

# DDSN Recommendations

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Department of Disabilities and Special Needs  
Recommendations to the House Legislative Oversight Committee,  
Healthcare and Regulatory Subcommittee

Interim State Director Pat Maley

August 30, 2018

# DDSN Recommendations

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- **DDSN is effective in accomplishing its mission.**
- **DDSN service delivery system supports 40,339 eligible consumers with 24,622 consumers currently receiving services.**
- **DDSN, like many agencies serving the intellectually disabled, attracts great employees with a sense of mission, service, and character.**

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## However

### DDSN is under stress:

- Keeping up with consumer service needs.
- Adequacy of provider reimbursement rates.
- Need improved infrastructure efficiencies to support its efforts.

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## Issues & Recommendations:

- Eight major issues and corresponding recommendations.
- One issue/recommendation area encompassing 22 individual improvement initiatives.
- Update on DDSN's five "internal initiatives" set forth in its May 2017 initial interrogatory to the House Legislative Oversight Committee.

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## Root Cause

- **Management tentativeness from many years off friction with a variety of stakeholders.**
- **Leadership attention focused on reacting to external friction points and less on internal operational execution & improvement.**

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## Purpose of Voluminous Recommendations:

- Getting all the issues “on the table” in detail for complete transparency tends to unite in a common mission.
- Focuses energy on problem solving.
- Breaks the cycle of ruminating on past friction points and moving forward.

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## Fundamental Management is the Direction

- A clear plan with specific targets.
- Fix authority and responsibility with high expectations.
- Accountability for results.

## Human Service Organizations' Challenges

- We excel in the “people” aspect with individual customer service transactions.
- We excel much less in the “task” aspect with managing systems/processes.

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**ISSUE #1:** DDSN's most significant organizational issue is a deficient capitated payment system supporting community service providers known as the "band system."

**RECOMMENDATION #1:** DDSN will address its current payment system weaknesses through an evidence based process incorporating stakeholder input and industry best practices.



# DDSN Recommendations

**ISSUE #2:** DDSN's most significant operational issue is recruiting/retaining direct care workers at regional centers and in residential community settings.

**RECOMMENDATION #2a:** DDSN will continue to pursue direct care wage improvements through the legislative appropriation process sufficient to create a full and stable workforce to meet the needs of consumers.

**RECOMMENDATION #2b:** DDSN will pursue a career track for direct care, to include a tiered wage system to promote professional advancement and retention.

# DDSN Recommendations

**ISSUE #2 (continued)**: DDSN's most significant operational issue is recruiting/retaining direct care workers at regional centers and in residential community settings.

**RECOMMENDATION #2c**: DDSN will pursue the use of technology and corresponding policies to support consumers and mitigate the gap in hiring/retaining direct care workers for the foreseeable future.

**RECOMMENDATION #2d**: DDSN will solidify formalized targeted staffing levels in Regional Centers and the future community residential payment system rates should incorporate staffing level requirements based on consumer acuity.

# DDSN Recommendations

**ISSUE #2 (continued)**: DDSN's most significant operational issue is recruiting/retaining direct care workers at regional centers and in residential community settings.

**RECOMMENDATION #2e**: In conjunction with the development of a new/modified payment system, DDSN will re-examine its portfolio of services and policies with an emphasis on making adjustments consistent with the future likelihood of challenges in hiring/retaining direct care workers.

**RECOMMENDATION #2f**: DDSN will continue to support, mature, and potentially expand a grass roots direct care professional training program provided through a local technical college.

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**ISSUE #2 (continued)**: DDSN's most significant operational issue is recruiting/retaining direct care workers at regional centers and in residential community settings.

**RECOMMENDATION #2g**: DDSN will examine its policies and practices to proactively identify community setting opportunities to serve Regional Center consumers.

**RECOMMENDATION #2h**: DDSN will start contingency planning beyond obtaining additional wage increases for direct care workers to safely staff Regional Centers to meet the needs of consumers if the direct care hiring/retention crisis is not reversed.

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**ISSUE #3:** DDSN management needs to mature its capabilities to be more proactive with emphasis on a system/process improvement approach to problem solving.

**RECOMMENDATION #3a:** DDSN will establish a formal management training program to develop its management in a structured manner in both management/business acumen skills and a continuous improvement management philosophy.

**RECOMMENDATION #3b:** DDSN will redirect audit resources from community contract audits to conduct internal operational audits to provide assurance of effective operations through adequate objectives, process mapping, management information systems, and controls/performance measures.

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**ISSUE #4:** There have been legislative hearings, proposed legislation, and public debate as to the proper organizational structure to support DDSN's mission, to include as a cabinet agency, a component of SC DHHS, or remain as a Commission.

**RECOMMENDATION #4:** DDSN recommends continuing its mission in its current structure as an independent Commission.

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**ISSUE #5:** DDSN does not have a systematic approach to performance management across the agency; some work units lack relevant performance measures or inadequate information to support operational/performance management.

**RECOMMENDATION #5:** DDSN will operate in a more evidenced based manner through the continued use and maturing of its Enterprise Performance Management process and ensure public performance reporting to demonstrate transparency and accountability with accurate and reliable information to its many stakeholders.

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**ISSUE #6:** DDSN does not have a formalized project management process, which has contributed to a pattern of both real and perceived under-performance in implementing major initiatives.

**RECOMMENDATION #6:** DDSN will establish a formal project management process for longer term agency-wide initiatives to ensure proper operational planning, proactive communication plans, and timely execution.



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**ISSUE #7:** DDSN has experienced an inching up of Abuse, Neglect, & Exploitation (ANE) indicators over the past four years, particularly with providers serving high needs consumers

**RECOMMENDATION #7a:** DDSN will continue to deploy and refine its Residential Observation Audit technique to make unannounced residential setting visits to 25% of all settings (approximately 350/annually) and provide monthly reporting to the Commission.

**RECOMMENDATION #7b:** DDSN will continue a robust participation in the National Core Indicators Program (NCI).

**RECOMMENDATION #7c:** DDSN will continue to pursue wage enhancements for direct care workers and establish residential staffing standards based on acuity in its anticipated new payment system to address the current direct care capability gap.

**RECOMMENDATION #7d:** DDSN will develop a formal process to collect “lessons learned” from ANE arrests.

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**ISSUE #7 (continued)**: DDSN has experienced an inching up of Abuse, Neglect, & Exploitation (ANE) indicators over the past four years, particularly with providers serving high needs consumers

**RECOMMENDATION #7e**: DDSN will develop statewide policy and awareness training to address direct care workers' reaction to non-compliant/volatile consumer behaviors which precedes nearly 2/3<sup>rd</sup> of all ANE incidents leading to an arrest.

**RECOMMENDATION #7f**: DDSN will examine the direct care worker duties and compliance requirements, which have aggregated overtime.

**RECOMMENDATION #7g**: DDSN will develop recurring safety bulletins based on lessons learned from ANE incidents, particularly vignettes (without attribution) from actual incidents to stimulate learning and continual awareness.

**RECOMMENDATION #7h**: DDSN will continue to mature its ANE Program data collection through similar enhancements as refining Critical Incident classifications clarifying issues of concern and the provider rating system.

# DDSN Recommendations

**ISSUE #9:** DDSN established a defensive posture for many years based on a variety of factors, which has led to a tentativeness to proactively address issues. Improvement initiatives to address backlogged operational issues include:

**RECOMMENDATION #9a:** DDSN will develop a residential setting building capacity and funding strategy for high needs consumers, as well as timely execution of appropriations to restore legislative confidence.

**RECOMMENDATION #9b:** DDSN will conduct a risk based review of licensing, contract review, residential observations, ANE Program (ANE; CI; Deaths), and other provider contract controls to identify opportunities to lesson or eliminate existing controls and corresponding administrative burden.

**RECOMMENDATION #9c:** DDSN will implement a Waiver enrollment improvement plan to speed enrollment processing times, reduce the waiting list, and restore confidence to legislative appropriators of DDSN's ability to effectively execute budget enhancements.

**RECOMMENDATION #9d:** DDSN will compare Regional Center requirements and current budgets to assess adequate funding, equity between centers, and basis for legislative budget request for maintenance of effort resources.

# DDSN Recommendations



**ISSUE #9 (continued)**: DDSN established a defensive posture for many years based on a variety of factors, which has led to a tentativeness to proactively address issues. Improvement initiatives to address backlogged operational issues include:

**RECOMMENDATION #9e**: DDSN will develop an “at-risk” inspection protocol by subject matter experts for suspected “failed” residential settings based on Alliant residential observations triggering an “at-risk” inspection.

**RECOMMENDATION #9f**: DDSN will establish at least a \$2 million annual cost settlement escrow account, which has not been done in the past six years creating a contingent liability likely in excess of \$20 million.

**RECOMMENDATION #9g**: DDSN will re-engineer its Comprehensive Permanent Improvement Plan (CPIP) capital account funded with ICF consumer fees to minimize excessive capitalization of routine maintenance needs in CPIP preventative maintenance accounts.

**RECOMMENDATION #9h**: As an interim step to whatever future payment system is approved by the Commission, DDSN will conduct a feasibility study to relieve DSN Boards’ as fiscal agents for in-home waiver bands (Band B – ID/RD; Band I – CS) with this function being absorbed by the Central Office Accounting Division.

## DDSN Recommendations

**ISSUE #9 (continued)**: DDSN established a defensive posture for many years based on a variety of factors, which has led to a tentativeness to proactively address issues. Improvement initiatives to address backlogged operational issues include:

**RECOMMENDATION #9i**: DDSN will develop a specific program to lower the current average census of 25 consumers at Correct Care (state funded locked facility) through building additional dedicated community residual high needs capacity (Medicaid match).

**RECOMMENDATION #9j**: DDSN will review all non-service expenses, assess value, and prioritize; appears historical approach has been to renew prior FY's commitment without assessing value and compare to other needs, particularly given limited funds in this area.

**RECOMMENDATION #9k**: DDSN will pursue pre-file legislation prior to the next legislative session to address ambiguity in the Adult Health Care Consent Act.

**RECOMMENDATION #9l**: DDSN will decentralize budget execution from currently residing almost exclusively with the Associate State Director for Administration to other Associate State Directors.

# DDSN Recommendations

**ISSUE #9 (continued)**: DDSN established a defensive posture for many years based on a variety of factors, which has led to a tentativeness to proactively address issues. Improvement initiatives to address backlogged operational issues include:

**RECOMMENDATION #9m**: DDSN will develop a mechanism to improve communications with community providers focusing on standardized format, authority level to send, targeted distribution email lists, and a one webpage repository.

**RECOMMENDATION #9n**: DDSN will identify all residential consumers Medicaid ineligible for over 12 months to identify issue(s), which will lead to developing policy to minimize this situation and future occurrences; currently 91 non-Medicaid residential consumers create the opportunity cost loss of \$4.5 million in Medicaid match reimbursements annually.

**RECOMMENDATION #9o**: DDSN will review Respite Program delivery; respite is key to serving families, yet access and service availability is still an issue.

# DDSN Recommendations

**ISSUE #9 (continued)**: DDSN established a defensive posture for many years based on a variety of factors, which has led to a tentativeness to proactively address issues. Improvement initiatives to address backlogged operational issues include:

**RECOMMENDATION #9p**: DDSN will conduct a staffing and capabilities assessment of its financial operations, which have incrementally eroded since the 2010 recession creating a significant organizational risk, particularly with the unique knowledge base required to operate or modify the capitated band system.

**RECOMMENDATION #9q**: DDSN will review the individual employment program for opportunities to address current areas of ineffectiveness through training, policies, active monitoring, and authorization controls.

**RECOMMENDATION #9r**: DDSN will ensure Autism Program's eligibility process benchmarks are solidified and training/consulting resources targeted towards DDSN's core mission. Increase cost effectiveness of Autism residential settings operated by DDSN through filling vacancies or contract with a provider to serve these consumers; if DDSN retains operations, consider moving this function from the Policy Division to the Operations Division.

# DDSN Recommendations

**ISSUE #9 (continued)**: DDSN established a defensive posture for many years based on a variety of factors, which has led to a tentativeness to proactively address issues. Improvement initiatives to address backlogged operational issues include:

**RECOMMENDATION #9s**: DDSN will revitalize the environmental modification process to reduce backlog from high of 200 in early 2018. Additional system refinements needed to coordinate or simplify operational execution between two divisions.

**RECOMMENDATION #9t**: DDSN will build infrastructure to support new Commission initiative to review new policy and recurring three-year policy updates on a quarterly basis in an efficient. Policies will be stratified by priorities to ease processing by stakeholders.

**RECOMMENDATION #9u**: DDSN will shift all employees to a universal performance review cycle (July 2nd to July 1st) to align all employee review periods to simplify training, planning, accountability, and create an effective organization-wide program to equitably support promotions, compensation, career development, other personnel matters, and, again, employee satisfaction.

**RECOMMENDATION #9v**: DDSN will examine Early Intervention Program to ensure consumers eligible for Medicaid become enrolled to maximize Medicaid reimbursement; in the recent past, Medicaid enrollment has dropped from 80% to currently at 65%.



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**ISSUE #8:** DDSN has determined 22 existing South Carolina statutes impacting the agency would benefit from revisions or elimination to assist the agency in accomplishing its mission.

**RECOMMENDATION #8:** DDSN requests these 22 SC statutes modifications or eliminations as set forth in Attachment A be adopted by the House Legislative Oversight Committee for legislative action.

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## **Internal Change 1: Evaluation of Abuse, Neglect, and Exploitation (ANE) Reporting and Follow-up System**

Complete - To better clarify the outcome of different cases, DDSN now reports two types of substantiated cases from ANE allegations: 1) “arrests;” and 2) “administrative findings.”

## **Internal Change 2: Changes to the Tracking and Reporting of Critical Incidents**

Complete - DDSN implemented a change to the Critical Incident (CI) reporting re-categorized medically-oriented events from CIs to a General Event Report (GER), a lower risk category. This has allowed both DDSN and providers to focus their limited resources on interventions on higher risk CIs

## **Internal Change 3: Direct Service Operations**

DDSN planned to develop and operate six community based homes for consumers with significant behavioral challenges to be completed by August 2018. DDSN developed only three homes.

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## **Internal Change 4: Plan Review and Service Authorization**

On October 30, 2017 the approval of the Case Management Annual Support Plan and Medicaid Waiver Service Requests were moved from local DSN Boards and contracted Case Management Providers to DDSN Central Office. Since that time, as the Case Management Annual Support Plan was completed, the Case Manager submitted the Plan to the DDSN Waiver Administration Division for final review and approval.

## **Internal Change 5: DDSN Outcome-Based Provider Evaluation**

DDSN an outcome-based tool known as Residential and Day Services Observation. It includes the on-site observation of service delivery in 25% of DDSN's Home and Community-Based Waiver Residential Settings (350/year) and 100% of Day Service Settings each year. The unannounced Observation represents a "snapshot in time" regarding the operation of the location and the responses provided by staff and program participants.

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**Questions?**