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September 12, 2016

Patrick J. Maley
Inspector General
Office of the State Inspector General
111 Executive Center Drive, Suite 204
Synergy Business Park, Enoree Building
Columbia SC 29210-8416

RE: Review of Abuse, Neglect, and Exploitation Allegations Involving SC Mentor, a Private Provider for The South Carolina Department of Disabilities and Special Needs

Dear Inspector General Maley,

The SC Department of Disabilities and Special Needs (DDSN) greatly appreciates the Office of the State Inspector General's (SIG) willingness to conduct an independent review of Abuse, Neglect, and Exploitation Allegations involving SC Mentor. The findings and recommendations will greatly assist the department in its continual efforts to improve processes for provider oversight and monitoring resulting in improved outcomes for individuals and quality of care they receive. The findings and recommendations can also improve collaboration among the agencies involved in carrying out the State's Abuse, Neglect, and Exploitation (ANE) reporting and investigative processes. DDSN believes improved collaboration can result in clearer reporting of data which will greatly benefit stakeholders.

The department is pleased to know that the SIG's review found no systemic pattern of Abuse, Neglect, and Exploitation with regards to SC Mentor. DDSN will continue to work closely with this provider to improve its performance overall and in relation to its peer providers. The agency is also pleased to know that the SIG found the current ANE process is effective with a low risk of under-reporting. This finding is consistent with DDSN's long held philosophy of "When in doubt, report."

The SIG's understanding of the multiple agencies involved with the State's Abuse, Neglect, and Exploitation investigation processes is essential to implement the recommendations. DDSN agrees that the State would benefit from the multiple agencies working together to improve the timely resolution of all ANE allegations. DDSN concurs with Recommendation #3 and will proceed by taking a leadership role

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with the multiple agencies responsible for the State's ANE processes to help establish procedures assigning responsibility to ensure timely resolution of investigations. DDSN cannot dictate the speed with which outside investigative entities complete their investigations. The agency will take a leadership role in discussions with SLED, Local Law Enforcement, DSS and the Ombudsman's Office to develop better mechanisms to obtain ANE allegation investigation status updates and ultimate resolution of cases.

DDSN appreciates the SIG's understanding and description of the difficulty and complications in more clearly reporting data when restricted by current statutes to the limited classifications used for allegations and independent investigator terminology. DDSN has a robust reporting system to collect data and desires to report information with more accuracy and in greater detail to stakeholders. The department will implement Recommendation #4a by taking a leadership role with agencies responsible for the State ANE processes to discuss expansion of the current ANE reporting of only total allegations and sustained criminal incidents to include categorizing all allegations by significance. DDSN will work with the multiple applicable agencies to develop mutually agreed upon categorizations in order to facilitate more accurate reporting.

DDSN will also assume a leadership role to collaborate with other agencies involved in the State's ANE processes to work towards implementation of Recommendation #4b. While DDSN is unable to independently re-categorize or label the terminology used in the statutes or by investigative authorities', the agency will work with these independent entities to develop mutually agreed upon language and terms that will enable DDSN and other agencies to provide more detailed data reporting. DDSN will also work with the other entities involved in the State's ANE systems to implement SIG Recommendation #4c to develop a mutually agreed upon categorization for public reporting of recurring audit results and sustained ANE allegations with a criminal nexus. The agency agrees that if the multiple entities reach agreement in terminology and categorizations, it will assist DDSN in improving reporting to stakeholders, consumers, and advocacy groups. This could facilitate better understanding of provider performance and motivate providers to deliver better quality of care. DDSN will confer with the Long Term Care Ombudsman to consider the SIG's Recommendation #4d to delegate an investigation to the local provider in situations when those allegations have minimal risk of adverse impact. It is essential that the LTCO and other investigative entities agree with this delegation and the parameters under which an incident will be delegated in order to maintain the benefit of an external investigation that exists in the current ANE systems.

The SIG's Recommendation #5 to shift provider contract compliance to focus more on outcome based measures is consistent with national trends and the new expectations of the Centers for Medicare/Medicaid Compliance (CMS). DDSN also desires to move its quality assurance and oversight system to focus more on outcome based measures. Many of the components of the existing quality assurance system used today by DDSN are required as detailed within the current CMS approved waiver documents. While these can be modified, it must be done in conjunction with the assistance and approval of the SC Department of Health and Human Services and ultimately the approval of CMS. DDSN desires to make changes in this direction but does not have the authority to alter many of the requirements of the existing system and the approval process can be very lengthy.

DDSN is willing to seek approval through Medicaid for many of the components in Recommendation #6a to employ less compliance testing, longer compliance audit cycles, and establishing an unpredictable audit pattern to motivate providers to be audit ready "every day" in order to enhance DDSN's quality management program to better measure the quality of service provided to consumers. DDSN is open to

Mr. Patrick Maley
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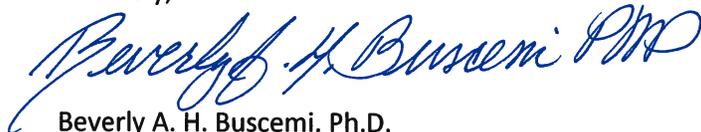
the recommended changes, however the frequency of reviews and designated sample size are dictated in the current CMS approved waiver documents. DDSN must go through SC DHHS and receive CMS approval before these practices can be changed and often this is not a quick process. An example is DDSN has been waiting on CMS approval of a waiver renewal for more than 20 months.

DDSN will determine the most appropriate method to implement Recommendation #6b to administratively investigate negative ANE outcomes after law enforcement completes its criminal investigation to assess providers' operational capabilities to reduce the risk of negative outcomes. The department is committed to continuous improvement of processes and systems to minimize the potential for ANE within the DDSN service delivery system. Increased oversight and support to individual providers related to negative ANE outcomes will benefit all individuals served within the statewide system.

The final SIG Recommendation #7 indicating DDSN should re-examine the methodology for contract rates and use an expert consultant to independently verify cost data used to establish rates will be considered. It would be beneficial to the agency for an independent subject matter expert to review rates for high management individuals using cost data and benchmark comparisons from other states. DDSN will utilize an independent entity to examine and verify cost structure.

Again, DDSN thanks the Inspector General for the time taken to conduct this important independent review and appreciates the opportunity to provide a response to the recommendations. The department agrees all recommendations will strengthen the quality of DDSN's oversight of providers and result in an increased focus on quality outcomes for individuals receiving supports and services from the department. DDSN is committed to working with other agency partners within the State's ANE systems to maintain the high level of reporting and to improve categorization of incidents, more consistent terminology, more timely case resolution and clearer public reporting.

Sincerely,

A handwritten signature in blue ink that reads "Beverly A. H. Buscemi Ph.D." The signature is fluid and cursive, with the initials "B.A.H." and "Ph.D." clearly visible.

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