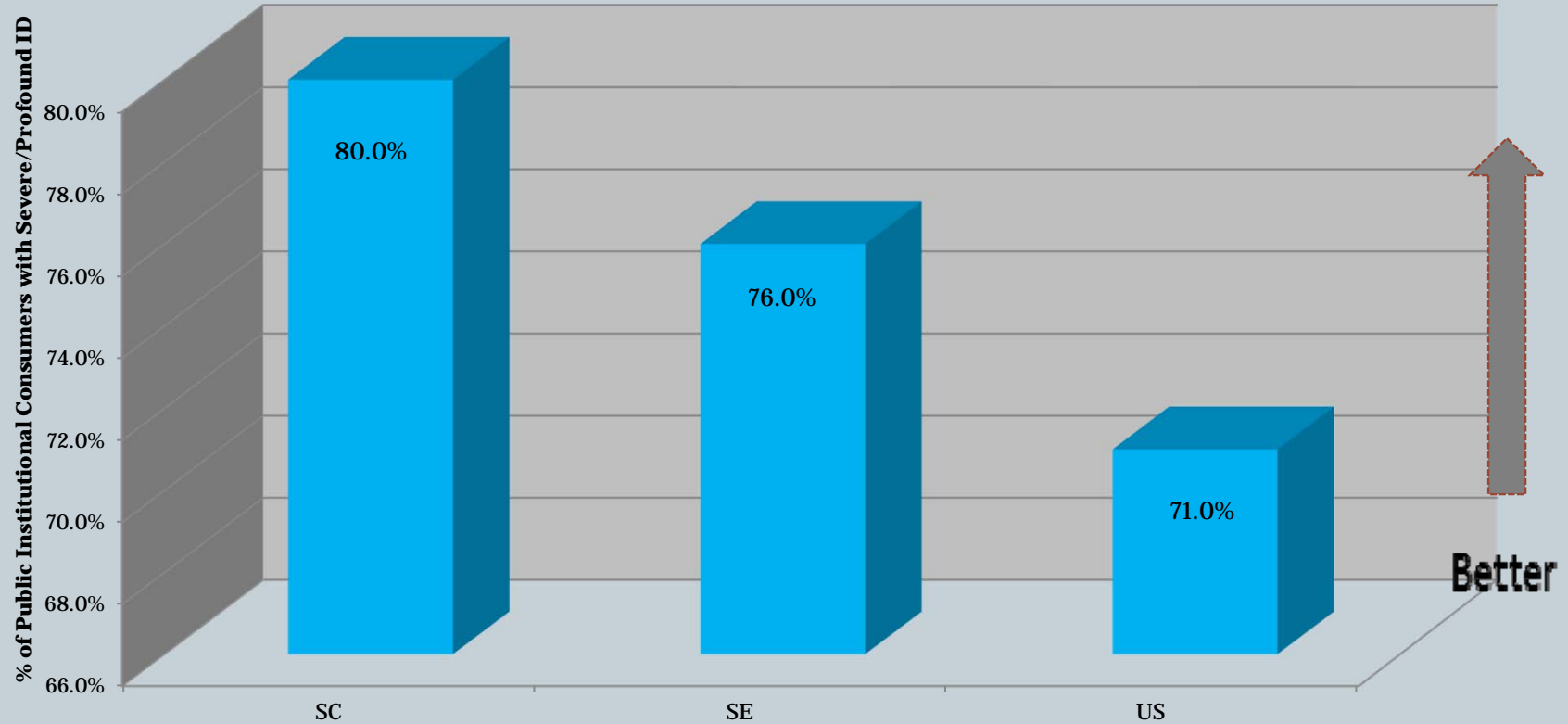


0 - 10 Years 10 - 20 Years 20 - 40 Years 40 - 60 Years 60 - 80 Years 80 + Years

Regional Center Role

79

State DD System Resource Utilization



Data Source - Residential Services for Persons with Developmental Disabilities: Status and Trends Through 2014 published by the University of Minnesota

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

Regional Center Role

80

- Regional centers also provide respite for families with a family member with complex medical or behavioral needs residing in the family home.
- Last fiscal year, the regional centers provided 52 episodes of respite assisting both families and community providers.

Regional Center Role

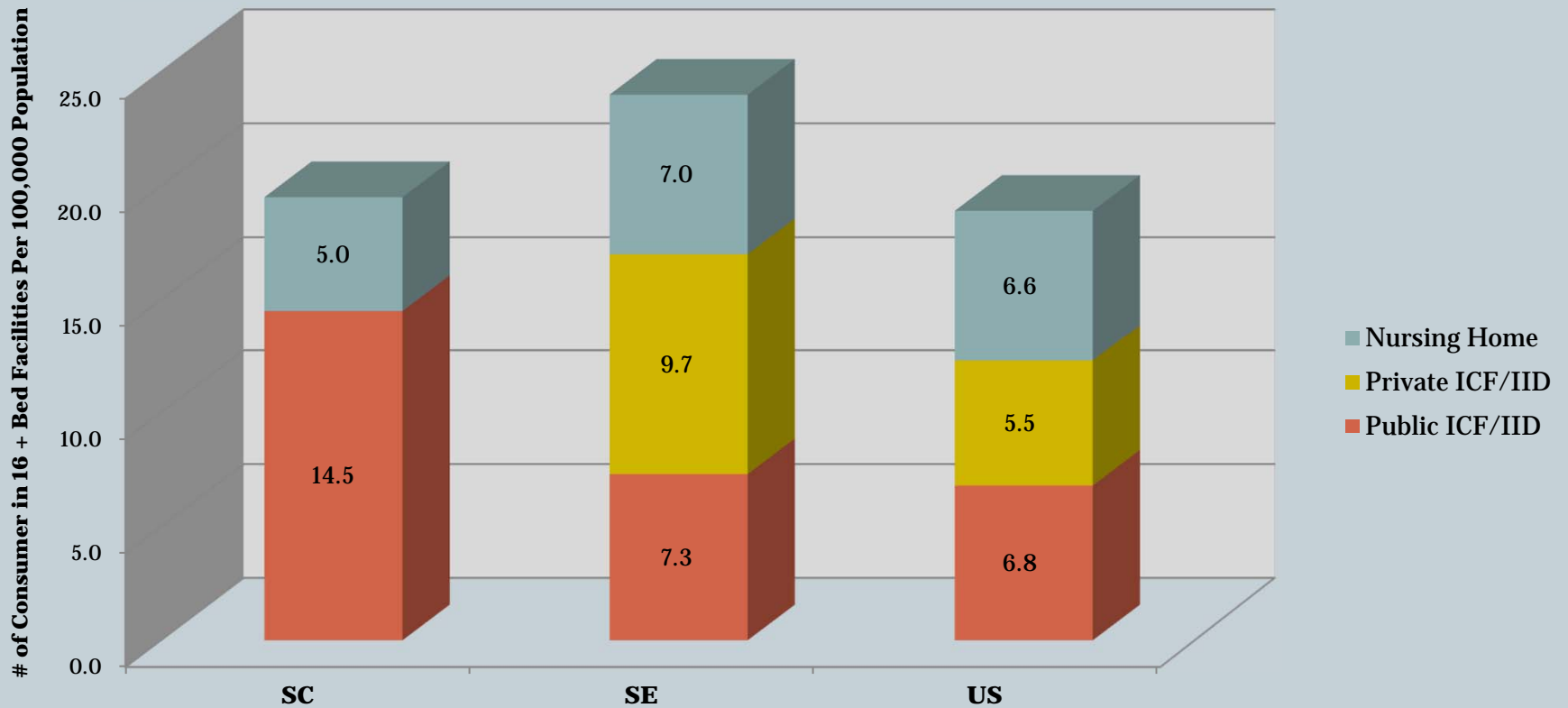
81

- Families of individuals who reside at the regional centers are very supportive of the regional centers.
- As a result of family advocacy, in 2000 a South Carolina Code Ann. § 44-20-365 (Supp. 2016) was passed which required the General Assembly to approve the closure of any regional center.
- Due to DDSN's minimal use of nursing homes, large private residential facilities and responsiveness to family preference, South Carolina serves more individuals in regional centers (public ICF/IID) than other states.

Regional Center Role

82

State DD System Resource Utilization



Data Source – In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities: Status and Trends through 2014 published by the University of Minnesota

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

Regional Center Resources

83

- **The regional centers receive an annual budget from DDSN.**
 - **FY2017/2018 Budget is \$94 million**
- **Regional centers are expected to operate within their budget, but DDSN works with the regional centers to assure funding is sufficient to protect consumer health and safety.**

Regional Center Resources

84

- **The regional centers employ 1701 staff.**
- **68 % of these staff are paraprofessional direct support staff.**
- **The regional centers also employ a diverse work force to provide medical care, prepare food, maintain the physical plant.**

Regional Center Resources

85

- As consumers chose to move from the regional center to the community, their funding follows them; as it does for consumers moving in between community providers.
- This funding portability is referred to as Money Follows the Individual (MFI).
- DDSN implemented this practice in 1992; the federal government encouraged states to adopt similar practices in 2000.
- Only a portion of the funding follows the consumer when they move from the regional center to the community.

Regional Center Resources

86

- The regional centers have a dedicated source of revenue for capital improvements unlike similar facilities in other states.
- This has allowed DDSN to annually invest approximately \$1.3 million in necessary renovations to allow regional centers to offer a safe and comfortable living environment.
- Over the past five years, DDSN has expended approximately \$6.6 million to allow the regional centers to replace HVAC systems, replace roofs, modify bathrooms to be ADA compliant, repair generators, upgrade kitchens and other essential capital projects.
- Many other states must seek capital funding from state legislatures which results in unstable and inconsistent funding.

National Influences - Olmstead

87

- US Supreme Court issued the landmark “Olmstead” ruling in 1999.
- Case involved two women with cognitive and psychiatric disabilities living in a Georgia psychiatric hospital who wanted to receive services in the community.
- The Olmstead ruling was based upon the US Supreme Court’s interpretation of the rights granted under the Americans with Disabilities Act which was enacted in 1990.

National Influences - Olmstead

88

- **Olmstead ruling required states to support persons with disabilities in small community settings rather than larger facility settings when:**
 - **The individual/guardian chooses to be served in community.**
 - **Treatment professionals believe that community services can safely and effectively meet person's needs.**
 - **The provision of services in the community does not require a fundamental alteration of the existing service system.**
- **In general the Olmstead ruling promotes consumer choice in service setting and serving consumers in the least restrictive and most community integrated setting which can effectively meet their needs.**

National Influences - Olmstead

89

- **DDSN has taken many steps which assist in maintaining compliance with the Olmstead ruling.**
- **DDSN established wage parity between Regional Center and community provider direct care staff.**
- **The absence of parity can inhibit consumers moving from Regional Centers to community settings when the consumer desires to move.**

National Influences - Olmstead

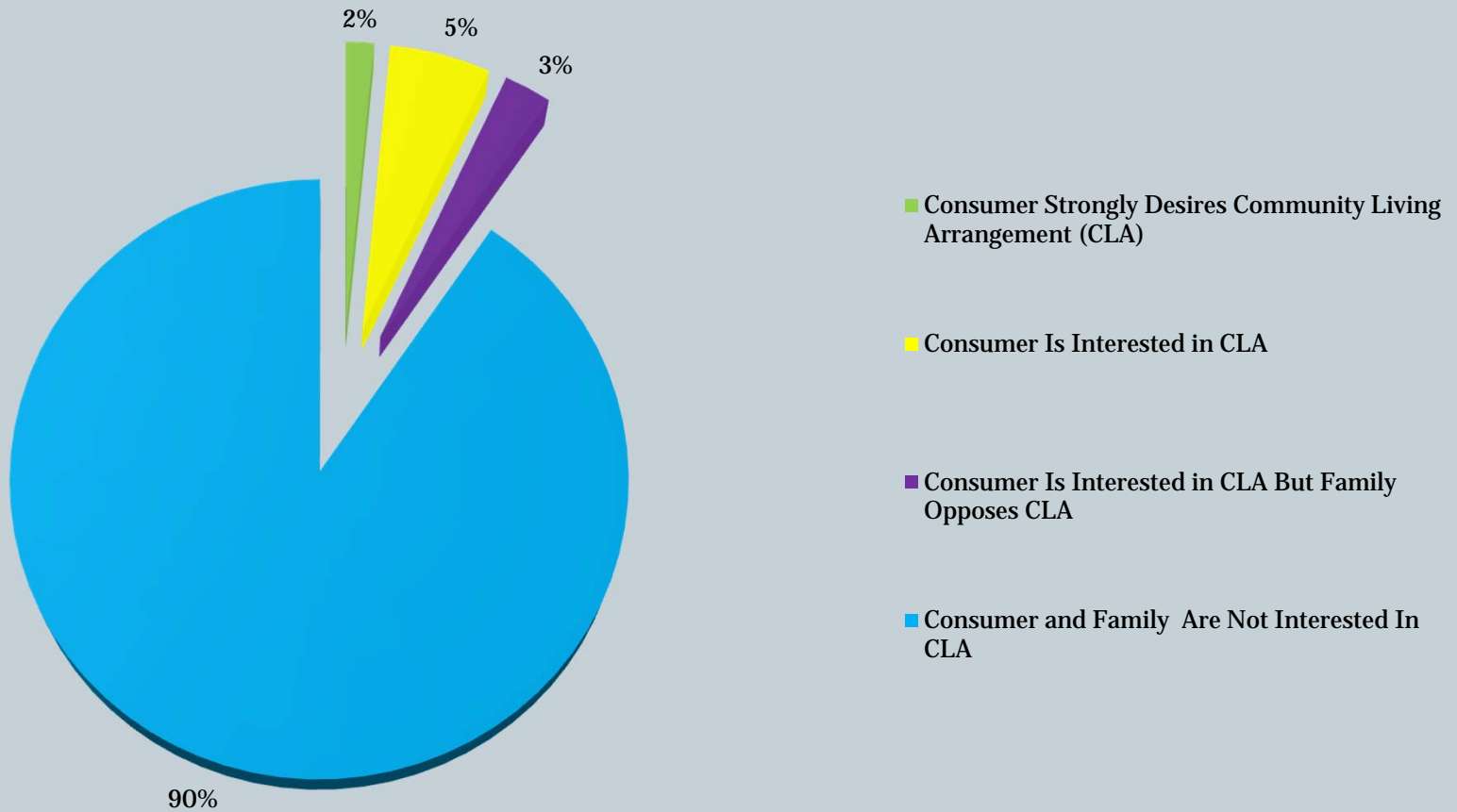
90

- **Implemented systematic process to assess living preference of all individuals served in Regional Centers.**
- **Regularly notify community providers of consumers living at Regional Centers who want to be served in community.**
- **Increased the capacity of the private residential service providers which offers additional consumer choice especially for consumers living at the Regional Centers who desire to move to the community.**

Regional Center Positive Outcomes

91

**DDSN Regional Center Performance
Consumer Living Preference - 7/1/17**



National Influences - Olmstead

92

- **Developed more systematic and thorough transition process to assure consumers' needs are met when moving from Regional Centers to community residential setting.**
- **Implemented more vigorous Regional Center admissions review process to assure only those individuals requiring the intensive services offered at Regional Center are admitted.**

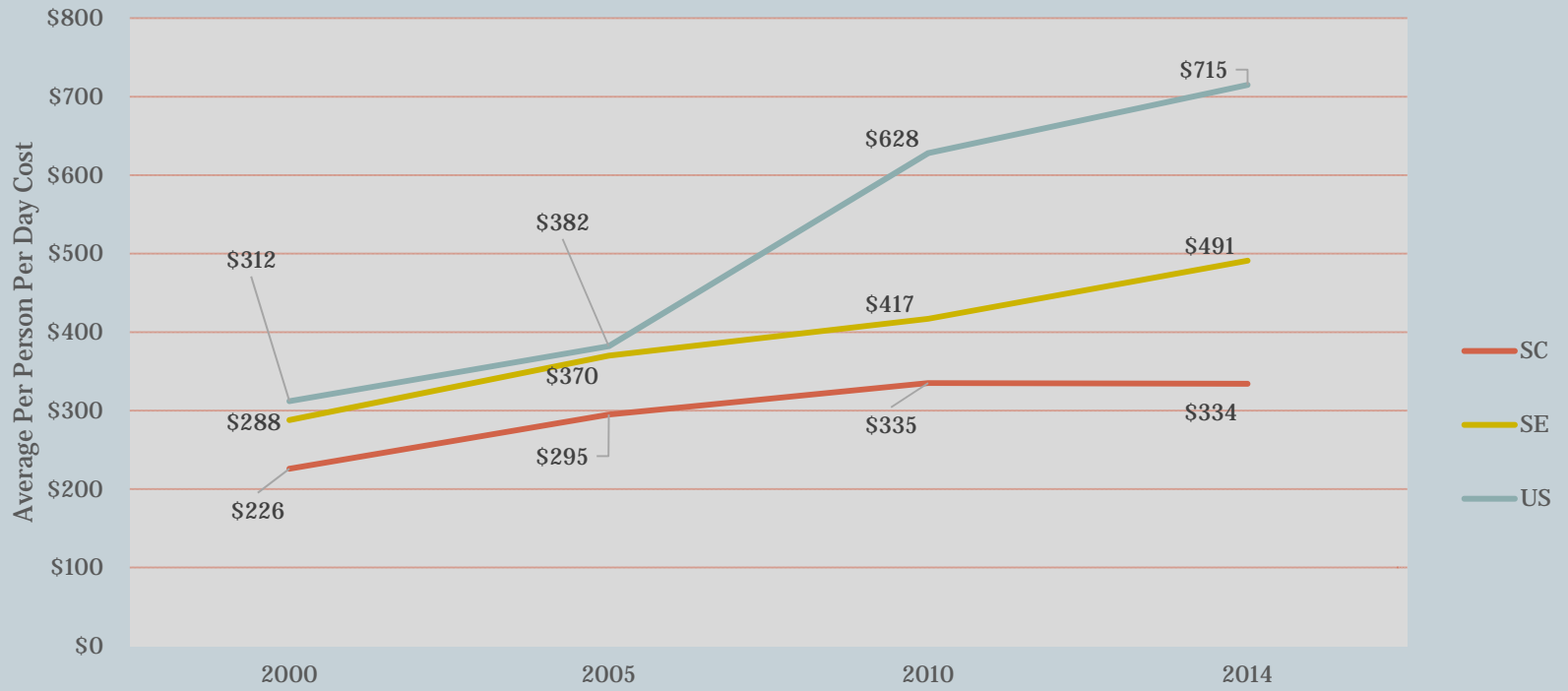
National Influences - Olmstead

93

- Prior to late 2009, the US Department of Justice (DOJ) had never filed any legal action strictly based upon the Olmstead case/ADA.
- Since November 2009 the DOJ has filed 10 Olmstead/ADA Title II legal actions and 10 Olmstead/ADA Amicus/Statement of Interest briefs.
- Two states have been forced to close nearly all of their public ICFs/IID as a result of DOJ ADA actions (Georgia and Virginia) resulting in significant cost increases.

National Influences - Olmstead

Public ICF/IID Expenditures



Data Source – In-Home and Residential Long-Term Supports and Services for Persons with Intellectual or Developmental Disabilities: Status and Trends published by the University of Minnesota

Links to the full reports referenced are available in the DDSN supplemental notebook, Tab 3.

Regional Center Challenges

95

- **Olmstead/ADA compliance**
 - While DDSN has done a good job of assuring a consistent reduction in the number of individuals served at its regional centers, we still rely more heavily on regional centers than most states.
 - The needs of the individuals who live at the regional centers but want to move to the community are becoming more significant creating challenges for community service providers to successfully support them.

Regional Center Challenges

96

- **Crisis support for communities**
 - As the size and resources of the regional centers decline, it is becoming more difficult for the regional centers to provide the immediate support often required for individuals in crisis who are living in the community with family or community providers that they have provided in the past.
 - While there have been efforts to increase the supply of behavior support providers, there continues to be an inadequate number to serve those individuals with complex behavioral needs in the community.

Regional Center Challenges

97

- **Crisis support for communities**
 - **Though DDSN has enhanced payment rates for community providers to serve individuals with complex needs who want to move from the regional centers, this effort needs to be expanded to assure adequate supply of quality services.**
 - **DDSN continues to see a reduction in the number of providers willing to offer services to individuals with significant behavioral challenges.**

Regional Center Challenges

98

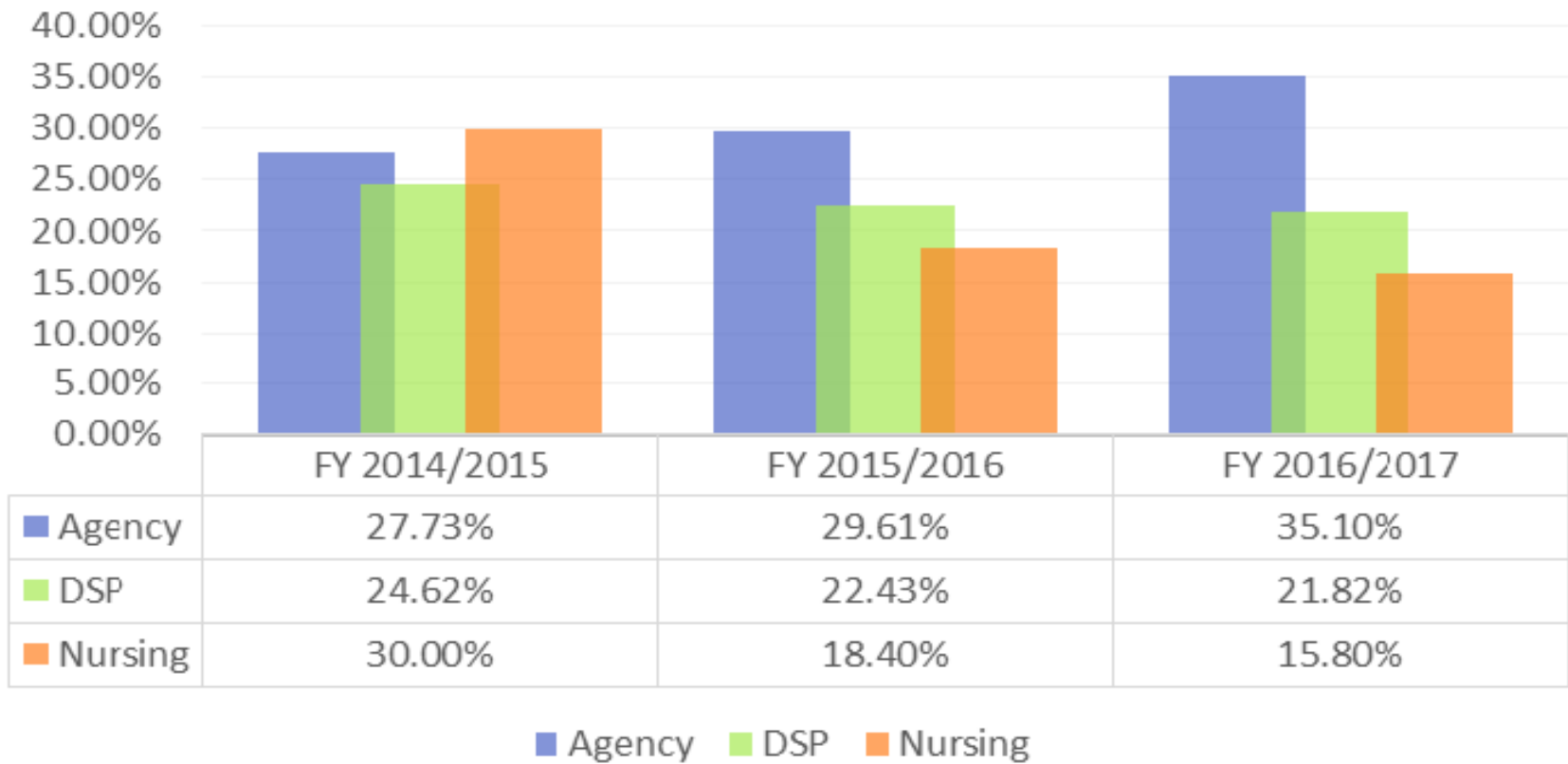
- **Direct support staff ratios:**
 - Direct support staff are the backbone of services provided at our regional centers.
 - While regional center direct support staff ratios have improved, the increase has not been sufficient to maintain direct support staff ratios at a level comparable to the national average.

Turn Over Rates

DDSN Turn Over Rates

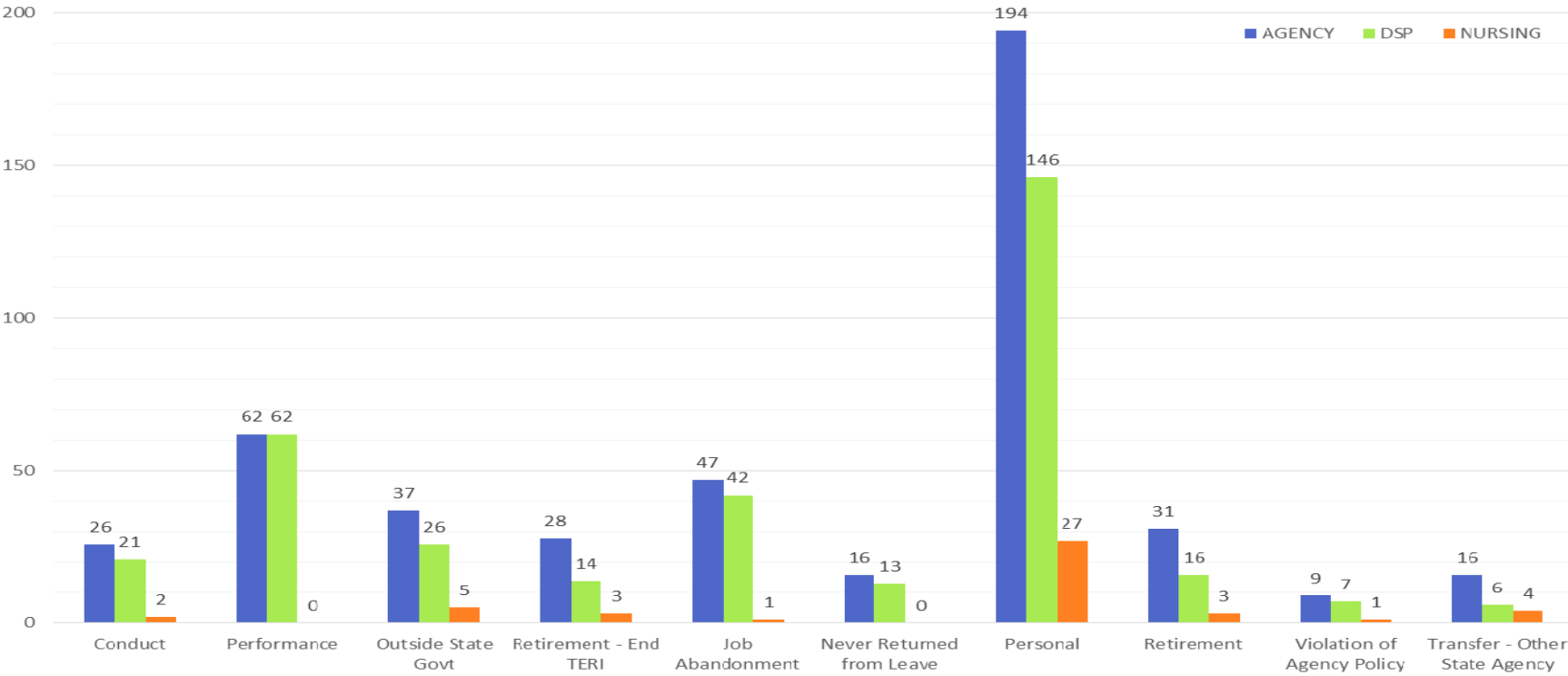


DDSN Turnover Rates



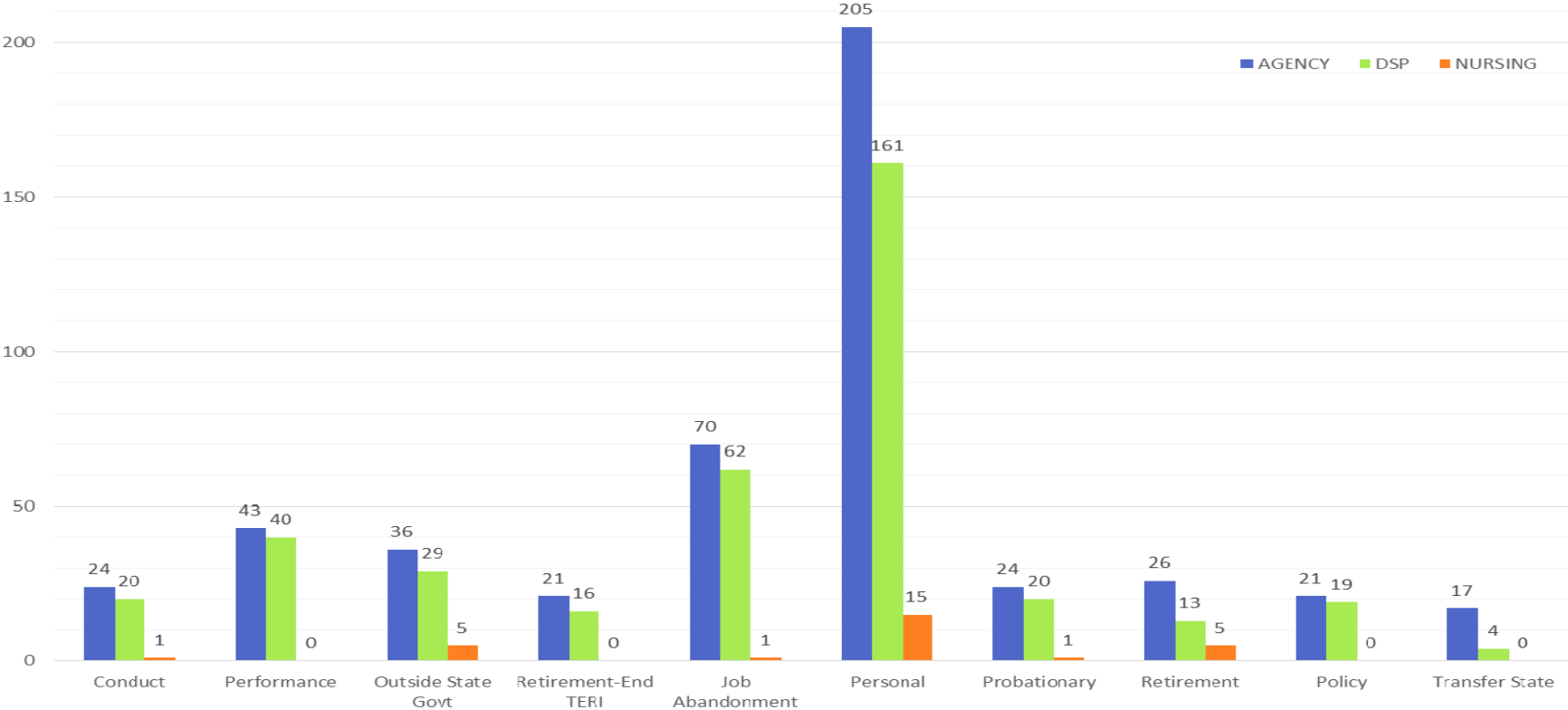
DDSN Turnover Reasons: FY 2014/2015

DDSN Turnover Reasons: FY 2014/2015



DDSN Turnover Reasons: FY 2015/2016

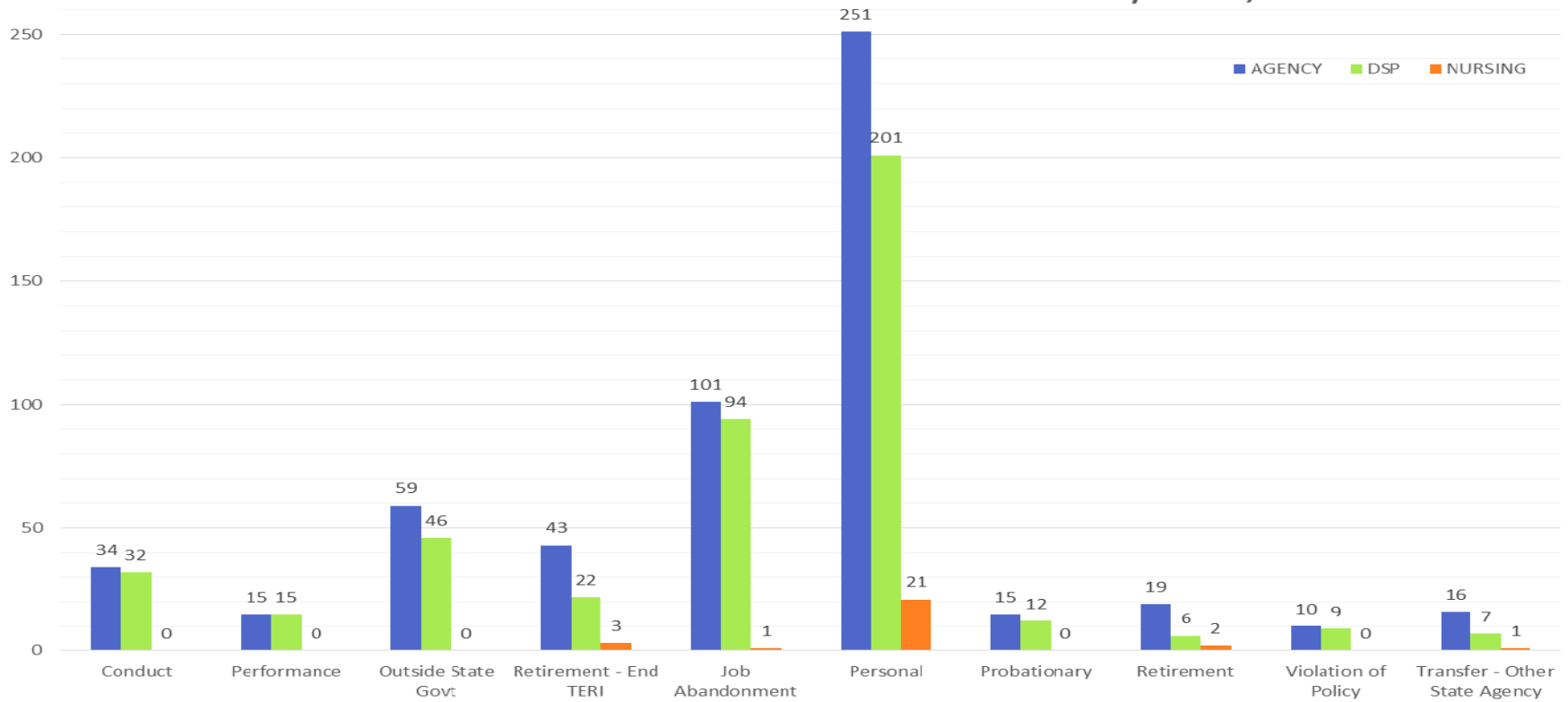
DDSN Turnover Reasons: FY 2015/2016



DDSN Turnover Reasons: FY 2016/2017

103

DDSN Turnover Reasons: FY 2016/2017



Provider Oversight

Abuse, Neglect, Exploitation Allegations and Resolution

- **ANE Resolution**
- **ANE Allegations and Incident Management**
- **Statewide Data**
- **Critical Incidents**

South Carolina Abuse, Neglect, Exploitation (ANE) Allegation Resolution Process

105

- **DDSN has no statutory authority to prevent providers from returning staff to work prior to completion of a criminal investigation.**
- **The authority DDSN exerts over providers related to the Abuse, Neglect, Exploitation allegations is held within the contractual relationship between providers and DDSN.**

DDSN Contractual Relationship with Providers



- **Provider contracts require that the provider comply with the terms of the Fixed Price Bid solicitation.**
 - **Assurance 6.4 of the solicitation requires: "Case Management shall be provided in compliance with all of the terms, conditions, applicable policy directives and standards for the provision of Case Management services and with all future terms, conditions, standards, and updates that are established by The Agency. Case Management Standards and applicable policy directives can be found on The Agency's website"**
 - **Furthermore, the DDSN Special Terms and Conditions of the solicitation requires that "The Contractor shall comply with all current DDSN standards, policies, procedures, directives, and requirements for services. Failure to comply with all DDSN standards, policies, procedures, directives, and requirements for services may be considered a breach of contract."**

DDSN Requirements for Reporting ANE Allegations

107

DDSN Directive 534-02-DD

Procedures for Preventing and Reporting Abuse, Neglect, or Exploitation of People Receiving Services from DDSN or a DSN Board or Contracted Service Provider

A full copy of Directive 534-02-DD is provided in the notebooks, pages 139 – 172 of 189.

A PowerPoint presentation for purposes of training DSN providers is provided in the notebooks, pages 173- 188 of 189.

DDSN Provider Oversight

Returning Staff to Work:

108

Criminal cases:

- If the provider has not received a written Case Status Report from the investigative agency (SLED or LLE), then a Request for Reinstatement must be submitted to DDSN and approved in advance of the employee's return to work.
- The provider may document any verbal findings on the Request for Reinstatement noting the name of the investigator providing the information and the date given.

DDSN Provider Oversight

Returning Staff to Work:

109

Criminal cases (continued):

- DDSN Provider staff are often told when an investigation has concluded, but it may take several days for the appropriate supervisor to review and officially close the case.
- If the provider has received written Case Status report from SLED or LLE indicating case closed as Unfounded or Unsubstantiated and completed Management Review, then the date the date staff will return to work may be indicated on the Management Review (or in an Addendum) and any applicable disciplinary actions or staff training noted.

DDSN Provider Oversight

Returning Staff to Work:

110

Non-criminal Cases:

- The employee may return to work once the Administrative Review is completed to determine if there was any improper conduct or if there were any policy/ procedural violations.
- The date staff will return to work may be indicated on the Administrative Review (or in an Addendum) and any applicable disciplinary actions or staff training noted.

ANE Allegations and Incident Management



- **DDSN strives to ensure the health and welfare of its consumers are the first priority.**
- **DDSN has a comprehensive system for collecting data related to abuse, neglect exploitation or other critical incidents. This review covers reporting within the appropriate time frames, completion of internal reviews, and a review of the provider's management action taken, staff training, risk management and quality assurance activities to provide safeguards for the consumers.**
- **DDSN follows the procedures for reporting allegations of Abuse, Neglect, and Exploitation according to the procedures outlined in the SC Code of Law for Adult/ Child Protective services and the Omnibus Adult Protection Act.**

ANE Allegations and Incident Management

112

- **DDSN tracks, trends, and analyzes all Incident Management data through statewide and provider-level profile reports.**
- **These reports provide raw data with regard to the number of reports made and cases substantiated and also gives a rate per 100 ratio.**
- **The rate per 100 information is especially useful in providing a comparative analysis among agencies.**

ANE Allegations and Incident Management

113

- Per 534-02-DD, for all allegations of abuse, neglect or exploitation, the alleged perpetrator must be immediately placed on Administrative Leave Without Pay.
- Based on the outcome of the internal review for improper conduct and any policy or procedural violations, the provider agency may take appropriate disciplinary action consistent with their human resource policies.
- Allegations substantiated by SLED, Local Law Enforcement or DSS must result in termination of the employee.
- A key component is the philosophy “When in doubt, report.” This inherently creates a number of reports that may be screened out by the investigative agencies.

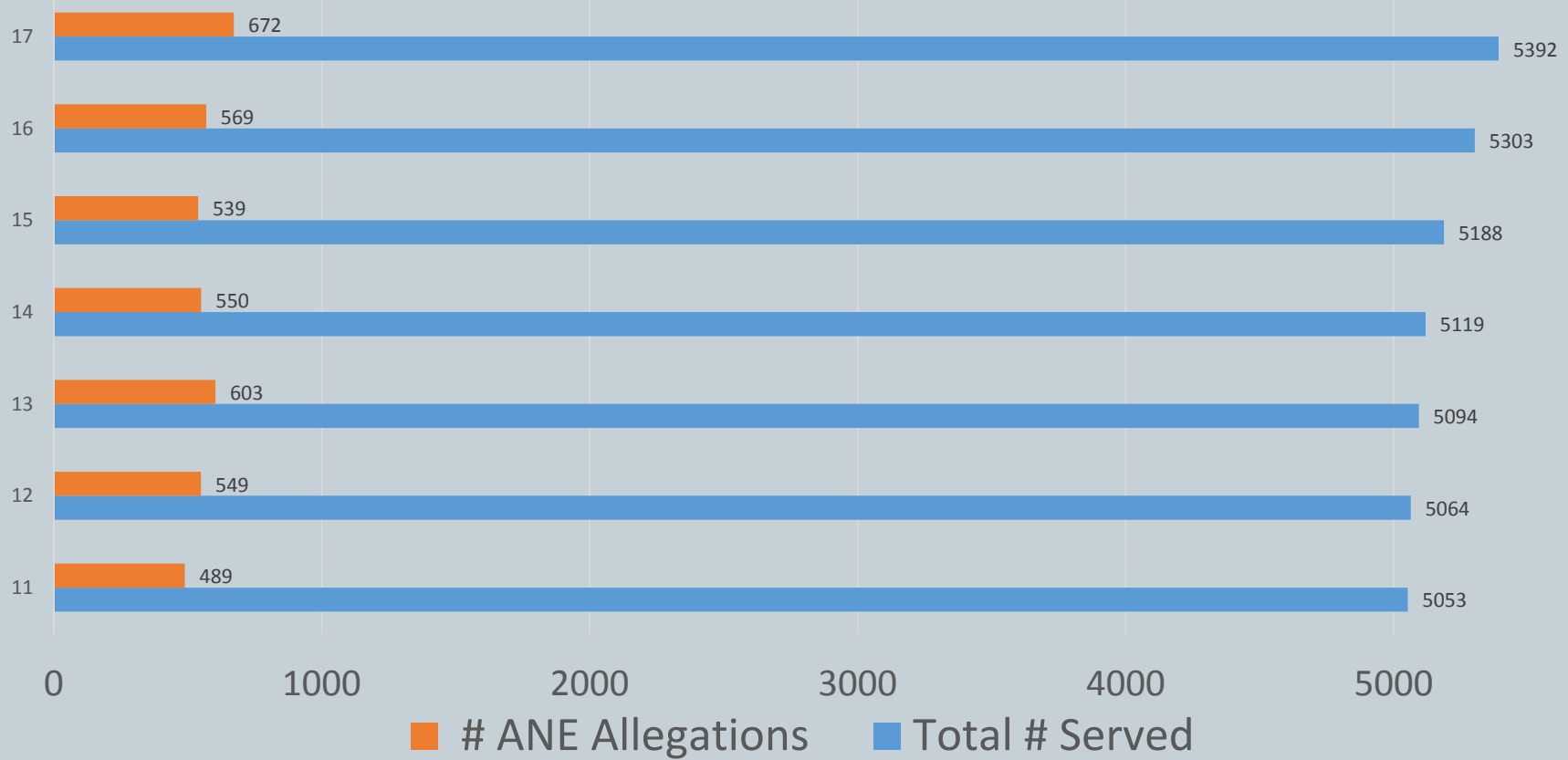
ANE Allegations and Incident Management



- **DDSN has staff dedicated to the review of statewide incident management data. All reports are reviewed for completeness and consistency. Staff ensure reporting procedures are consistent with DDSN policy.**
- **Reports are reviewed to ensure appropriate disciplinary actions, recommendations for training and additional quality management actions to prevent recurrence.**
- **DDSN Changed Directive 534-02-DD in November 2014 to require a statewide, mandatory training format for all provider agencies. This standardized format also included a comprehension test to be completed by all staff on an annual basis. DDSN believes this change in the training strategy helped to raise awareness of issues related to ANE and strengthened the agency’s philosophy of “When in Doubt, Report.”**

Number of ANE Allegations within DDSN Residential Settings compared to population served

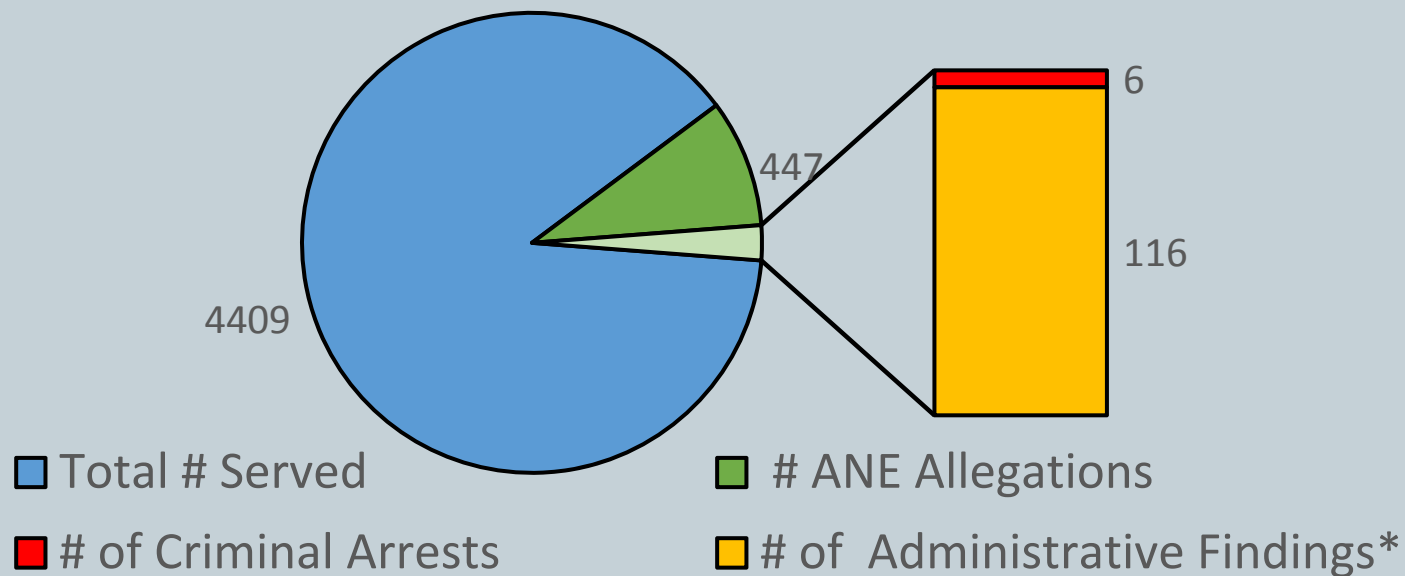
115



7 Year Average of ANE Allegations in Residential Setting with Relation to Population Supported and Number of Arrest and Administrative Findings

116

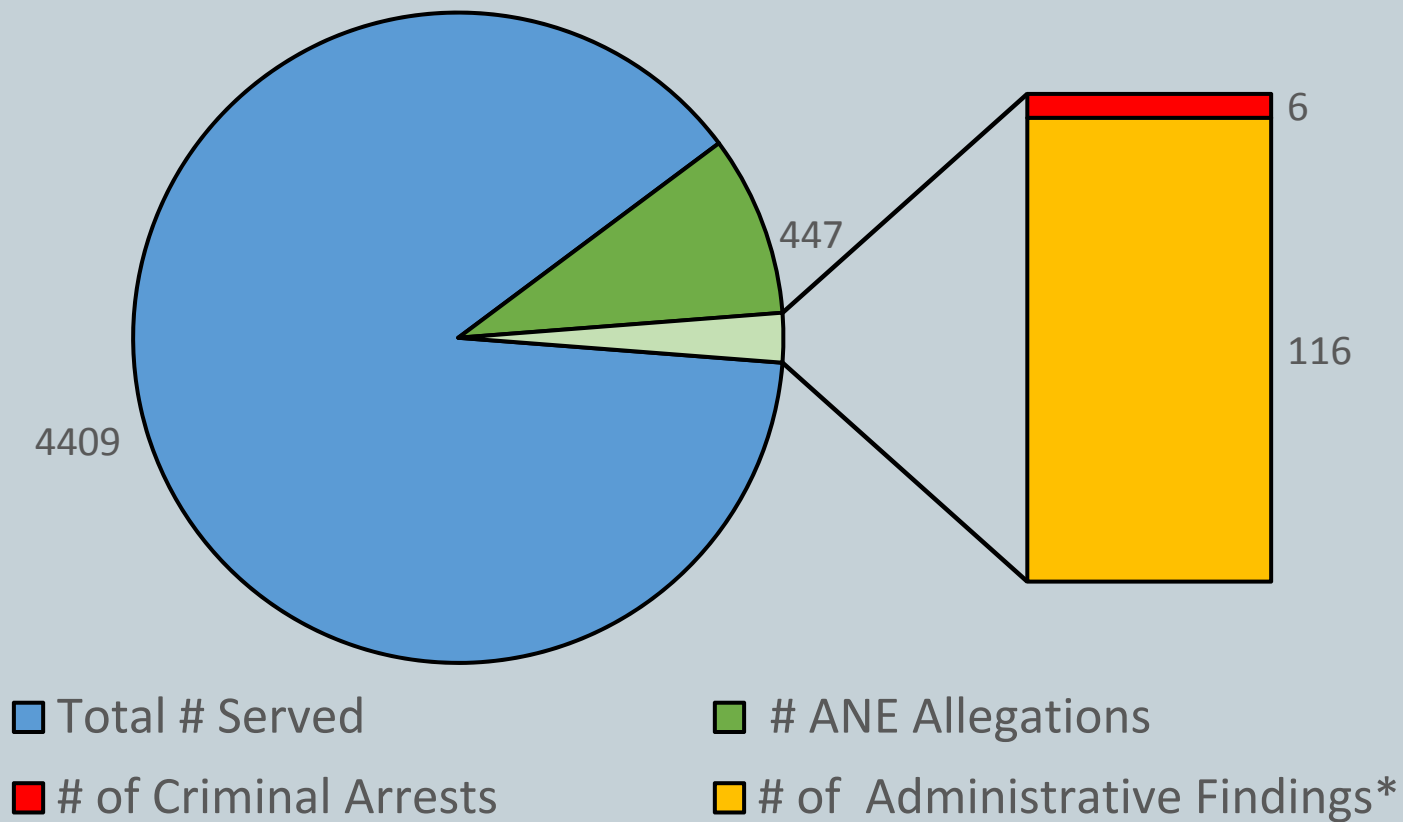
7 year average - Rate per 100 people served in DDSN Residential Services and rate of criminal arrest and administrative findings from DSS or State Long Term Care Ombudsman



* Administrative Findings include both DSS Substantiated (non-Criminal Cases) and State Long Term Care Ombudsman's Standard of Care Findings.

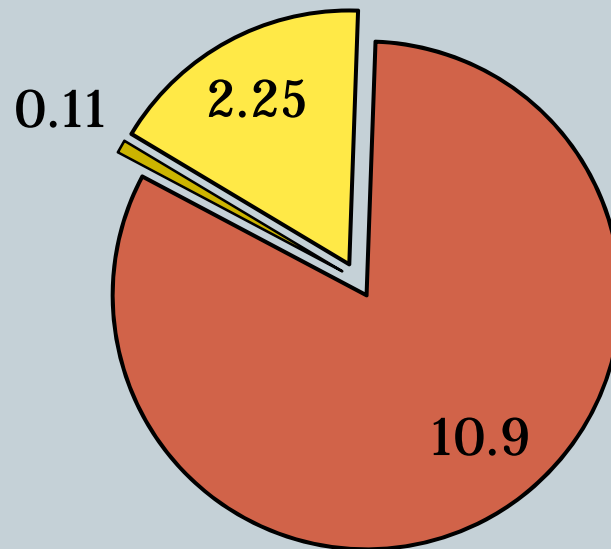
7 Year Average of ANE Allegations in Residential Setting with Relation to Population Supported and Number of Arrest and Administrative Findings

7 year average - Rate per 100 people served in DDSN Residential Services and rate of criminal arrest and administrative findings from DSS or State Long Term Care Ombudsman



* Administrative Findings include both DSS Substantiated (non-Criminal Cases) and State Long Term Care Ombudsman's Standard of Care Findings.

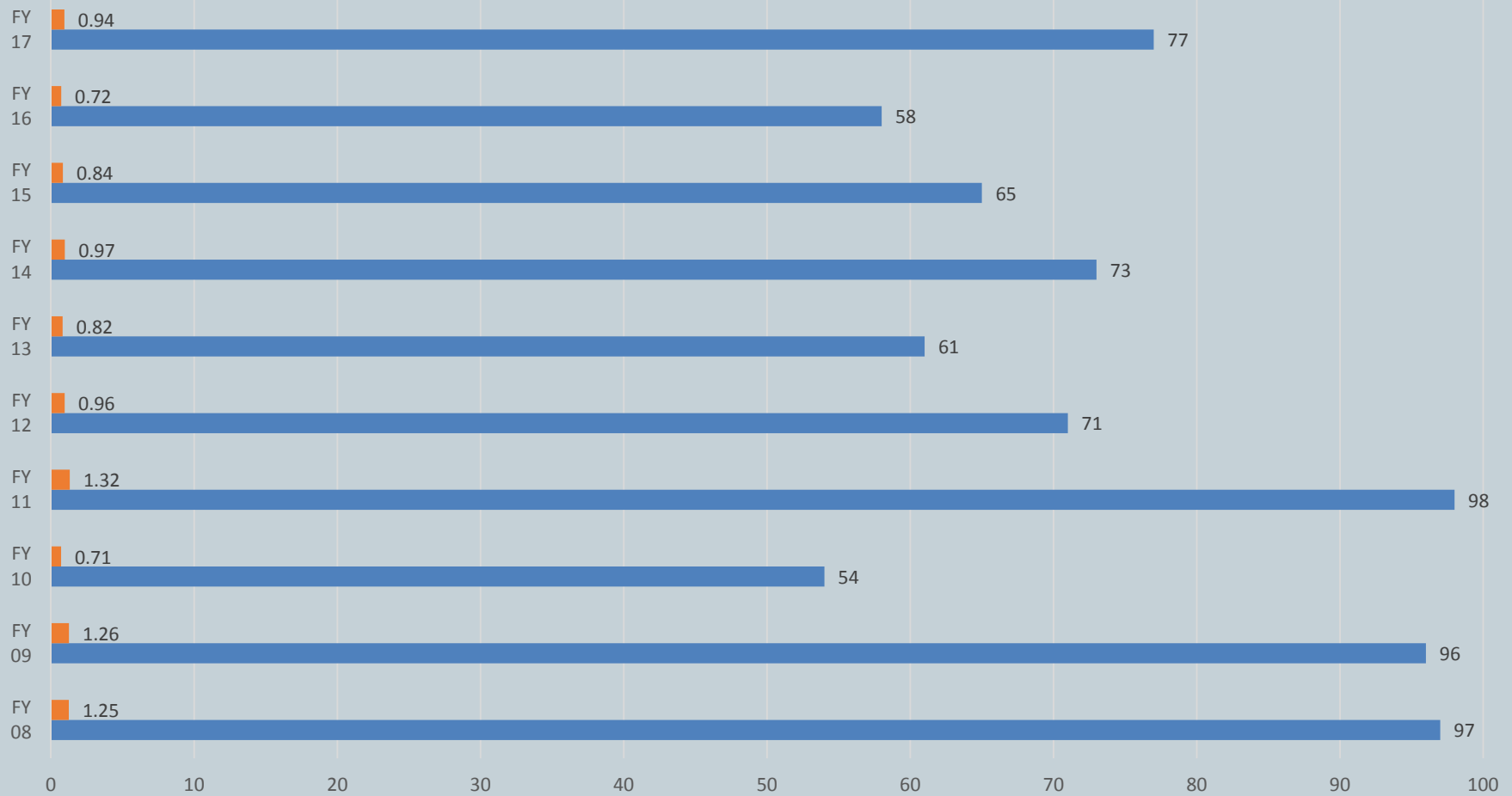
7 year average - Rate per 100 people served in DDSN Residential Services and rate of criminal arrest and administrative findings from DSS or State Long Term Care Ombudsman



- Rate per 100
- % Arrests/ ANE Allegations
- % of Admin Findings/ ANE Allegations

of ANE Allegations within DDSN Day Services compared to population served

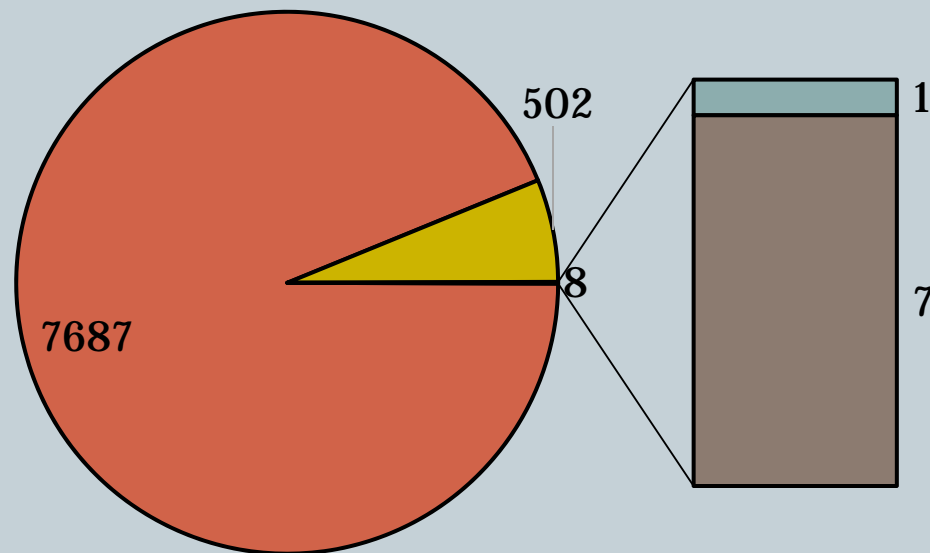
119



7 Year Average of ANE Allegations in DDSN Day Service Locations with the number of people supported compared with the # of Criminal Arrests and Administrative Findings

120

7 year average

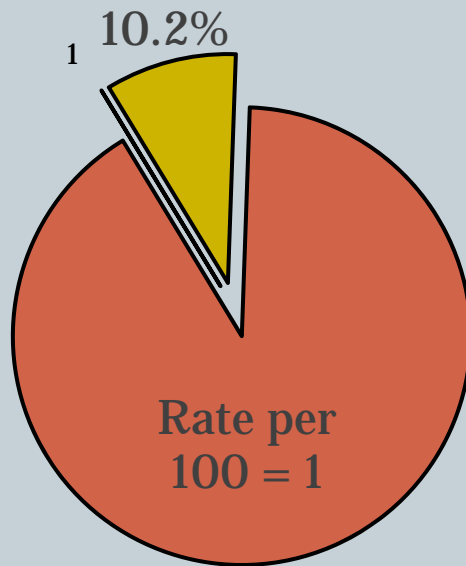


■ Total # Served ■ ANE Allegations ■ # of Criminal Arrests ■ # of Administrative Findings *

*Administrative Findings include both DSS Substantiated (non-Criminal Cases) and State Long Term Care Ombudsman's Standard of Care Findings.

7 year average - Rate per 100 people served in DDSN Residential Services and rate of criminal arrest and administrative findings from DSS or State Long Term Care Ombudsman

121



- Rate per 100
- % Arrests/ ANE Allegations
- % of Admin Findings/ ANE Allegations

Critical Incidents

122

- **A Critical Incident is defined as an unusual, unfavorable occurrence that is not consistent with routine operations; has harmful or otherwise negative effects involving people with disabilities, employees, or property; and occurs during the direct provision of DDSN service.**

Critical Incidents

123

- It is also important to remember that Critical Incident numbers are not unduplicated numbers. Critical Incident categories are selected by the reporter and more than one category may be selected for an incident.
- For example, a van accident would be reported under Motor Vehicle Accidents, but it may also involve injuries and possibly Major Medical.
- Aggression between 2 consumers may result in Law Enforcement involvement and a report of injuries. With the continued implementation of Therap, DDSN will consider documentation requirements for different types of incidents.

Critical Incidents

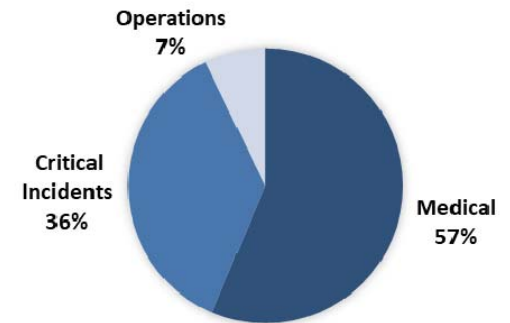
124

Statewide, about 15 – 20% of our service population will have a critical Incident of some type each year. The numbers are higher for the Regional Centers due to the medically complex needs and/or behavioral challenges presented by some residents.

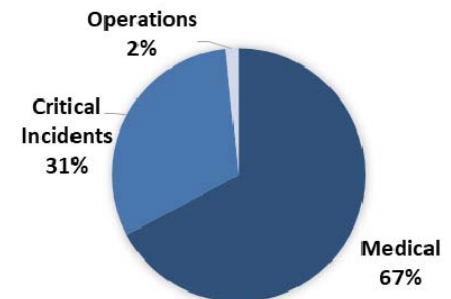
For the past two years, approximately 50% of all critical incidents were related to major medical or hospitalization related reports. This trend continues in FY17 (57%), as DDSN distinguishes medical events from other types of critical incident reports. In the Regional Centers, medical events make up 67% of Critical Incident Reports.

- The majority of incidents reported to DDSN are for medical issues, accidents, and injuries. Major medical incidents have been steadily increasing, but this is largely impacted by our agency's aging population and increasing medical needs.
- There have been more people admitted to the hospital for flu, pneumonia or other respiratory infections, an increase in consumers receiving Hospice care in their DDSN home as opposed to a nursing home, and other medical conditions typically associated with older adults.

FY17 CRITICAL INCIDENTS BY TYPE IN COMMUNITY SETTINGS



FY17 CRITICAL INCIDENTS BY TYPE- REGIONAL CENTERS



Overview of DDSN's Band Payment System

Background: The Band Payment System (BPS) for the local DSN Boards (Boards) originated in 1999. The individual assigned Band funding is paid in advanced of services delivered and equates to a per member per month payment. The BPS was designed to address problems with the prior payment system, which was a fee-for-service (FFS) model with individual rates for each provider and each community residence annually cost settled. The prior system problems included provider cost overruns, perceived inequity, and administrative burden caused by individual rates and cost settlements.

The BPS benefits include all Boards paid the same equitable rate; Board flexibility to move resources within operations to meet consumers' unique needs; improved financial stability through prospective payments coupled with the fiscal discipline to operate within its fixed pooled band payments; consumer flexibility through liberal policies of residential and day program attendance; and simplifies administration through DDSN's centralized administrative process of billing Medicaid, to include responsibility for Medicaid ineligible and audit risks from Federal Medicaid audits. DDSN, as the "provider of record" for all Medicaid services rendered for the ICF/IID and waiver services, is solely responsible for all areas as stated above related to the Medicaid reimbursement.

Band Operations: The SC Department of Health & Human Services (DHHS) delegates authority to DDSN to administer Medicaid programs serving ID/RD consumers through Intermediate Care Facilities (ICF/IID) and waivers (ID/RD; CSW; HASCI; and PDD). The Boards serve 85% of consumers and are paid through bands, while non-profit/for profit private providers serve 15% of consumers and are paid retrospectively based on a fixed rate, which is comparable to the Band funding levels.

Using historical cost and reporting statistics from Boards, DDSN develops the average band payments that are used in paying for ICF/IID and waiver services. The band payments are lower than the Medicaid FFS rates paid to DDSN from DHHS, which account for DDSN's overhead, statewide system costs, system policies (i.e., 80% residential/day program attendance), and providers' historical pattern of generating billable Medicaid service units.

DDSN accounts for and modifies the ten (10) pre-established "band categories" throughout the fiscal year depending on any new funds that the General Assembly appropriates for its service delivery system. Of the ten (10) bands, three bands are for in-home services (Bands A, B & I) and seven are for residential services (Bands C through H & R). Each band contains the average cost for consumers contained in the band, much like a managed care capitated model (see Attachment A for band list & amount). Each Board is paid per month by calculating the number of consumers served in each band and paying a per member per month for all bands combined. From these band funds, the Boards are expected to pay for all consumer needs. There is an expectation consumers' needs will vary within each band, but will "average out" for total actual costs being paid by the consumers' total band payments. DDSN has an "outlier" process, which will add additional revenue to a band if the costs for a specific consumer are inordinately high based on the needs of that individual.

On a monthly basis, Boards provide service reporting documentation (residential/adult day census logs; in-home service units) to DDSN. DHHS and DDSN work together to establish Medicaid FFS rates for all Medicaid services provided to DDSN consumers. Some rates, such as for waiver residential services, are bundled into one Medicaid FFS rate which includes six (6) of DDSN's residential bands. On a monthly basis, DDSN generates and transmits Medicaid service billings to DHHS for payment at the established Medicaid FFS rates.

After the end of each fiscal year, DDSN requires Boards to submit audited annual financial statements and cost data for services provided. DDSN aggregates Board Medicaid allowable cost data, which is compared to Medicaid cost reimbursements to DDSN to arrive at an annual cost settlement with DHHS. If Medicaid cost reimbursements exceed Boards' and DDSN's associated costs, then DDSN has to repay DHHS the Medicaid reimbursed cost difference (appropriately 71% of each dollar). If the reverse occurs, DDSN cannot seek additional funds from DHHS. Additionally, DDSN performs tests of each Board's annual financial statements to ensure 98% of band funds (95% for non-band funds) are expended during the fiscal year. Proviso 36.15 allows the 98% to be adjusted to 90%, if the department can validate that the certified public expenditures support the Medicaid allowable costs for the fiscal year.

Current Issues/Concerns with Bands: In June 2017, the DDSN Commission authorized a review of the band system. Thus far to date, best practices have been identified in other states; 15 Boards/providers interviewed; all Boards/private providers surveyed; and a self-analysis conducted of the flow of band funds during a fiscal year. Issues identified include: 1) some individual band's annual revenue are perceived to have been insufficient to cover the band's costs for many years; 2) even with Board latitude to reallocate funds between bands, total band revenue perceived to be insufficient; 3) Boards' financial manager role for band funds becoming increasingly cumbersome; 4) dissatisfaction with system complexity; 5) lack of transparency; and 6) some Boards desire to direct bill to DHHS seemingly driven by perception DDSN's share of DHHS's rate is excessive; unfairness of the band system emphasizing supporting weaker Boards; and policies stabilizing statewide system are too costly.

The tabulation of the provider survey results will be completed by the end of October 2017, which will provide a more precise assessment of the Bands system of payment to the Boards, as to its strengths and weaknesses.

Issue Date
09/13/17

**SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS
FY 2018 STATEWIDE INDIVIDUAL FUNDING LEVELS - EFFECTIVE JULY 1, 2017
ADJUSTED RATES FOR HEALTH CARE AND RETIREMENT INCREASES**

		<u>Initial FY 18 Funding</u>	<u>Health/Retirement Increase</u>	<u>Revised Funding Bands eff. 7/1/17</u>
Band A	State funded Community Supports	14,607	-	14,607
Band B	At Home - IDRD Waiver	13,205	123	13,328
Band C	Supported Residential - SLP II	33,233	287	33,520
Band D	Supported Residential - SLP I	20,138	174	20,312
Band E	Supported Residential - CTH I	24,740	214	24,954
Band F	Supported Residential - Enhanced CTH I	38,537	333	38,870
Band G	Residential Low Needs	65,700	567	66,267
Band H	Residential High Needs	86,012	743	86,755
Band I	At Home - Community Supports Waiver	13,965	121	14,086
Band R	Residential Placement from Regional Centers	94,642	817	95,459

Residential Band H - Individuals whose costs exceed \$110,165 may be considered for outlier status.

At Home Band B - Individuals whose costs exceed \$35,251 may be considered for outlier status.

Residential Band R does not qualify for outlier status.

CASE MANAGEMENT RATE (per individual receiving Case Management)	7/1/2017		
	<u>Initial</u>	<u>Health Insurance Increase</u>	<u>Revised</u>
per year	\$ 1,643.32	14.19	\$ 1,657.51
per month	\$ 136.94	1.18	\$ 138.12

Old Band A Day Rate	12,428
Health Insurance Increase	84
Day Rate - 7/1/17	12,512
Unit Rate	24.06