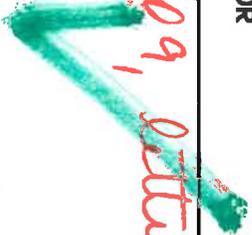


**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR**

**ACTION REFERRAL**

<b>TO</b> <i>1. <u>Forbner</u></i>	<b>DATE</b> <i>2-2-09</i>
---------------------------------------	------------------------------

<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
<b>1. LOG NUMBER</b> <i>00415</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
<b>2. DATE SIGNED BY DIRECTOR</b> <i>Cleaned 2/10/09, letter attached.</i> 	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>2-11-09</i> <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action

<b>APPROVALS</b> (Only when prepared for director's signature)	<b>APPROVE</b>	<b>* DISAPPROVE</b> (Note reason for disapproval and return to preparer.)	<b>COMMENT</b>
1.			
2.			
3.			
4.			

DAVID L. THOMAS  
SENATOR, GREENVILLE COUNTY  
SENATORIAL DISTRICT NO. 8

GREENVILLE ADDRESS:  
29 WADE HAMPTON BLVD.  
GREENVILLE, SC 29609  
(864) 271-6371

SENATE ADDRESS:  
SUITE 410, GRESSETTE BUILDING  
P. O. BOX 142  
COLUMBIA, SC 29202  
(803) 212-6240



COMMITTEES:  
BANKING AND INSURANCE, CHAIRMAN  
CORRECTIONS AND PENOLOGY  
FINANCE  
MEDICAL AFFAIRS

**RECEIVED**

FEB 02 2009

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

January 30, 2009

Ms. Emma Forkner  
Director  
Department of Health and Human Services  
1801 Main Street  
P. O. Box 8206  
Columbia, SC 29202-8206

Dear Director Forkner:

Thank you for you and your staff's help in our investigation on DDSN and the PDD Waiver funds.

We met with Rick and Bryan yesterday and they were very helpful. We need the following information as soon as possible.

- What is the total Federal match July 06 - Dec 08 for the PDD Waiver received by HHS and paid out to the various vendors - DDSN, Jasper DSN, et cetera?

Cordially yours,

A handwritten signature in black ink that reads "David L. Thomas".

David L. Thomas  
Chairman  
Senate Banking and Insurance Committee

DLT/mm



**State of South Carolina**  
**Department of Health and Human Services**

**Mark Sanford**  
Governor

**Erma Fortner**  
Director

February 10, 2009

The Honorable David L. Thomas, Chairman  
Senate Banking and Insurance Committee  
Suite 410, Gressette Building  
Columbia, South Carolina 29201

Dear Senator Thomas:

This is in follow-up to the information Bryan Kost and Rick Hepfer of my staff provided to you on January 29, 2009, and in response to your request for information in your letter of January 30, 2009. Attached you will find a spreadsheet which shows the total amounts paid out by our Department for the Pervasive Developmental Disorder (PDD) waiver. I also received a follow-up e-mail from you Friday afternoon, and I have tried to have the responses to that inquiry incorporated in this letter. As more fully explained below, no payments have yet been made by the South Carolina Department of Health and Human Services (DHHS) for the services offered through the Jasper County Disabilities and Special Needs (DSN) Board.

First, I would like to offer a description of the data that is being provided and to explain why the totals here may differ from other information you may have been given. The way this type of information is arrayed depends upon what parameters are included in the request. That may seem obvious, but what may not be as clear is how many different criteria can be placed upon the way the data is pulled. Here are some of the criteria regarding this data:

- 1) This data was compiled by date of payment (the date the check or transfer was made) instead of by date of service as the data is most often reported. As you may know, providers have up to a year to bill for Medicaid services. This waiver was submitted October 1, 2006 and approved in January of 2007. By the end of state fiscal year 2007, applications, evaluations, and enrollments had been completed, and some claims had been paid. The service-delivery and claims-processing system was working smoothly by state fiscal year (SFY) 2008. Some claims for services provided during SFY 2007 were not received and paid until SFY 2008. Therefore, the spreadsheet reflects a sort of "lag time" in the payments.

Log 415  
To close ✓

- 2) The claims data is organized in our information system by total payment (State and Federal match), but we have estimated the federal match below the totals column. We draw down federal funds by grant based on the sum total of expenditures for that grant. All waivers are part of the Medicaid grant and any expenditure for the PDD waiver/non-waiver would be included in the sum total drawn each week for Medicaid. These expenditures are then reported quarterly to CMS by category (Regular Medicaid, Waiver, Family Planning, etc.) The draw for the PDD waiver, at this time, includes all services rendered to PDD participants, even non-waiver services, like services for appendicitis, say, performed in a general hospital. The Department of Disabilities and Special Needs (DDSN) does not provide the match for non-waiver services in this waiver. Non-waiver services do not show up on this spreadsheet, only the case management and the early intensive behavioral intervention (EIBI) services described in the waiver application are included. From the federal perspective, however, all services (waiver and non-waiver) provided to waiver participants would be included in the total draw for waiver participants. Also, as may be obvious, the federal numbers would be captured by federal fiscal year - - October through September. The attached display is by state fiscal year.
- 3) As one of the footnotes indicates, only two (2) participants in the waiver, who self-direct their care, are apparent in our system. This option began in the second year of the waiver (2008). These are beneficiaries who have the ability or support to supervise their own care and even hire their own providers. The Jasper County DSN Board acts as a fiscal agent for those payments. This is done as a service for beneficiaries who self-direct their care, but also to ensure that the appropriate withholdings (taxes, FICA, etc.) occur. Claims for those services have not yet been reimbursed by DHHS, but payments will eventually go directly from DHHS to DDSN for reimbursement of the fiscal agent, the Jasper County DSN Board. Self-directed care payments are the only payments that will be made through the Jasper Board. Questions about the DDSN's decision to employ the Jasper County DSN Board should be directed to the DDSN. As no payments have yet been made through that mechanism, we have not had occasion to review the process. We expect that the Board will make only normal employee deductions, and we would expect a small charge for processing - a comparable amount to what we pay the fiscal agent we employ for our other self-directed waiver care.
- 4) As you can also see, the majority of the payments go to private providers who enroll directly with, and submit claims directly to, the DHHS. These payments do not go through the DDSN, but directly to the providers who serve these beneficiaries. DDSN provides the State match, by intergovernmental transfer (IGT) for these services.

The Honorable David L. Thomas  
February 10, 2009  
Page 3

- 5) The payments that do go to DDSN (except, eventually, for the relatively few payments for self-directed care) are for case management performed by employees mostly working from county DSN Boards. DDSN provides the match for these services by certified public expenditures (CPE).

I hope this information is helpful. We tried to provide information in a format that will best assist what we understand to be the focus of your inquiry. Please feel free to contact me directly should you have any questions. I particularly encourage you to contact me if you are given different numbers or information that seemingly does not correlate with the attached display. I am fairly confident in these numbers as presented, but my staff and I will work with you to explain any discrepancies or to pull any information in a way that best suits your needs.

As always, thank you for your interest and work on these important issues.

Sincerely,



Emma Forkner  
Director

EF:jp

Enclosure

Subset Claims Paid for PDD Waiver Recipients. Reported by claim payment date, not service date.

		State Fiscal Year 2007*		State Fiscal Year 2008				State Fiscal Year 2009 July thru Jan 08			
		Early Intensive Behavioral Intervention		Early Intensive Behavioral Intervention		Case Management		Early Intensive Behavioral Intervention		Case Management	
Billing Owner	Provider Name	Claims Paid	Net Payment	Claims Paid	Net Payment	Claims Paid	Net Payment	Claims Paid	Net Payment	Claims Paid	Net Payment
DDSN	SCDDSN PDD WAIVER**	0	\$0.00	0	\$0.00	580	\$157,657.50	0	\$0.00	1,390	\$174,691.30
	Estimated Federal Share		\$0.00		\$0.00		\$110,360.25		\$0.00		\$122,283.91

		State Fiscal Year 2007*		State Fiscal Year 2008				State Fiscal Year 2009 July thru Jan 08			
		Early Intensive Behavioral Intervention		Early Intensive Behavioral Intervention		Case Management		Early Intensive Behavioral Intervention		Case Management	
Billing Owner	Provider Name	Claims Paid	Net Payment	Claims Paid	Net Payment	Claims Paid	Net Payment	Claims Paid	Net Payment	Claims Paid	Net Payment
PRIVATE	ALL PRIVATE PROVIDERS	14	\$26,303.50	4,193	\$2,139,591.16	0	\$0.00	6,061	\$2,706,680.61	0	\$0.00
	Estimated Federal Share		\$18,412.45		\$1,497,713.81		\$0.00		\$1,894,676.43		\$0.00

\*No Case Management was billed in SFY 07.

\*\*Claims for the self-directed care will go here.

DAVID L. THOMAS  
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**RECEIVED**

FEB 02 2009

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

January 30, 2009

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Director  
Department of Health and Human Services  
1801 Main Street  
P. O. Box 8206  
Columbia, SC 29202-8206

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