



## DHEC Budget Presentation

South Carolina Senate Finance Committee  
Healthcare Subcommittee

*March 23, 2021*

## Agenda

- **COVID-19 Update**
- **COVID-19 Financial Overview**
- **Agency Overview**
- **Agency Critical Needs**



## COVID-19: A year later...

- Received more than **6.5 million test results**, including:
  - results from over **2.6 million distinct individuals** or **50.7% of the state's population**
- Held more than **38,793 testing events** since May 2020
- Delivered **14,890 doses of Remdesivir** to hospitalized patients
- Trained **378 EMS personnel** and **30 National Guard medical personnel** to provide COVID-19 testing

## COVID-19: A year later (cont')...

- Given more than **1.5 million COVID-19 vaccine shots**:
  - Given the 1<sup>st</sup> of 2 doses to **1,045,236 individuals**
  - Fully vaccinated **566,218 South Carolinians** against the virus
- Answered more than **432,000 calls** to the CareLine and DHEC's new Vaccine Information Line
- Worked with CMS to award grant funding to **~140 nursing homes** for virtual health and social visits
- To support these efforts **2,952 DHEC staff** have worked **1,586,247 hours** so far as part of the response

## Vaccine Distribution

- **Weekly 1<sup>st</sup> dose allocations:**

- Pfizer: 67,860
- Moderna: 48,800
- Janssen: 5,700  
(expected to increase Week of 3/29)

- **1,580 providers activated**

- **1,835,458 doses received**

- 1,648,116 doses administered
- Result: ~ 89.8% utilization rate (including LTCFs)

- **1,045,236 people who have received at least one dose**

**LET'S ROLL UP OUR  
SLEEVES AND FIGHT  
THIS THING.**

Safe, effective vaccines,  
physical distancing, and  
mask-wearing are how  
we beat COVID-19.

THE COVID-19 **VACCINE**

Get the facts at [scdhec.gov/vaxfacts](https://scdhec.gov/vaxfacts).



## Path Forward: A People First Approach

### Working Together to Save Lives

- **Strengthening the flow of vaccine** into all corners of the state
- **Identifying community champions** to foster trust and buy-in for vaccination at the local level
- **Educating** people on the importance of getting vaccinated
- **Ensuring easy, equitable access to vaccines** by making the process as simple as possible

## Path Forward: A People First Approach

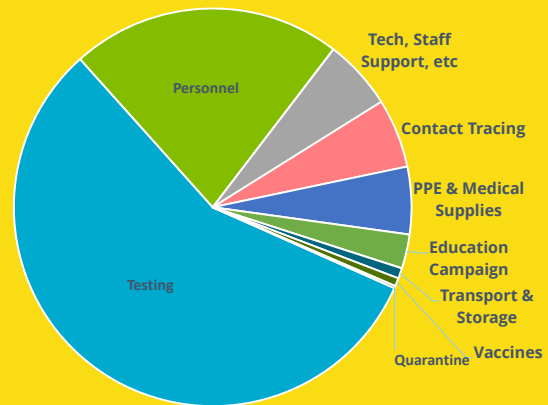
### Working Together to Save Lives

- **On-track to meet federal mandate** for all adults eligible for vaccine by May 1
- **Continuing to ensure easy access** to COVID testing
- **Working to operationalize COVID** as an agency function
- **Streamlining processes** to make things better for customers

## COVID-19 Expenditures to Date

*(as of 3/15/21)*

Category	Expenditures
Testing	\$129,275,072
Contact Tracing	\$12,786,493
PPE & Medical Supplies	\$12,485,731
Personnel	\$50,154,350
Education Campaign	\$6,330,046
Quarantine	\$411,855
Transport & Storage	\$1,941,161
Technology, Staff Support, etc	\$13,034,438
Vaccination Efforts	\$1,515,616
<b>Total</b>	<b>\$227,934,761</b>



\*Excludes Vaccine Reserve Account (reportedly separately)

## Vaccine Reserve Account (VRA)

- **Portal Established February 24**

- Execute Contracts
- Submit Invoices

- **As of March 22**

- **59 Contracts Signed**
  - 13 Hospitals
  - 46 Other Providers
- **37 Invoices Submitted**
  - **32 Paid (\$252,109)**
  - 5 Under review (\$15,540)

Providers Sign Contracts

Providers Submit  
Invoices

DHEC Pays Approved  
Invoices

## COVID-19 Funding Outlook

### Federal Funding:

- All Coronavirus Relief Funds (CRF) have been spent
- Federal grants allocated through September 2024 for
  - **Testing, Contact Tracing and Lab Capacity: ~\$415M**
  - **Vaccination Costs: ~\$52M**

### State Funding:

- Needed for activities not specifically allowed by Federal funds

## COVID-19 Funding Outlook (continued)

### Federal American Rescue Plan Funding

- Awaiting details and guidance
- Generally includes funding for:
  - Vaccine Distribution and Administration
  - Contact Tracing, Lab Capacity, Testing
  - **Public health workforce**
- Has strong focus on **building future capacity**

## COVID-19 Funding Outlook (continued)

### Summary:

- Exact amounts and grant requirements for new Federal funds unknown at this time
- With appropriated and anticipated federal funds, along with state funds, **DHEC anticipates having sufficient funding to continue to respond to COVID through 2024**

## Agency Overview & Critical Needs

### DHEC by the Numbers

#### DHEC Team

- Currently **over 4,000 employees** strong
- Operating **105 facilities** in **46 counties** across the state
- DHEC legal responsibilities currently touch on **more than 360** state and federal statutes and regulations as well as state provisos



## Day-to-Day Operations

Snapshot of what "business as usual" looks like for DHEC in an average year:

### Public Health

- **538,583** clinical client encounters in our local health departments
- **572** acute disease outbreak investigations conducted
- **63,634** reports of acute diseases reviewed
- **Over 3 million** public health laboratory tests performed (excludes COVID)
- **More than 294,430** birth and death records were filed.



## Day-to-Day Operations

Snapshot of what "business as usual" looks like for DHEC in an average year:

### Healthcare Quality

- **Over 6,500** health regulation inspections & investigations conducted
- **2,893** new prescription monitoring program (PMP) users registered
- **2,882,384** PMP patient queries during June 2020
- **10,700** law enforcement officers and **1,763** firefighters trained to carry and administer naloxone to combat opioid overdoses in 2019
- **79** Certificate of Need (CON) decisions issued





## Day-to-Day Operations

Snapshot of what "business as usual" looks like for DHEC in an average year:

### Environmental Affairs

- **Over 47,500** active environmental permits
- **Over 61,000** environmental inspections
- **24,511** environmental health complaints investigated
- **30,026** virtual food safety inspections performed during COVID-19, allowing restaurants to remain open and compliant and maintain public health



## Event Response

### Hepatitis A Outbreak

In May 2019, DHEC declared a statewide Hepatitis A outbreak, the beginning was determined to be November 2018. This included initially establishing a Hepatitis A task force, and as the outbreak progressed, the team moved into an Incident Command Structure.

The agency has:

- Held more than **1,600** outreach and vaccination events
- Administered nearly **12,000** doses of Hepatitis A vaccine
- Formed partnerships to share vaccination and education messages



# Agency Critical Needs

Request Priority & Title		Recurring	One Time
1	Vaccine Funding for Disease Control Response	\$997,000	
2	Able Site Cleanup		\$4,512,000
3	Funding for Hazardous Waste Emergency Response	\$1,051,172	
4	Sustaining the Air Quality Program	\$1,950,785	
5	Sustaining the Resource Conservation and Recovery Act (RCRA) Program	\$635,594	
6	Partnerships to Improve Rural Water and Sewer Infrastructure	\$240,810	
7/8	Funding for Additional Newborn Screenings (Dylan's Law)	\$543,619	\$101,128
9	Salary Increases for Critical Position Retention	\$5,037,468	
	<b>TOTAL</b>	<b>\$10,456,448</b>	<b>\$4,613,128</b>

## Critical Need: Priority 1

### Flexible Vaccine Funding: \$997,000 (Recurring)

- **Need:** Outbreaks have been increasing nationwide, particularly in vaccine-preventable diseases. This includes the current hepatitis A outbreak in SC. DHEC must be prepared to address outbreaks and improve immunization rates. **Federal funds for vaccines are declining** due to an unexpected number of outbreaks and prevention/response efforts.
- **Solution:** Secure funding to purchase vaccinations for **mitigating outbreaks and improving immunization rates** for vaccine-preventable diseases. Doses would be administered at local health departments and in conjunction with community partners.
- **Methodology:**
  - **31,000 total doses** of hepatitis A and Measles, Mumps, and Rubella (MMR) vaccines: **\$997,000**
  - Actual vaccination purchases will be based on current need



## Critical Need: Priority 2

### Able Contracting Site Cleanup: \$4,512,000 (One Time)

- **Need:** The Able Contracting, Inc. facility in Jasper county presented a risk of combustion and potential for environmental impacts due to runoff. Complete site cleanup was necessary to **ensure the health and safety of nearby residents and to reduce the potential impact on the environment.**
- **Solution:** Secure one-time funds to reimburse the cost of **removing material from the site.**
- **Methodology:**
  - Costs include labor and equipment needed to move debris, disposal of debris, and fire suppression.



## Critical Need: Priority 3

### Hazardous Waste Emergency Response: \$1,051,172 (Recurring)

- **Need:** The Hazardous Waste Contingency Fund (HWCF) balance has declined due to a loss of fee revenue from the closure of the Pinewood facility as well as multiple large cleanup efforts totaling almost \$10M in the last 10 years. Oversight and cleanup costs are also increasing. Without an appropriate balance in the HWCF, funds are not available to respond to hazardous waste emergencies or to leverage federal remediation resources.
- **Solution:** State funds are needed to shift personnel costs associated with cleanup oversight of the HWCF. Reducing these expenditures to the fund will provide sustainable funding for routine cleanups (\$100k-\$600k) and cost share for federal cleanup sites. *Large-scale cleanup efforts will be funded on an individual basis, which may include future appropriation requests.*
- **Methodology:**
  - Personnel cost for 12 current FTEs: **\$1,051,172** (1 Program Manager, 4 Engineers, 2 Environmental Health Managers, 5 Geologists)
  - Existing FTEs must be converted from Restricted to State in order to utilize state funds



## Critical Need: Priority 4

### Sustaining the Air Quality Program: \$1,950,785 (Recurring)

- **Need:** Federal air emission limits are stricter, requiring more oversight, while at the same time, fee revenue is declining. Current projections indicate that the fund balance will be in a deficit in FY21. DHEC has initiated the regulatory process to increase fees and is working with stakeholders to determine equitable changes. Stakeholders have strongly advocated for state support of these requirements.
- **Solution:** Support the program by moving a portion of staff funding onto state appropriations. This provides sustainable funding to continue work necessary for SC to attain air quality standards and meet the needs of the business community. DHEC will continue working with stakeholders to determine appropriate modifications to current fee and funding structures to address the remaining deficit.
- **Methodology:**
  - Existing FTEs must be converted from Earmarked to State FTEs in order to utilize state funds
  - Personnel cost for 27 current FTEs: **\$1,950,750** (6 Engineers, 21 Environmental Health Managers)



## Critical Need: Priority 5

### Sustaining the Resource Conservation and Recovery Act (RCRA) Program: \$635,594 (Recurring)

- **Need:** Federal grant reductions (\$327,330) and complex permit determinations have reduced capacity in the RCRA program. Permit and review delays can increase timeframes for development and places an undue burden on industry.
- **Solution:** Replace funding lost in federal grant reduction and increase staffing levels in the program. This meets industry needs by reducing permit timeframes and providing regulatory relief.
- **Methodology:**
  - Personnel cost for 3 new FTEs: **\$308,264** (1 Engineers, 2 Environmental Health Managers)
  - Personnel cost for 3 current FTEs: **\$237,347** (1 Environmental Health Manager, 1 Engineer, 1 Geologist)
    - Existing FTEs must be converted from Federal to State to utilize state funds
  - Operating expenses (training, general supplies) lost in federal reduction: **\$89,983**



## Critical Need: Priority 6

### Partnerships to Improve Rural Water and Sewer Infrastructure: \$240,810 (Recurring)

- **Need:** Many of South Carolina's sewer systems are in poor condition due to improper operation and maintenance as well as infrastructure being used past life expectancy. Growing populations, inadequate capacity, and groundwater inflow and infiltration all add further stress to these aging treatment and conveyance systems, often resulting in system upsets.
- **Solution:** Create two new positions within the Office of Rural Water that will work collaboratively with systems to identify problems and develop solutions.
- **Methodology:**
  - Personnel cost for 2 FTEs: **\$199,059** (2 *Environmental Health Managers*)
  - General supplies, computers, field equipment, travel and operating costs: **\$10,941**
  - Field vehicle: **\$30,810**



## Critical Need: Priority 7/8

### Funding for Additional Newborn Screenings: \$543,619 (Recurring) / \$101,128 (One Time)

- **Need:** Act 55 of 2019 directed DHEC to add three additional lysosomal storage disorder tests to its current panel of newborn screenings (Krabbe disease, Pompe disease, Hurler syndrome). Implementation is contingent upon available funding, which is currently not available in the Public Health Laboratory.
- **Solution:** Secure funding for equipment, supplies and medical consultations in order to perform the required tests. Funding will also create three new positions to perform tests and provide follow-up and referrals.
- **Methodology:**
  - Personnel cost for 3 FTEs: **\$253,346** (1 *Program Coordinator*, 2 *Laboratory Technologists*)
  - General supplies, computers, and training costs: **\$15,662 recurring / \$21,128 one time**
  - Laboratory equipment, supplies and confirmatory testing: **\$224,661 recurring / \$80,000 one time**
  - Medical consultant: **\$49,950**



## Critical Need: Priority 9

### Salary Increases for Critical Position Retention: \$5,037,468 (Recurring)

- **Need:** DHEC's average salaries are below the state agency averages in numerous job classifications. Salary inequities are leading to high turnover rates in critical classifications, impacting services to constituents.
- **Solution:** Secure funding to begin addressing turnover by providing salary increases in select classifications.
- **Methodology:**
  - Personnel costs to bring agency average up to state average for specific classifications in the following series:
    - Administrative Services: **\$1,322,979** (e.g. frontline clinical staff)
    - Engineering Services: **\$1,393,261** (e.g. permit engineers)
    - Health & Safety: **\$763,458** (e.g. environmental monitoring and compliance)
    - Laboratory Services: **\$219,012** (e.g. chemists)
    - Nursing Services: **\$1,338,758** (e.g. nurses)
  - 52 existing FTEs must be converted from Federal/Other to State to utilize state funds



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