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Reference Number: 250-11-DD

Title of Document: Outlier Funding Request System – Capitated Funding System

Date of Issue: May 1, 2009

Effective Date: May 1, 2009

Last Review Date: May 1, 2009 (NEW)

Date of Last Revision: May 1, 2009

Applicability: All DSN Boards, All Financial Managers, All Contracted Residential and Day Support Service Providers

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## I. PURPOSE

The purpose of this document is to provide procedures for requesting outlier funding from the South Carolina Department of Disabilities and Special Needs (SCDDSN) in connection to the funding band system.

The funding band system is a budgeting system that assigns eight (8) different funding levels to consumers based on their needs. The amount of funding assigned to each level is an average cost of services in each level. Each consumer's needs are different and, as such, the associated costs to fund services to meet each consumer's needs vary. The amount of funding attached to a given funding level is not an entitlement; all services provided to a consumer must be based on assessed needs and properly justified in their approved plan. In all instances, SCDDSN is required by law to serve consumers in the least restrictive environment.

In their administrative role, the Disabilities and Special Needs Boards (DSN Boards), and those grandfathered in as DSN Boards, act as Financial Managers for the majority of community-based services. If approved through a request for proposal (RFP) process through the Budget and Control Board's Materials Management Office, a self-directed support corporation (SDSC) may also act as a Financial Manager for the individuals for whom the SDSC is established. Funds for community-based services are managed by the applicable county DSN Board or SDSC. The DSN Board either provides the service itself or

### DISTRICT I

P.O. Box 239  
Clinton, SC 29325-5328  
Phone: (864) 938-3497

Midlands Center - Phone: 803/935-7500  
Whitten Center - Phone: 864/833-2733

### DISTRICT II

9995 Miles Jamison Road  
Summerville, SC 29485  
Phone: 843/832-5576

Coastal Center - Phone: 843/873-5750  
Pee Dee Center - Phone: 843/664-2600  
Saleeby Center - Phone: 843/332-4104

subcontracts with a qualified provider for the services rendered. The SDSC would not provide service itself, but rather arrange for services and pay the service provider.

Financial Managers are expected to utilize all available funds to meet the needs of all their consumers. Financial Managers are required to inform DDSN when funds are not available to address identified needs in consumers' current plans. Additional funding is possible through an outlier request system when consumers' circumstances and needs are substantially higher than the average. Certain threshold levels must be reached before outlier funding may be considered. The outlier thresholds are published along with the official funding band levels in departmental directive 250-10-DD: Funding for Services. Outlier threshold levels are adjusted as funding band levels are adjusted.

The amount of funding available for outlier requests is subject to changes in the Department's budget.

## II. PROCEDURES

### A. Initial Outlier Requests

All Residential and Band B outlier requests will be submitted to the SCDDSN District Director for review and subsequent recommendation to Central Office for final programmatic and fiscal review. The documentation requirements for requesting outlier funding are detailed below in Section II. C. Justification Requirements and Evaluation Criteria. The Cost Analysis Division will notify providers as to the disposition of the funding request.

### B. Follow-Up Reviews

#### 1. Residential Outliers

All residential outliers will be reviewed annually to re-evaluate consumers' needs. The review will coincide with each consumer's annual planning meeting. Within thirty days of the annual planning meeting, the service provider must re-justify the need for outlier funding both from a programmatic and fiscal perspective, noting any changes since the most recent review.

Failure to submit timely re-justification will result in discontinuance of outlier funding until such time as the re-justification is submitted and reviewed. This does not affect the consumer's receipt of services. The service provider is still required to maintain sufficient staffing to ensure consumer health and safety. The due date for re-justification will be 30 days after the consumer's annual support plan date indicated on the Assessment and Planning Module of the Consumer Data Support System. **This date does not display for ICF/MR consumers.** The due date for ICF/MR consumers will be 1 year from the last re-justification. The Cost Analysis Division will send notices to service providers reminding them of the due dates.

Documentation and routing requirements will be the same as in the initial application for such funding.

## 2. Band B and Nursing Outliers

The Cost Analysis Division will review approved Band B and Nursing Outliers on a quarterly basis. The review will be based on the level of services delivered including an analysis of Medicaid paid claims history. Providers will be notified of changes to outlier funding levels. Unless requested by the Cost Analysis Division, no submission of documentation from the provider is required for this review.

## C. Justification Requirements and Evaluation Criteria

### 1. Residential Outliers

#### a. Request Forms

Use the INITIAL REQUEST FOR OUTLIER FUNDING form (Attachment A) to submit justifications for initial outlier requests and the REJUSTIFICATION REQUEST FOR OUTLIER FUNDING form (Attachment B) for re-justifications for residential outliers. These forms are in Microsoft Word format and attached to this directive. They are also available upon request from the Cost Analysis Division.

All requests must include confirmation from the service provider's executive director that:

- The level of services approved for outlier funding are being provided to the consumer, and
- The services are properly documented, and
- The dollars approved for outlier funding are specifically used for the purposes intended using a CERTIFICATION OF PROVISION OF SERVICES FOR RESIDENTIAL OUTLIERS form (Attachment C). This certification page must accompany all initial and re-justification requests.

#### b. Criteria for Outlier Payments

- i. The cost to provide enhanced services to consumers must exceed established thresholds. The cost should be calculated by considering the entire residential setting in which each consumer will be served.

Required Documentation:

- Initial Request – proposed budget of residential setting in which consumer is served to include proposed staffing schedule or

- Annual Re-justification – financial statement covering the previous twelve months for the residential setting in which the consumer was served and
  - Identify what costs the provider incurred to accommodate the consumer's new level of needs or in the case of a new consumer filing a vacancy, what additional costs are incurred to accommodate the new consumer. Attach before and after staffing patterns – if additional staffing was the primary reason for the increased costs. Use the RESIDENTIAL STAFFING PATTERN spreadsheet (Attachment D) to demonstrate the current, additional staff needed and new staffing pattern. EXAMPLES OF RESIDENTIAL STAFFING PATTERNS (Attachment E) are also attached for your convenience. The Residential Staffing Pattern spreadsheet is in Microsoft Excel format and attached to this directive. It may also be requested from the Cost Analysis Division.
- ii. The consumer's or others' health and/or safety are shown to be at imminent risk of serious harm without enhanced services.

Required Documentation:

- Initial Requests or Annual Re-justifications - critical incident reports; police reports, medical/psychiatric evaluations, behavioral support plan, behavioral data graphs, risk management reports, or a description of how enhanced staffing or 1 on 1 staffing will be utilized to reduce or alleviate risk.
- iii. Alternative less intrusive/less costly interventions have been attempted and proven unsuccessful.

Examples of less intrusive/costly interventions – effective behavior support plans, consumer compatibility adjustments, consumer activity/scheduling enhancement/adjustment, technology (e.g., door alarms, video monitoring, GPS tracking devices), 1 on 2 enhanced staffing is attempted prior to 1 on 1 staffing.

Required Documentation:

- Initial Request - written description of alternatives attempted and specific details of how and why alternatives were unsuccessful or
- Annual Re-justification – written description of efforts to and results of fading enhanced services.

2. In Home Band B Outliers

Information Required

- Initial Request – Include a synopsis of the consumer’s needs and justification for the level of service being provided, a copy of the current and/or proposed waiver budget, and any needs assessment or physician’s order required by the MR/RD Waiver Manual.
- Re-justification – The Cost Analysis Division will review Band B Outliers on a quarterly basis. The review will be based on the level of services delivered including an analysis of Medicaid paid claims history. Providers will be notified of changes to outlier funding levels. Unless requested by the Cost Analysis Division, no submission of documentation from the provider is required for this review.

### 3. Nursing Outliers

#### a. Initial

The documentation requirements listed above for Residential and Band B outliers do not apply to nursing. Providers do not need to formally request funding for nursing outliers. The Cost Analysis Division automatically reviews funding for consumers with high nursing service needs based on the consumer’s waiver budget and level of services being provided. However, each nursing outlier recipient must have a Physician’s Order for Nursing Services (MR/RD Form 28), and the need must be documented in the consumer’s plan. The funding is computed automatically based on the service levels provided. Service coordinators should monitor services regularly and update the waiver budget to reflect actual service levels. The total cost must be over the threshold to be funded.

#### b. Re-Justification

The Cost Analysis Division will review approved Nursing Outliers on a quarterly basis. The review will be based on the level of services delivered including an analysis of Medicaid paid claims history. Providers will be notified of changes to outlier funding levels. Unless requested by the Cost Analysis Division, no submission of documentation from the provider is required for this review.

### D. Documentation Requirements for Approved Residential Outliers

The following documentation must be maintained by the residential services provider and made available at the time of contractual compliance reviews. DDSN’s QA/QI contractor will review this documentation for all residential outliers as part of their annual review:

1. Service providers must document the need for 1:1 Supervision or Intensive Supervision in the consumer’s plan.

- a. The time periods for which 1:1 supervision is to be provided (for example, 4:00 pm to 10:00 pm everyday) must be documented in the plan.
  - b. The plan must document how the enhanced staffing or 1 on 1 staffing will be used to minimize or alleviate risks. For example, the staff assigned should be provided with a schedule of intensive activities for the consumer(s).
  - c. In instances where funding was approved for intensive supervision (for example, additional staff caring for 2 or more consumers), the service provider should document the intensive staffing in the plan of support of all consumers involved.
2. Service providers must document that 1:1 Supervision or Intensive Supervision was provided.
- a. 1:1 Supervision – At the end of each shift that 1:1 supervision was provided, the direct care staff assigned to provide the 1:1 supervision must document that it was provided. This can be done by signing a log at the end of each shift certifying that the 1:1 supervision was provided. This log should be retained in the consumer’s file.
  - b. Intensive Supervision – A staffing schedule documenting the scheduling and provision of intensive activities for each consumer must be retained.
3. Service providers must cost the 1:1 or Intensive Supervision to the residential cost center where the supervision is being provided.
- a. Accounting for 1:1 and Intensive Staffing Supervision – When a consumer approved for such staffing moves from one residence to another, the service provider must account for the staffing in both residential cost centers. For example, if a consumer approved for 1:1 supervision lived in Residence A for 5 months and Residence B for 7 months, the service provider should account for 5 months in Residence A’s cost center and 7 months in Residence B’s cost center and be able to document the total cost for the supervision for the fiscal year.

In instances where intensive staffing is approved for an entire residence (additional staff to care for all consumers in the residence), the cost of the intensive staffing must be charged to that residential cost center. The service provider should maintain staffing patterns/staffing schedules information as backup for personnel costs charges to that cost center.

  
\_\_\_\_\_  
Deputy State Director,  
Administration (Originator)

  
\_\_\_\_\_  
State Director (Approved)

RELATED POLICIES: 250-10-DD

ATTACHMENTS:

- A. INITIAL REQUEST FOR OUTLIER FUNDING
- B. REJUSTIFICATION REQUEST FOR OUTLIER FUNDING
- C. CERTIFICATION OF PROVISION OF SERVICES FOR RESIDENTIAL OUTLIERS
- D. RESIDENTIAL STAFFING PATTERN SPREADSHEET
- E. RESIDENTIAL STAFFING PATTERN EXAMPLES

ATTACHMENT A

	<b>INITIAL REQUEST FOR OUTLIER FUNDING</b> <b>1:1 OR ENHANCED STAFF SUPPORT PROVIDED</b> <b>IN A RESIDENTIAL OR DAY PROGRAM SETTING</b>
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**I. Nature of Request:**

- 1:1 staff support
- Enhanced staff support due to the needs of one person.
- Enhanced staff support due to the needs of more than one person.

**II. Amount of Funding Request:**     \$ \_\_\_\_\_

**III. Location(s):** Name(s) and type(s) of setting(s) in which enhanced staff support will be provided.

\_\_\_\_\_

**IV. Name(s)/SSN(s)** of those who will be provided with enhanced staff support.

\_\_\_\_\_

**V. Current staffing pattern:** Use "Residential Staffing Grid" if provided in a residential setting.

\_\_\_\_\_

**VI. Staffing Pattern Requested:** Use "Residential Staffing Grid" if provided in a residential setting.

\_\_\_\_\_

**VII. Reason for Request:** Describe why current staffing pattern is insufficient.

\_\_\_\_\_

**VIII. Interventions:** Describe the interventions that have been tried, the date(s) implemented, and the results. Attach BSP, behavior data, annual and any other pertinent supporting documentation.

\_\_\_\_\_

**IX. Include the most recent financial report for the residential cost center.**

\_\_\_\_\_

**Requester Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**DSN Board/  
Provider Agency:** \_\_\_\_\_ **Phone #:** \_\_\_\_\_

**E-Mail Address:** \_\_\_\_\_

**REJUSTIFICATION REQUEST FOR OUTLIER FUNDING**  
**1:1 OR ENHANCED STAFF SUPPORT**  
**PROVIDED IN A RESIDENTIAL OR DAY PROGRAM SETTING**

**I. Currently approved for:**

- 1:1 staff support.
- Enhanced staff support due to the needs of one person.
- Enhanced staff support due to the needs of more than one person.

**II. Request:**

- Continue as is. (No change in supervision level or funding). Complete Items III through VIII.
- Amend pattern. (Include updated "Residential Staffing Grid" if provided in a residential setting). Complete Items III through VIII.

Amount of Funding Requested: \$ \_\_\_\_\_

Describe Change:  
\_\_\_\_\_

- No longer needed. (Provide statement as to why 1:1/enhanced staff support is no longer needed.) Skip Items III through VIII.

**III. Location(s) in which staffing is provided.**

\_\_\_\_\_

**IV. Name(s) and Social Security Number(s) of those receiving enhanced staff support.**

\_\_\_\_\_

**V. Approved staffing pattern: (from previously approved request). Use "Residential Staffing Grid" if provided in a residential setting.**

\_\_\_\_\_

**VI. For each recipient, describe how the enhanced staffing or 1:1 staffing is being utilized and the progress/improvements that resulted from the enhanced staff support. (Attach behavior support plan, behavior data, annual plan, enhanced schedule of activities, and any other pertinent supporting documentation.)**

\_\_\_\_\_

ATTACHMENT B  
PAGE 2 OF 2

REJUSTIFICATION FOR OUTLIER FUNDING  
Page 2

VII. For each recipient, describe the plan for fading the enhanced staff support.  
(May attach BSP if plan is included.)

\_\_\_\_\_

VIII. Include the most recent financial report for the residential cost center.

\_\_\_\_\_

Requester Name: \_\_\_\_\_ Date: \_\_\_\_\_  
DSN Board/  
Provider Agency: \_\_\_\_\_ Phone #: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

ATTACHMENT C

**CERTIFICATION OF PROVISION OF SERVICES  
FOR RESIDENTIAL OUTLIERS**

I hereby certify that the level of services approved for \_\_\_\_\_ (name of consumer) are being provided and are properly documented.

I also certify that the funding of \$ \_\_\_\_\_ (funding band plus outlier funding) approved for such services is being used for the purposes intended and is accounted for properly.

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Service Provider Organization

ATTACHMENT D (Blank form)

### RESIDENTIAL STAFFING PATTERN

**NAME OF RESIDENCE:**

Please check one:

Current Staffing Pattern  
 Proposed Staffing Pattern

	SU	M	T	W	TH	F	SA
MIDNIGHT	0	0	0	0	0	0	0
1:00 AM	0	0	0	0	0	0	0
2:00 AM	0	0	0	0	0	0	0
3:00 AM	0	0	0	0	0	0	0
4:00 AM	0	0	0	0	0	0	0
5:00 AM	0	0	0	0	0	0	0
6:00 AM	0	0	0	0	0	0	0
7:00 AM	0	0	0	0	0	0	0
8:00 AM	0	0	0	0	0	0	0
9:00 AM	0	0	0	0	0	0	0
10:00 AM	0	0	0	0	0	0	0
11:00 AM	0	0	0	0	0	0	0
NOON	0	0	0	0	0	0	0
1:00 PM	0	0	0	0	0	0	0
2:00 PM	0	0	0	0	0	0	0
3:00 PM	0	0	0	0	0	0	0
4:00 PM	0	0	0	0	0	0	0
5:00 PM	0	0	0	0	0	0	0
6:00 PM	0	0	0	0	0	0	0
7:00 PM	0	0	0	0	0	0	0
8:00 PM	0	0	0	0	0	0	0
9:00 PM	0	0	0	0	0	0	0
10:00 PM	0	0	0	0	0	0	0
11:00 PM	0	0	0	0	0	0	0
	0	0	0	0	0	0	0

**Total hours per week** **0**

**FTE's per week** **0.00**

## RESIDENTIAL STAFFING PATTERN

### NAME OF RESIDENCE: CURRENT STAFFING PATTERN

Please check one:

- Current Staffing Pattern  
 Additional Staffing Needed  
 Proposed Staffing Pattern

	SU	M	T	W	TH	F	SA
MIDNIGHT	1	1	1	1	1	1	1
1:00 AM	1	1	1	1	1	1	1
2:00 AM	1	1	1	1	1	1	1
3:00 AM	1	1	1	1	1	1	1
4:00 AM	1	1	1	1	1	1	1
5:00 AM	1	2	2	2	2	2	1
6:00 AM	2	2	2	2	2	2	2
7:00 AM	2	2	2	2	2	2	2
8:00 AM	2	2	2	2	2	2	2
9:00 AM	2	0	0	0	0	0	2
10:00 AM	2	0	0	0	0	0	2
11:00 AM	2	0	0	0	0	0	2
NOON	2	0	0	0	0	0	2
1:00 PM	2	0	0	0	0	0	2
2:00 PM	2	0	0	0	0	0	2
3:00 PM	2	2	2	2	2	2	2
4:00 PM	2	2	2	2	2	2	2
5:00 PM	2	2	2	2	2	2	2
6:00 PM	2	2	2	2	2	2	2
7:00 PM	2	2	2	2	2	2	2
8:00 PM	2	2	2	2	2	2	2
9:00 PM	1	1	1	1	1	1	1
10:00 PM	1	1	1	1	1	1	1
11:00 PM	1	1	1	1	1	1	1
	39	28	28	28	28	28	39

Total hours per week 218

FTE's per week 5.45

## RESIDENTIAL STAFFING PATTERN

**NAME OF RESIDENCE: ADDITIONAL STAFFING NEEDED**

Please check one:

- Current Staffing Pattern  
 Additional Staffing Needed  
 Proposed Staffing Pattern

	SU	M	T	W	TH	F	SA
MIDNIGHT	0	0	0	0	0	0	0
1:00 AM	0	0	0	0	0	0	0
2:00 AM	0	0	0	0	0	0	0
3:00 AM	0	0	0	0	0	0	0
4:00 AM	0	0	0	0	0	0	0
5:00 AM	0	1	1	1	1	1	0
6:00 AM	1	1	1	1	1	1	1
7:00 AM	1	1	1	1	1	1	1
8:00 AM	1	1	1	1	1	1	1
9:00 AM	1	0	0	0	0	0	1
10:00 AM	1	0	0	0	0	0	1
11:00 AM	1	0	0	0	0	0	1
NOON	1	0	0	0	0	0	1
1:00 PM	1	0	0	0	0	0	1
2:00 PM	1	0	0	0	0	0	1
3:00 PM	1	0	0	0	0	0	1
4:00 PM	1	1	1	1	1	1	1
5:00 PM	1	1	1	1	1	1	1
6:00 PM	1	1	1	1	1	1	1
7:00 PM	1	1	1	1	1	1	1
8:00 PM	0	0	0	0	0	0	0
9:00 PM	0	0	0	0	0	0	0
10:00 PM	0	0	0	0	0	0	0
11:00 PM	0	0	0	0	0	0	0
	<b>14</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>14</b>

Total hours per week

68

FTE's per week

1.70

## RESIDENTIAL STAFFING PATTERN

### NAME OF RESIDENCE: PROPOSED STAFFING PATTERN

Please check one:

- Current Staffing Pattern  
 Additional Staffing Needed  
 Proposed Staffing Pattern

	SU	M	T	W	TH	F	SA
MIDNIGHT	1	1	1	1	1	1	1
1:00 AM	1	1	1	1	1	1	1
2:00 AM	1	1	1	1	1	1	1
3:00 AM	1	1	1	1	1	1	1
4:00 AM	1	1	1	1	1	1	1
5:00 AM	1	3	3	3	3	3	1
6:00 AM	3	3	3	3	3	3	3
7:00 AM	3	3	3	3	3	3	3
8:00 AM	3	3	3	3	3	3	3
9:00 AM	3	0	0	0	0	0	3
10:00 AM	3	0	0	0	0	0	3
11:00 AM	3	0	0	0	0	0	3
NOON	3	0	0	0	0	0	3
1:00 PM	3	0	0	0	0	0	3
2:00 PM	3	0	0	0	0	0	3
3:00 PM	3	2	2	2	2	2	3
4:00 PM	3	3	3	3	3	3	3
5:00 PM	3	3	3	3	3	3	3
6:00 PM	3	3	3	3	3	3	3
7:00 PM	3	3	3	3	3	3	3
8:00 PM	2	2	2	2	2	2	2
9:00 PM	1	1	1	1	1	1	1
10:00 PM	1	1	1	1	1	1	1
11:00 PM	1	1	1	1	1	1	1
	53	36	36	36	36	36	53

Total hours per week 286

FTE's per week 7.15