

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Walchup</i>	DATE <i>8-25-11</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>100093</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>Extend until 9/26/11, see attached e-mail.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>9-26-11</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
<i>X</i> 1. <i>Cleared 9/26/11, see attached e-mail response</i>			
2.			
3.			
4.			

**Beverly A. H. Buscemi, Ph.D.**

*State Director*

**David A. Goodell**

*Associate State Director*

*Operations*

**Kathi K. Lacy, Ph.D.**

*Associate State Director*

*Policy*

**Thomas P. Waring**

*Associate State Director*

*Administration*



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August 23, 2011

**Sam Waldrep**

Deputy Director of Long Term Care and Behavioral Health

S.C. Department of Health and Human Services

1801 Main Street

P.O. Box 8206

Columbia, SC 29202-8206

**RECEIVED**

**AUG 25 2011**

Department of Health & Human Services  
**OFFICE OF THE DIRECTOR**

RE: TCM

Dear Sam:

I am writing in response to our recent state agencies' meeting, specifically the item to standardize the payment methodology for TCM to a 15 minute unit. I appreciate your desire to have a uniform rate. However, this action would negatively affect our ability to assure the health, safety and welfare of waiver participants and will take DDSN considerable time and expense to re-design and re-program our entire case management mainframe application. This application has been in existence and updated since the early 1990's.

The majority of folks on DDSN TCM are in the waiver; few if any of the other state agencies serve people participating in a waiver. CMS' expectations are far greater for waiver participants in assuring their health, safety and welfare than other Medicaid beneficiaries. DDSN treats all Medicaid beneficiaries, waiver or not, the same. Our service coordination program is partially responsible for helping DDSN and DHHS meet at least 2 of CMS' basic assurances required in all the waivers. Further, I believe our system requires and provides more oversight than other state agencies because of waiver requirements. For example, we have a robust QA system, both external with our QIO and internally with DDSN staff, and a strong technical assistance and training program. We keep up with all allegations of abuse, neglect and exploitation reported to SLED and DSS, and ensure the waiver participants are immediately removed from the risky situation. I believe these functions clearly separate us from CMS' expectations of the other state agency TCM providers.

Toward this end, rather than the current monthly unit DDSN has used since the 1990's, I would be grateful if you would consider a daily unit rate for DDSN. DHHS approved this methodology several years ago, before the removal of §441.18(a)(8)(vi). This was the direction DDSN used to re-design our system and would require a lot fewer resources to re-program our application system. While CMS rescinded the provision, they limited payment methods to "15 or fewer minutes, as well as hourly, daily

**DISTRICT I**

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and weekly units.” Moreover, it would allow the rate setting methodology to consider the additional CMS required functions DDSN carries out for waiver participants.

I fully understand that DHHS would still want to set the daily rate, based on market value, and consistent with the methodology being applied to set the rate for a 15 minute unit. However, DDSN must cover its costs to prevent our system from becoming dysfunctional and risking quality. The majority of DDSN costs in the TCM program are salaries of case managers, which, in our RFP with MMO, requires a minimum salary of \$29,866.

I hope you will consider these factors as you make progress in amending the TCM state plan: (1) DDSN must cover its acceptable and allowable costs for all its case management beneficiaries, (2) CMS’ higher expectations on behalf of waiver participants, and (3) DDSN’s far greater role in the operations of waivers than the other state agencies which skews the TCM “average.” Further implementing a 15 minute unit rate complicates the monthly unit rate in the PDD Waiver. We would be operating two different systems for our case managers which would be very confusing and unnecessary, so I am thinking we would need to amend that waiver as well. I would appreciate your thoughts about this, too.

I realize this is a huge request and I appreciate your consideration. A daily unit rate for TCM is the most efficient and economical way for DDSN to document services, maintain the levels of accountability for waiver participants, update our mainframe application system and train our case management providers. As always, I appreciate all of your support to DDSN and its mission to provide quality services to people with severe lifelong disabilities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kathy' followed by a stylized flourish.

Kathi K. Lacy, Ph.D.  
Associate State Director-Policy



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**RECEIVED**

AUG 25 2011

Department of Health & Human Services  
OFFICE OF THE DIRECTOR



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AUG 24 2011

Mr. Sam Waldrep  
Deputy Director of Long Term Care and Behavioral  
Health

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

29202



## Brenda James - Log 93

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**From:** Teeshla Curtis  
**To:** Brenda James  
**Date:** 09/12/2011 9:16 AM  
**Subject:** Log 93

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Brenda,

We need more time on Log 93. There has been some discussion/compromise with DDSN about the issues addressed in the letter. Once they reach a final decision we will respond in writing. We are thinking another 2 weeks. Please let me know if this is acceptable.

Thanks,  
Teeshla

## Brenda James - Log 93

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**From:** Teeshla Curtis  
**To:** Brenda James  
**Date:** 09/26/2011 2:26 PM  
**Subject:** Log 93

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Brenda,

We would like to close out Log 93. There have been agency discussions about Targeted Case Management. We are sending out an email/letter today to state agencies requesting they attend a meeting next week about TCM. This will close out the log.

Thanks,  
Teeshla