

**HEALTH AND HUMAN SERVICES SUBCOMMITTEE
PROVISO RECOMMENDATIONS FOR FY 2010-11
TO THE PROVISO SUBCOMMITTEE**

SECTION 3 - H71 - WIL LOU GRAY OPPORTUNITY SCHOOL

- 3.2 AMEND** (WLG: GED Test) Authorizes students who are 16 years old, who attend Wil Lou Gray Opportunity School, and who are cannot remain enrolled due to needing to be immediately employed or enrolled in post secondary education to take the GED Test. Requires the student to be pretested using the official GED Practice Test and score a minimum of 220 before taking the GED.

WMC: AMEND proviso to change “220” to “2200.” Fiscal Impact: No impact on the General Fund.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

3.2. (WLG: GED Test) Students attending school at the Wil Lou Gray Opportunity School that are 16 years of age and are unable to remain enrolled due to the necessity of immediate employment or enrollment in post secondary education may be eligible to take the General Education Development (GED) Test. Prior to taking the GED the student must be pretested using the official General Education Development Practice Test and score a minimum of ~~220~~ 2200.

SECTION 4 - H75 - SCHOOL FOR THE DEAF AND THE BLIND

- 4.11 AMEND** (Sale of Property) Authorizes the school, after receiving B&C Board approval to sell property, to retain revenues associated with the sale of property titled to or used by the school. Directs that these funds be spent on capital improvements approved by JBRC and the B&C Board. Authorizes the school, for FY 09-10, to use revenue retained from the sale of donated property for educational and other operating purposes.

WMC: AMEND proviso to change “2009-10” to “2010-11.” Fiscal Impact: No impact on the General Fund.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

4.11. (SDB: Sale of Property) After receiving approval from the Budget and Control Board for the sale of property, the school may retain revenues associated with the sale of property titled to or utilized by the school. These funds shall be expended on capital improvements approved by the Joint Bond Review Committee and the Budget and Control Board. For Fiscal Year ~~2009-10~~ 2010-11, the school is authorized to use the retained revenue from the sale of donated property for educational and other operating purposes.

- 4.14 DELETE** (Operating Expenses) Allows unexpended funds appropriated in FY 2007-08 by proviso 73.12 to be carried forward into the current fiscal year and used for educational and other operating expenses.

WMC: DELETE proviso. Fiscal Impact: No impact on the General Fund.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

4.14. (SDB: Operating Expenses) ~~Unexpended funds appropriated by proviso 73.12 of Act 117 of 2007 to the School for the Deaf and the Blind may be carried forward into the current fiscal year and used for educational and other operating expenses.~~

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SECTION 5 - L12 - JOHN DE LA HOWE SCHOOL

- 5.3 DELETE** (Operating Expenses) Allows unexpended funds appropriated in FY 2007-08 by proviso 73.12 to be carried forward into the current fiscal year and used for other operating expenses.

WMC: DELETE proviso. Fiscal Impact: No impact on the General Fund.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

5.3. (JDLHS: Operating Expenses) ~~Unexpended funds appropriated by proviso 73.12 of Act 117 of 2007 to the John de la Howe School for deferred maintenance may be carried forward to the current fiscal year and used for other operating expenses.~~

SECTION 21 - J02-DEPARTMENT OF HEALTH AND HUMAN SERVICES

- 21.15 AMEND FURTHER** (Prescription Reimbursement Payment Methodology) Directs that the prescription dispensing fee is at least \$4.05 per prescription filled. Directs that reimbursements must be the lowest of the federal upper limit of payment or South Carolina maximum allowable cost for the drug, if any, less 10% plus the current dispensing fee; the average wholesale price less 10%; or the provider's usual and customary charge to the general public for the product. Authorizes the department to adjust the dispensing fee to offset any negative change in the federal reimbursement methodology. Requires the department to submit a report on any changes in the federal methodology and the impact on the state prescription reimbursement payment by January 31, of the current fiscal year.

WMC: AMEND proviso to change "average wholesale price (AWP) less 10%" to "Wholesale Acquisition Cost (WAC) plus 12.5%." Require the department, within 30 days of this proviso being enacted, to submit a state plan amendment to the Centers for Medicare and Medicaid Services (CMS) requesting approval for this reimbursement rate and to submit a copy of the CMS State Plan Amendment to the Chairmen of the Ways and Means and Senate Finance Committees. Direct that if during the CMS review process or if the state plan amendment is denied, prescription reimbursements must be the lowest of: the federal upper limit of payment or SC maximum allowable cost (MAC) for the drug, if any, less 10% plus the current dispensing fee; the Average Wholesale Price minus 10%, or the providers usual and customary charge. Fiscal Impact: No impact to the General Fund. The fiscal impact on the funds available to the department cannot be determined until the state plan amendment has been submitted and approved.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: AMEND FURTHER to delete the directive that the state plan amendment be submitted "Within 30 days of enactment of the proviso" and instead direct that the plan be submitted "By October 31, 2010."

21.15. (DHHS: Prescription Reimbursement Payment Methodology) The prescription dispensing fee for the current fiscal year is not less than \$4.05 per prescription filled. Prescription reimbursements must be the lowest of: the federal upper limit of payment or South Carolina maximum allowable cost (MAC) for the drug, if any, less 10% plus the current dispensing fee; ~~the average wholesale price (AWP) less 10%;~~ the Wholesale Acquisition Cost (WAC) plus 12.5%. or the provider's usual and customary charge to the general public for the dispensed product. ~~Within 30 days of enactment of the proviso~~ By October 31, 2010, the Department of Health and Human Services shall submit a state plan amendment to the Centers

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for Medicare and Medicaid Services (CMS) requesting approval for the reimbursement rate referenced above. The Department shall submit a copy of the CMS State Plan Amendment to the Chairmen of the House Ways and Means Committee and the Senate Finance Committee.

During the CMS review process or if the CMS denies the aforementioned state plan amendment; prescription reimbursements must be the lowest of: the federal upper limit of payment or South Carolina maximum allowable cost (MAC) for the drug, if any, less 10% plus the current dispensing fee; the Average Wholesale Price (AWP) minus 10%, or the provider's usual and customary charge to the general public for the dispensed product.

The Department of Health and Human Services shall adjust the dispensing fee as necessary to offset any negative change in the federal reimbursement methodology from the prior fiscal year. The department shall submit a report by January 31, of the current fiscal year to the Chairmen of the House Ways and Means Committee and the Senate Finance Committee summarizing any changes in the federal reimbursement methodology and the impact of the changes on the state prescription reimbursement payment.

- 21.25 AMEND FURTHER** (State Children's Health Insurance Program) Directs the department to establish a separate, stand-alone plan under the authority of the State Children's Health Insurance Program (SCHIP) to expand eligibility for children up to 200% of the prevailing federal poverty level. Directs that all other Medicaid eligibility criteria shall apply and that for these purposes a "child" is considered to be under 19 years of age. Directs that the plan operate as a combination program complementing existing Medicaid and Medicaid SCHIP expansion programs. Directs that program implementation is contingent on availability of Federal funding. Authorizes the department to limit the number of enrollees, close enrollment, or establish a waiting list as necessary in order to not exceed available state appropriations. Prohibits any premium or cost sharing requirement and states that enrollment will begin no sooner than October 1, 2007.

WMC: AMEND proviso to delete reference to enrollment beginning no sooner than October 1, 2007. Direct that enrollment shall be closed to new participants effective July, 1, 2010. Fiscal Impact: No impact on the General Fund.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: AMEND FURTHER to delete the directive that enrollment be closed to new participants effective July 1, 2010 and instead direct the department to convert the stand-alone plan to the standard SCHIP Medicaid program using the same income limits if the department demonstrates a cost savings without a reduction of services.

21.25. (DHHS: State Children's Health Insurance Program) The Department of Health and Human Services shall establish a separate, stand-alone plan under the authority of the State Children's Health Insurance Program (SCHIP) for the purpose of expanding eligibility for children up to two hundred percent (200%) of the prevailing federal poverty level. All other Medicaid eligibility criteria shall apply. For these purposes, a child is considered to be an individual under the age of nineteen. This plan shall operate as a combination program complementing existing Medicaid and Medicaid SCHIP expansion programs. The program shall be modeled on private insurance and the benefits package must be substantially equal to the benefits provided by: (1) Federal Employee Health Benefits Program Standard Option; or, (2) a plan offered to state employees; or, (3) a plan offered by an HMO with the largest commercial enrollment in the state; or, (4) a plan approved by the Secretary of the Federal Department of Health & Human Services. The private benefit plan must include dental and visual benefits substantially equal to those benefits currently offered to existing beneficiaries under the Medicaid program. Implementation of this program is contingent upon the availability of Federal funding appropriated for this purpose. The department shall be

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authorized to limit the number of enrollees, close enrollment, or establish a waiting list as necessary so as not to exceed available state appropriations. No cost sharing provision shall be applied. Enrollment will begin no sooner than October 1, 2007. ~~Effective July 1, 2010, enrollment shall be closed to new participants. The department is directed to convert the stand-alone plan to the standard SCHIP Medicaid program using the same income limits if the department demonstrates a cost savings without a reduction of the services offered.~~

- 21.27 AMEND** (Upper Payment Limit for Non-State Owned Public Nursing Facilities) Directs the department to prepare and submit a state plan amendment to the Center for Medicare and Medicaid Services by August 1, 2009, to provide Medicaid supplemental payments to non-state owned public nursing facilities who qualify as Essential Public Safety Net providers. Directs that a report on the plan amendment be provided to the House Ways and Means and Senate Finance Committees by August 1st.

WMC: AMEND proviso to change “August 1, 2009” to “August 12, 2010.” Fiscal Impact: No impact on the General Fund.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

21.27. (DHHS: Upper Payment Limit for Non-State Owned Public Nursing Facilities) The department shall prepare and submit to the Center for Medicare and Medicaid Services no later than August 1, ~~2009~~ 12,2010, a state plan amendment to provide Medicaid supplemental payments to non-state owned public nursing facilities who qualify as Essential Public Safety Net providers. The department shall provide a report on the plan amendment to the House of Representatives Ways and Means Committee and the Senate Finance Committee by the aforementioned date.

- 21.31 AMEND FURTHER** (Offset Budget Reduction) Directs that if the B&C Board or General Assembly assesses a base budget reduction, the department is authorized to use funds carried forward from Program II.A.3.Z. Case Services/Public Assistance as well as funds appropriated in FY 09-10 for that purpose that are in excess of program requirements in order to offset FY 09-10 base budget reductions. Requires the department to enroll any child who qualifies into the program during FY 09-10.

WMC: AMEND proviso to change fiscal year references from FY “2009-10” to FY “2010-11.” Delete the requirement that the department enroll any child who qualifies into the program during FY 09-10. Fiscal Impact: No impact on the General Fund.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: AMEND FURTHER to reinsert the requirement that the department enroll any child who qualifies into the program during FY 09-10 and update the fiscal year to FY 10-11.

21.31. (DHHS: Offset Budget Reduction) In the event of a base budget reduction assessed by the Budget and Control Board or the General Assembly, the Department of Health and Human Services is authorized to utilize Program II. A. 3. Z. Case Services/Public Assistance funds carried forward from the prior fiscal year into the current fiscal year as well as funds appropriated for the same purpose in Fiscal Year ~~2009-10~~ 2010-11 that are in excess of program requirements in order to offset Fiscal Year ~~2009-10~~ 2010-11 base budget reductions. **The department shall be required to enroll into the program any child who qualifies during Fiscal Year ~~2009-10~~ 2010-11.**

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- 21.40** **AMEND** (Community Health Plans) Directs the department to oversee all community health plans approved to operate as a pilot program for the purpose of providing health care. Directs that only plans that receive approval from the department and the Chairmen of the Senate Finance and Ways and Means Committees prior to January 1, 2009 be authorized to operate as an approved community health plan under this provision. Directs that an approved community health plan acting in accordance with these provisions shall not be considered as providing insurance or an unauthorized insurer. Requires the department to submit a report by 1/1/10, to specific Senate and House committee chairmen. Directs that the report include legislative recommendations, an overview and listing of approved community health plans, and individual reports prepared by each approved community health plan that provides an analysis of the financial status of the program, data on the enrollees and participating health care providers, a description of services used, and other information as requested by the department or committees.
- WMC:** AMEND proviso to change January 1, “2010” to “2011.” Fiscal Impact: No impact on the General Fund.
- HOU:** ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

21.40. (DHHS: Community Health Plans) The Department of Health and Human Services shall oversee all community health plans approved to operate as a pilot program for the purpose of providing health care. Such oversight shall include the review and approval of the financial and business plan of the community health plan. Only those plans receiving approval from the department, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee prior to January 1, 2009 shall be authorized to operate as an approved community health plan pursuant to this provision. The department shall approve participation requirements of community health plans.

An approved community health plan acting in accordance with these provisions shall not be considered as providing insurance or an unauthorized insurer. The department shall submit a report no later than January 1, ~~2010~~ 2011, to the Chairmen of the Senate Finance Committee; House Ways and Means Committee; Senate Medical Affairs Committee; House Medical, Military, Public and Municipal Affairs Committee; Senate Banking and Insurance Committee; and House Labor, Commerce and Industry Committee. The report shall include legislative recommendations, an overview of approved community health plans, a listing of all approved community health plans, and individual reports to be prepared by each approved community health plan providing an analysis of the financial status of the program, data on the enrollees and participating health care providers, a description of enrollee services utilized, and other information as requested by the department or committees.

- 21.42** **ADD** (Personal Emergency Response System) **WMC:** ADD new proviso to authorize the department to consider using Personal Emergency Response Systems (PERS) units with additional functionality to include the use of a two button system that is UL or ETL certified. Fiscal Impact: No impact on the General Fund.
- HOU:** ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

21.42. (DHHS: Personal Emergency Response System) The Department of Health and Human Services may consider the use of Personal Emergency Response Systems (PERS) units with additional functionality to include the use of a two button system that is UL or ETL certified.

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- 21.43** **ADD (GAPS) WMC:** ADD new proviso to suspend, for FY 2010-11, the requirements of Sections 44-6-610-660 [GAP ASSISTANCE PHARMACY PROGRAM FOR SENIORS ACT]. Fiscal Impact: No impact on the General Fund. The department indicates the suspension should generate a savings of \$2,915,469 of funds available to the agency.
HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation.

21.43. (DHHS: GAPS) The requirements of Title 44, Chapter 6-610 through Chapter 6-660 shall be suspended for Fiscal Year 2010-11.

- 21.rhg** **ADD (Rural Hospital Grants) SFC SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct that Rural Hospital Grants funds be allocated to public hospitals in very rural or rural areas whose largest town is less than 25,000 and whose licensed bed capacity does not exceed 200 beds. Direct hospitals that qualify for the grants to use the funds for any of the following purposes: a) development of preventive health programs, medical homes, and primary care diversion from emergency departments; b) expanded health services, including physician recruitment and retention; c) to improve hospital facilities; d) activities involving electronic medical records or claims processing systems; e) to enhance disease prevention activities in diabetes, heart disease, etc; and f) activities to insure compliance with state or federal regulations.

SFC SUBCOMMITTEE FURTHER RECOMMENDATION: CONFORM to funding recommendation.

21.rhg. (Rural Hospital Grants) Rural Hospital Grants funds shall be allocated to public hospitals in very rural or rural areas whose largest town is less than 25,000 and whose licensed bed capacity does not exceed 200 beds. Hospitals qualifying for the grants shall utilize such funds for any of the following purposes: (a) the development of preventive health programs, medical homes, and primary care diversion from emergency departments; (b) expanded health services, including physician recruitment and retention; (c) to improve hospital facilities; (d) activities involving electronic medical records or claims processing systems; (e) to enhance disease prevention activities in diabetes, heart disease, etc; and (f) activities to ensure compliance with State or Federal regulations.

- 21.dsh** **ADD (Disproportionate Share - DMH) SFC SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct the department to transfer funds to the Department of Mental Health as a result of any shortfall in disproportionate share funding due to rule changes from the Center for Medicare and Medicaid Services. Require the department to take action to minimize the impact to DMH of the redistribution of disproportionate share funding.

SFC SUBCOMMITTEE FURTHER RECOMMENDATION: CONFORM to funding recommendation

21.dsh. (Disproportionate Share - DMH) For the current fiscal year, the department is directed to transfer funds to the Department of Mental Health to make up any shortfall in disproportionate share funding due to rule changes from the Center for Medicare and Medicaid Services from the latest federal fiscal year amount. The department must also take any necessary action, including the submission of an amendment to the State Medicaid Plan, to minimize the impact of disproportionate share funding redistribution to the Department of Mental Health in future years.

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SECTION 22 - J04 - DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

- 22.5** **AMEND** (Cancer/Hemophilia) Prohibits \$780,573 appropriated for prevention, detection, and surveillance of cancer and cancer treatment services and \$1,698,571 appropriated for the hemophilia assistance program from being transferred to other programs within the agency. Provides the manner in which mandated budget reductions may be taken from this item.
WMC: AMEND proviso to change “\$780,573” to “\$686,216” and “\$1,698,571” to “\$1,493,245.” *Conform to recent budget reductions.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.
HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

22.5. (DHEC: Cancer/Hemophilia) Notwithstanding any other provisions of this act, the funds appropriated herein for prevention, detection and surveillance of cancer as well as providing for cancer treatment services, ~~\$780,573~~ \$686,216 and the hemophilia assistance program, ~~\$1,698,571~~ \$1,493,245 shall not be transferred to other programs within the agency and when instructed by the Budget and Control Board or the General Assembly to reduce funds within the department by a certain percentage, the department may not act unilaterally to reduce the funds for any cancer treatment program and hemophilia assistance program provided for herein greater than such stipulated percentage.

- 22.9** **AMEND** (Emergency Medical Services) Provides for the allocation of Emergency Medical Services funds to counties to improve and upgrade the EMS system throughout the state. Prohibits \$1,831,963 appropriated for Emergency Medical Services from being transferred to any other program. Authorizes unexpended funds to be carried forward. Provides the manner in which mandated budget reductions may be taken from this item.
WMC: AMEND proviso to change “\$1,831,963” to “\$1,610,512.” *Conform to recent budget reductions.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.
HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

22.9. (DHEC: Emergency Medical Services) Funds appropriated herein for Emergency Medical Services, shall be allocated for the purpose of improving and upgrading the EMS system throughout the state. The monies allocated to the Counties are for the purpose of improving or upgrading the local EMS system through the licensed ambulance services, the monies allocated to the EMS Regional Councils are for the administration of training programs and technical assistance to local EMS organizations and county systems. All additional funds are to be allocated as follows: to the counties at the ratio of 81% of the additional funds appropriated herein, to the EMS Regions at a ratio of 12% of the additional funds appropriated herein and to the state EMS Office at the ratio of 7% of the additional funds appropriated herein. The Department of Health and Environmental Control shall develop criteria and guidelines and administer the system to make allocations to each region and county within the state, based on demonstrated need and local match. Funds appropriated, ~~\$1,831,963~~ \$1,610,512, to Emergency Medical Services shall not be transferred to other programs within the department’s budget. Unexpended funds appropriated to the program may be carried forward to succeeding fiscal years and expended for administrative and operational support and for temporary and contract employees to assist with duties related to improving and upgrading the EMS system throughout the state, including training of EMS personnel and administration

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of grants to local EMS providers. In addition, when instructed by the Budget and Control Board or the General Assembly to reduce funds by a certain percentage, the department may not reduce the funds appropriated for EMS Regional Councils or Aid to Counties greater than such stipulated percentage.

- 22.10 AMEND** (Rape Violence Prevention Contract) Directs that \$586,346 of Rape Violence Prevention funds be used to support rape crisis centers programmatic efforts by distributing these funds based on DHEC Rape Violence Prevention Program service standards and each center's accomplishment of a pre-approved annual action plan.

WMC: AMEND proviso to change "\$586,346" to "\$513,481." *Conform to recent budget reductions.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

22.10. (DHEC: Rape Violence Prevention Contract) Of the amounts appropriated in Rape Violence Prevention, ~~\$586,346~~ \$513,481 shall be used to support programmatic efforts of the state's rape crisis centers with distribution of these funds based on the Department of Health and Environmental Control Rape Violence Prevention Program service standards and each center's accomplishment of a pre-approved annual action plan.

- 22.12 AMEND** (Sickle Cell Programs) Directs that \$1,089,311 is appropriated for Sickle Cell program services and directs that 67% of the funds be divided equitably between existing Community Based Sickle Cell Programs in Spartanburg, Columbia, Orangeburg, and Charleston; and 33% of the funds be used for the Community Based Sickle Cell Program at DHEC. Directs that the funds be used for prevention and educational programs, testing, counseling and newborn screening. Provides the manner in which mandated budget reductions may be taken from this item. Prohibits these funds from being transferred for any other purpose.

WMC: AMEND proviso to change "\$1,089,311" to "\$957,633." *Conform to recent budget reductions.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

22.12. (DHEC: Sickle Cell Programs) ~~\$1,089,311~~ \$957,633 is appropriated for Sickle Cell program services and shall be apportioned as follows:

(1) 67% is to be divided equitably between the existing Community Based Sickle Cell Programs located in Spartanburg, Columbia, Orangeburg, and Charleston; and

(2) 33% is for the Community Based Sickle Cell Program at DHEC.

The funds shall be used for providing prevention programs, educational programs, testing, counseling and newborn screening. The balance of the total appropriation must be used for Sickle Cell Services operated by the Independent Living program of DHEC. The funds appropriated to the community based sickle cell centers shall be reduced to reflect any percent reduction assigned to the Department of Health and Environmental Control by the Budget and Control Board; provided, however, that the department may not act unilaterally to reduce the funds for the Sickle Cell program greater than such stipulated percentage. The department shall not be required to undertake any treatment, medical management or health care follow-up for any person with sickle cell disease identified through any neonatal testing program, beyond the level of services supported by funds now or subsequently appropriated for such services. No

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funds appropriated for ongoing or newly established sickle cell services may be diverted to other budget categories within the DHEC budget.

- 22.13** **AMEND** (Genetic Services) Directs that \$148,954 under the Independent Living program is to be used to provide appropriate genetic services to medically needy and underserved persons. Directs that the funds be divided equally among the three Regional Genetic Centers of South Carolina, composed of units from MUSC, USC School of Medicine, and the Greenwood Genetic Center.

WMC: AMEND proviso to change “\$148,954” to “\$130,948.” *Conform to recent budget reductions.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

22.13. (DHEC: Genetic Services) The sum of ~~\$148,954~~ \$130,948 appearing under the Independent Living program of this act shall be appropriated to and administered by the Department of Health and Environmental Control for the purpose of providing appropriate genetic services to medically needy and underserved persons. Such funds shall be used by the department to administer the program and to contract with appropriate providers of genetic services. Such services will include genetic screening, laboratory testing, counseling, and other services as may be deemed beneficial by the department, and these funds shall be divided equally among the three Regional Genetic Centers of South Carolina, composed of units from the Medical University of South Carolina, the University of South Carolina School of Medicine, and the Greenwood Genetic Center.

- 22.35** **AMEND** (South Carolina State Trauma Care Fund) Directs that \$3,353,952 of State Trauma Care Fund monies be used to increase the reimbursement rates for trauma hospitals, for trauma specialists’ professional fee, for increasing the capability of EMS trauma care providers from counties with a high rate of traumatic injury deaths to care for injury patients, and to support the trauma system. Provides the percentage methodology to be used to disburse the funds.

WMC: AMEND proviso to change “\$3,353,952” to “\$2,948,519.” *Conform to recent budget reductions.* Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

22.35. (DHEC: South Carolina State Trauma Care Fund) Of the funds appropriated to the South Carolina State Trauma Care Fund, ~~\$3,353,952~~ \$2,948,519 shall be utilized for increasing the reimbursement rates for trauma hospitals, for trauma specialists’ professional fee, for increasing the capability of EMS trauma care providers from counties with a high rate of traumatic injury deaths to care for injury patients, and for support of the trauma system, based on a methodology as determined by the department with guidance and input from the Trauma Council as established in Section 44-61-530 of the South Carolina Code of Laws. The methodology to be developed will include a breakdown of disbursement of funds by percentage, with a proposed 76.5% disbursed to hospitals and trauma physician fees, 16% of the 21% must be disbursed to EMS providers for training EMTs, Advanced EMTs and paramedics by the four regional councils of this state and the remaining 5% must be disbursed to EMS providers in counties with high trauma mortality rates, and 2.5% allocated to the department for administration of the fund and support of the trauma system. The Department

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of Health and Environmental Control shall promulgate regulations as required in Section 44-61-540 of the 1976 Code for the administration and oversight of the Trauma Care Fund.

- 22.38 AMEND** (Pharmacist Permits) Suspends DHEC from provisions relating to requirements that all department facilities that distribute or dispense prescription drugs must be permitted by the Board of Pharmacy and that each pharmacy have a pharmacist in charge. Requires each DHEC Health Region to have a permit to distribute or dispense prescription drugs. Allows a department pharmacist to serve as the pharmacist-in-charge without being physically present in the pharmacy and allows the department to designate that one pharmacist-in-charge to serve more than one health region. Directs that only pharmacists, nurses, or physicians may dispense and provide prescription drugs/products/vaccines for Family Planning, tuberculosis, sexually transmitted diseases, immunizations, hemophilia, or HIV/AIDS at department facilities. Directs that other medications could be dispensed as necessary in the event of a public health emergency or if the strategic national stockpile is activated.
- WMC:** AMEND proviso to change the authorization for the department to designate that one pharmacist-in-charge may serve more than one "health region" to more than one "department facility." Delete the specific conditions for which medication may be dispensed and instead direct that medications may be dispensed for conditions or diseases that DHEC treats, monitors, or investigates. Fiscal Impact: No impact on the General Fund. Requested by Department of Health and Environmental Control.
- HOU:** ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

22.38. (DHEC: Pharmacist ~~Permits~~ Services) For the current fiscal year, provisions requiring that all department facilities distributing or dispensing prescription drugs be permitted by the Board of Pharmacy and that each pharmacy have a pharmacist-in-charge are suspended. Each Department of Health and Environmental Control Public Health Region shall be required to have a permit to distribute or dispense prescription drugs. A department pharmacist may serve as the pharmacist-in-charge without being physically present in the pharmacy. The department is authorized to designate one pharmacist-in-charge to serve more than one ~~health region~~ department facility. Only pharmacists, nurses, or physicians are allowed to dispense and provide prescription drugs/products/vaccines ~~at department facilities for Family Planning, tuberculosis, sexually transmitted diseases, immunizations, hemophilia, or HIV/AIDS~~ for conditions or diseases that the department treats, monitors, or investigates. In the event of a public health emergency or upon activation of the strategic national stockpile, other medications may be dispensed as necessary.

- 22.41 AMEND** (Rural Hospital Grants) Directs that Rural Hospital Grants funds be allocated to public hospitals in very rural or rural areas whose largest town is less than 25,000 or a public hospital that is a hospital district; and who is accredited by the Joint Commission on Health Care Organizations or is a Critical Access Hospital, and whose licensed bed capacity does not exceed 150 beds. Direct hospitals that qualify for the grants to use the funds for any of the following purposes: a) development of preventive health programs, medical homes, and primary care diversion from emergency departments; b) expanded health services, including physician recruitment and retention; c) to improve hospital facilities; d) activities involving electronic medical records or claims processing systems; e) to enhance disease prevention activities in diabetes, heart disease, etc; and f) activities to insure compliance with state or federal regulations.

SFC SUBCOMMITTEE RECOMMENDATION: AMEND proviso to delete the funds allocation criteria for a public hospital that is a hospital district and who is accredited by the Jt.

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Commission on Health Care Organizations or who is a Critical Access Hospital. Change the maximum licensed bed capacity from 150 to 200.

SFC SUBCOMMITTEE FURTHER RECOMMENDATION: CONFORM to funding recommendation

22.41. (DHEC: Rural Hospital Grants) Rural Hospital Grants funds shall be allocated to public hospitals in very rural or rural areas whose largest town is less than 25,000 ~~or a public hospital that is a hospital district; and who is accredited by the Joint Commission on Health Care Organizations or is a Critical Access Hospital,~~ and whose licensed bed capacity does not exceed ~~150~~ 200 beds. Hospitals qualifying for the grants shall utilize such funds for any of the following purposes: (a) the development of preventive health programs, medical homes, and primary care diversion from emergency departments; (b) expanded health services, including physician recruitment and retention; (c) to improve hospital facilities; (d) activities involving electronic medical records or claims processing systems; (e) to enhance disease prevention activities in diabetes, heart disease, etc; and (f) activities to ensure compliance with State or Federal regulations.

- 22.43** **ADD** (Certificate of Need) **WMC:** ADD new proviso to direct that a Certificate of Need awarded by the department is valid for one year. Authorize the department to grant two extensions of up to nine months each if there is evidence that substantial progress has been made. Authorize the DHEC board to grant further extension of up to nine months each only if it determines that substantial progress has been made. *Increases the time for CON implementation from six months to one year and increases extensions from six to nine months. Staffing has been reduced due to budget reductions and this increased time frame will help with workloads.* Fiscal Impact: The department states this will potentially allow the deferral of hiring additional staff to review CONs in order to meet mandated deadlines, since staff currently devoted to processing extension requests may be redirected to CON application review. Requested by: Department of Health and Environmental Control.
HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

22.43. (DHEC: Certificate of Need) A Certificate of Need, awarded by the department, is valid for one year from the date of issuance. The department may grant two extensions of up to nine months each upon evidence that substantial progress has been made in accordance with procedures set forth in regulations. The board may grant further extension of up to nine months each only if it determines that substantial progress has been made in accordance with the procedures set forth in regulations.

- 22.44** **ADD** (Metabolic Screening) **WMC:** ADD new proviso to authorize the department to suspend any blood sample storage activity as outlined in Section 44-37-30 (D) and (E) [NEONATAL TESTING OF CHILDREN: STORAGE AND AVAILABILITY OF BLOOD SAMPLES FOR FUTURE TESTS] if there is not adequate state funds to support the storage requirements. Direct that in that event, after testing the samples may be destroyed in a scientifically appropriate manner. Require the department to notify providers of the suspension within 30 days of its effective date. *Provides the department more flexibility in managing mandated requirements in view of recent budget reductions.* Fiscal Impact: The department states administrative expenses of blood sample storage would be reduced. Requested by Department of Health and Environmental Control.
HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

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22.44. (DHEC: Metabolic Screening) The department may suspend any activity related to blood sample storage as outlined in Section 44-37-30 (D) and (E) of the 1976 Code, if there are insufficient state funds to support the storage requirements. In that event, the samples may be destroyed in a scientifically appropriate manner after testing. The department shall notify providers of the suspension within 30 days of its effective date.

- 22.45 AMEND NEW PROVISO (Flexibility) WMC:** ADD new proviso to authorize DHEC, in order to provide maximum flexibility to absorb general fund reductions mandated in this act as compared to the prior fiscal year general fund appropriations, to spend no more than 25% of each agency earmarked, restricted, trust, or other agency account except for federal funds, to maintain critical programs previously funded with general fund appropriations. Require prior Office of State Budget approval to implement spending authorization for these purposes and require the authorization be reported to the Governor, Senate Finance and Ways and Means Committees. Fiscal Impact: No impact on the General Fund.
HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: AMEND new proviso to prohibit the department from reducing any restricted trust and agency funds designated to be allocated to other entities.

22.45. (DHEC: Flexibility) In order to provide maximum flexibility in absorbing the general fund reductions mandated in this act as compared to the prior fiscal year general fund appropriations, the Department of Health and Environmental Control is authorized for FY 2010-11 to spend no more than 25% of each agency earmarked, restricted, trust, or other agency account, except for federal funds, to maintain critical programs previously funded with general fund appropriations. **The department shall not reduce any restricted trust and agency funds designated to be allocated to other entities.** Any spending authorization for these purposes must receive the prior approval of the Office of State Budget and must be reported to the Governor, Senate Finance Committee, and the House Ways and Means Committee.

- 22.46 ADD (Beach Renourishment Carry Forward) WMC:** ADD new proviso to authorize DHEC to use \$2,500,000 of the funds carried forward from beach renourishment to fund coastal renourishment, navigation, and public access improvement projects. Authorize DHEC to use the remaining carry forward balance to reduce the impact of budget reductions. Fiscal Impact: No impact on the General Fund.
HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

22.46. (DHEC: Beach Renourishment Carry Forward) Of the funds carried forward for beach renourishment, the department is authorized to restrict \$2,500,000 for state funding of coastal renourishment, navigation, and public access improvement projects. The department is further authorized to expend the remaining carry forward balance to reduce the impact of budget reductions.

SECTION 23 - J12 - DEPARTMENT OF MENTAL HEALTH

- 23.8 AMEND (Alzheimer's Funding)** Requires the department to use \$1,000,000 of Community Mental Health Centers funding to contract to provide Alzheimers respite care and diagnostic services to those who qualify as determined by the Alzheimer's Disease and Related Disorders Association and to maximize federal matching dollars. Requires the association to annually

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submit by September 30th an annual financial statement and outcomes measures attained for the fiscal year just ended to the Governor, Senate Finance & Ways and Means Committees. Prohibits these funds from being expended or transferred during the current fiscal year until the required reports have been received by the specified entities. Directs that when instructed by the B&C Board or the General Assembly to reduce funds by a certain percentage, the department may not reduce the funds transferred to the Alzheimer's Disease and Related Disorders Association greater than such stipulated percentage.

WMC: AMEND proviso to change "\$1,000,000" to "\$911,620." *Conform to recent budget reductions.* Fiscal Impact: No impact on the General Fund.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

23.8. (DMH: Alzheimer's Funding) Of the funds appropriated to the Department of Mental Health for Community Mental Health Centers, ~~\$1,000,000~~ \$911,620 must be used for contractual services to provide respite care and diagnostic services to those who qualify as determined by the Alzheimer's Disease and Related Disorders Association. The department must maximize, to the extent feasible, federal matching dollars. On or before September 30 of each year, the Alzheimer's Disease and Related Disorders Association must submit to the department, Governor, Senate Finance Committee, and House Ways and Means Committee an annual financial statement and outcomes measures attained for the fiscal year just ended. These funds may not be expended or transferred during the current fiscal year until the required reports have been received by the department, Governor, Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. In addition, when instructed by the Budget and Control Board or the General Assembly to reduce funds by a certain percentage, the department may not reduce the funds transferred to the Alzheimer's Disease and Related Disorders Association greater than such stipulated percentage.

- 23.10** **DELETE** (Colleton County VA Home) Directs that any under budget surplus from construction of the Colleton County VA Home be first used to satisfy DMH's loan and any monies due to the federal government. Direct that any remaining funds be refunded to Colleton County in the appropriate proportion which reflects Colleton County's cost share contribution.
WMC: DELETE proviso. *The project is closed.* Fiscal Impact: No impact on the General Fund. Requested by Department of Mental Health.
HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

23.10. (DMH: Colleton County VA Home) ~~Any under budget surplus from construction of the VA Home in Colleton County shall first be used to satisfy the Department of Mental Health's loan and any monies due to the federal government. Any remaining funds shall be refunded to Colleton County in the appropriate proportion reflecting Colleton County's cost share contribution.~~

- 23.11** **DELETE** (Children's Facility Construction) Directs that if an award is not made from bids received during FY 2005-06 to provide services at the Hall Institute, the department must begin proceedings to construct a new child and adolescent facility with funds that have been retained for that purpose in order to provide placement for the children and adolescents that must be moved from the Bull Street campus.
WMC: DELETE proviso. *The project has changed scope and the proviso is no longer applicable. JBRC has allowed for renovations to the Hall Institute in lieu of constructing a*

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new child and adolescent facility. Fiscal Impact: No impact on the General Fund. Requested by Department of Mental Health.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

~~23.11. (DMH: Children's Facility Construction) If no award is made from bids received during FY 2005-06 for the provision of services provided at the William S. Hall Institute, the department must begin proceedings for the construction of new a child and adolescent facility with funds that have been retained for this purpose in order to provide placement for children and adolescents that must be moved from the Bull Street campus.~~

- 23.14 DELETE** (Borrowing Authorization to Relocate Child and Adolescent Facility) Authorizes the department, subject the JBRC review and B&C Board approval, to borrow up to \$24,000,000 to construct and equip a new child and adolescent facility to provide placement for children and adolescents that must be moved from the Bull Street Campus. Authorizes the State Treasurer to negotiate financing terms and conditions, which may include one or more bank loans, revenue bonds, intergovernmental loans, or other financing arrangements and directs that the indebtedness must be repaid from proceeds of the sale of the Bull Street property.

WMC: DELETE proviso. *The project has changed scope and the proviso is no longer applicable. JBRC has allowed for renovations to the Hall Institute in lieu of constructing a new child and adolescent facility.* Fiscal Impact: No impact on the General Fund. Requested by Department of Mental Health.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

~~23.14. (DMH: Borrowing Authorization to Relocate Child and Adolescent Facility) Subject to the review of the Joint Bond Review Committee and approval of the Budget and Control Board, the Department of Mental Health is hereby authorized to borrow an amount not to exceed \$24,000,000 for the purpose of constructing and equipping a new child and adolescent facility in order to provide placement for children and adolescents that must be moved from the Bull Street Campus. The State Treasurer is authorized to negotiate the terms and conditions of the financing arrangements necessary to effect this borrowing, which may include one or more bank loans, revenue bonds, intergovernmental loans or other financing arrangements, the indebtedness for which must be repaid from proceeds of the sale of the Bull Street property.~~

- 23.18 ADD** (Meals in Emergency Operations) **WMC:** ADD new proviso to authorize the department to provide the cost of meals to state employees who are not permitted to leave their stations when they are required to work during actual emergencies and emergency simulation exercises. *Allows the agency to provide meals to employees during disaster relief efforts.* Fiscal Impact: No impact on the General Fund. Requested by Department of Mental Health.

HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

23.18. (DMH: Meals in Emergency Operations) The cost of meals may be provided to state employees who are required to work during actual emergencies and emergency simulation exercises when they are not permitted to leave their stations.

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SECTION 24 - J16-DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

- 24.13** **AMEND NEW PROVISO** (Debt Service Account) **HOU:** ADD new proviso to direct the department to use the funds in their E164660 debt service account for operations and services not funded in the appropriations bill. Sponsor: Rep. Rice.

SFC SUBCOMMITTEE RECOMMENDATION: AMEND new proviso to specify that “uncommitted” debt service dollars shall be used.

***24.13.** (DDSN: Debt Service Account) The department shall utilize the uncommitted dollars in their debt service account, account E164660, for operations and services that are not funded in the appropriations bill.*

SECTION 25 - J20 - DEPARTMENT OF ALCOHOL & OTHER DRUG ABUSE SERVICES

- 25.3** **AMEND** (Eligibility for Treatment Services) Directs that any South Carolina resident, upon payment of all applicable fees, is eligible to take part in treatment programs offered by the department during FY 09-10.

WMC: AMEND proviso to change fiscal year from “2009-10” to “2010-11.” Fiscal Impact: No impact on the General Fund.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

25.3. (DAODAS: Eligibility for Treatment Services) Upon the payment of all applicable fees, any resident of South Carolina is eligible to take part in the treatment programs offered by the Department of Alcohol and Other Drug Abuse Services during the ~~2009-10~~ 2010-11 fiscal year.

SECTION 26 - L04 - DEPARTMENT OF SOCIAL SERVICES

- 26.7** **AMEND** (Fee Schedule) Authorized DSS to charge fees and accept donations, grants, and bequests for social services provided under their direct responsibility on the basis of a fee schedule approved by the B&C Board. Directs the department to use the fees to further develop and administer the program efforts. Establishes the fee schedule for the current fiscal year.

WMC: AMEND proviso to add a \$50 fee for the Responsible Father Registry Search. *Act 41 of 2009 enacted the Responsible Father Registry. The \$50 fee is in line with various other Putative Father Registries around the country.* Fiscal Impact: No impact on the General Fund. OSB states that the department estimates \$50,000 will be generated annually from the Responsible Father Registry Search. Requested by Department of Social Services.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

26.7. (DSS: Fee Schedule) The Department of Social Services shall be allowed to charge fees and accept donations, grants, and bequests for social services provided under their direct responsibility on the basis of a fee schedule approved by the Budget and Control Board. The fees collected shall be utilized by the Department of Social Services to further develop and administer these program efforts. The below fee schedule is established for the current fiscal year.

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Day Care	
Family Child Care Homes (up to six children)	\$ 15
Group Child Care Homes (7-12 children)	\$ 30
Registered Church Child Care (13+)	\$ 50
Licensed Child Care Centers (13-49)	\$ 50
Licensed Child Care Centers (50-99)	\$ 75
Licensed Child Care Centers (100-199)	\$ 100
Licensed Child Care Centers (200+)	\$ 125
Central Registry Checks	
Non-profit Entities	\$ 8
For-profit Agencies	\$ 25
State Agencies	\$ 8
Schools	\$ 8
Day Care	\$ 8
Other – Volunteer Organizations	\$ 8
Other Children's Services	
Services Related to Adoption of Children from	
Other Countries	\$ 225
Court-ordered Home Studies in Non-DSS Custody Cases	\$ 850
Licensing Residential Group Homes Fee for an	
Initial License	\$ 250
For Renewal	\$ 75
Licensing Child Caring Institutions Fee for an	
Initial License	\$ 500
For Renewal	\$ 100
Licensing Child Placing Agencies Fee for an	
Initial License	\$ 500
For Renewal	\$ 60
For Each Private Foster Home Under the	
Supervision of a Child Placing Agency	\$ 15
<u>Responsible Father Registry</u>	
<u>Registry Search</u>	<u>\$ 50</u>

- 26.22 AMEND** (Teen Pregnancy Prevention) Directs DSS to use the funds appropriated for the Continuation of Teen Pregnancy Prevention to award two contracts to separate private entities to provide teen pregnancy prevention programs and services and direct that the funds be divided equally between the contracts. Allows entities with a proven public history of effectively implementing abstinence programs in the state to be given preference during evaluation and awarding process. Requires one contract be awarded to an entity that uses an abstinence first, age appropriate comprehensive approach to health and sex education with a goal of preventing adolescent pregnancy and one contract be awarded to an entity that has used a National Abstinence Clearinghouse approved curricula for a minimum of one year prior to their application. Directs that a five member committee oversee the contract award process; that the first meeting be on or before August 1, 2009; that the committee be composed as follows: two members appointed by the President Pro Tempore of the Senate, two members appointed by the Speaker of the House and one member appointed by the Governor; and that the committee members serve without compensation.

HOU: AMEND proviso to direct that any entity that is awarded one of the contracts must agree to provide data to verify the effectiveness of the program. Sponsor: Rep. Skelton.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

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26.22. (DSS: Teen Pregnancy Prevention) From the monies appropriated for the Continuation of Teen Pregnancy Prevention, the department must award two contracts to separate private entities to provide teen pregnancy prevention programs and services within the State. The monies appropriated must be divided equally between the contracts. Entities that have a proven and public history of having effectively implemented abstinence programs in this State may be given a preference during the contract evaluation and awarding process. One contract must be awarded to an entity that utilizes an abstinence first, age appropriate comprehensive approach to health and sexuality education with a goal of preventing adolescent pregnancy throughout South Carolina. One contract must be awarded to an entity that uses a National Abstinence Clearinghouse (NAC) approved curricula for a minimum of one year prior to their application. NAC is the agency the federal Department of Health and Human Services has chosen to provide a comprehensive, national list of approved abstinence-only education curricula that is consistent with the A through H legislative requirements defined in Title V, Section 510(b)(2). Any entity that is awarded one of the above contracts must agree to provide data to verify the program effectiveness. A five-member committee shall oversee the contract award process. The committee's first meeting shall be on or before August 1, 2009. The five member committee shall be composed as follows: the President Pro Tempore of the Senate shall appoint two members of the committee, the Speaker of the House shall appoint two members of the committee and the Governor shall appoint one member of the committee. Members of the committee shall serve without compensation.

- 26.24** **AMEND** (Day Care Facilities Supervision Ratios) Prohibits the department from implementing Regulations 114-504(B) and (C) [DAY CARE FACILITIES SUPERVISION STAFF:CHILD RATIOS FOR LICENSED CENTERS] during the Fiscal Year 2009-10.
WMC: AMEND proviso to update fiscal year "2009-10" to 2010-11." Fiscal Impact: No impact on the General Fund.
HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

26.24. (DSS: Day Care Facilities Supervision Ratios) For Fiscal Year ~~2009-10~~ 2010-11, staff-child ratios contained in Regulations 114-504(B), 114-504(C), 114-524(B), and 114-524(C) shall remain at the June 24, 2008 levels.

- 26.25** **DELETE NEW PROVISO** (Therapeutic Foster Care Services) **HOU:** ADD new proviso to direct the agency to use \$100,000 to provide Medicaid dollars for therapeutic foster care services. Sponsor: Rep. Edge.

SFC SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~26.25. (DSS: Therapeutic Foster Care Services) Of the funds provided to the agency, \$100,000 shall be directed to provide Medicaid dollars for therapeutic foster care services.~~

- 26.cwo** **ADD** (Child Welfare Outsourcing Study) **SFC SUBCOMMITTEE RECOMMENDATION:** ADD new proviso to direct the department to study the outsourcing of child welfare services including case management and report the findings to the Governor and Chairmen of the Senate Finance and House Ways and Means Committees by January 31, 2011.

26.cwo. (DSS: Child Welfare Outsourcing Study) From funds appropriated to the department for child welfare, the department shall conduct a study with provider and stakeholder participation to determine the feasibility of child welfare outsourcing initiatives.

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The study should include, but is not limited to, a review of other states contract monitoring and quality assurance models for private providers, to include performance measures and outcomes; a description of all services which might be effectively outsourced to include case management; an analysis of state procurement requirements; an analysis of cost savings or potential costs avoided that may accrue to the state; and a review of provider and state system data measures which can monitor private provider accountability and compliance and assist in rate setting. The department shall provide a report of the findings to the Governor, the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee no later than January 31, 2011.

SECTION 32 - L32-HOUSING FINANCE AND DEVELOPMENT AUTHORITY

32.1 AMEND (Federal Rental Assistance Administrative Fee Carry Forward) Directs that all federal rental assistance administrative fees be carried forward and used in administering the federal programs under contract with the authority. Prohibits state funds from being used to administer these programs.

WMC: AMEND proviso to delete the prohibition on using state funds to administer the federal programs. *No state funds are appropriated to the agency.* Fiscal Impact: No impact on the General Fund. Requested by Housing Finance and Development Authority.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

32.1. (HFDA: Federal Rental Assistance Administrative Fee Carry Forward) All federal rental assistance administrative fees shall be carried forward to the current fiscal year for use by the authority in the administration of the federal programs under contract with the authority. ~~No state funds are to be used in the administration of these programs.~~

32.4 ADD (Allocation of Indirect Cost Recoveries) **WMC:** ADD new proviso to direct the authority to deposit indirect cost recoveries for the authority's portion of the FY 2010-11 Statewide Central Services Cost Allocation Plan (SWCAP) into the general fund and to retain recoveries in excess of the amount deposited in the general fund. Fiscal Impact: No impact on the General Fund. The authority estimates that approximately \$52,000 of indirect costs will be deposited into the General Fund, while retaining approximately \$247,000 of recovered funds to supplement in the funding of the authority's programs.

HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT new proviso.

32.4. (HFDA: Allocation of Indirect Cost Recoveries) The authority shall deposit in the state general fund indirect cost recoveries for the authority's portion of the Fiscal Year 2010-11 Statewide Central Services Cost Allocation Plan (SWCAP). The authority shall retain recoveries in excess of the SWCAP amount to be deposited in the state general fund.

SECTION 55 - L46 - COMMISSION FOR MINORITY AFFAIRS

55.5 DELETE (Student Achievement and Vision Education) Directs the Commission for Minority Affairs to study and document family and community structures that contribute to or by their absence, exacerbate poor student achievement and socioeconomic deprivation. Directs the commission to identify all funding to programs and services that support family well being. Directs the commission to develop an assessment tool to survey appropriate agencies regarding

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services, associated cost, and other relevant information in order to identify and document gaps and duplication of services. Requires specific agencies to provide information to the commission as well as other agencies the commission deems appropriate. Directs the commission to compile a report that identifies strengths, weaknesses, and gaps in program support activities that should be addressed to increase positive outcomes to help close the achievement gap, provide community supports that strengthen families, and address inequities confronting minorities. Directs that the report make recommendations on the reallocation of funds, restructuring of agencies and services, and need for new programs or incentives for public-private partnerships. Directs that the report be issued by the first Tuesday of February, 2010 to the Governor, President Pro Tempore of the Senate, Chairman of the Senate Finance Committee, Chairman of the Senate Education Committee, Speaker of the House of Representatives, Chairman of the House Ways and Means Committee, Chairman of the House Education and Public Works Committee, Chairman of the Legislative Black Caucus and State Superintendent of Education.

WMC: DELETE proviso. Fiscal Impact: No impact on the General Fund.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

55.5. (CMA: Student Achievement and Vision Education) ~~The Commission for Minority Affairs is directed to study the economic and social impact of state funded programs that serve counties experiencing demographic shifts in the minority populations. The commission shall also study the programs and structures that contribute to or by their absence, exacerbate the problem of poor student achievement and socioeconomic deprivation. The commission is directed to identify all funding to programs and services that support family well being in South Carolina. To identify and document gaps and duplication of services, the commission is directed to collect information regarding spending and programming from the following state agencies that will by virtue of this proviso be required to comply. The following state agencies are required to provide information to the Commission for Minority Affairs: Adjutant General's Office (Emergency Management Division), Department of Agriculture, Department of Alcohol and Other Drug Abuse Services, Commission for the Blind, Budget and Control Board, Department of Commerce, Department of Consumer Affairs, Department of Corrections, School for the Deaf and the Blind, Department of Disabilities and Special Needs, Education Oversight Committee, Department of Education, Educational Television Commission, Employment Security Commission, Governor's Office, Department of Health and Environmental Control, Department of Health and Human Services, State Housing, Finance and Development Authority, Department of Juvenile Justice, Department of Mental Health, Department of Probation, Parole and Pardon Services, Department of Social Services, state colleges and universities, and other agencies as the commission deems appropriate. The commission shall compile reports that identifies strengths, weaknesses, and gaps in program support activities that should be addressed to increase positive outcomes to help close the achievement gap, provide community supports that strengthen families, and address inequities confronting minorities in the State. The report shall make recommendations regarding the reallocation of funding, restructuring of agencies and services, and the need for new programs or incentives for public-private partnerships. The report(s) shall be issued to the Governor, the President Pro Tempore of the Senate, the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Speaker of the House of Representatives, the Chairman of the House Ways and Means Committee, the Chairman of the House Education and Public Works Committee, the Chairman of the Legislative Black Caucus and the State Superintendent of Education and State Agency Heads on or before the first Tuesday of February 2010 2011 for consideration and further legislative action.~~

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SECTION 72 - D21 - GOVERNOR'S OFFICE

72.17 AMEND (OEPP - Guardian Ad Litem Program) Directs that both the Guardian ad Litem program and the funds must be administered separately from other programs within the Division of Children's Services and must be spent exclusively for the Guardian ad Litem program. Directs the Department of Revenue to reduce the rate of interest paid on eligible refunds by two percentage points and requires that the resulting revenue be used exclusively for Guardian ad Litem program operations. Authorizes the Guardian ad Litem program to carry forward their funds for their operations.

WMC: AMEND proviso to direct that the funds resulting from the reduction of the rate of interest paid on eligible refunds be deposited in the State Treasury in a fund separate and distinct known as the South Carolina Guardian ad Litem Trust Fund. Direct that unexpended funds from this revenue be carried forward to succeeding fiscal years and that earnings on the fund be credited to it. *Make Guardian ad Litem funding more stable by allowing it to keep the interest from the 2%.* Fiscal Impact: OSB indicated a modest increase in Other funds available to support expenditures resulting from retaining interest earnings, however the BEA would address any impact on the General Fund. Requested by Governor's Office, OEPP, Guardian ad Litem program.

HOU: ADOPT proviso as amended.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT proviso as amended.

72.17. (GOV: OEPP - Guardian Ad Litem Program) Both the program and the funds appropriated to the Governor's Office, Division of Children's Services, Guardian ad Litem Program must be administered separately from other programs within the Division of Children's Services and must be expended for the exclusive use of the Guardian ad Litem Program.

For the current fiscal year, the Department of Revenue is directed to reduce the rate of interest paid on eligible refunds by two percentage points. The revenue resulting from this reduction must be used exclusively for operations of the Guardian ad Litem program and be deposited in the State Treasury in a separate and distinct fund know as the "South Carolina Guardian ad Litem Trust Fund. Unexpended revenues in this fund carry forward to succeeding fiscal years, and earning in this fund must be credited to it. The Guardian ad Litem program may carry forward the other funds authorized herein for its operations from the prior fiscal year into the current fiscal year.

72.23 DELETE (OEPP - Victim and Witness Assessment/Surcharge Study) Directs the State Office of Victim Assistance (SOVA) to impanel a committee of service requirement providers to conduct a study and provide a review of the five prior years of collections, distributions, and percentage allocations of assessments and surcharges for local funding of victim and witness services as provided in Sections 14-1-206(D) [ADDITIONAL ASSESSMENT, GENERAL SESSIONS OR FAMILY COURT; REMITTANCE; DISPOSITION; ANNUAL AUDITS], 14-1-207(D) [ADDITIONAL ASSESSMENT, MAGISTRATE'S COURT; REMITTANCE; DISPOSITION; ANNUAL AUDITS], 14-1-208(D) [ADDITIONAL ASSESSMENT, MUNICIPAL COURT; REMITTANCE; DISPOSITION; ANNUAL AUDITS], and 14-1-211(B) [GENERAL SESSIONS COURT SURCHARGE; FUNDS RETENTION FOR CRIME VICTIM SERVICES; UNUSED FUNDS; REPORTS, AUDITS]. Directs that a report on the review findings be submitted to the Senate Finance and Ways and Means Committees by December 31, 2009.

WMC: DELETE proviso. Fiscal Impact: No impact on the General Fund.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

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72.23. (GOV: OEPP - Victim and Witness Assessment/Surcharge Study) ~~The State Office of Victim Assistance (SOVA) shall conduct a study of the collection, distribution, and percentage allocation of the assessments and surcharges for victim and witness services pursuant to the Victim and Witness Service Act. SOVA shall impanel a committee of service requirement providers including, but not limited to, local law enforcement, local detention facilities, prosecutors, and the summary courts to provide a review of the five prior years of collections, distributions, and percentage allocations of assessments and surcharges for local funding of victim and witness services as provided in Sections 14-1-206(D), 14-1-207(D), 14-1-208(D), and 14-1-211(B) of the 1976 Code. A report on the findings of the review must be submitted to the Senate Finance Committee and the House Ways and Means Committee by December 31, 2009.~~

SECTION 89 - X90-GENERAL PROVISIONS

- 89.108 DELETE NEW PROVISO** (Transfer Small and Minority Business Assistance) **WMC:** ADD new proviso to transfer the duties, functions, responsibilities, personnel, equipment, supplies, appropriated, authorized and carry forward funds and all other assets and resources of the Office on Small and Minority Business Assistance housed under OEPP to the B&C Board Procurement Services Division effective July 1, 2010, or as soon as practicable thereafter. Fiscal Impact: No impact on the General Fund.
HOU: ADOPT new proviso.

SFC SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~**89.108.** (GP: Transfer Small and Minority Business Assistance) *Effective July 1, 2010, or as soon as practicable, the duties, functions, responsibilities, personnel, equipment, supplies, appropriated and authorized funds, carry forward funds and all other assets and resources of the Office on Small and Minority Business Assistance under the Governor's Office of Executive Policy and Programs are transferred to the Procurement Services Division of the Budget and Control Board.*~~

- 89.116 DELETE NEW PROVISO** (Transfer Continuum of Care to DSS) **HOU:** ADD new proviso transfer the Continuum of Care program within OEPP, its duties, functions, responsibilities, personnel, equipment, supplies, appropriated and authorized funds, carry forward funds, and all other assets and resources to DSS effective July 1, 2010, or as soon as practicable. Sponsors: Reps. Cobb-Hunter and Cooper.

SFC SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~**89.116.** (GP: Transfer Continuum of Care to DSS) *For the current fiscal year, effective July 1, 2010, or as soon as practicable, the duties, functions, responsibilities, personnel, equipment, supplies, appropriated and authorized funds, carry forward funds and all other assets and resources of the Continuum of Care program within the Governor's Office of Executive Policy and Programs are transferred to the Department of Social Services.*~~

- 89.119 DELETE NEW PROVISO** (DJJ & Wil Lou Gray Potential Consolidation Plan) **HOU:** ADD new proviso to direct the DJJ Director and Wil Lou Gray Superintendent to collaborate and develop a plan to potentially consolidate functions. Direct that the plan, including an estimate of cost savings be submitted to the Chairmen of the Senate Finance and House Ways and Means Committees by December 31, 2010. Authorize the director and superintendent to

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immediately implement any functions they identify to enable the agencies to operate more efficiently. Sponsors: Rep. Cooper and Wylie.

SFC SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~**89.119.** (GP: DJJ & Wil Lou Gray Potential Consolidation Plan) *The Director of the Department of Juvenile Justice and the Superintendent of the Wil Lou Gray Opportunity School are directed to collaborate and develop a plan to potentially consolidate the functions of the two entities. This plan, including an estimate of the cost savings, must be submitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee no later than December 31, 2010. In the event the Director and Superintendent identify functions which could be immediately implemented to enable the two agencies to operate more efficiently they shall have the authorization to implement such actions.*~~

89.120 AMEND NEW PROVISO (Information Technology for Health Care) **HOU:** ADD new proviso to provide a framework for utilizing federal funds should the state receive funding associated with the Health Information Technology For Economic and Clinical Health Act of 2009 (HITECH) as passed by Congress. State that HITECH's purpose is to advance the use of health information technology and health information exchange to improve health care's quality and efficiency and to decrease the costs of health care. State that South Carolina has received a grant to establish a S.C. Health Information Exchange and has applied for a separate grant to establish a regional extension center to serve the entire state as a region. State that HITECH also provides monetary incentives to encourage health care professionals and hospitals to adopt electronic health records and to use the state health information exchange and penalizes Medicare providers who do not use the technology. State that the statewide regional extension center (CITIA) will focus on providing health information technology implementation assistance. State that a \$10 state match will be required for every \$90 federal in order to receive CITIA funding. Direct that funds received for this purpose will be placed into a CITIA Fund within the B&C Board and will be managed with the support of an Information Technology Implementation Assistance Council designated for oversight and distribution of the funds received. Establish the membership of the council and guidelines under which the council shall operate. Direct that the council submit a report to Speaker of the House, President Pro Tempore of the Senate, and Chairmen of the Senate Finance and House Ways and Means Committees by January 15th regarding council activities, status and financial stability of CITIA, and recommendations on whether CITIA should be extended. Sponsor: Rep. Crawford.

SFC SUBCOMMITTEE RECOMMENDATION: AMEND new proviso to delete the previous directives and instead direct the Department of Health and Human Services to use the funds awarded to them for the Health Information Technology for Economic and Clinical Health Act of 2009, to advance the use of health information technology and health information exchange to improve health care quality and efficiency and to decrease the costs of health care. Requested by the Department of Health and Human Services.

~~**89.120.** (GP: Information Technology for Health Care) *From the funds appropriated and awarded to the SC Department of Health and Human Services for the Health Information Technology for Economic and Clinical Health Act of 2009, the department shall advance the use of health information technology and health information exchange to improve quality and efficiency of health care and to decrease the costs of health care. In order to facilitate the qualification of Medicare and/or Medicaid eligible providers and hospitals for incentive payments for meaningful health information technology (HIT) use, a health care organization participating in the South Carolina Health Information Exchange (SCHIE) or a Regional*~~

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Health Information Organization (RHIO) or a hospital system health information exchange (HIE) that participates in SCHIEx may release patient records and medical information, including the results of any laboratory or other tests ordered or requested by an authorized health care provider within the scope of his or her license or practice act, to another health information organization that requests the information via a HIE for treatment purposes with or without express written consent or authorization from the patient. A health information organization that receives or views this information from a patient's electronic health record or incorporates this information into the health information organization's electronic medical record for the patient in providing treatment is considered an authorized person for purposes of 42 C.F.R. 493.2 and the Clinical Laboratory Improvement Amendments.

The General Assembly finds that:

~~(1) Congress has enacted the Health Information Technology for Economic and Clinical Health Act of 2009, also known as HITECH, to advance the use of health information technology and health information exchange to improve quality and efficiency of health care and to decrease the costs of health care.~~

~~(2) HITECH authorizes grant funding for states to establish health information exchanges and funding for regions to create regional extension centers to aid in adoption of health information technology (American Recovery and Reinvestment Act of 2009, Health Information Technology Extension Program: Regional Centers). The State of South Carolina has received a grant to establish a South Carolina health information exchange and has applied for a separate grant to establish a regional extension center to serve the entire state of South Carolina as a region.~~

~~(3) The establishment of a statewide health information exchange is also necessary for the State and health care providers in the State to comply with these HITECH provisions. The work of the regional extension center program and the health information exchange initiative are complementary and nonoverlapping.~~

~~(4) HITECH also provides for monetary incentives to encourage qualified health care professionals and hospitals to adopt electronic health records and to utilize the state health information exchange and also penalizes Medicare providers who do not utilize this technology.~~

~~(5) The establishment of a statewide regional extension center, CITIA, focused on providing health information technology implementation assistance, is necessary to aid in the widespread adoption and use of electronic health records by primary care providers. Adoption and meaningful use of electronic health records is required in order for health care providers in the State to comply with certain HITECH provisions and to become eligible for federal monetary incentives. The regional extension center expands the use of electronic health records among care providers so that the statewide health information exchange is useful and effective. The result of broader adoption and use of electronic health records can improve quality of health care, improve patient safety, reduce healthcare costs borne by the individual and state, improve clinical effectiveness and improve care of underserved populations.~~

~~(6) The regional extension center, CITIA, has no regulatory powers or powers of certification. The regional extension center exists to provide services that support the primary care providers across South Carolina and is an essential element for improving health care for all South Carolinians and thus improving their health status. Matching funds for the first year of operation, and also the second year if CITIA continues, are available from the private sector.~~

~~(7) In order to receive federal funding for CITIA, the state's designated regional extension center, matching support must be provided at a minimal match of ten dollars for every ninety dollars of federal funds during the first year of operation, and if CITIA is continued, the second year the minimal match also would be ten dollars for every ninety dollars of federal funding. If CITIA is continued further, in years three and four the minimal match would be ninety dollars for every ten dollars of federal funds. No funds are provided after year four.~~

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~~(8) It is the intent of the CITIA program that it serve to respond to an overwhelming need created by federal legislation and significantly affecting primary care providers across the state. Support of the CITIA program will provide immediate technical and logistical support to primary care providers. During this period, there will be the opportunity for businesses to become established within South Carolina capable of filling this need in future years.~~

~~Effective for the current fiscal year:~~

~~(B) As used in this proviso:~~

~~(1) 'Council' means the CITIA Fund Governing Council created pursuant to this proviso.~~

~~(2) 'Electronic health record' or 'EHR' means an electronic record of health-related information regarding an individual that conforms to nationally recognized interoperability standards and that can be created, managed, and consulted by authorized clinicians and staff across more than one health care organization.~~

~~(3) 'Health care organization' or 'HCO' means health care providers, public health agencies, and payors and entities offering patient engagement services including, but not limited to, Patient Health Records.~~

~~(4) 'Regional Extension Center' means the service entity created in response to the federal American Recovery and Reinvestment Act of 2009, Health Information Technology Extension Program: Regional Centers. This entity for the state of South Carolina is the Center for Information Technology Implementation Assistance (CITIA) and is directed by the non-profit organization, Health Sciences South Carolina in Columbia, South Carolina.~~

~~(5) 'Primary Care Providers' means physicians providing primary health care within South Carolina. This would include those providing care in settings such as family practice, pediatrics, obstetrics and gynecology, general medicine and internal medicine.~~

~~(6) 'Health information exchange' or 'HIE' means the electronic movement of health-related information among health care organizations in this State according to nationally recognized standards.~~

~~(7) 'Health information organization' or 'HIO' means an organization that oversees and governs the exchange of health-related information among health care organizations according to nationally recognized standards.~~

~~(C)(1) Funds accepted by the Council pursuant to Section (F) of this proviso shall be received and placed into an account within the South Carolina Budget and Control Board and designated the CITIA fund.~~

~~(2) The CITIA fund will be managed with the support of a council designated for oversight and distribution of the moneys received. The establishment of CITIA fund designated to support the CITIA program requires the creation of a governance body composed of a group of knowledgeable stakeholders with the expertise to ensure the efficient and responsible use of funds in support of enhancing the adoption and use of information technology by the state's primary care providers. There is established the Information Technology Implementation Assistance Council, a body corporate and politic, which shall serve as the governance authority for distribution of funds to the CITIA and shall perform other functions as provided by law. The council consists of:~~

~~(a) two primary care providers licensed and in good standing and practicing in this state;~~

~~(b) a pharmacist licensed in good standing and practicing in this State;~~

~~(c) a health care administrator in this State that is related to a health care practice or institution and that has one hundred or more employees;~~

~~(d) a representative with a technical understanding of health information technology and health information exchange including the electronic exchange of e-prescription and billing data;~~

~~(D)(1) The members enumerated in items (a) and (b) of subparagraph (C)(2) must be appointed by the President Pro Tempore of the Senate for a five year term or until their~~

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~~successors are appointed and qualify. The members enumerated in items (c) and (d) of subparagraph (C)(2) must be appointed by the Speaker of the House of Representatives. A vacancy in appointed members of the council must be filled by the appointing authority for the vacated position for the unexpired portion of the term.~~

~~(2) The council shall elect a chairman from among its members.~~

~~(3) Members of the council must not be compensated for service on the council. Council members may be reimbursed for actual and reasonable travel expenses incurred in the performance of their duties as council members.~~

~~(4) The council shall meet on a regular basis but no less than quarterly. A majority of the members constitute a quorum for taking action, and decisions must be by majority vote.~~

~~(5) CITIA shall provide staff assistance to the council.~~

~~(E) The council shall:~~

~~(1) review the use of funds by CITIA for information technology implementation assistance in support of primary care providers in the state;~~

~~(2) review budgets submitted by CITIA defining proposed use of funds under the council's supervision;~~

~~(3) approve the release of funds to CITIA for use as defined in budgets submitted to the council;~~

~~(4) review programs and initiatives of CITIA and, if needed, make recommendations to President Pro Tempore of the Senate and the Speaker of the House of Representatives.~~

~~(5) ensure, if support of the program is terminated, that moneys within the CITIA fund are used appropriately and the account terminated appropriately~~

~~(6) review and, if needed, revise CITIA's operational plan on an annual basis;~~

~~(F) The council may accept revenue from public or private sources, or both, for the establishment and operation of CITIA.~~

~~(G)(1) The State, its agencies and employees, and the council, its staff and employees, are immune from suit and liability for any acts performed in the course of official duties pursuant to this paragraph so long as these acts do not constitute actual fraud, actual malice, intent to harm, or a crime of moral turpitude.~~

~~(2) Nothing in this proviso affects the power of a court of equity to enjoin unlawful acts committed by governmental entities or mandate lawful action by governmental entities.~~

~~(H) The council shall submit a report to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee no later than January fifteenth regarding the activities of the council, the status and financial stability of CITIA, and recommendations for whether CITIA should be extended.~~

- 89.122 DELETE NEW PROVISO** (Vocational Rehabilitation & Commission for the Blind Potential Consolidation Plan) **HOU:** ADD new proviso to direct the Vocational Rehabilitation and Commission for the Blind Commissioners to collaborate and develop a plan to potentially consolidate functions. Direct that the plan, including an estimate of cost savings be submitted to the Chairmen of the Senate Finance and House Ways and Means Committees by December 31, 2010. Authorize the commissioners to immediately implement any functions they identify to enable the agencies to operate more efficiently. Sponsors: Rep. Funderburk.

SFC SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

89.122. (GP: Vocational Rehabilitation & Commission for the Blind Potential Consolidation Plan) The Commissioner of Vocational Rehabilitation and the Commissioner of the Commission for the Blind are directed to collaborate and develop a plan to potentially consolidate the functions of the two entities. This plan, including an estimate of the cost savings, must be submitted to the Chairman of the Senate Finance Committee and the

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~~Chairman of the House Ways and Means Committee no later than December 31, 2010. In the event the Commissioners identify functions which could be immediately implemented to enable the two agencies to operate more efficiently they shall have the authorization to implement such actions.~~

- 89.123 DELETE NEW PROVISO (Bingo Proceeds) HOU:** ADD new proviso to require that net bingo proceeds, after all taxes and prizes have been paid, must be applied by the nonprofit organization for charitable purpose in the county where the bingo game is conducted or be distributed by the organization to another charitable organization and used for charitable purposes in that county. Sponsor: Rep. Jennings.

SFC SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~**89.123. (GP: Bingo Proceeds)** Net bingo proceeds, after payment of all taxes and prizes, disbursed for charitable purposes or the purposes for which the sponsoring organization was established, must be applied by the nonprofit organization for charitable purposes in the county where the bingo game is conducted, or distributed by the organization to another charitable organization located in that county and used for its charitable purposes in the county.~~

- 89.124 DELETE NEW PROVISO (Healthcare Agencies Restructuring Study Committee) HOU:** ADD new proviso to establish a Joint Study Committee on Healthcare Agencies Restructuring to determine the feasibility of restructuring and consolidating the state's healthcare agencies. Direct that the composition of the joint study committee be as follows: Chairmen, or their designee, of Senate Finance Committee, House Ways and Means Committee, Senate Finance Health and Human Services Subcommittee, and House Ways and Means Health, Human Services and Medicaid Subcommittee; two members appointed by the President Pro Tempore of the Senate; and two members appointed by the Speaker of the House. Allow the study committee to solicit input from healthcare agency directors, and from other sources as deemed necessary. Direct that study expenses shall be paid from the respective budgets of the Senate and House of Representatives. Direct that recommendations for legislative changes be reported to the General Assembly by 1/15/11 and that once findings have been submitted the joint study committee shall be dissolved. Sponsor: Rep. Edge.

SFC SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~**89.124. (GP: Healthcare Agencies Restructuring Study Committee)** From the funds appropriated to the Senate and the House of Representatives, a Joint Study Committee on Healthcare Agencies Restructuring is established to determine the feasibility of restructuring and consolidating South Carolina's healthcare agencies. The joint study committee shall be composed of the Chairman of the Senate Finance Committee, or his designee, the Chairman of the House of Representatives Ways and Means Committee, or his designee, the Chairman of the Senate Finance Health and Human Services Subcommittee or his designee, the Chairman of the House Ways and Means Health, Human Services and Medicaid Subcommittee, or his designee, two members appointed by the President Pro Tempore of the Senate, and two members appointed by the Speaker of the House. The study committee may solicit input from healthcare agency directors, and from other sources as deemed necessary. Expenses associated with conducting the study shall be paid from the respective budgets of the Senate and House of Representatives. Recommendations for legislative changes shall be reported to the General Assembly by January 15, 2011. Upon submission of the findings, the joint study committee shall be dissolved.~~

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SECTION 90 - X91 - STATEWIDE REVENUE

- 90.6 DELETE** (Health and Human Services Funding) Directs that \$450,762,894 of Department of Health and Human Services general fund appropriations, carry forward funds, earmarked and restricted special revenue fund accounts, and unobligated state match resulting from the increased FMAP provided by ARRA of 2009 are to be disbursed to specified agencies for specific purposes. Directs that the funds be distributed, at a minimum, in four equal disbursements on a quarterly basis. Directs that \$225,945,013 of these funds is to be transferred to the General Fund. Creates the Health Care Annualization and Maintenance of Effort Fund within the State Treasurer's Office to be used solely for health care purposes. Directs all agencies, unless specifically exempted, to transfer to the State Treasurer for deposit into the Health Care Annualization and Maintenance of Effort Fund, unobligated state match funds resulting from the increased FMAP funds they received.
- WMC:** DELETE proviso. Fiscal Impact: No impact on the General Fund. This proviso was for FY 2009-10 only.
- HOU:** ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

90.6. (SR: Health and Human Services Funding) ~~The source of funds appropriated in this provision is \$450,762,894 of Department of Health and Human Services general fund appropriations, carry forward funds, earmarked and restricted special revenue fund accounts, and unobligated state match funds resulting from the increased Federal Medical Assistance Percentage provided by the American Recovery and Reinvestment Act of 2009. The funds designated herein shall be distributed, at a minimum, in four equal disbursements on a quarterly basis.~~

~~Of these funds, the department is directed to transfer \$225,945,013 to the General Fund of the State during the current fiscal year.~~

~~Of these funds, the department is directed to disburse the following Department of Health and Human Services appropriations for the purposes stated:~~

A. Transitional Medicaid	\$ 4,250,000;
B. HIV Waiver	\$ 56,000;
C. Breast and Cervical Cancer Screenings	\$ 1,600,000;
D. Childcare Disregards	\$ 2,300,000;
E. Community Long Term Care	\$ 575,000;
F. Psychiatric Residential Treatment Facility Waiver	\$ 142,000;
G. Maintenance of Effort	\$ 98,897,191
H. Hospital Cost Rates	\$ 3,500,000;
I. Nursing Home Maintenance of Effort and Rate Restoration	\$ 4,958,000;
J. Adult Dental Services	\$ 1,400,000;
K. Podiatry Services	\$ 354,000;
L. Adult Vision Screenings	\$ 354,000;
M. Nutritional Supplements	\$ 177,000;
N. Allied Health Counseling Sessions	\$ 177,000;
O. Speech Therapy	\$ 177,000;
P. Home Health Visits	\$ 495,000;
Q. Home Health Venipuncture	\$ 125,000;
R. CLTC Home Health Meals	\$ 557,000;
S. Wheelchair Ramps	\$ 195,000;
T. MUSC Disproportionate Share	\$ 7,500,000;
U. GAPS	\$ 4,000,000;

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V. Diabetes	\$ 210,000;
W. SYVEK Patch	\$ 200,000;
X. MUSC Transplant Services	\$ 100,000;
Y. Kidney Early Evaluation Program (KEEP) Health Screenings	\$ 250,000;
Z. Supplemental Medicaid Teaching Physician Payments	\$ 1,000,000;
AA. Federally Qualified Health Centers	\$ 750,000;
BB. MUSC Rural Dentist Program	\$ 250,000;
CC. Shared Care	\$ 500,000;
DD. OB & Delivery Rates	\$ 1,141,000; and
EE. Durable Medical Goods	\$ 770,000.

A Medicaid Managed Care Organization or its Pharmacy Benefits Manager (PBM) is encouraged to contract with any Medicaid enrolled Durable Medical Equipment (DME) provider using the appropriate NDC or UPC for billing purposes, for the provision of durable medical equipment and supplies, including diabetic testing strips and meters. Due to the number of Medicaid beneficiaries that receive their durable medical equipment and supplies through mail delivery, a Medicaid Managed Care Organization is encouraged to contract with DME providers that provide diabetic testing supplies via mail order.

Of these funds the department is further directed to transfer the following amounts to the Department of Health and Environmental Control for the purposes stated:

A. Vaccine Purchases for Underinsured Children	\$ 2,000,000;
B. EMS Statewide Data System	\$ 500,000;
C. Environmental/Restaurant/Septic Inspections	\$ 1,000,000;
D. Water Quality Monitoring	\$ 1,376,199;
E. Health Regulation Nursing Home Inspections	\$ 400,000;
F. Aids Drug Assistance Program (ADAP)	\$ 2,400,000;
G. Infant Mortality Reduction	\$ 1,000,000;
H. BabyNet	\$ 1,600,000;
I. Trauma Centers	\$ 3,000,000;
J. Best Chance Network	\$ 2,000,000;
K. Chronic Disease Prevention Diabetes	\$ 2,000,000;
L. Youth Smoking Prevention & Cessation	\$ 2,000,000;
M. Colorectal Cancer Screenings	\$ 1,000,000;
N. Camp Burnt Gin	\$ 200,000;
O. Hemophilia Services	\$ 100,000;
P. Rural Hospital Grants	\$ 4,000,000;
Q. HIV Prevention	\$ 1,000,000;
R. Rural Hospital Equipment and Facilities	\$ 2,000,000; and
S. USC Rural Health Clinics	\$ 3,000,000.

Of these funds the department is further directed to transfer the following amounts to the Department of Mental Health for the purposes stated:

A. Community Mental Health Centers	\$ 9,000,000; and
B. Inpatient Services Restoration	\$ 10,000,000.

Of these funds the department is further directed to transfer the following amounts to the Department of Disabilities and Special Needs for the purposes stated:

A. Attrition Slots MR/RD Waiver	\$ 329,511;
B. Attrition Slots HASCI Waiver	\$ 327,600;
C. Early Intervention Services to Children	\$ 1,351,003;
D. Day Support	\$ 3,819,978;
E. Residential Day Support Provider Adjustment	\$ 1,833,210;
F. Restoration of Waiver Capacity Reductions	\$ 829,617;
G. Service Coordination Restoration	\$ 3,350,831;

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H. ~~Ancillary Waiver Services.....\$ 1,500,000;~~
I. ~~Residential Services.....\$ 984,000;~~
J. ~~Traumatic Brain or Spinal Cord Injury Post Acute
Rehabilitation.....\$ 1,650,000;~~
K. ~~Family Support/Respite.....\$ 550,000; and~~
L. ~~Summer Services.....\$ 709,741.~~

~~Of these funds the department is further directed to transfer \$1,200,000 to the Department of Alcohol and Other Drug Abuse Services of which \$1,000,000 shall be utilized for State Block Grant.~~

~~Of these funds the department is further directed to transfer the following amounts to the Department of Social Services for the purposes stated:~~

A. ~~Child Support Enforcement System Development
& Penalty.....\$ 13,436,000; and~~
B. ~~Operating Expenses.....\$ 350,000.~~

~~Of these funds the department is further directed to transfer \$140,000 to the Commission for the Blind.~~

~~Of these funds the department is further directed to transfer \$100,000 to the Governor's Office of Executive Policy and Programs for Children's Trust Fund Prevention of Child Abuse and Neglect Matching Funds.~~

~~Of these funds the department is further directed to transfer \$3,050,000 to the Lieutenant Governor's Office of which \$2,900,000 shall be utilized for Home and Community Based Services—Meals on Wheels and Congregate Meals.~~

~~Of these funds the department is further directed to transfer \$50,000 to the Human Affairs Commission.~~

~~Of these funds the department is further directed to transfer \$20,000 to the Commission on Minority Affairs.~~

~~Of these funds the department is further directed to transfer \$700,000 to John de la Howe School of which \$600,000 shall be utilized for Roof Repair.~~

~~Of these funds the department is further directed to transfer \$2,000,000 to Vocational Rehabilitation for Restoration of Services.~~

~~Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.~~

~~There is created with the State Treasurer's Office the Health Care Annualization and Maintenance of Effort Fund which shall be separate and distinct from the General Fund and shall be used exclusively for health care purposes. All agencies, unless specifically exempt by another provision contained in this act, shall transfer unobligated state match funds resulting from the receipt of the increased Federal Medical Assistance Percentage to the State Treasurer to be deposited into the Health Care Annualization and Maintenance of Effort Fund.~~

90.8 DELETE (State Budget Stabilization Fund) States the intent of the General Assembly to accept all funds that are available from the State Budget Stabilization Fund contained in the American Recovery and Reinvestment Act of 2009 and authorizes such funds to be expended as delineated in this act.

WMC: DELETE proviso. Fiscal Impact: No impact on the General Fund.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

90.8. (SR: State Budget Stabilization Fund) ~~It is the intent of the General Assembly to accept all available funds from the State Budget Stabilization Fund contained within the American Recovery and Reinvestment Act of 2009 and to authorize expenditure of such funds as delineated in this act.~~

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- 90.9 DELETE** (ARRA Fund Authorization) States the intent of the General Assembly to accept all available funds from the State Budget Stabilization Fund contained within the American Recovery and Reinvestment Act of 2009. Directs the Office of State Budget to increase agency federal fund authorization for State Budget Stabilization Fund monies allocated by the General Assembly.

WMC: DELETE proviso. Fiscal Impact: No impact on the General Fund.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

~~90.9. (SR: ARRA Fund Authorization) It is the intent of the General Assembly to accept all available funds from the State Budget Stabilization Fund contained within the American Recovery and Reinvestment Act of 2009. The Office of State Budget is directed to increase agency federal fund authorizations for funds from the State Budget Stabilization Fund allocated by the General Assembly.~~

- 90.11 DELETE** (Nonrecurring Revenue) Provides for distribution of \$51,920,921 of non-recurring revenue derived from various sources and disbursed by the State Treasurer to agencies for specific purposes. Authorizes unexpended funds appropriated by this provision to be carried forward.

WMC: DELETE proviso. Fiscal Impact: No impact on the General Fund.

HOU: ADOPT deletion of proviso.

SFC SUBCOMMITTEE RECOMMENDATION: ADOPT deletion of proviso.

~~90.11. (SR: Nonrecurring Revenue) (A) The source of revenue appropriated in this provision is \$51,920,921 of non-recurring revenue generated from the following sources, transferred to the State Treasurer, and subsequently deposited in a fund separate and distinct from the General Fund as established within the State Treasurer's Office: (1) the State Treasurer shall transfer \$15,000,000 of the excess cash balance from E16, State Treasurer's Office, Subfund 3879, Unclaimed Property; and (2) the Budget and Control Board shall transfer \$36,920,921 of premium savings from F03, Budget and Control Board, Subfund 4161, Insurance Reserve Fund. These transfers shall occur no later than September 1, 2009 and shall be available for use in Fiscal year 2009-10 after September 1, 2009.~~

~~(B) The State Treasurer shall disburse the following appropriations by September 1, 2009, for the purposes stated:~~

- ~~(1) Aid to Subdivisions Department of Revenue~~
 - ~~Homestead Exemption Shortfall \$ 37,534,561;~~
- ~~(2) Commission on Higher Education~~
 - ~~Need Based Grants \$ 1,000,000;~~
- ~~(3) Department of Parks, Recreation and Tourism~~
 - ~~Destination Specific Tourism \$ 8,000,000;~~
- ~~(4) South Carolina Conservation Bank \$ 2,000,000;~~
- ~~(5) Budget and Control Board~~
 - ~~State Energy Office Hydrogen Fuel Station Loans \$ 1,450,800;~~
- ~~(6) Budget and Control Board~~
 - ~~General Services Deferred Maintenance \$ 1,800,000; and~~
- ~~(7) Commission on Higher Education~~
 - ~~University Center of Greenville \$ 135,560.~~

~~(C) The Budget and Control Board is required to suspend the payment of annual premiums for all Insurance Reserve Fund insurance lines that would otherwise be paid by State agencies up to an amount of \$36,920,921 in order to meet the requirements of this provision for Fiscal~~

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~~Year 2009-10. This suspension of annual renewal premium applies to coverages that were in effect and would be subject to renewal in Fiscal Year 2009-10. Any new coverages or additional coverages insured with the Insurance Reserve Fund during Fiscal Year 2009-10 are subject to premium collection. Each state agency, as so classified by the Insurance Reserve Fund for purposes of providing insurance, is directed to remit the amount of premium savings, as reported by the Insurance Reserve Fund, to the Budget and Control Board for deposit into the Insurance Reserve Fund. Each State agency is authorized to use funds from any source except federal funds for this payment. By this provision, these remittances are deemed to have occurred and are available for appropriation in the amount of \$36,920,921. The Insurance Reserve Fund is directed to adjust rates in future years as necessary to ensure actuarial soundness of the fund.~~

- 90.14 DELETE NEW PROVISO (Cigarette Surtax) WMC:** ADD new proviso to impose, for the current fiscal year, a 1.50 cents surtax on each cigarette subject to the license tax imposed pursuant to Section 12-21-620(1) [TAX RATES ON PRODUCTS CONTAINING TOBACCO]. Direct that the revenue generated from this provision be used first to restore and maintain a balance in the Department of Health and Human Services Medicaid Reserve Account created in subsection (F). Define "cigarette" for purposes of this provision. Direct that each year five hundredths of a cent of the surtax on each cigarette be remitted to the Department of Agriculture to market and brand SC agricultural crops or produce when offered for sale in retail establishments and to assist in providing relief from natural disasters affecting state-grown crops. Create the Medicaid Reserve Fund within the State Treasury and direct that recouped refunds and identified program overpayments must be credited to the Fund. Direct that the balance in Subfund 3762 must be transferred to the newly created Fund. Require Fund balances to be carried forward. Require the Department of Health and Human Services to also deposit prior year program refunds or overpayments, excluding pharmacy rebates, into the Fund. Authorize the department to use the Fund to offset operating deficits or audit disallowances from the Medicaid program. Direct that after aggregate disbursements from the Fund in a fiscal year equal \$500,000, all additional disbursements in that year must be approved by the State Budget and Control Board. Require the Fund balance to be an amount equal to 1½% of the total appropriations authorization for the Medicaid program the current fiscal year. Require revenue in excess of that balance to be first credited to the General Reserve Fund to the extent the Fund needs replenishing, and after the Fund is fully replenished, be deposited to the General Fund of the State. Fiscal Impact: Generates \$89,363,620 for the Medicaid Reserve Fund.
- HOU:** AMEND new proviso to delete the requirement that the balance in Subfund 3762 must be transferred to the newly created Fund. Sponsors: Reps. White and Limehouse.
- AMEND FURTHER to direct that the required 1½% fund balance will be used to offset Medicaid program midyear budget reductions. Sponsor: Rep. Ott.

SFC SUBCOMMITTEE RECOMMENDATION: DELETE new proviso.

~~**90.14. (SR: Cigarette Surtax) (A) Effective for the current fiscal year, there is imposed a surtax on cigarettes subject to the license tax imposed on cigarettes pursuant to Section 12-21-620(1) of the 1976 Code, in an amount equal to 1.50 cents on each cigarette.**~~

~~**(B) Notwithstanding another provision of law providing for the crediting of license tax revenues, the revenue of the tax imposed pursuant to this provision must first be used and is hereby appropriated to restore and maintain a balance in the Medicaid Reserve Account of the Department of Health and Human Services as provided pursuant to subsection (F) of this provision.**~~

~~**(C) For all purposes of reporting, payment, collection, and enforcement, the surtax imposed by this provision is deemed to be imposed pursuant to Section 12-21-620(1) of the 1976 Code.**~~

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~~(D) For purposes of this provision and the license tax on cigarettes, 'cigarette' means:~~

~~(1) any roll for smoking containing tobacco wrapped in paper or in any substance other than a tobacco leaf; or~~

~~(2) any roll for smoking containing tobacco, wrapped in any substance, weighing three pounds per thousand or less, however labeled or named, which because of its appearance, size, type of tobacco used in the filler, or its packaging, pricing, marketing, or labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in (1) above.~~

~~(E) Each year, the revenue of five hundredths of a cent of the surtax on each cigarette shall be remitted to the Department of Agriculture to cause the marketing and branding of South Carolina agricultural crops or produce as being grown in South Carolina when offered for sale in retail establishments and to assist in relief from natural disasters affecting state grown crops.~~

~~(F) There is created in the State Treasury the Medicaid Reserve Fund (Fund), which is separate and distinct from the general fund of the State and all other funds. Recouped refunds and identified program overpayments must be credited to the Fund. Any balance in the Fund at the end of the prior fiscal year must be carried forward into the current fiscal year. The Department of Health and Human Services shall also deposit any prior year program refunds or overpayments, excluding pharmacy rebates, into the Fund. The department may use the Fund to offset operating deficits or audit disallowances from the Medicaid program. After aggregate disbursements from the Fund in a fiscal year equal five hundred thousand dollars, all additional disbursements in that year must be approved by the State Budget and Control Board. At any time, the balance of the Fund must be an amount equal to one and one-half percent of the total appropriations authorization for the Medicaid program the current fiscal year; however, this one and one-half percent balance will be used to offset midyear budget reductions to the Medicaid program. Revenue in excess of that balance must first be credited to the General Reserve Fund to the extent the General Reserve Fund needs replenishing, and after the General Reserve Fund is fully replenished, to the general fund of the State.~~

90.15 AMEND NEW PROVISO (Repayment of Deficit) WMC: ADD new proviso to direct the State Treasurer to transfer the following sources of revenue, prior to closing the books on FY 09-10, to repay the FY 08-09 general fund operating deficit: (1) excess FY 09-10 general fund revenue above the statewide adjusted agency appropriations; (2) \$2,500,000 from the Department of Agriculture Subfund 3079, Renewable Energy Infrastructure Development Fund; (3) \$9,431,724 from B&C Board Subfund 3146; and (4) \$7,341,716 from B&C Board FY 09-10 Educational Broadband Spectrum Lease receipts. Direct that once the FY 08-09 general fund operating deficit has been repaid any remaining funds from sources 2-4 are to be transferred to the General Reserve Fund in FY 10-11.

HOU: AMEND new proviso to direct that \$4,300,000 shall remain in the escrow account established pursuant to Proviso 90.13 of Act 310 of 2008 to offset any operating shortfalls resulting from the Barnwell Low Level Waste Facility operations. Direct that the funds distributed by this provision shall be determined by calculating the difference between the allowable operating costs plus adjustments as approved by the PSC, and the access fees paid by the Atlantic Compact generators. Direct that the B&C Board may authorize expenditure of funds from the escrow account, not to exceed \$700,000, for any actions taken by the Attorney General's Office and expenses associated with such actions relating to the Nuclear Waste Policy Act of 1982. Direct that Southern States Energy Board annual dues also be paid from the escrow account. Sponsors: Reps. Cooper, J.R. Smith, Clyburn, T.R. Young, D.C. Smith, Spires, and Stewart.

SFC SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation.

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90.15. *(SR: Repayment of Deficit) The State Treasurer is directed to transfer, prior to the close of the books for Fiscal Year 2009-10, the sources of revenue identified in this provision for the repayment of the Fiscal Year 2008-09 general fund operating deficit. The transfers are to be made in the following priority order as funds are available:*

(1) Excess Fiscal Year 2009-10 general fund revenue above the statewide adjusted agency appropriations;

(2) \$2,500,000 from P16 - Department of Agriculture, Subfund 3079, Renewable Energy Infrastructure Development Fund;

(3) \$9,431,724 from F03 - Budget and Control Board, Subfund 3146; and

(4) \$7,341,716 from F03 - Budget and Control Board, Fiscal Year 2009-10 Educational Broadband Spectrum Lease receipts.

Upon the complete repayment of the Fiscal Year 2008-09 general fund operating deficit any remaining funds from sources (2) through (4) are to be transferred in Fiscal Year 2010-11 to the General Reserve Fund.

From the escrow account established pursuant to Proviso 90.13 of Act 310 of 2008, there shall remain \$4,300,000 in the account to offset any operating shortfalls resulting from the Barnwell Low Level Waste Facility operations in order to preserve the economic viability of the facility. The amount distributed pursuant to this provision shall be determined by calculating the difference between the allowable operating costs plus adjustments as approved by the Public Service Commission, and the access fees paid by the Atlantic Compact generators. The Budget and Control Board may authorize the expenditure of funds, not to exceed \$700,000, from the escrow account for any actions taken by the Attorney General's Office and expenses associated with such actions relating to the Nuclear Waste Policy Act of 1982. There shall also be paid from the escrow account the annual dues of the Southern States Energy Board.

90.18 AMEND NEW PROVISO (Health and Human Services Funding) **WMC:** ADD new proviso to direct that the source of funds in this provision is \$195,457,066 from the Health Care Annualization and Maintenance of Effort Fund; that by this provision these funds are available for appropriation; and direct the State Treasurer to disburse the following appropriations by September 1, 2010: \$143,315,492 to Department of Health and Human Services for Medicaid Maintenance of Effort; \$400,000 to Department of Health and Environmental Control for Rape Crisis Centers; and \$18,141,574 to Department of Social Services for Child Support Enforcement Penalties. Direct that the following appropriations are disbursed for agency operating expenses: \$7,600,000 to Department of Health and Environmental Control; \$12,500,000 to Department of Mental Health; \$12,500,000 to Department of Disabilities and Special Needs; \$400,000 to Vocational Rehabilitation; \$500,000 to Department of Alcohol and Other Drug Abuse Services; and \$100,000 to Commission for the Blind. Fiscal Impact: No impact on the General Fund. \$195,457,066 from the Health Care Annualization and Maintenance of Effort Fund established in FY 09-10. Authorize unexpended funds to be carried forward and expended for the same purposes.

HOU: AMEND new proviso to change Medicaid Maintenance of Effort from "\$143,315,492" to "\$104,030,001" and change DDSN from "\$12,500,000" to "\$51,785,491." Direct DDSN to transfer unobligated state match funds resulting from the receipt of the increased Federal Medical Assistance Percentage from 7/1/10 to 12/31/10 to the Department of Health and Human Services, Direct DDSN to use \$1,250,000 of the \$51,785,491 for Early Intervention for 3-5 year-olds. Sponsors: Reps. Edge, Cooper, Clyburn, Horne, and A.D. Young.

SFC SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation.

90.18. *(SR: Health and Human Services Funding) (A) The source of funds appropriated in this provision is \$195,457,066 from the Health Care Annualization and*

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Maintenance of Effort Fund. By this provision these funds are deemed to have been received and are available for appropriation.

(B) The State Treasurer shall disburse the following appropriations by September 1, 2010, for the purposes stated:

(1) J02 Department of Health and Human Services
Medicaid Maintenance of Effort \$ 104,030,001;

(2) J04 Department of Health and Environmental Control
Rape Crisis Centers \$ 400,000;

(3) L04 Department of Social Services
Child Support Enforcement Penalties..... \$ 18,141,574;

The below funds shall be disbursed for the purpose of agency operating expenses.

(4) J04 Department of Health and Environmental Control \$ 7,600,000;

(5) J12 Department of Mental Health \$ 12,500,000;

(6) J16 Department of Disabilities and Special Needs..... \$ 51,785,491;

(7) H73 Vocational Rehabilitation \$ 400,000;

(8) J20 Department of Alcohol and Other Drug Abuse Services \$ 500,000; and

(9) L24 Commission for the Blind..... \$ 100,000.

(C) Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

The Department of Disabilities and Special Needs shall transfer to the Department of Health and Human Services, unobligated state match funds resulting from the receipt of the increased Federal Medical Assistance Percentage from 7/1/10 to 12/31/10. In addition, the Department of Disabilities and Special Needs shall utilize \$1,250,000 of the \$51,785,491 for Early Intervention for 3-5 year-olds.

PART IV - ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE

SEC 1 ADD (Recognition of Funds) **HOU:** ADD Section 1 to state that pursuant to passage of federal legislation extending AARA's enhanced FMAP, it is the General Assembly's intent that the Governor certify receipt of the 2 additional quarters and that these funds are authorized for appropriation in this Part. Sponsors: Reps. Cooper and Edge.

SEC 2 AMEND NEW(Allocation of Funds) **HOU:** ADD Section 2 to direct that the source of funds in this Part are \$173,587,157 of Department of Health and Human Services general fund appropriations, carry forward funds, earmarked and restrict special revenue fund accounts, and unobligated state match funds resulting from the extension of the increased FMAP. Direct that the designated funds shall be distributed in four equal disbursements, quarterly. Designate funds to certain agencies for specified purposes. Direct that \$350,000 of the funds allocated for Trauma Centers shall be provided to each hospital in the trauma system that is approved by DHEC to elevate a level 2 trauma hospital to a level 1 or a level 3 to a level 2. Authorize unexpended funds to be carried forward. Require all agencies, unless specifically exempt by another provision, to transfer unobligated state match funds that result from receipt of the increased FMAP to the State Treasurer for deposit into the Health Care Annualization and Maintenance of Effort Fund. Sponsors: Reps. Cooper and Edge.

AMEND to direct that if the funding for SCHIP Stand Alone (HCK) is realized in this Part, enrollment into SCHIP shall not be closed to new participants effective 7/1/10 as required by proviso 21.25 and if funding for the GAPS Program is realized in this Part, the requirements of Title 44, Chapter 6-610 through 6-660 shall not be suspended as required by proviso 21.43. Sponsor: Rep. Cooper.

AMEND FURTHER to delete \$8,000,000 to DMV for vehicle license plate replacement and provide funds for operating expenses as follows: \$1,000,000 to Prosecution Coordination

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Commission; \$1,000,000 to Commission on Indigent Defense; \$2,000,000 to Department of Probation, Parole & Pardon Services; an \$4,000,000 to DMV. Direct DMV, for FY 10-11 to suspend the license plate replacement interval. Sponsors: Rep. G.M. Smith, J.H. Neal, and Clyburn.

AMEND FURTHER to provide \$1,000,000 to Vocational Rehabilitation for Federal Medicaid Match and \$350,000 to MUSC for the Rural Dentist Program . Sponsor: Rep. Edge.

AMEND FURTHER to direct DHEC to use \$1,000,000 of the funds provided for agency operating expenses for Aids Prevention. Sponsors: Reps. J.H. Neal and Edge.

AMEND FURTHER to direct the State Treasurer to disburse sufficient funds from the Health Care Annualization and Maintenance of Effort Fund to the Department of Health and Human Services to meet the Medicaid Maintenance of Effort Requirements. Sponsor: Rep. Cooper.

SEC 3 ADD (Recognition of Temporary Nature of Funds) **HOU:** ADD Section 3 to recognize the temporary nature of these funds to address the shortfall in recurring funds. Encourage state agencies, institutions and school districts to limit reliance on these funds and to make contingency plans to meet future recurring obligations. Sponsors: Reps. Cooper and Edge.

SEC 4 ADD (Effective) **HOU:** ADD Section 4 to direct that this Part takes effect upon approval of the Governor. Sponsors: Reps. Cooper and Edge.

SFC SUBCOMMITTEE RECOMMENDATION: CONFORM to funding recommendation.

PART IV

ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE

SECTION 1. Pursuant to passage of federal legislation extending the American Recovery and Reinvestment Act's enhanced Medicaid Federal Medical Assistance Percentage (FMAP), it is the intent of the General Assembly that the Governor certify receipt of the two additional quarters of enhanced FMAP. As a result of the Governor's action, the General Assembly recognizes that these funds are authorized for appropriation pursuant to the provisions of this Part.

SECTION 2. The source of funds appropriated in this provision is \$174,937,157 of Department of Health and Human Services general fund appropriations, carry forward funds, earmarked and restricted special revenue fund accounts, and unobligated state match funds resulting from the extension of the increased Federal Medical Assistance Percentage. The funds designated herein shall be distributed, at a minimum, in four equal disbursements on a quarterly basis.

1. Department of Health and Human Services

A. Medicaid Maintenance of Effort.....	\$ 28,335,491
B. MUSC Disproportionate Share	\$ 10,000,000
C. National Kidney Foundation Serving South Carolina	\$ 250,000
D. Hemophilia	\$ 100,000
E. Physician Rates, Anesthesiologist	\$ 1,300,000
F. Federally Qualified Health Centers	\$ 700,000
G. Removal of Hard Cap of 3 Prescriptions	\$ 10,700,000
H. SCHIP Stand Alone (HCK)	\$ 3,320,218

In the event funding for SCHIP Stand Alone (HCK) is realized in this Part, enrollment into the State Children's Health Insurance Program shall not be closed to new participants effective 7/1/10 as required by proviso 21.25 in Part IB of this act.

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I. GAPS Program \$ 2,915,469

In the event funding for the GAPS Program is realized in this Part, the requirements of title 44, Chapter 6-610 through 6-660 shall not be suspended as required by proviso 21.43 in Part IB of this act.

J. Optometry for Adults \$ 1,061,512

K. Welvista \$ 700,000

L. Shared Care \$ 700,000

2. Department of Health and Environmental Control

A. Best Chance Network \$ 2,000,000

B. Colorectal Cancer Screening \$ 2,000,000

C. Rural Hospital Grants \$ 5,000,000

D. Rural Health Centers - USC \$ 5,000,000

E. Hollings Cancer Center - Research and Treatment \$ 10,000,000

F. ADAP Program \$ 2,234,467

G. Trauma Centers \$ 3,000,000

Of the funds allocated above for Trauma Centers \$350,000 shall be provided to each hospital in the trauma system that is approved by the Department of Health and Environmental Control to elevate a level two trauma hospital to a level one or to elevate a level three trauma hospital to a level two.

3. Department of Mental Health

Crisis Stabilization \$ 2,000,000

4. Department of Social Services

Replace TANF Shortfall \$ 18,000,000

5. Budget and Control Board, Employee Benefits

Employee Health Insurance \$ 7,500,000

6. Lieutenant Governor's Office

Home and Community Based Services, Meals on Wheels \$ 1,300,000

7. Vocational Rehabilitation

Federal Medicaid Match \$ 1,000,000

8. Medical University of South Carolina

Rural Dentist Program \$ 350,000

The below funds shall be disbursed for the purpose of agency operating expenses.

9. Department of Health and Environmental Control \$ 9,000,000

The Department of Health and Environmental Control is direct to utilize \$1,000,000 of the above funds for Aids Prevention.

10. Department of Mental Health \$ 17,500,000

11. Department of Disabilities and Special Needs \$ 9,000,000

12. Vocational Rehabilitation \$ 620,000

13. Department of Alcohol and Other Drug Abuse Services \$ 600,000

14. Commission for the Blind \$ 250,000

15. Department of Juvenile Justice \$ 10,500,000

16. Prosecution Coordination Commission \$ 1,000,000

17. Commission on Indigent Defense \$ 1,000,000

18. Department of Probation, Parole & Pardon Services \$ 2,000,000

19. Department of Motor Vehicles \$ 4,000,000

Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

For Fiscal Year 2010-11, the Department of Motor Vehicles shall suspend the license plate replacement interval.

All agencies, unless specifically exempt by another provision contained in this act, shall transfer unobligated state match funds resulting from the receipt of the increased Federal

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Medical Assistance Percentage to the State Treasurer to be deposited into the Health Care Annualization and Maintenance of Effort Fund.

From this fund the State Treasurer shall disburse to the Department of Health and Human Services sufficient funds to meet the Medicaid Maintenance of Effort Requirements.

SECTION 3. The General Assembly recognizes that the receipt of the funds appropriated in this Part is designed to address a precipitous drop in revenue due to the pending economic crisis and the use of this money to fund recurring expenses is a means to address this shortfall in recurring funds until the economy improves. The General Assembly further recognizes that these funds are temporary in nature and may not be sufficient to address a shortfall in recurring revenue if the current economic crisis extends beyond the period currently contemplated. As a result, the General Assembly strongly encourages state agencies and institutions and school districts receiving these funds to limit the reliance on these funds and make contingency plans that include savings necessary to meet future recurring obligations.

SECTION 4. This part takes effect upon approval by the Governor.