

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Waldrop</i>	DATE <i>8-29-11</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>100102</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Fack, Post</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>9-8-11</i> DATE DUE _____		
<i>Closed 8/29/11, see attached e-mail response</i> <i>Also response from Bryan Fack</i>		<input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action	

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

AUG 25 2011

RECEIVED

August 22, 2010

AUG 29 2011

Sen. John Courson,  
PO Box 142  
Columbia, SC 29202

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Dear Sen. Courson,

The Department of Health & Human Services (HHS) has informed the Department of Disabilities & Special needs (DDSN) that they intend to hold and use \$1.3 M of the Medicaid reimbursement monies that flow through HHS to DDSN.

How does one state agency have that control over another? And if they ask for money this year, what will stop them from holding even more of the pass through money in the future?

HHS may have the legal authority (under Medicaid rules), but it is contrary to Legislative intent since the legislature made the allocation to DDSN and the state budget accounts for the Medicaid reimbursement.

DDSN is not like other providers as Mr. Keck has said. Other providers are not given allocation by the Legislature and the Governor through state law. DDSN over the past four years cut their services to ensure that they were not running deficits, HHS on the other hand did not make similar cuts.

Unlike HHS, DDSN is not an insurance program. DDSN services are not an entitlement program. "They can only offer services based on the allocation with the matching funds that they receive. HHS on the other hand has a certain populations that their insurance is an entitlement.

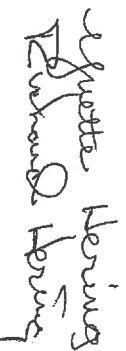
State agencies budgets are set by state law with oversight of the Legislature and the Governor. HHS does not have authority over other state agencies budgets that use Medicaid dollars.

HHS taking \$1.3M from DDSN will result in further cuts to services and could result in nearly \$4M in cuts to services.

DDSN earned Medicaid dollars are not part of HHS' budget. HHS is only the pass through mechanism.

Please inquire about HHS action. Please stand up for people with disabilities and tell HHS that they are not working within the legislative intent of this state's budget.

Thank you for your help,



Yvette & Rich Herling  
10 Haven Ridge Pl.  
Columbia SC 29212

**Brenda James - constituent inquiry**

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**From:** Louise Spong <louisespong@scsenate.gov>  
**To:** 'Bryan Kost' <KostBR@scdhhs.gov>  
**Date:** 08/29/2011 2:17 PM  
**Subject:** constituent inquiry  
**Attachments:** Hering letter inquiry on DHHS medicaid monies 8-30-2011.docx

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Bryan,

Attached you will find a copy of a letter of inquiry that Senator Courson received from a constituent. Your advisement and directives would be greatly appreciated. Thank you in advance for your assistance.

**Louise B. Spong**  
**Senate Education Committee**  
**Senator John Courson, Chairman**  
Gressette Building, room 412  
P O Box 142, Columbia, S C 29202  
Ph: (803)212-6250  
[LouiseSpong@scsenate.gov](mailto:LouiseSpong@scsenate.gov)

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Department of Health & Human Services  
OFFICE OF THE DIRECTOR

**Brenda James - Fwd: constituent inquiry**

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AUG 29 2011

**From:** Bryan Kost  
**To:** Brenda James  
**Date:** 08/29/2011 2:23 PM  
**Subject:** Fwd: constituent inquiry  
**Attachments:** constituent inquiry

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Please log to me. Thanks,

Bryan Kost  
SCDHHS Senior Consultant  
803.898.2865  
803.429.3201  
[kostbr@scdhhs.gov](mailto:kostbr@scdhhs.gov)

**Sam Waldrep - Re: Sen. Courson - DDSN issue**

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**From:** Anthony Keck  
**To:** Bryan Kost  
**Date:** 8/29/2011 4:08 PM  
**Subject:** Re: Sen. Courson - DDSN issue

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let both of them know i'd like to talk to them, preferably face to face on the issue - its something to be discussed, not responded to. If they need us to provide some sort of standard response that they can give to constituents, we can work something up, just let me know.,

>>> Bryan Kost 8/29/2011 3:57 PM >>>  
Sen. Courson is close, and we could get to him easily.

Rep. Garry Smith - just nailed down a Nov. 2 visit up there. But that's not the near future. I have talked to him about this DDSN issue some, and he's not concerned. In fact, he seemed supportive of the next step - consolidation of budgets, if needed. He pointed out to me that he introduced this bill last Session, merging DMH and DAODAS:  
[http://www.sctatehouse.gov/php/web\\_bh10.php?bill1=3150&session=119&summary=B](http://www.sctatehouse.gov/php/web_bh10.php?bill1=3150&session=119&summary=B)

Bryan Kost  
SCDHHS Senior Consultant  
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[kostbr@scdhhs.gov](mailto:kostbr@scdhhs.gov)

>>> Anthony Keck 8/29/2011 3:51 PM >>>  
do we have meetings with them in the near future?

>>> Bryan Kost 8/29/2011 2:26 PM >>>  
Sir,  
Sen. John Courson (R-Richland Co.) and Rep. Garry Smith (R-Greenville Co.) have both reached out to us, after hearing from constituents regarding DDSN's budget. Did we want to work up a written response for these, and/or other inquiries?

Bryan Kost  
SCDHHS Senior Consultant  
803.898.2865  
803.429.3201  
[kostbr@scdhhs.gov](mailto:kostbr@scdhhs.gov)

## Bryan Kost - response for Constituent

**From:** Bryan Kost  
**To:** louisespom@scsenate.gov  
**Date:** 9/2/2011 2:53 PM  
**Subject:** response for Constituent

Log # 102

Thank you for contacting me regarding this issue. I have looked into the matter, and will remain in touch with both agencies. In my discussions, I learned how this relates to this year's state budget, and the fact that the Medicaid agency, DHHS, is responsible for managing South Carolina's Medicaid expenditures. Hospitals, nursing homes, and physicians all received reimbursement decreases this year ranging from 3% to 13%. Medicaid payments to DDSN were \$522 million in state fiscal year 2011 and the \$1.3 million reduction equates to 0.25%, the smallest reduction of any provider. These reductions are not in the level of services provided to individuals served by DDSN. Rather, in an effort to encourage efficiency, these are reductions to the amount paid for these services. DHHS, DDSN and the legislature will continue to monitor these change to assure that quality and access are not affected.

Bryan Kost  
SCDHHS Senior Consultant  
803.898.2865  
803.429.3201  
[kostbr@scdhhs.gov](mailto:kostbr@scdhhs.gov)