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MEMORANDUM

TO: Service Providers, Families and Advocates

FROM: Beverly A. H. Buscemi, Ph.D. 
State Director

RE: DDSN FY 2016-2017 Budget Update

DATE: April 27, 2016

Last week, the Senate Finance Committee adopted their budget recommendation for Fiscal Year 2016-2017. It is exciting to report the Committee appropriated \$10,800,000 in recurring state funds to the Department of Disabilities and Special Needs.

This significant increase in funding will be essential to continue the aggressive initiative to reduce waiting lists. In addition, this funding will boost the transition of individuals to less restrictive residential settings, increase access to specialized post-acute rehabilitation services, and assure statewide access to genetic devices. The Committee's budget plan also bolsters our ability to offer families non-emergency respite services and help providers address staffing needs. All of the funding recommendations approved will increase services, support families' efforts to care for their loved ones at home and meet the needs of individuals in crisis situations. Please see the attached chart.

The Senate Finance Committee budget plan includes a four percent pay increase for state and DDSN provider employees. Health and dental insurance increases are also included in the plan so there are no additional insurance costs to employees or benefit reductions. There is a one-half percent increase for state employees and DDSN providers participating in the state retirement system.

Once again this designation of significant funding for DDSN services clearly demonstrates the dedication of members of the Senate Finance Committee to people with disabilities and special needs and the essential services they need. Appropriations in the Senate Finance Committee's budget and similarly, recommendations in Governor Haley's Executive Budget and the House of Representatives Budget, are a testament to the commitment of our state leaders to continue reducing waiting lists and promote quality of care and services. This is the third consecutive year significant funding is appropriated to help people on waiting lists. We are grateful for their support.

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The DDSN Commission and staff greatly appreciate the leadership and hard work that is required during the budget process. Services for individuals with disabilities and their families were given highest priority. Special appreciation and recognition are well deserved by Senate Finance Chairman Hugh Leatherman, and the Health Subcommittee members, Senator Thomas Alexander, Chairman, Senator Joel Lourie, Senator Danny Verdin, and Senator Floyd Nicholson. Please take time to thank these legislators and others for this outstanding support of DDSN and services provided across the state.

We are so fortunate to benefit from the commitment of our elected leaders. They truly care about the people we serve and their families. We are grateful for their support of our efforts to assist people with disabilities. DDSN commends all our State leaders for their steadfast support!

cc: DDSN Commission

**South Carolina Department of Disabilities and Special Needs FY 2016 – 2017 Budget Request In Priority Order
Approved by the Commission on 9/17/2015**

	Program Need	Budget Request for FY 2016-2017	House of Representatives	Senate Finance Committee
1	<p>Increase and Improve Access to In-Home Individual and Family Supports and Residential Supports by Moving Waiting Lists. Provide individuals with severe disabilities on waiting lists with in-home supports and services necessary to keep them at home with family and prevent unnecessary and expensive out-of-home placements. This request will provide approximately 1,800 individuals with severe disabilities on waiting lists with in-home supports and services necessary to keep them at home with family and prevent unnecessary and expensive out-of-home placements. Supports strengthen the family and allow family caregivers to remain employed. Provide necessary residential supports and services for 125 individuals who have been identified as meeting critical criteria and require residential placement to resolve their critical situation. In fiscal year 2015, there were 457 individuals with severe disabilities who met the critical criteria. Provide services to approximately 300 children who will not qualify for the new Medicaid State Plan Service package for Autism Spectrum Disorder, yet still need the state supported Pervasive Developmental Disorders program (PDD). This request will allow DDSN to maintain current service capacity and provide specialized therapies to an additional 300 children of the 1600 currently on the waiting list. This request will also allow DDSN to fund the new rate structure being implemented in the new Medicaid State Plan service package in order to maintain provider availability.</p>	\$14,950,000	\$6,600,000	\$6,600,000
2	<p>Ensure Compliance with Centers for Medicare & Medicaid Services (CMS) new Home and Community Based Services (HCBS) Final Rule. The new CMS rule requires the State to provide Conflict Free Case Management (CFCM) and to serve individuals in less restrictive, more community inclusive settings. The expectation of this new rule applies to all populations served by DDSN. This request would support community providers in transitioning to a system where case management is not performed by the same entity that provides direct services to the individual. The State must change its infrastructure and system to facilitate compliance with this new federal requirement. The CMS HCBS Final Rule focuses on supporting people with disabilities in more individualized ways, especially in day and employment services and in all residential settings. This request would provide funding to develop new models for individualized day supports and employment opportunities to be compliant with the new CMS HCBS Final Rule.</p>	\$3,300,000	—	—
3	<p>Safety and Quality of Care. Provide for the increased cost of providing care and addressing nursing and supervision needs of consumers. Address workforce issues to recruit and retain quality staff that provide essential 24/7 nursing care and direct supervision and care of consumers. Quality cannot be reduced and staffing ratios must meet compliance standards and be maintained. Wage compression exists where longtime quality employees make the same wage as new hires. Loss of longtime quality employees due to wage levels not keeping up with industry benchmarks increases turnover, affects the quality of consumer care, results in higher contract cost and increases the cost of training new staff to perform these vital services. Over the past year large companies such as Walmart and McDonalds have raised the hiring pay rate, and the rate paid to direct care staff makes it difficult to hire and retain quality staff. The Department of Labor (DOL) has proposed a new regulation that is scheduled to become effective during FY 2017 which dramatically changes the overtime exception. This revised regulation will require DDSN regional centers and community providers to change the definition of which staff can be considered exempt and which staff must be paid overtime. This is projected to be a significant staffing cost increase and service funding rates must be increased to cover the actual cost of care. Over the past years the costs of gasoline, food, electricity, medical professionals and other goods and services have increased significantly. If not funded, local community providers and regional centers will not be able to continue to provide the same level of service or maintain quality as there are no automatic increases to cover increased operational expenses.</p>	\$6,300,000	—	\$1,000,000

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Approved by the Commission on 9/17/2015**

	Program Need	Budget Request for FY 2016-2017	House of Representatives	Senate Finance Committee
4	Boost the Continued Transition of Individuals with Very Complex Needs from Institutional (ICF/IID) Settings to Less Restrictive Community Settings, while Maintaining Quality Care. Movement from institutions to community settings based on individual/family choice is consistent with the U. S. Supreme Court Olmstead decision, state statute and best practice. DDSN managed this movement within its own resources for 19 years, but now new state funds are necessary. This funding allows individuals with the most complex medical and behavioral challenging needs to move to the community without jeopardizing their health and safety and also maintains the provision of quality care at the regional centers as required. Funds requested will allow 30 individuals to move to community settings.	\$1,200,000	\$1,200,000	\$1,200,000
5	Crisis Intervention and Stabilization for Individuals. This request would begin building regionalized crisis intervention capacity for one of five regions within the state. The crisis intervention and stabilization would provide intensive supports to individuals in a crisis to preserve and maintain their living situation. Intensive supports would be provided in their current living environment. The regionalized crisis system would also include four beds to provide time limited intensive supports by highly trained staff in temporary residential services. Individuals would receive this intensive service and ultimately return home or to a less restrictive setting in the community. Building capacity to address the intense, short term needs of individuals in crisis would prevent emergency hospitalizations and expensive long term residential placements. Timely crisis intervention relieves family caregivers and supports individuals in their family home or less restrictive community settings. Funds requested would also meet the identified needs of 3 – 4 individuals with a traumatic brain injury requiring inpatient specialized neurological behavioral services.	\$1,650,000	\$1,000,000	—
6	Assure Statewide Access to Genetic Services. Maintain and expand statewide access to genetic services provided by Greenwood Genetic Center (GGC). New funds will be used to expand the metabolic treatment and genetic counseling services. This request will fund development of a blood test for Autism Spectrum Disorder based on previous research funded by special proviso. This funding to GGC is DDSN’s main prevention effort, which can prevent or minimize a child’s lifelong disability.	\$500,000	\$500,000	\$500,000
7	Increase Access to Post-Acute Rehabilitation that is Specialized for Traumatic Brain or Spinal Cord Injuries. For best outcomes, specialized rehabilitation should begin as soon as possible following medical stabilization or discharge from acute care. Without appropriate rehabilitative treatment and therapies in the first weeks or months after injury, people are not able to achieve optimal neurological recovery and maximum functional improvement. This request will fund specialized rehabilitation for 8 to 10 individuals who are uninsured or underinsured.	\$500,000	\$500,000	\$500,000
8	Expansion of Non-Emergency Respite Beds. Increased service capacity to relieve family caregivers who support individuals at home is essential. Providing around the clock care and supervision for a loved one who is disabled can be very taxing for families. This funding would expand opportunities for families to plan for much needed respite which is essential to support families in keeping loved ones at home. Keeping families together is better for the person, preferred by families, more community inclusive and is the most cost-efficient option for taxpayers as out of home placements are much more expensive. This funding would create 8 beds statewide that would be available for planned respite needs of family caregivers.	\$1,000,000	\$500,000	\$1,000,000
TOTAL		\$29,400,000	\$10,300,000	\$10,800,000

One-time Funding Approved by the House of Representatives:

- Lander Equestrian Center - \$300,000