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MEMORANDUM

TO: Advocates, Providers and DDSN Staff
FROM: Beverly A. H. Buscemi, Ph.D.
State Director
RE: DDSN Budget Update
DATE: March 15, 2013

A handwritten signature in black ink that reads "Beverly A. H. Buscemi, Ph.D." with a stylized "PMO" at the end.

This week the House of Representatives passed its budget for fiscal year 2013-2014. The House budget is very good for people with disabilities and includes new appropriations to DDSN in several important areas. The House appropriated almost \$5 million in new recurring state funds -- a clear statement reflecting their dedication to people with disabilities and the essential services they receive.

First, the budget will continue current service levels. Second, it also responds to new federal compliance changes that required new state funds. This is very important because without these new dollars to address the requirements DDSN must meet, existing money would have had to be taken from services. Next, the House budget also addresses the need to provide quality care at today's costs and assures the safety and wellbeing of consumers. It also enhances in-home support services and will move more people off waiting lists. All of this funding will support individuals, help families and caregivers, and prevent unnecessary and expensive out-of-home placements. Please see the attached chart.

Once again services for individuals with disabilities and their families were given highest priority. We gladly acknowledge the House's strong support and offer our gratitude. Special appreciation and recognition are well deserved by Committee Chairman Brian White, and Health Subcommittee members, Rep. Murrell Smith (Chairman), Rep. Tracy Edge, Rep. Bill Herbkersman, and Rep. Harry Ott. Please thank these important leaders and make an opportunity to personally thank your House members for their outstanding support and dedication to DDSN and the services provided across the state. Share this good news!

CC: DDSN Commission

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**South Carolina Department of Disabilities and Special Needs
Budget Request Considerations for FY 2013 - 2014**

Program Need	Description of Need	Agency Request	House of Representatives
1. Meet Federal Requirements/Initiatives	<p>This request is necessary to comply with Federal requirements and new initiatives while maintaining current service levels for consumers receiving services this year. Federal compliance changes require new state funds to manage reduced reimbursement rates for administrative costs in waiver services and consumer room and board costs. New dual eligible initiative (both Medicaid and Medicare) requires new state funds to serve consumers age 65 years old or older who do not live in institutional settings. The Affordable Care Act (ACA) is facilitating movement away from paper records for all service providers resulting in new state funds needed to transition to electronic health records related to consumer care.</p>	<p align="right">\$2,200,000</p>	<p align="right">\$2,200,000</p>
2. Assure Safety and Quality of Care and Address Needs of Individuals Living with Aging Caregivers	<p>This request is to assure safety and quality of care and address the growing residential service needs of individuals living with elderly caregivers. Service funding rates must be sufficient to cover the actual cost of care as a maintenance of effort to the providers of services. If the increased costs of gasoline, oil, electricity, food, medical professionals and other goods and services are not covered, eventually local providers will have to reduce the scope and quality of care below acceptable standards, eliminate the services for which there is insufficient funding, or stop providing services. This request will also provide necessary residential supports and services for 75 individuals living with caregivers aged 70 years old or older. As of June 30, 2012, there were over 1,100 individuals with severe disabilities being cared for by parents age 72 and over. Over 400 of these caregivers are 80 years old or older themselves and their sons and daughters with a disability are in their 50's or 60's. As the parent's age increases, the likelihood of their becoming disabled or dying increases significantly. When these fragile family arrangements fall apart, DDSN must respond to the health and safety risks of the individual with the disability who cannot care for him/herself.</p>	<p align="right">\$3,850,000</p>	<p align="right">\$569,762</p>
3. Boost the Continued Transition of Individuals and Maintain Provision of Quality Care to Consumers	<p>This request is to maintain the provision of quality care as required. It represents the state's need to boost the continued transition of individuals with very complex needs from institutional (ICF/ID) settings to less restrictive community settings while maintaining quality care. DDSN has managed this movement to community settings within its own resources for the past 18 years. With increasing cost of care for those individuals leaving the regional centers, the department no longer has the funding capacity to maintain the quality of care at the regional centers as well as to insure the quality of care for those individuals moving into the community. New state funds are required to continue to meet the federal mandate of allowing those individuals desiring to live in the community to move out of the regional centers. This request will allow 50 individuals with the most complex medical and behaviorally challenging needs to move without jeopardizing their health and safety. This request will also allow the agency to expand the utilization of the Supports Intensity Scale (SIS) to better assess individuals' needs. This SIS is a validated and reliable tool which can</p>	<p align="right">\$3,600,000</p>	<p align="right">\$1,100,000</p>

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Program Need	Description of Need	Agency Request	House of Representatives
	enable the agency to ensure individual consumers are getting the right amount of supports and services and ensures equity across consumers by matching support levels to individual needs. This request also provides for the increased cost of providing care and addressing nursing and supervision needs of consumers. Quality cannot be reduced and staffing ratios must be maintained and meet compliance standards. Workforce issues must be addressed to recruit and retain quality staff who provide essential 24/7 nursing care and direct supervision and care of consumers.		
4. Increase and Improve Access to In-Home Individual and Family Supports	<p>Olmstead US Supreme Court decision/Service funds required to transition 50 individuals from region centers to community settings Expand use of Supports Intensity Scale (SIS) - \$600,000 Workforce Recruitment and Retention – Nurses and Direct Care - \$1.5 Million</p> <p>This request is to prevent unnecessary and expensive out-of-home placements by providing individuals and their family caregivers with the supports necessary to maintain them in their homes. It represents the need to increase and improve access to respite services critical to helping parents and other family caregivers cope with the stress of providing daily care and supervision to their loved one. Supply and demand requires an increase in the hourly rate paid to respite providers to attract and retain more caregivers and providers on a statewide basis. This request will also provide approximately 700 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. As of June 30, 2012, there are about 3,300 consumers on the waiting list for Intellectual Disability/Related Disabilities Community Services and 390 awaiting Head and Spinal Cord Injury Community Services. There were also 1,300 individuals awaiting a day support service. This request also responds to South Carolina's need to fully fund over time the remaining cost of post-acute rehabilitation that enables people with traumatic brain or spinal cord injuries to obtain an appropriate level of specialized rehabilitation after the injury and acute hospital stay. Currently in the state, there is a serious gap in access to post-acute rehabilitation that is specialized for traumatic brain or spinal cord injuries. The estimated total cost of care would be \$68 million; however, \$56.5 million of this expense could be covered by private insurance, Medicare and other government reimbursements. This fiscal year, DDSN will have \$2,084,000 in recurring funding for this program. The State funding needed for the balance to cover the uninsured/underinsured and Medicaid State matching funds would be \$9,420,000. Due to the amount of funding needed, DDSN is only requesting \$500,000 in additional funding at this time. This amount would serve 10 additional individuals.</p> <p>Increase hourly rate from \$8.30 to \$10.30 per hour for Respite Caregivers - \$1 Million Move 700 individuals off Waiting Lists and provide In-home Supports - \$1.875 Million Increase Post-acute Rehabilitation service capacity by 10 individuals - \$500,000 (40 now)</p>	\$3,375,000	\$1,100,000
	Total	\$13,025,000	\$4,969,762