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South Carolina House of Representatives

# Legislative Update & Research Reports

*Ramon Schwartz, Jr., Speaker of the House*

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# Legislative Update

## Legislation Introduced

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### Government Operations

Ethanol: To Tax or Not To Tax? (H.3759, Rep. Mangum; S.1100, Sen. Drummond; S.1214, Sen. Waddell). Ethanol, a mixture of gasoline and fuel ethanol, the second ingredient of which is produced from by-products of wood, cereal grain, potatoes, sugar beets and turnips.

In the last Appropriation Bill, a section was included to provide a tax incentive for fuel ethanol blends produced in South Carolina. The question: shall that exemption stay or shall it go? And if it stays, shall it be extended?

H.3759 and S.1214 would extend the bounty, exempting ethanol blends from sales and use taxes; all ethanol blends qualifying for the reduced tax rate during the incentive period would also be eligible for exemption from the sales and use tax as imposed by Chapter 35 of Title 12.

On the other hand, S.1100 would repeal the section of the budget which gave ethanol the tax incentive in the first place.

State Housing Authority (H.3777, Rep. Rawl). This bill proposes adjustments in the directions for the State Housing Authority, in order to include elderly and handicapped persons in the beneficiary population.

Two new classes of beneficiaries would be added: the elderly (those over 55 years; families whose head is over 55 years); and the handicapped (those physical or mental impairments which "substantially limits one or more major life activities," such as walking, seeing, hearing, working, or caring for oneself).

Primary Filing Dates (H.3778, Rep. Lockemy). If the opening or closing date for filing for a party primary election falls on a Sunday, then the date would be moved back to the preceding Saturday.

Below-Cost Sales of Motor Vehicle Fuel (H.3781, H.3810, Rep. McAbee). Both of these measures would authorize the state (specifically the Department of Consumer Affairs) to investigate suspected cases of motor vehicle fuels being sold below cost.

The Department of Consumer Affairs would be allowed to respond to complaints that such sales were on-going by subpoenaing relevant records. In addition, the Administrator of the Department could assess an investigation fee of between \$1,000 to \$5,000 per complaint; this fee would be levied against the complaining party if no evidence turned up supporting the allegations of below-cost sales.

H.3810 contains the same provisions as H.3781, except that it adds an appropriation of \$2,000 to the Department budget to hire part-time help.

Unimproved Land and Sanitation (H.3806, Rep. Keyserling). When selling unimproved land that is not accessible to a sewer line, the seller would have to acquire a certificate from the county health department stating that the land meets all minimum standards for septic tank usage. Failure to acquire and transfer the certificate would be a reason to void the sale.

Bingo Licenses (H. 3807, Rep. Huff). Every person licensed to conduct bingo games would have to file notarized monthly reports with the Secretary of State. These reports would have to include: 1) the amount of money collected through the games; 2) the amount of money paid to winners; 3) the names of any management company operating the games. Violators would be liable to have their licenses suspended for two years.

Drug Fines (H.3808, Rep. R. Brown). At present, all fines collected for drug violations are sent to the State Treasury to be distributed to the Department of Mental Health. This bill would split the money: half would continue to go to the Department of Mental Health, the other half would be used locally.

The local share would go either to the law enforcement agency which initiated the investigation that resulted in the conviction or—if the agency was a state and not a local one—the money would go to the county itself. The funds received would have to be used for local alcohol and drug abuse programs.

Reapportionment (H.3812, Rep. Simpson). At present this is a skeleton bill, with the details not completed. However, the title indicates that the General Assembly after the next reapportionment would consist of a 50 member Senate and a 100 member House of Representatives, with two Representatives elected from each Senatorial district.

State Ethics Law Addition (H.3837, Rep. J.H. Burriss). Currently the State Ethics law requires that certain public employees and appointed officials must file a statement of economic interest. These included those holding elective office, salaried members of state boards, commissions and agencies, chief administrative and deputy administrative officers of state divisions, institutions and facilities of state government, and so on and so forth.

There are presently three major items that must be divulged in these statements: (8-13-820 of the Code.)

- 1) All offices, directorships and "fiduciary relationships" where there is an economic interest;
- 2) Description of all real estate in which the person or his or her family has interest (including options to buy) if this "can reasonably be expected to be a conflict of interest" with the public position;
- 3) Nature, source and amount of all income (fees, compensation, "benefits of any nature") from the state, its departments, or any political subdivisions.

To this would be added a fourth revelation:

- 4) The nature, source and amount of all fees or other compensation received directly or indirectly for representing clients before any state agency, board, committee or commission.

South African Investments (S.725, Sen. Mitchell). This bill would prohibit any state-owned or state-controlled funds from being invested in any government or financial body of the Republic of South Africa—or in any business or charitable enterprise which does business with or is located in South Africa.

Once again, legislation dealing with divestiture—that is, removing U.S. investments from companies in the Republic of South Africa because of disagreement with that country's policy of apartheid (racial segregation). For additional information, see *Update* number 9, March 10, 1986.

Health Care

Long Term Health Care Council (H.3787, Rep. Helmly). This bill would set up the Long Term Health Care Council within the Commission on Aging. The Council would be composed of the following officials:

The Governor (or his/her designee); the Commissioners of the Departments of Social Services, Health and Environmental Control, Mental Health, Mental Retardation; the Executive Directors of the Commission on Aging and the Health and Human Services Finance Commission.

Ex officio members would include the Chairs of the Joint Legislative Health Care Planning and Oversight Committee and the Joint Legislative Committee to Study Public and Private Services, Programs and Facilities for the Again. There would also have to be representatives of both long term care providers and consumers.

The Council would make recommendations for improving long term health care service and delivery, and would develop plans for state-wide improvements including:

- Charges based on ability to pay;
- Coordination of community services;
- Access to appropriate kinds of long term care;
- Case management;
- Discharge planning and services.

The Council would have no authority to direct or require implementing action from any member agencies.

Discrimination against Medicaid Patients (H.3788, Rep. Helmly).

To the extent permitted by federal regulations, the State Health & Human Services Finance Commission would make the following changes in the state Medicaid program:

- Along with the Department of Social Services, simplify and streamline the application and eligibility determination process for Medicaid long term care services.
- Offer community long term care services to eligible clients in adult residential care facilities.
- Convert the present Medicaid nursing home reimbursement system from a prospective system based on two levels of care to a prospective system based on patient needs by July 1, 1987. This system should fairly reimburse an efficiently run nursing home for all services needed by, and provided to, a Medicaid patient. There would be a personal needs allowance for Medicaid patients to meet their need for services not covered by the Medicaid contract.

—Contract with the Department of Health & Environmental Control to conduct an inspection of care at least every six months.

—Assess all persons eligible for Medicaid sponsored long term care services, and all persons who will become eligible for Medicaid sponsored long term care services with six months of admission to a nursing home, to determine the level of care needed and the viability of community services as an alternative to institutionalization. After July 1, 1987 any patient admitted to a nursing home without such an assessment is not eligible for Medicaid coverage for six months from the date of admission.

It would be unlawful for any nursing home with a Medicaid contract to do any of the following to a patient because of Medicaid:

- Deny admission or readmission;
- Require, as a condition of admission, that the person will not apply for Medicaid;
- Discharge or transfer a patient to another nursing home;
- Charge for services for which the nursing home receives Medicaid reimbursement as provided by contract.

The Health and Human Services Finance Commission would have to study improvements in the Medicaid program, including protection for patients and their families. The report would be due by March 1, 1987.

Long Term Health Care Information (H.3789, Rép. Helmly). The Commission on Aging, with the cooperation of the Long Term Care Council and the Department of Insurance, would develop and implement a program to educate citizens concerning:

- the availability of long term care services;
- the lifetime risk of spending some time in a nursing home;
- the coverage available for long term care services through Medicare, Medicaid, and private insurance policies, and the limitations of this coverage;
- the availability of home equity conversion alternatives, such as reverse annuity mortgages and sale-leaseback arrangements, in this State and the risks and benefits of these alternatives.

The Commission on Aging would look into setting up a statewide, computer-based volunteer services program. Under this program, persons who are 60 years or older could volunteer their services to provide homemaker or respite care for elderly persons. Results and recommendations from the study would have to be reported to the General Assembly by July 1, 1987.

The Department of Insurance and the Long Term Care Council would work with insurance companies to gather relevant data; review its regulations to remove those which discourage long term care insurance policies in S.C.; and ensure that purchasers of long term care insurance policies get enough information about their policies—especially limitations and exclusions.

Medical Tort Claims (H.3794, Rep. Felder). This bill would establish a method to provide for payment of medical tort claims—that is, suits arising from damages caused by medical malpractice.

First it would establish the S.C. Medical Tort Claims Commission, whose duty would be to review and render decisions in liability cases against health care providers. Health care providers are defined as physicians, surgeons, osteopaths and dentists licensed to practice in South Carolina.

The Commission would consist of seven members elected by the General Assembly for six-year terms. A chairman would be selected by the Governor with the advice and consent of the General Assembly. The chairman would serve a two-year term, and could serve twice as chair—but not consecutively—during the six-year tenure. The Commissioners would be paid 85% of the salary allotted to circuit judges. A Commission Director and staff would also be employed.

The Commissioners would hear cases throughout the state, taking evidence, questioning witnesses, considering evidence; subpoena power would be provided to them during their deliberations. After a hearing, the Commissioner would render a decision and announce the amount of any award.

Funding for the Commission, commissioners and staff would have to be provided by the General Assembly in the annual Appropriation Bill. The pool of money to paid persons injured or damaged because of medical malpractice would come from another source—the state Medical Indemnity Fund.

The S.C. Medical Indemnity Fund would be established by this bill to provide the money necessary for tort claim damage awards. The Fund would get its money from assessments made on the health care providers in the state; the assessments would be set at "reasonable" levels.

DHEC and Public Health (H.3805, Rep. Hawkins). This bill would insure that the Department of Health and Environmental Control (DHEC) would have full access to certain medical records during dealings with epidemic and endemic diseases. DHEC would have access to medical records, tumor registries, and other special disease records of hospitals, other health facilities, and doctors. Any information gathered from these records which could identify individual patients would have to remain confidential.

*Epidemic* diseases spread widely across populations; *endemic* diseases are restricted to a particular locality, region or group.

S.G. Project Featured in NCSL Publication

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"State Legislatures" Features S.C.

The latest issue of *State Legislatures*, the publication of the National Conference of State Legislatures, features a story on the Human Services Integration Project now underway in South Carolina. The project is operated through the State Reorganization Commission with joint funding from the U.S. Department of Health and Human Services and the State. (See *Legislative Update*, October, 1985, for a report on the project.)

Phil Grose, Director of the Reorganization Commission, is serving as Project Administrator, with overall responsibility for operations. Larry Fernandez, of Reorg, is the project director, with management and administrative responsibility. Other members of Reorg are also participating as needed during the course of the project.

State-Wide Effort for Human Service Integration

The purpose of the project is to establish a comprehensive response to problems which affect a number of agencies. Such an approach would concentrate more on the multiple problems of persons, rather than the particular services of individual agencies. Cooperation is a key ingredient in any such project.

An earlier pilot project was conducted in York County from 1980 through 1983, and Rep. Herb Kirsh from Clover is not only quoted in the *State Legislatures* article, but shares a photograph with project director Fernandez. Also quoted: Representative Tom Marchant.

Five states received funding from HHS for such projects, but only South Carolina is establishing a full-fledged, state-wide project. Arizona and Oklahoma are attempting a similar project, but only in selected locations. Florida and Maine are specializing their efforts for target groups within the population.

NCSL Publication Nationwide in Scope

It is satisfying to see reports of the efforts of the Human Services Integration project in *State Legislatures*. The official publication of the National Conference of State Legislatures has a circulation of 13,500, which includes all of the state legislatures in the nation, legislative staff directors, the fifty governors, and members of Congress.



The Elderly:  
Growing Old in the Southeast

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Overview

Several pieces of legislation have recently been introduced which deal with the needs of the elderly. One reason for the increased importance of such legislation is the fact that our populations in South Carolina and the Southeast are growing older. People are living longer for a number of reasons; the result is that a greater portion of our population is in the higher age brackets.

For example, in 1900 the majority of our state's population (53.9 percent) was under 19 years of age; only 3 percent was older than 65 years. In 1900, it should be noted, the average life expectancy was 47 years.

By midcentury the number of persons below 19 years had fallen to 43.9 percent, while those over 65 had grown to 5.4 percent of the total population. By the 1980 census, the total of persons over 65 was 9.2 percent of the population; the average life expectancy had risen to 74 years. By the year 2000, however, it is projected that those persons over 65 will account for 11.2 percent of the population.

The Southeast Grows Older: Needs of the Elderly

These trends are expected to continue, both in this state and throughout the Southeast region. During just the next fifteen years, the elderly population in South Carolina is expected to grow by about 28%; by the turn of the century, more than 392,600 of our residents will be elderly. Increased numbers of the elderly will require increased services: medical, social, nutritional programs all are needed.

The most recent issue of the *Southeastern Human Services News* provides an excellent survey of the concerns of the elderly in the region. The *News* is published by the S.C. State Reorganization Commission (in cooperation with the U.S. Department of Health and Human Services).

For House members, undoubtedly the best source of information on the elderly is the Joint Legislative Committee on Aging, Representative Pat Harris, Chairman. The Committee is located in Room 212 of the Blatt Building. Keller Barron is Director of Research, and Sherri Craft is her assistant.

The following chart shows the size of the elderly population in the Southeast region. While Florida (for obvious reasons) has the greatest share, all states have substantial populations of persons over 65 years.

Numbers and Percentages of Persons Over 65 Years  
Southeast United States

<u>State</u>	<u>Number Over 65</u>	<u>Rank in US</u>	<u>% Over 65</u>	<u>Rank in US</u>
Alabama	440,000	19	11.3	24
Florida	1,688,000	3	17.3	1
Georgia	517,000	16	9.5	41
Kentucky	410,000	21	11.2	27
Mississippi	289,000	31	11.5	21
N. Carolina	603,000	12	10.2	35
S. CAROLINA	287,000	32	9.2	44
Tennessee	518,000	15	11.3	26

Source: Southeast Human Services News, April, 1986

Poverty and the Elderly

The needs of the elderly can be increased by a variety of factors, such as isolation or poverty. The second condition, in particular, strikes hard in South Carolina.

According to the U.S. Department of Commerce, there are almost 70,000 persons over 65 in South Carolina who fall below the federally established poverty level. The total number of persons in the state below the poverty line is almost 500,000, according to Census figures.

The effects of poverty among the elderly population has been eased, to some extent, by programs such as Food Stamps, Medicare, and so forth. However, much of the funding for these efforts has been federal money; the future of those dollars is extremely doubtful. Even with an economy on the up-turn, the increasing number of elderly persons will mean that a substantial number of elderly poor will remain in South Carolina, with problems to be addressed and services to be provided.

The first table below gives the county-by-county figures for the elderly poor—those persons over 65 years who fall below the federal poverty guidelines.

The second table gives the numbers of persons, 65 years of age and older, who were enrolled in medicare by county. This second table also comes from Census figures.

Numbers of Elderly Persons  
Below Poverty Line By County

<u>County</u>	<u>Persons</u>	<u>County</u>	<u>Persons</u>	<u>County</u>	<u>Persons</u>
Abbeville	682	Darlington	1,713	Lee	641
Aiken	2,245	Dillon	861	Lexington	1,724
Allendale	468	Dorchester	942	McCormick	328
Anderson	3,554	Edgefield	645	Marion	1,032
Bamberg	3,595	Fairfield	674	Marlboro	1,030
Barnwell	618	Florence	2,633	Newberry	1,157
Beaufort	1,040	Georgetown	1,239	Oconee	1,387
Berkeley	1,337	Greenville	5,912	Orangeburg	2,478
Calhoun	392	Greenwood	1,307	Pickens	1,274
Charleston	4,778	Hampton	739	Richland	3,467
Cherokee	938	Horry	2,054	Saluda	648
Chester	626	Jasper	581	Spartanburg	4,534
Chesterfield	1,386	Kershaw	1,134	Sumter	2,191
Clarendon	1,143	Lancaster	1,152	Union	909
Colleton	1,069	Laurens	1,244	Williamsburg	1,337
				York	1,897

Medicare Enrollment by County  
Persons 65 years and Older

<u>County</u>	<u>Persons</u>	<u>County</u>	<u>Persons</u>	<u>County</u>	<u>Persons</u>
Abbeville	2,645	Darlington	5,959	Lee	1,676
Aiken	11,288	Dillon	2,976	Lexington	10,771
Allendale	1,330	Dorchester	4,641	McCormick	933
Anderson	15,816	Edgefield	1,671	Marion	3,960
Bamberg	1,872	Fairfield	2,485	Marlboro	3,247
Barnwell	2,193	Florence	10,935	Newberry	4,896
Beaufort	6,559	Georgetown	4,329	Oconee	5,999
Berkeley	4,362	Greenville	32,422	Orangeburg	9,290
Calhoun	1,259	Greenwood	7,295	Pickens	7,683
Charleston	23,756	Hampton	2,308	Richland	22,867
Cherokee	4,403	Horry	11,348	Saluda	1,650
Chester	3,936	Jasper	1,415	Spartanburg	23,514
Chesterfield	4,209	Kershaw	4,685	Sumter	7,815
Clarendon	3,005	Lancaster	4,959	Union	3,834
Colleton	3,619	Laurens	6,136	Williamsburg	3,658
				York	11,075

Special Purpose Districts: Some Statistics

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South Carolina is divided into ten planning districts, each composed of three or more counties. Within these planning districts are special purpose districts which provide services to the population; there are a total of 187 such districts.

The districts range from airports, to fire protection, hospital services, recreational, water, sewer, water and sewer and multi-purpose. The chart below gives approximate budget totals in the state for the districts by category.

The Appalachian region of the state has the greatest concentration of districts with eighty-four. Spartanburg County has the most districts (43), followed by Greenville (24). The Appalachian region has the greatest number of districts because of the concentration of people in the area and greater demand for services. In contrast, the Santee-Lynches region and the Waccamaw regions have only four districts each.

The map on the next page shows the division of the state into the planning regions, and the number of special purpose districts in those regions. Information provided by the S.C. Association of Special Purpose Districts.

Special Purpose Districts:  
Services and Budgets

<u>Type</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Indebt.</u>	<u>Invest.</u>
Airport (4)	7,881,104	4,767,819	56,789,807	43,213,535
Fire (54)	3,804,530	2,447,344	2,517,099	1,455,467
Hospital (5)	143,449,143	139,697,426	47,902,881	29,115,369
Multi-Purpose (17)	17,000,793	14,560,237	31,390,733	10,607,683
Natural Gas (1)	4,095,241	3,144,686	3,144,686	13,422,409
Recreation (14)	11,712,444	11,182,186	5,198,729	1,431,852
Regional				
Transport. (5)	7,333,063	7,283,049	129,582	605,493
Rural Water (7)	2,167,293	1,888,205	12,624,295	55,296
Sewer (7)	24,055,657	20,848,739	63,461,888	24,920,830
Water (7)	4,406,074	3,730,523	11,649,662	1,845,450
Water/Sewer (11)	9,508,317	9,116,228	44,822,746	3,969,343
Watershed (49)	30,682	25,380	139,499	32,676
Totals	235,444,341	218,691,822	279,771,607	130,675,403

PLANNING DISTRICTS/SPECIAL PURPOSE DISTRICTS

