



---

## South Carolina Human Service Provider Association

---

### Position Statement on Equitable and Timely Distribution of FMAP Funds

#### Background

On March 18, 2020, the U.S. Congress passed the Families First Coronavirus Response Act which provided an increase of 6.2% for FMAP increasing the Federal Medicaid match from 70% to 76.2%. These funds were distributed to South Carolina Department of Health and Human Services (DHHS) to provide an infusion of funds for services that have been affected by COVID-19 in South Carolina. The 6.2% increase is a match, and those funds must be used, retroactively to January 1, 2020, to increase rates for the services that are matched with federal funds (i.e. day services, residential services, case management and early intervention).

As of today, we are hearing that these funds are likely to be distributed by DHHS to the South Carolina Department of Disabilities and Special Needs (DDSN). However, DDSN has made it clear that these funds will **not** be pushed down equitably to providers. DDSN has informed the provider network that the department expects to recoup approximately \$3.6 million to make up for a shortfall in revenue due to the closure of congregate day programs across the State.

We believe the distribution of these important FMAP funds to the providers would help offset the liability that providers have already incurred and may continue to incur through the end of the fiscal year. Hence, the sense of urgency. Without these funds becoming available, providers will be forced to make additional cuts which ultimately could lead to reduction of services within the provider network.

Approximately 25 other states have already received temporary rate increases and, in many cases, have already passed these on to their provider networks. In South Carolina, we are continuing to wait for DHHS to act on this important issue and release the needed funding as soon as possible so that DDSN and providers can use the necessary funding to offer stability to an already financially strained provider network.

#### Position Statement

**The South Carolina Human Service Provider Association (SCHSP), which represents 52 providers of services and supports to people with lifelong disabilities in South Carolina, maintains that:**

- 1) DHHS needs to release these FMAP funds immediately to DDSN.**
- 2) DDSN needs to allocate these FMAP funds equitably across the provider network via Case Management, Early Intervention, Residential and Day rates.**
- 3) DDSN needs to be transparent about how these FMAP funds will be used.**

MAY 5, 2020