

## House Ways & Means Committee / Healthcare Subcommittee FY 2024-25 Budget Request

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**Constance Holloway**  
**State Director**  
**January 16, 2024**

# DDSN Key Officials

Constance Holloway –State Director

Janet Brock Priest – Associate State Director, Operations

Lori Manos – Associate State Director, Policy

Quincy Swygert – Chief Financial Officer

Rob McBurney – Legislative Affairs

# DDSN Agency Overview

**Mission:** Assist people with disabilities and their families through choice in meeting needs, pursuing possibilities and achieving life goals and minimize the occurrence and reduce the severity of disabilities through prevention.

## DDSN SERVES PEOPLE WITH CONDITIONS RELATED TO EACH OF THESE FOUR DISABILITIES:

HEAD &  
SPINAL CORD  
INJURIES



AUTISM

INTELLECTUAL &  
RELATED  
DISABILITIES

# Program Updates

# DDSN Payment System Transition

**Background:** In FYs 2018 & 2019, the Senate and House legislative oversight performance reviews suggested DDSN move away from its tendency to manage providers as if extensions of DDSN and towards promoting provider competition to benefit from market forces.

- A key component was to transition the way services were funded from a prospective, capitated “band” payment system for DSN Boards to a retrospective fee-for-service (FFS) payment system. This complex transition was divided into phases occurring over multiple fiscal years:
  - Phase 1 – In FY2020, Waiver Case Management Services and Early Intervention Services transitioned to FFS;
  - Phase 2 – In FY2021, beginning January 1, 2021, Respite and Day Services transitioned to FFS;
  - Phase 3 – In FY2022, beginning April 1, 2022, remaining Home and Community Based Services converted to FFS (residential);
  - Phase 4 – FY2025, Intermediate Care Facility – Community-Based for Individuals with Intellectual Disabilities (ICFC-IID) will be transitioned to FFS

# DDSN Enrollment Overview – thru Dec 2023

## Who is eligible for services?

There are currently 41,544 individuals with intellectual disabilities, autism, head & spinal cord injuries, and related disabilities eligible for DDSN services.

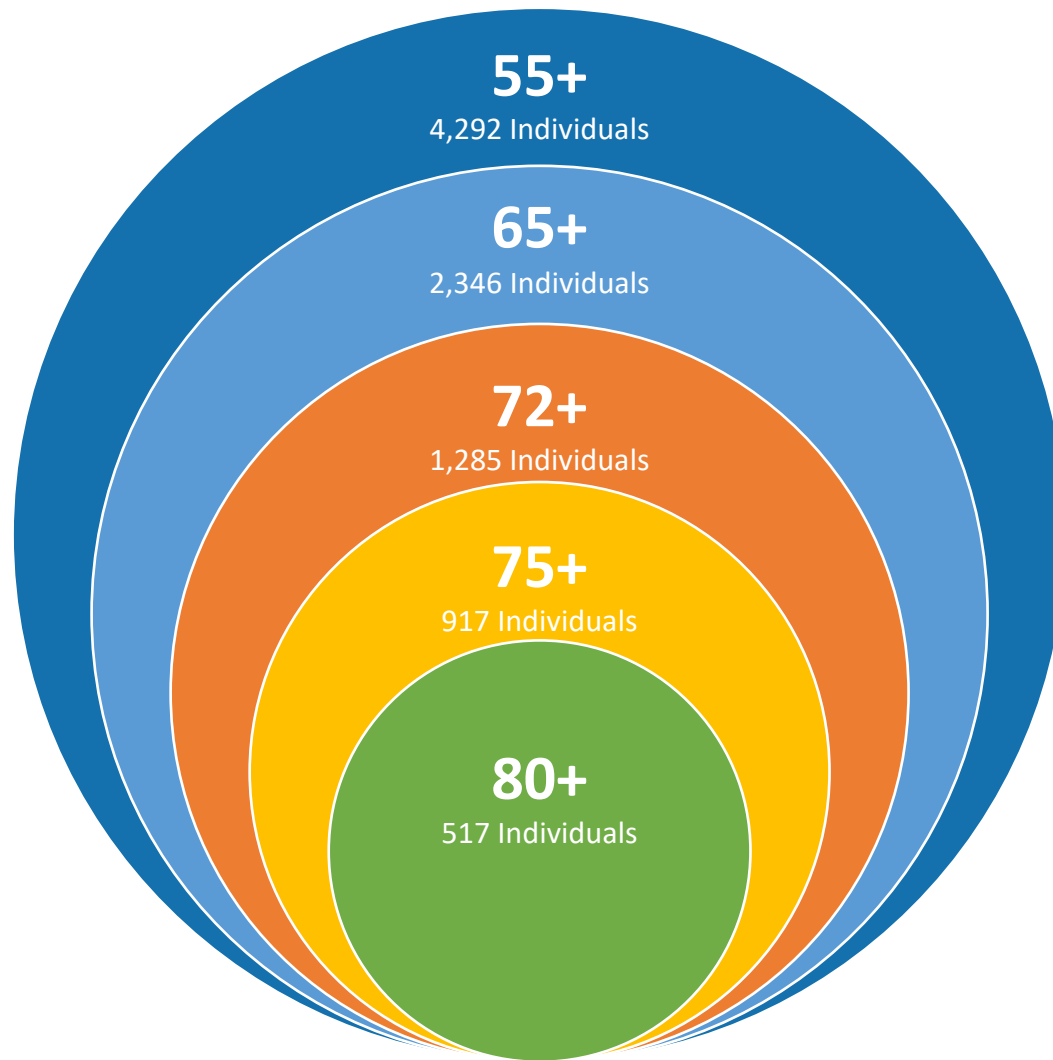
## What services are being provided?

DDSN's served approximately 22K individuals through a variety mechanisms in December 2023:

- Medicaid At-Home Waivers (8,476);
- Medicaid Residential Waivers (3,771);
- Medicaid Community Intermediate Care Facilities (449);
- Medicaid Regional Center Intermediate Care Facilities (545);
- State funded services (803);
- Early Intervention (4,395);
- State Funded Family Support (3,500);
- Medicaid Waiver Case Management (10,842);
- Medicaid Targeted Case Management (1,200);
- State Funded Case Management (399)

# DDSN Enrollment Overview – thru Dec 2023

## Summary of Individuals Living with Aging Caregivers



# Residential Needs List Statistics – thru Dec 2023

Also referred to as the “Critical Needs List”

289

- Individuals on Residential Needs List as of December 2023

86%

- Individuals on the Residential Needs List who currently reside at home and are awaiting a residential placement

8.3 Months

- Average length of time 289 individuals have been on Residential Needs List

76

- Individuals on Residential Needs List for more than One Year



# FY 2024-2025 Budget Request

# Summary of SCDDSN FY2024-2025 Budget Request

Priority	Description of Agency Need	State	Earmarked	Total	Type	In Executive Budget
1	<p><b>Supported Living Assistance</b> – This decision package is designed to address individuals that are currently receiving or awaiting community residential living assistance. For most individuals, the Medicaid Waiver Residential Habilitation Service covers the care, supervision, and skills training delivered to the individual. Medicaid does not cover the cost of room and board, as it is not a Medicaid eligible service. The costs of this services averages \$820 per month. This appropriation will cover 125 individuals for approximately 12 months.</p> <p><i>DDSN's provider network is reluctant to support individuals if they are not eligible for monthly Supplemental Security Income (SSI) benefits and have no other means to pay for room and board. Approximately 42% of individuals on the residential wait list are not currently eligible for SSI.</i></p>	\$ 1,230,000	\$ -	\$ 1,230,000	Recurring	No
2	<p><b>State Funded Residential Services</b> – This decision package is designed to support sixteen (16) individuals for whom traditional Medicaid reimbursable supports are not appropriate or are not available. These individuals present to DDSN in need of an out of home placement following incarceration or have needs that, due to severity, cannot be supported in currently available placement options. These services ensure that individuals are safely and appropriately supported.</p> <p><i>The calculation assumes \$565 per day X 365 days per year X 16 individuals.</i></p>	\$ 3,299,600	\$ -	\$ 3,299,600	Recurring	No
3	<p><b>Maintenance of Effort- Financial Management Services</b> – This decision package is designed to comply with the requirements of an administrative contract with DHHS, as well as the following CMS approved 1915 (c) waivers DDSN currently operates: <b>SC Head and Spinal Cord Injury (HSCI) HCBS Waiver; SC Intellectual Disabilities and related Disabilities (ID/RD) HCBS Waiver and SC Community Supports (CS) HCBS Waiver.</b> Similar to DHHS operated waivers, as described in appendix E of the above HCBS waivers, an IRS approved Financial Management Services vendor will perform payroll and other employer responsibilities required by federal and state law.</p> <p><i>This is a Medicaid Administrative Activity and is eligible for a 50% Medicaid Match.</i></p>	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000	Recurring	No
4	<p><b>Earmarked Authority Reduction</b> – This decision package is designed to support an ongoing collaboration with DHHS, as DDSN's provider network continues to transition from a Perspective Payment of Services from DDSN to a direct payment Fee-for-Service (FFS) model to DHHS. This process change moved the cost of Medicaid Services listed under the three (3) Home and Community –Based Services Waivers; Intellectual Disability/Related Disabilities, Community Supports and the Head &amp; Spinal Cord Injury Waivers to the DHHS budget.</p> <p><i>This reduction will not affect DHHS's budget and does not need to be transferred to them similar to the last two fiscal years. These expenditures are Federal on DHHS's books, and they would not utilize these earmarked appropriations. The reduction in earmarked authorization will continue into subsequent years as additional services are planned to move to DHHS's books.</i></p>	\$ -	\$ (200,000,000)	\$ (200,000,000)	Recurring	Yes
5	<p><b>South Carolina Genomic Medicine Initiative</b> – 5th installment of a projected five-year \$10 million state funded plan in conjunction with funds from the private sector.</p>	\$ 2,000,000	\$ -	\$ 2,000,000	Non-Recurring	Yes - \$5M Funded
TOTAL		\$ 8,029,600	\$ (198,500,000)	\$ (190,470,400)		

# Priority #1 – Supported Living Assistance

## \$1.2 Million Recurring General Funds

This decision package is designed to address the individuals currently receiving or awaiting community residential living services. For most individuals, the Medicaid Waiver Residential Habilitation Service covers the care, supervision, and skills training delivered to the individual. Medicaid does not cover the cost of room and board, as it is not a Medicaid eligible service.

- *Monthly room and board costs include, but are not limited to food, utilities, pest control, residential repairs and maintenance, lawn maintenance, household and cleaning supplies, property insurance, and fire/security monitoring costs;*
- *The average room and board costs for settings in which residential services are provided in SC are approximately **\$820** per month*

DDSN's provider network is reluctant to support individuals if they are not eligible for monthly Supplemental Security Income (SSI) benefits and have no other means to pay for room and board. Approximately 42% of individuals on the residential wait list are not currently eligible for SSI benefits.

- *This funding request is to assist 125 individuals, who require residential services, but do not have the means to pay room and board costs, obtain residential placement within DDSN's provider network*

**Method of Calculation:** \$820 per month x 12 months per year x 125 individuals = \$1,230,000

**Impact if not received:** This population will continue to struggle to acquire residential services until they are eligible for SSI benefits.

# Priority #2 – State Funded Residential Services

## \$3.3 Million Recurring General Funds

This decision package is designed to support sixteen (16) individuals for whom traditional Medicaid reimbursable supports are not appropriate or are not available. These individuals present to DDSN in need of an out of home placement following incarceration or have needs that, due to severity, cannot be supported in currently available placement options. These services will ensure that individuals are safely and appropriately supported.

- *Services offered in these non-Medicaid facilities to DDSN eligible individuals will include services specifically required by the individual, which may include:*
  - *Enhanced Safety and Security;*
  - *Sensory Controlled Environments;*
  - *Enhanced Psychiatric Services;*
  - *Enhanced Medical Monitoring*

This curriculum is designed to aid in the transition of individuals from this state funded placement to a lessor restrictive, Medicaid eligible placement in the community.

**Method of Calculation:** \$565 per day x 365 days per year x 16 individuals = \$3,299,600

**Impact if not received:** This population will continue to struggle to acquire residential services.

# Priority #3 – Waiver Financial Management Services

## \$1.5 Million Recurring General Funds & \$1.5 Million Recurring Earmarked Funds

This decision package is designed to comply with the requirements of an administrative contract with DHHS, as well as the following CMS approved 1915(c) waivers DDSN currently operates:

- *SC Head and Spinal Cord Injury (HASCI) HCBS Waiver;*
- *SC Intellectual Disabilities and Related Disabilities (ID/RD) HCBS Waiver;*
- *SC Community Supports (CS) HCBS Waiver*

Similar to DHHS operated waivers, as described in appendix E of the above HCBS waivers, an IRS approved Financial Management Services vendor is required to perform payroll and other employer responsibilities required by federal and state law.

**Method of Calculation:** Preliminary Request for Proposals (RFP's) through State Procurement have indicated an increase in this service since last procured. This program impacts 312 HASCI, 1,147 ID/RD and 1,750 CS individuals enrolled in waivers who are currently receiving participant directed Respite, Attendant Care, and In-home Support services.

***This is a Medicaid Administrative Activity and is eligible for a 50% Medicaid Match.***

**Impact if not received:** Caregivers who are providing services to approximately three thousand individuals could have an interruption in payment for services delivered. This would have a negative impact on the Agency's ability to deliver participant directed services to individuals who depend on these services.

# Priority #4 – Earmarked Authority Reduction

## (-\$200 Million) Recurring Earmarked Funds Authorization

This decision package is designed to support an ongoing collaboration with DHHS, as DDSN's provider network continues to transition from a Prospective Payment of Waiver Services historically recorded on DDSN's books to a direct Fee-for-Service (FFS) Retrospective Payment model where expenditures are recorded on DHHS's books. DDSN will still maintain accountability oversight and continue to operate all three waivers.

- *This reduction will not affect SCDHHS's budget and does not need to be transferred to them similar to the last two fiscal years where DDSN transferred approximately \$180M in General Funds; This expenditure is a Federal Expenditure on SCDHHS's books, and they would not utilize these earmarked appropriations;*
- *The reduction in earmarked authorization will continue into subsequent years as additional services are planned to move to SCDHHS's budget*

**Method of Calculation:** Reduction based on projected Medicaid revenue collections, as well as current DDSN cash balances.

**Impact if not received:** DDSN would continue to carry excess earmarked authorization for which it would not have the associated cash to spend.

# Priority #5 – SC Genomic Medicine Initiative

## \$2 Million Non-Recurring General Funds

This decision package is designed to support the Greenwood Genetics Center (GGC) as they embark on a genomic initiative that will combine clinical care, using a “multiomics” technological approach and “big data/machine learning” to create a powerful and unique resource serving patients, healthcare providers, and state agencies.

This initiative is being pursued to significantly increase the diagnostic yield for individuals with intellectual disabilities and autism, with the goal of providing information necessary to provide personalized and precise medical treatment and management for patients with disabilities and autism.

- *The request of \$2 million of new state funds for FY25 would be South Carolina’s fifth annual \$2 million investment in a projected five-year \$10 million state funded plan in conjunction with funds from the private sector;*
- *It is the intention of the GGC to work with SCDHHS to pursue an administrative Medicaid match for this project to demonstrate the impact and value to the Centers for Medicare and Medicaid Services (CMS)*

# FY 2024-2025 Proviso Request



# FY2024 – 2025 Proviso Changes

**DDSN is not requesting any proviso changes this year**

