



## SUMMARY

# A Review of the S.C. Department on Aging



### OBJECTIVES

Members of the South Carolina General Assembly requested an audit of the S.C. Department on Aging (SCDOA). Our objectives included:

- Review the revenue sources and funding for SCDOA to determine whether funds are allocated to areas of greatest need and to determine whether appropriate procedures are in place to ensure that providers are compensated correctly and in a timely manner.
- Review the process by which SCDOA monitors programs to determine if programs are implemented effectively, efficiently, consistently, and according to applicable law and best practices.
- Review SCDOA's human resources' management practices to determine if the agency complies with applicable laws and agency policies.
- Review SCDOA's communication practices within the agency and with partners throughout the aging network to determine if the agency is transparent, responsive, and providing timely and accurate information.
- Review SCDOA's organizational and management structures to determine if the agency is effectively organized to deliver and monitor services to seniors.

### BACKGROUND

In January 2020 we surveyed SCDOA staff using SurveyMonkey® to get input on management issues and the agency climate. We had an 83% response rate (34 of 41). We included responses throughout the report and appended aggregated responses to the full report.

JUNE 2020

## FUNDING SCDOA AND THE AGING NETWORK

SCDOA is the state agency responsible, along with ten area agencies on aging (AAAs), for implementing programs under the federal Older Americans Act. SCDOA receives federal grants and state appropriations. In FY 19-20, SCDOA was appropriated \$52.1 million, including \$18.7 million in state general funds. Over the years, the state unit on aging has been located in an independent, multi-member commission; the Office of the Governor; another state agency; and, most recently, the Office of the Lieutenant Governor. Effective January 1, 2019, the Lieutenant Governor's Office on Aging became a cabinet agency and was renamed the Department on Aging with a director subject to Senate confirmation.

### CARRY FORWARDS

In FY 18-19, a change in the terms of federal grants resulted in SCDOA's having more carry-forward funds than in previous years. SCDOA allocated federal funds sooner than in previous years, which increased the funding made available to AAAs in FY 18-19. State dollars were allocated to match these increased federal funds, but expenditures did not increase to the same extent, resulting in more state dollars being carried forward over the previous year.

### ALLOCATION OF FUNDING

SCDOA uses outdated data in its formula used to allocate federal funds to regions of the state. Its method for allocating federal funds for evidence-based health programs does not account for medically underserved areas as the Older Americans Act requires.

### WAITING LISTS

There are significant numbers of older people on waiting lists for services around the state. However, SCDOA does not have an adequate plan to reduce or eliminate these waiting lists. Furthermore, SCDOA does not collect adequate data to track the numbers of individuals on waiting lists or evaluate the effectiveness of regional waiting list reduction efforts.

### SERVICE COSTS

Reimbursement rates for aging services vary significantly across the state, and SCDOA lacks adequate tools to contain the costs of services.

### SCOPE IMPAIRMENT

- We were denied access to a sample of 65 long-term care ombudsman case files.
- After reaching an agreement we were refused access to the files at the last minute.
- We reached another agreement that resulted in accessing case files with redacted resident and complainant information.

These actions hindered our ability to complete the audit in a timely manner. See the full scope impairment statement in our report.

## SCDOA MONITORING PRACTICES

We reviewed the monitoring requirements and efforts for 12 programs overseen by SCDOA: programs authorized by the Older Americans Act (i.e., assessment services, information, referral, and assistance program, home-care services, transportation, nutrition, evidence-based services, respite care, state health insurance assistance program, and long-term care ombudsman program) and programs authorized by state law (i.e., geriatric loan forgiveness, eldercare trust fund, and the permanent improvement project).

### MONITORING REQUIREMENTS

For programs authorized by the Older Americans Act, SCDOA has not developed and enforced policies governing how the agency will monitor the performance of these programs. The General Assembly appropriates funding to several programs. In some cases, provisos require SCDOA to use 0.25% of its funding for monitoring. SCDOA's policy manual contains few monitoring requirements for most of its programs but does contain requirements for the AAAs, which contract for, or directly provide, services.

### MONITORING EFFORTS

SCDOA could only document monitoring for only two of its programs. For the rest, SCDOA had either not conducted monitoring or could not provide documentation. It has not provided AAAs with clear instructions to conduct quality assurance reviews—reviews intended to evaluate the quality of each aging program delivered by each service provider on an annual basis—and has not ensured that AAAs annually conduct reviews for each program and service provider.

### RELOCATION OF ADULT PROTECTIVE SERVICES

The relocation of the adult protective services program, currently located at S.C. Department of Social Services, to SCDOA could result in administrative inefficiencies.

## ORGANIZATION AND MANAGEMENT PRACTICES

We conducted a survey SCDOA employees and found perceptions of mistrust, lack of teamwork, malicious talk, inequities in treatment between management and non-management employees, poor communication, and fear of retaliation.

### OTHER STATES

Sixteen states, including South Carolina, have a stand-alone agency on aging with a director or secretary appointed by the governor. Three states, Illinois, Iowa, and Tennessee, have specific eligibility requirements, such as experience in senior issues. South Carolina has no such requirements. Since 2003 SCDOA has had ten directors, many of whom had no relevant background or experience in aging programs. The current director does have such experience.

### HUMAN RESOURCES

SCDOA does not maintain position descriptions for all current employees or complete performance appraisals in a timely manner. Also, salary inequities may exist. While SCDOA awarded bonuses legally, management could have improved its internal procedures to minimize confusion and mistrust. SCDOA has no policy on the confidentiality of internal communications between management and non-management employees.

### TRAINING

SCDOA only requires training for 5 of the 16 offered programs and the agency lacked adequate documentation of training in each of those five.

### CONTRACT MANAGEMENT

From 2013–2019, SCDOA entered into contracts for four personal services with expenditures totaling \$195,517. All were sole source contracts that should have included justification for selecting a single source, but only one contract contained such justification.

The General Assembly appropriated funding in 2016 to upgrade the agency's information system used to track client and service data; the agency has yet to complete the upgrade.

SCDOA maintains a contract with a private law firm to provide legal counsel. According to SCDOA, the agency paid \$12,752 for legal services in FY 18-19. The director refers matters to outside counsel upon advice from the human resources director and division heads.

In January 2020, SCDOA released its Fiscal Policies and Procedures manual which states that the Finance Director will retain copies of all contracts.

## COMMUNICATION PROBLEMS WITHIN SCDOA

Much of the content on SCDOA's website is dated, not included as intended, or not included as required by state law. SCDOA likely violated state law when it failed to provide notice and access to the public or record minutes of its meetings with AAA directors. While the agency has complied with the time limits in state law for responding to Freedom of Information Act requests, it may have violated state law by not providing information for several requests to the long-term care ombudsman program. Internally, SCDOA has not formally conveyed to staff changes in policy, resulting in changes with little efficacy.

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