

AGENDA

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

1333 Main Street, 5th Floor
Columbia, South Carolina 29201

August 15, 2011 – 10:30 a.m.

Commission Hearing Room A

This meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act.

PUBLIC HEARING

1. CALL TO ORDER *CHAIRMAN BECK*
2. STAFF REVIEW OF PROPOSED CHANGE TO REGULATION 67-1302(A) *MR. CANNON*

WRITTEN COMMENTS RECEIVED (Tab 1)
3. PUBLIC COMMENT PERIOD
4. ADJOURNMENT *CHAIRMAN BECK*

BUSINESS MEETING

1. APPROVAL OF AGENDA OF BUSINESS MEETING of August 15, 2011 *CHAIRMAN BECK*
2. APPROVAL OF MINUTES OF BUSINESS MEETING of July 18, 2011 (Tab 2) *CHAIRMAN BECK*
3. GENERAL ANNOUNCEMENTS *MR. CANNON*
4. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 3) *MR. SMITH*
5. DEPARTMENT DIRECTORS' REPORTS

Administration – Financial Report (Tab 4) *MS. GANTT*
Human Resources (Tab 5) *MS. FLOYD*
Information Services (Tab 6) *MS. HARTMAN*
Insurance & Medical Services (Tab 7) *MR. CANNON*
Claims (Tab 8) *MR. LINE*
Judicial (Tab 9) *MS. CROCKER*
6. EXECUTIVE DIRECTOR'S REPORT (Tab 10) *MR. CANNON*
7. OLD BUSINESS *CHAIRMAN BECK*
8. NEW BUSINESS *CHAIRMAN BECK*
A. Request Approval for Contract with Optum (Ingenix) (Tab 11) *Mr. Cannon*
9. ADJOURNMENT *CHAIRMAN BECK*

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State of South Carolina

1111 Main Street, 5th Floor
P.O. Box 1715
Columbia, S.C. 29229-1715



TEL: (803) 737-5700
FAX: (803) 737-9764

Workers' Compensation Commission

TO: Workers' Compensation Commissioners
FROM: Gary M. Cannon
Date: August 10, 2011
Re: August 15, 2011 Public Hearing Proposed Regulation Change
Regulation 67-1302(A)

Attached are the documents related to the Public hearing scheduled for August 15, 2011 at 10:30 a.m. in Hearing Room A to receive public comment on the proposed amendment to Regulation 67-1302(A).

The Commission approved the publication of the Notice of Drafting of change to the regulation on February 22, 2011. The proposed change will remove all the language as it relates to a single conversion factor and relative value system.

On May 16, 2011 the Commission approved August 15, 2011 as the date to conduct the public hearing.

Attachments:

- (1) Proposed Change to Regulation published in the *State Register* on June 24, 2011.
- (2) Stakeholders Notification
- (3) Comments from interested parties

SOUTH CAROLINA STATE REGISTER

PUBLISHED BY
THE LEGISLATIVE COUNCIL
of the
GENERAL ASSEMBLY

STEPHEN T. DRAFFIN, DIRECTOR
DEIRDRE BREVARD-SMITH, EDITOR

P.O. BOX 11489
COLUMBIA, SC 29211
TELEPHONE (803) 252-4500

Published June 24, 2011

Volume 35 Issue No. 6

This issue contains notices, proposed regulations, emergency regulations, final form regulations, and other documents filed in the Office of the Legislative Council, pursuant to Article I, Chapter 23, Title I, Code of Laws of South Carolina, 1976.

Agency Name: Workers' Compensation Commission
Statutory Authority: 42-15-90
Document Number: 4188
Proposed in State Register Volume and Issue: 35/6
Status: Proposed
Subject: Maximum Allowable Payments to Medical Practitioners

History: 4188

<u>By</u>	<u>Date</u>	<u>Action Description</u>	<u>Jr. Reg. No.</u>	<u>Expiration Date</u>
-	06/24/2011	Proposed Reg Published in SR		

Document No. 4188
WORKERS' COMPENSATION COMMISSION
CHAPTER 67
Statutory Authority: 1976 Code Section 42-15-90

67-1302. Maximum Allowable Payments to Medical Practitioners

Preamble:

The South Carolina Workers' Compensation Commission proposes to amend Regulation 67-1302(A). The Notice of Drafting regarding this regulation was published on March 25, 2011 in the *State Register*.

Section-by-Section Discussion

Under Regulation R.67-1302(A), the Commission is limited to using a relative value scale and a single conversion factor when establishing maximum allowable payments for medical services provided by medical practitioners. The proposed amendment will remove the phrase from R.67-1302(A) relating to the relative value scale and the conversion factor to allow the Commission additional options for considering different methodologies for calculating the maximum allowable payments for medical services provided by medical practitioners. Also, R.67-1302(A)(2) is deleted.

Notice of Public Hearing and Opportunity for Public Comment:

Interested persons may submit written comments to the South Carolina Workers' Compensation Commission. Attention: Gary M. Cannon, Executive Director, Post Office Box 1715, Columbia, South Carolina 29202-1715. To be considered, comments must be received no later than 5:00 p.m. on Monday, August 8, 2011.

The South Carolina Workers' Compensation Commission has scheduled a public hearing for August 15, 2011 at 10:30 a.m. in Hearing Room A at the SC Workers' Compensation Commission, 1333 Main Street, Columbia, SC 29202.

Preliminary Fiscal Impact Statement:

The fiscal impact of the proposed changes to this regulation is \$0.

Statement of Need and Reasonableness:

The Workers' Compensation Commission is the regulatory agency of the State of South Carolina responsible for overseeing and administering the South Carolina Workers' Compensation Act, S.C. Code Ann. § 42-1-10 et seq. (1976). The Commission has the authority to approve or deny medical fees, as well as the statutory and regulatory discretion to set the amount of fines. § 42-15-90; R.67-1302.

DESCRIPTION OF REGULATION: R.67-1302. Maximum Allowable Payments to Medical Practitioners.

Purpose: Establishes the maximum allowable payment of services provided by medical practitioners.

Legal Authority: Section 42-15-90. Fees of attorneys and physicians and hospital charges shall be approved by Commission.

Plan for Implementation: The proposed regulation will take effect upon approval by the General Assembly and publication in the *State Register*.

DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:

The Commission determined a need for considering the amendment to the regulation after receiving comments from medical services providers during the process to adopt the In-Patient Hospital Fee Schedule in 2006 and the adoption of the Medical Services Provider Manual in 2010. The proposed regulation is reasonable because it does not prohibit the Commission from continuing to utilize the existing financial models to develop the fee schedules. The change will provide the Commission the ability to consider more than one methodology when developing the maximum allowable payment for medical practitioners providing medical services in workers' compensation cases.

DETERMINATION OF COSTS AND BENEFITS:

There are no additional costs to the agency related to the proposed change to the regulations. The benefit of the proposed change is that it provides the Commission with the option to consider more than one methodology for developing a fee schedule.

UNCERTAINTIES OF ESTIMATES:

None.

EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:

None.

DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:

None.

Statement of Rationale:

The Commission is proposing to amend regulation R.67-1302(A) to remove the limitation of using a relative value scale and one conversion factor.

~~Indicates Matter Stricken~~

Indicates New Matter

Text:

67-1302. Maximum Allowable Payments to Medical Practitioners.

A. The Commission shall establish maximum allowable payments for medical services provided by medical practitioners, ~~based on a relative value scale and a conversion factor set by the Commission.~~

(1) The maximum allowable payments and any policies governing the billing and payment of services provided by medical practitioners shall be published in a medical services provider manual.

~~(2) The Commission may review and update the relative values and/or the conversion factor as needed.~~

Ballentine, Kim

From: Stoller, Ken <<Stoller@aiaadc.org>
Sent: Monday, August 08, 2011 4:38 PM
To: Ballentine, Kim
Subject: August 15 hearing on Regulation 67-1302(A)
Attachments: AIA Comments - Reg 67-1302(A).doc

Kim,

I would like to testify on behalf of AIA at next week's hearing on Regulation 67-1302(A). I wasn't sure if there was a deadline for registering, such as today's deadline for written comments. As for those, the attached comments we filed in April (when the first notice was published) continue to represent our position.

Also, any guidelines about testimony at next week's hearing (amount of time per speaker, need to submit written statements) would be greatly appreciated.

Regards,

Ken Stoller
Senior Counsel
American Insurance Association
ph: (202) 828-7167
fax: (202) 495-7866



American Insurance Association

2101 L Street NW

Suite 400

Washington, DC 20037

202-628-7100

Fax 202-293-7279

www.aiaa.org

VIA ELECTRONIC MAIL

April 26, 2011

Gary M. Cannon
Executive Director
South Carolina Workers' Compensation Commission
Post Office Box 1715
Columbia, SC 29202-1715

Re: Proposed Amendment of Regulation 67-1302(A)

Dear Mr. Cannon:

The American Insurance Association (AIA) appreciates the opportunity to provide comments on Regulation 67-1302(A), Maximum Allowable Payments to Medical Practitioners. AIA represents approximately 300 major property and casualty insurers that write nearly \$100 billion in premiums each year, including more than \$1 billion in South Carolina. AIA's member companies write nearly \$194 million in workers' compensation insurance in South Carolina, representing 33% of the market.

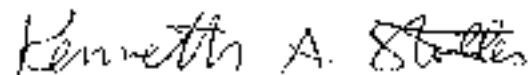
AIA strongly opposes discontinuing the use of Medicare's Resource-Based Relative Value Scale (RBRVS) with a uniform conversion factor as the means for determining reimbursements for medical practitioners in the workers' compensation system. The purpose of the RBRVS construct is to set relative reimbursement levels for various medical specialties in order to incentivize appropriate utilization of each specialty. As a result, the viability of the RBRVS depends upon maintenance of its internal consistency, which is accomplished by adhering to the relative values assigned by the Centers for Medicare and Medicaid Services (CMS) as a result of objective, scientifically-based analysis. Granting a higher relative reimbursement level to a particular specialty (e.g., surgical services) would upset the delicate balance achieved by the RBRVS and lead to overutilization of those services, with negative consequences for injured workers and payors alike. There is evidence that states which unduly incentivize surgical interventions in this manner have a greater percentage of lost-time claims than states which adhere to the relative values assigned by CMS.

Surgeons oppose Medicare-based fee schedules because they chafe at RBRVS valuation, which shifts reimbursements away from specialists and towards general medicine to correct longstanding imbalances. This is why surgeons in Tennessee a few years ago were able to defeat a Medicare-based fee schedule with a uniform conversion factor, resulting in variable reimbursement rates that neutered the predicate of the RBRVS approach, with surgery over 300% of Medicare. This is why orthopedic surgeons in Maryland subsequently won a "raise" in their reimbursements to over 140% of Medicare, eliminating the uniform conversion still applicable to other services at 109%

However, the mere fact that surgeons object to how their services are valued in an RBRVS construct does not make adoption of an RBRVS approach bad policy. Medicare is the most ubiquitous reimbursement system in the country, and its RBRVS approach is unique to Medicare. It is a political judgment at what level to reimburse – whether at 100% of Medicare or some multiple thereof – but preserving a uniform conversion factor is the only means of preserving the RBRVS approach. Changing course will result in an endless parade of special pleaders, intent on cutting a better deal for themselves than other medical specialties. The result will be a politicized fee schedule, with the Commission embroiled in endless controversy over what is deemed "fair" to this practitioner group or another.

Please call me at (202) 826-7167 if you have any questions about these comments.

Respectfully submitted,



Kenneth A. Stoller
Senior Counsel

SC Small Business Chamber of Commerce



The Advocate of South Carolina Small Business
1717 Gervais Street • Columbia • SC • 29201
www.scsbc.org • (803) 252-5733

July 23, 2011

Mr. Gary Cannon
Executive Director
S.C. Workers' Compensation Commission
P.O. Box 1715
Columbia, SC 29202-1715

Dear Mr. Cannon,

First, let me thank the Commission for the opportunity for The South Carolina Small Business Chamber of Commerce to participate in the Advisory Committees on the Pharmacy Fee Schedule and Surgical Implants. We hope to add a constructive voice on those issues.

We would also appreciate being heard at the August 15th public hearing on the "Maximum Allowable Payments to Medical Practitioners".

Our comments will be in opposition to the proposal to amend Regulation 67-1302(A), which requires the Commission to use a relative value scale and a single conversion factor when establishing maximum allowable payments for medical services provided by medical practitioners.

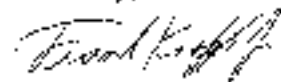
We support a fee schedule that is based on an objective, scientifically-based analysis of medical costs such as Medicare's Resource-Based Value Scale (RBRVS) that the Commission presently uses. Proposing to eliminate the use of the RBRVS and single conversion factor without proposing a comparable national data-driven replacement process is a recipe for an all-out assault on the limited-resourced Commission by well-financed special interests seeking to increase their compensation.

The end result of amending the Regulation as proposed will be much higher workers' compensation insurance premiums for South Carolina businesses with no improvement in healthcare outcomes for our injured workers and their employers.

The Commission has invested much time in making sure that the present medical services compensation system is fair to all parties—businesses, providers and workers. Amending the Regulation and allowing multiple conversion factors will undermine this delicate balance and drive up system costs at a time when workers' compensation loss costs, and thus premiums, are in decline.

Thank you for your consideration and the opportunity to be heard at the public hearing.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank Knapp, Jr.", written in black ink.

Frank Knapp, Jr.
President & CEO



20 Waterview Blvd.
P.O. Box 614
Parsippany, NJ 07054-0614

July 12, 2011

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS

South Carolina Workers' Compensation Commission
Post Office Box 1715
Columbia, South Carolina 29202-1715
Attn: Gary M. Cannon, Executive Director

RE: Notice of Proposed amendments to SC ADC 67-1302

Dear Mr. Cannon:


One Call Medical, Inc. ("OCM") submits this letter in support of the proposed amendment to SC ADC 67-1302 amending regulation R. 67-1302(A) (the "Proposed Amendment"). OCM believes the Proposed Amendment benefits all stakeholders and the South Carolina Workers' Compensation Commission (the "Commission") by allowing the Commission significantly greater flexibility to determine adjustments to the fee schedule.

OCM believes that without the flexibility to be established by the Proposed Amendment, the State of South Carolina would remain unintentionally subject to changes in reimbursement rates by Medicare to address Medicare specific concerns.

Since the participants, service delivery methodologies and reimbursement models differ substantially between workers' compensation and Medicare, adopting a one sized fits all approach discounts these differences and could cause a significant strain on service providers within the workers' compensation system. Such a strain on the service providers could lead to significant access to care problems for participants, ultimately leading to greater long term disability costs for payors and employers, which ultimately increases the entire cost of the system. The Proposed Amendment helps to mitigate those differences and gives the Commission more tools to monitor and manage the health of the workers' compensation system.

OCM supports the amendment of regulation R.67-1302(A).

Sincerely,


Kent Spafford
Executive Chairman
One Call Medical, Inc.

cc: Jefferson D. Griffith, III

RECEIVED

JUL 14 2011

WORKERS' COMP COMM
EXECUTIVE DIRECTOR

Ballentine, Kim

Subject: FW: Worker's Compensation

From: Gwylene Gallimard and Jean-Marie Mauclet [mailto:jernagwga@knology.net]
Sent: Wednesday, July 27, 2011 7:57 PM
To: Cannon, Gary
Subject: Worker's Compensation

We do agree with Mr Frank Knapp. Gwylene Gallimard

July 27, 2011

Mr. Gary Cannon
Executive Director
S.C. Workers' Compensation Commission
P.O. Box 1715
Columbia, SC 29202-1715

Dear Mr. Cannon,

First, let me thank the Commission for the opportunity for The South Carolina Small Business Chamber of Commerce to participate in the Advisory Committees on the Pharmacy Fee Schedule and Surgical Implants. We hope to add a constructive voice on those issues.

We would also appreciate being heard at the August 15th public hearing on the "Maximum Allowable Payments to Medical Practitioners".

Our comments will be in opposition to the proposal to amend Regulation 67-1302(A), which requires the Commission to use a relative value scale and a single conversion factor when establishing maximum allowable payments for medical services provided by medical practitioners.

We support a fee schedule that is based on an objective, scientifically-based analysis of medical costs such as Medicare's Resource-Based Value Scale (RBRVS) that the Commission presently uses. Proposing to eliminate the use of the RBRVS and single conversion factor without proposing a comparable national data-driven replacement process is a recipe for an all-out assault on the limited-resourced Commission by well-financed special interests seeking to increase their compensation.

The end result of amending the Regulation as proposed will be much higher workers' compensation insurance premiums for South Carolina businesses with no improvement in healthcare outcomes for our injured workers and their employers.

The Commission has invested much time in making sure that the present medical services compensation system is fair to all parties— businesses, providers and workers. Amending the Regulation and allowing multiple conversion factors will undermine this delicate balance and drive up system costs at a time when workers' compensation loss costs, and thus premiums, are in decline.

Thank you for your consideration and the opportunity to be heard at the public hearing.

Sincerely,
Frank Knapp, Jr.
President & CEO
The South Carolina Small Business Chamber of Commerce

Ballentine, Kim

Subject: FW: Regulation 67-1302(A)

From: Pat Hancock [mailto:pat@pathancock.com]

Sent: Monday, July 25, 2011 1:23 PM

To: Cannon, Gary

Subject: Regulation 67-1302(A)

Please oppose amending Regulation 67-1302(A). The current system for determining compensation to medical providers is objective and fair. A vote to amend the Regulation as proposed is a vote for raising workers' compensation insurance premiums on small businesses.

Thank you.

Pat Hancock
Broker in Charge
Pat Hancock Real Estate, LLC
169 Bluffton Highway, Suite H
Bluffton, SC 29910
Phone: (843) 706-7368
Fax: (843) 706-7369

Ballentine, Kim

Subject: FW: Regulation 67-1302(A)

From: Teresa DeSimone [mailto:TDeSimone@sbacsav.com]

Sent: Monday, July 25, 2011 2:03 PM

To: Cannon, Gary

Subject: Regulation 67-1302(A)

Mr. Cannon, please oppose amending Regulation 67-1302(a). The current system to medical providers is objective and fair. A vote to amend the Regulation as proposed is a vote for raising workmens compensation insurance premiums on small business. This is the last thing struggling small business owners need!

Teresa DeSimone
Small Business Assistance Corporation
9 Oak Forest Road
Suite 204
Bluffton, S.C. 29910
(843) 422-7483
(912) 721-6336

Ballentine, Kim

Subject: FW: Small business concern

From: Susan Mack [mailto:macksc@comcast.net]

Sent: Tuesday, July 26, 2011 10:14 AM

To: Cannon, Gary

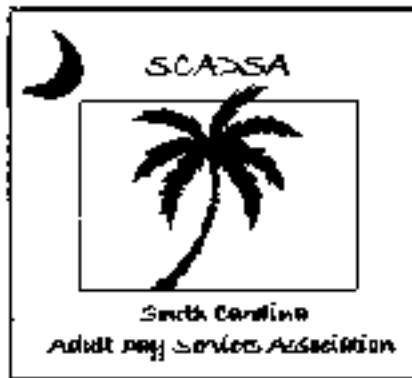
Subject: Small business concern

Please oppose amending Regulation 67-1302(A). The current system for determining compensation to medical providers is objective and fair. A vote to amend the Regulation as proposed is a vote for raising workers' compensation Insurance premiums on small businesses.

Thank you,

Susan Mack
Red Iron Architects LLC
147 Wappoo Creek Drive, Suite 305
Charleston, SC 29412

Woman-owned small business



SC Adult Day Services Association
P. O. Box 90254
Columbia, SC 29290
803 783 2171

July 29, 2011

Mr. Gary Cannon
Executive Director
S.C. Workers' Compensation Commission
P.O. Box 1715
Columbia, SC 29202-1715

Dear Mr. Cannon

On behalf of the SC Adult Day Services Association I would like to express our concerns regarding possible changes to the regulations related to "Maximum Allowable Payments to Medical Practitioners." As small business people we are very concerned about any changes that have the potential to increase costs to our state's workers' compensation system

We concur with the American Insurance Association's position that "The viability of RBRVS depends upon maintenance of its internal consistency, which is accomplished by adhering to the relative values assigned by the Centers for Medicare and Medicaid Services (CMS) as a result of objective, scientifically-based analysis." SCADSA believes we have a good system in place based on a national analysis of medical costs.

The current fee schedule that is based on an objective, scientifically-based analysis of medical costs such as Medicare's Resource-Based Value Scale (RBRVS) provides a balance between the need to appropriately reimburse health care providers for their services while ensuring costs do not escalate. The end result of amending the Regulation as proposed would be much higher workers' compensation insurance premiums for South Carolina businesses with no improvement in healthcare outcomes for our injured workers

Sincerely,

A handwritten signature in black ink that reads "Donna V. Vance".

Donna V. Vance
President

RECEIVED

AUG 07 2011

S. C. WORKERS' COMP. COMM.
EXECUTIVE DIRECTOR

Ballentine, Kim

Subject: FW: Regulation 67-1302(A)

From: arm of care Non profit Organization [mailto:armofcare4u@gmail.com]

Sent: Saturday, July 30, 2011 10:16 PM

To: Cannon, Gary

Subject: Regulation 67-1302(A)

Mr. Gary Cannon,

Please approve amending Regulation 67-1302(A). The current system for determining compensation to medical providers is objective and fair. A vote to amend the Regulation as proposed is a vote for raising workers' compensation insurance premiums on small businesses.

Thank you.

Ollie M Boyd and Bessie Cleckley

ARM of KARE Nonprofit Organization

Ballentine, Kim

Subject: FW: We need your assistance

From: Tamika Shuler [mailto:tamika@inspiremesc.com]

Sent: Thursday, August 04, 2011 5:08 PM

To: Cannon, Gary

Subject: We need your assistance

Please oppose amending Regulation 67-1302(A). The current system for determining compensation to medical providers is objective and fair. A vote to amend the Regulation as proposed is a vote for raising workers' compensation insurance premiums on small businesses.

--
Tamika Shuler

Inspire Me Business Consultant
Inspire Me Girls Program Director
tamika@inspiremesc.com
803.386.1143
[Inspire Me Facebook](#)
[Inspire Me Girls Facebook](#)

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South Carolina Orthopaedic Association

Founded
1950

August 8, 2011

James A. O'Leary, MD
President

Mr. Gary Cannon
Executive Director
Workers' Compensation Commission
1333 Main Street
Post Office Box 1715
Columbia, South Carolina 29202

Stephen Ridgeway, MEd
President-Elect

Cherian Fowble, MD
Vice-President

Please let the following serve as written comments on behalf of the South Carolina Orthopaedic Association with respect to the South Carolina Workers' Compensation Commission's recommendation to amend Regulation 67-1302(A), Maximum Allowable Payments to Medical Practitioners.

Thomas Joseph, MD
Secretary-Treasurer

The South Carolina Orthopaedic Association supports the proposed amendment to Regulation 67-1302(A), as a means of providing the Commission flexibility in the valuation of medical services rendered to injured workers.

Steven C. Pickett, MD
Immediate Past-President

Kyle J. Joczay, MD
AAOS Board of Councilors

The Workers Compensation system is unique from other health care systems in that it prioritizes rapid referral for definitive treatment to return injured workers to function as soon as possible. Given the unique nature of the system and patient population, we firmly believe the Commission needs the flexibility to make targeted changes in the valuation of services to align resources in the system to meet the goal of rapid return to function.

Bernard Kucic, MD
AAOS Board of Councilors

Fraser Cobbe
Executive Director

Thank you for this opportunity to present comments. Should you have any questions or need for clarification, please contact our Executive Director, Fraser Cobbe at 813-949-3121 or scoa@cobhemanagement.com.

Sincerely,

James O'Leary, M.D.
President
South Carolina Orthopaedic Association

17503 Mallard Court
Lutz, FL 33559

866-949-3122
Fax: 813-949-8994

E-Mail: scoa@cobhemanagement.com
Internet: www.scoausc.org

State of South Carolina

1333 Main Street, 5th Floor
P.O. Box 1715
Columbia, S.C. 29202-1715



TEL: (803) 737-5700
FAX: (803) 737-5764

Workers' Compensation Commission

July 15, 2011

NOTICE OF PUBLIC HEARING

The South Carolina Workers' Compensation Commission will conduct a public hearing on August 15, 2011, at 10:30 a.m. in Hearing Room A at the Commission to receive comments on the proposed changes to Regulation 67-1302(A). Written comments on the proposed regulation may be submitted to Gary M. Cannon, Executive Director, South Carolina Workers' Compensation Commission, Post Office Box 1715, Columbia, South Carolina 29202-1715. Comments must be received no later than 5:00 p.m. on August 8, 2011.

Proposed Amendment

~~Indicator: Mutter-Stricken~~

67-1302(A). The Commission shall establish maximum allowable payments for medical services provided by medical practitioners, ~~based on a relative value scale and a conversion factor set by the Commission~~

(1) The maximum allowable payments and any policies governing the billing and payment of services provided by medical practitioners shall be published in a medical services provider manual.

~~(2) The Commission may review and update the relative values and/or the conversion factor as needed.~~

Statement of Rationale

The Commission is proposing to amend Regulation 67-1302(A) to remove the limitation of using a relative value scale and one conversion factor.

The full text of this regulation is available on the South Carolina General Assembly Home Page: <http://www.sstatehouse.gov/regsrch.htm> (enter 4188 as the document number).

THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

Monday, July 18, 2011

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, July 18, 2011 at 10:30 a.m. The meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act. The following Commissioners were present at the meeting:

T. SCOTT BECK, INTERIM CHAIRMAN
SUSAN S. BARDEN, VICE CHAIR
DAVID W. HUFFSTETLER, COMMISSIONER
G. BRYAN LYNDON, COMMISSIONER
ANDREA C. ROCHE, COMMISSIONER
AVERY B. WILKERSON, JR., COMMISSIONER
DERRICK L. WILLIAMS, COMMISSIONER

Present also were Gary M. Cannon, Executive Director; Ananda Underhill, Senior Application Analyst; Cathy Floyd, Human Resources Manager; Diana Gantt, Accounting/Fiscal Manager; W.C. Smith, Self-Insurance Director; Garry Smith, Compliance Director; Wayne Ducote, Coverage Director; Andra Highe, Case Manager, Judicial Department; Virginia Crocker, Judicial Department Director; Garry Smith, Compliance Director; and Keith Roberts, Law Clerk. Visitors present were Clara Smith and Mark Arden, South Carolina Injured Workers Advocates; AnnMargaret McCraw, Midlands Orthopaedics/SC Orthopaedic Association; and Ashley Hunter, McKay Law Firm.

Chairman Beck called the meeting to order at 10:33 a.m.

AGENDA

Commissioner Barden moved that the agenda be approved. Commissioner Williams seconded the motion, and the motion was approved.

APPROVAL OF MINUTES - BUSINESS MEETING OF JUNE 20, 2011

Commissioner Lyndon moved that the minutes of the Business Meeting of June 20, 2011 be approved. Commissioner Barden seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

There were no general announcements.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by W.C. Smith, Self-Insurance Director. Nine prospective members of three (3) funds were presented to the Commission for approval. The applications were:

SC Automobile Dealers Association SIF
NOG Inc dba Nissan of Greer

SC Home Builders SIF
Arnold Brothers, J.L.C.
Baddorf and Sons, LLC
Burrow Construction & Maintenance, LLC
Compass Construction of the Carolinas, Inc
Gordy the Handyman, Inc.
JMA Designs, Inc.
Paul Yarborough Construction, LLC

SC McDonalds Operators Self-Insurers Fund
Calm W LLC dba McDonalds Restaurants

After examination of the applications, it was determined that each complied with the Commission's requirements and each was recommended for approval. Commissioner Wilkerson made the motion to approve the applications to self-insure, and Commissioner Williams seconded the motion. The motion was unanimously approved.

In follow-up from the June 20, 2011 Full Commission Business Meeting, Commissioner Roche asked if JT's Kia was operating without insurance prior to approval to self-insure. Mr. Smith referred to §42-5-25, temporary workers' compensation coverage for applicant to approved self-insurance fund, and stated JT's Kia was granted temporary coverage effective May 20.

DEPARTMENT DIRECTORS' REPORTS

The Department Directors presented their reports which were also submitted to the Commission in written form.

Administration Department

Diana Gant presented the Summary of Revenues and Expenditures for the period ending June 30, 2011. The last day to process payments for Fiscal Year 2011 is July 15. Therefore, the report does not reflect actual year-end figures. The benchmark for June is 100%. The Commission's actual revenues are 104.68% of budgeted, and expenses are at 93.1% of budget.

Human Resources Department

Cathy Floyd presented the Human Resources report for the period of June 14 – July 12, 2011. Ms. Floyd reported that the new monthly leave statement is now available to all leave eligible employees via the MySCEmployee portal from SCEIS. The vacant Director of Insurance and Medical Services position was posted and a total of fifty-six applications, three of which are internal, were received. Ms. Floyd reported a total of 2,903 online user hits about the position.

Information Services

Amanda Underhill presented the Information Services Department's report. Ms. Underhill reported that the Image on Image Project for Consent Orders is still in the pilot phase in Commissioner Huffstetler's office. There are questions related to filing fees that need to be resolved before moving to the next phase. Ms. Underhill reported that Information Services is

working with DSIT to ensure security on the new PCs before distributing to staff.

Insurance & Medical Services

Gary Cannon presented the Insurance and Medical Services Department's report. Thirty violation letters were issued and 17 compliance agreements were received during the month of June. The Order and Rule to Show Cause hearing originally scheduled for July 20, 2011 was postponed until August due to a scheduling conflict.

Claims Department

Gary Cannon presented the Claims Department's report on behalf of Greg Linc, who was out of the country. There were 358 fines assessed, 609 fines received, and 5,720 Form 18s processed for the month of June.

Judicial Department

Virginia Crocker presented the Judicial Department's report. This was received as information.

EXECUTIVE DIRECTOR'S REPORT

Gary Cannon, Executive Director, presented his report which was also submitted to the Commission in written form.

Personnel Recruitment

Mr. Cannon reported that he is reviewing resumes for the Director of Insurance and Medical Services position. The next step will be to schedule interviews.

Surgical Implant Advisory Committee

The Surgical Implant Advisory Committee held its second meeting on June 22, 2011. Committee members are to submit their position on the issue from their perspective organizations by August 1. The next meeting will be scheduled after August 1.

Pharmacy Fee Schedule Advisory Committee

The Pharmacy Fee Schedule Advisory Committee held its first meeting on June 24, 2011. The Committee discussed the objectives and a strategic work plan. The next meeting is scheduled for August 26, 2011.

DSIT

Mr. Cannon reported that he and Betsy Hartman met with the new Director of DSIT, Jimmy Earley, to discuss renewal of contracts for DSIT network support and CIO services. Mr. Cannon's recommendation is to continue with DSIT for the next year. He will present a proposal to renew the contract with DSIT at the August 15 Full Commission Business meeting.

Notice of Public Hearing

Mr. Cannon announced that the Notice of Public Hearing on proposed changes to Regulation 67-1302(A) was posted and emailed to stakeholders on July 15, 2011. Commissioner Huffstetler questioned the wording in the notice about removing the limitation of using a relative value scale and one conversion factor. He said that he wants to ensure that the intent of changing the regulation was not just the elimination of the single conversion language as printed in the Notice of Public Hearing's Statement of Rationale, but all the language as it relates to the RBRVS system so that other options could be explored. Chairman Beck and Commissioner Roche said

the intent is to open it up for whatever options the Commission chooses to explore. Commissioner Wilkerson said that it will be important to express that at the August 15 Public Hearing.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

ADJOURNMENT

Commissioner Barden made the motion to adjourn. Commissioner Williams seconded the motion, and the motion was approved.

The July 18, 2011 meeting of the South Carolina Workers' Compensation Commission adjourned at 10:56 a.m.

Reported July 26, 2011

Kim Ballentine, Office of the Executive Director

State of South Carolina

1443 Main Street, Suite ME1
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Workers' Compensation Commission

MEMORANDUM

To: Commissioners
Gary Cannon
Executive Director

From: W. C. Smith, III, CPCU, ARM, *WCS*
Director, Self-Insurance

Date: August 15, 2011

Subject: Applications to Self-Insure

We have received the following applications for 5 prospective members of 2 funds.

New Applicants

SC Automobile Dealers Association SIF

JT'S Chrysler Jeep Dodge dba JT Automotive of Lexington LP
PIC of Anderson SC, LLC dba Anderson Mitsubishi

SC Home Builders SIF

Beachum Construction Co, Inc
John Ward Enterprises
Mickey Ryland dba MR Construction

After examination of the various applications, it has been determined that each has complied with the Commissioners requirements and each is recommended for approval.

WCS/cb

INTEROFFICE MEMORANDUM

TO: GARY CANNON, EXECUTIVE DIRECTOR
FROM: DIANA GANTT, DIRECTOR OF ADMINISTRATION
SUBJECT: FINANCIAL REPORT PERIOD ENDING JULY 31, 2011
DATE: 8/9/2011

The Summary of Revenues and Expenditures for the period ending June 30, 2011 & July 31, 2011, are attached.

- The Fiscal Year 2011 report is final.
- Revenue collected for FY11 was 4.68% over the Budgeted benchmark
- 100% of the State Appropriations were spent and 95.1% of the Earmarked Funds were spent
- The Commission will carry forward \$9,930 in FY12 for the computer database fund.

- The benchmark for July is 8.33% The Commission's revenues are at 9.48% and expenses are at 7%.
- 35 payments have been made to vendors, travelers, and other State Agencies
- The following is a summary of each department expenditure benchmarks:

General Fund: Total expenditures are at 8%.

Earmark Fund:

Commissioners -

- Total expenditures are at 4% of budget.

Administration -

- Overall the expenditures are 6% of budget.

Clerks -

- Expenditures are at 7% of budget.

Insurance & Medical -

- Total expenditures are at 7% of budget

Judicial -

- Total expenditures are at 8% of budget.

Activity Report from the Procurement Office:

SCEIS Shopping Carts	0	Staples Orders Placed	5
Vendors Contacted for Price Quotes	10	State Leased Vehicles Taken for Service	0
Visa Procurement Card Orders Placed	2	State Reports filed by Procurement Officer	5
SC Dept. of Corrections Orders Placed	1		

Mail Room Activity:

Files Copied for Outside Parties	277
See attached Mail Summary	

South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures
2010 - 2011 Budget

June 30, 2011

	Budget	FY To Date	Benchmark	100.00%
STATE APPROPRIATIONS				
General Appropriation	<u>\$ 1,919,955</u>	<u>\$ 1,919,955</u>		100.00%

<u>Account Description</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Balance</u>	<u>% Expended</u>
Personal Services	\$ 1,475,685	\$ 1,476,654	\$ 1	100.0%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	465,109	465,109	-	100.0%
Total	<u>\$ 1,941,794</u>	<u>\$ 1,941,793</u>	<u>\$ 1</u>	<u>100.0%</u>

OTHER APPROPRIATIONS

EARMARKED	Budgeted	Received	% Received
	Revenues	thru 6/30/11	
Training Conference Registration Fee	\$ 1,000	\$ 8,020	802.00%
Sale of Publication and Brochures	8,000	21,963	274.54%
Workers' Comp Award Review Fee	75,000	75,000	100.00%
Sale of Photocopies	95,000	93,058	98.90%
Workers' Compensation Hearing Violation Fee	1,891,000	2,036,697	107.70%
Sale of Listings and Labels	30,000	41,550	138.50%
Workers' Comp Hearing Fee	600,000	549,080	91.51%
Earmarked Funds - Original Authorization	<u>\$ 2,700,000</u>	<u>\$ 2,826,268</u>	<u>104.68%</u>
BD100 to Increase Authorization - July 2010	356,315		
BD100 to Increase Authorization - July 2010 (PC's)	62,500		
Total Earmarked Revenues + Fund Balance	<u>\$ 3,118,815</u>		

<u>Account Description</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Balance</u>	<u>% Expended</u>
Personal Services	\$ 1,296,084	\$ 1,294,018	\$ 2,066	99.8%
Taxable Subsistence	80,000	67,615	12,385	84.5%
Other Operating Expenses	1,346,031	1,206,643	139,388	89.6%
Employer Contribution	396,716	396,716	0	100.0%
Total Earmarked	<u>\$ 3,118,831</u>	<u>\$ 2,964,991</u>	<u>\$ 153,840</u>	<u>95.1%</u>

COMPUTER FUNDS CARRIED FORWARD

	<u>\$ 54,761</u>			
Computer Services - Carry forward	\$ 54,761	\$ 44,831	\$ 9,930	81.9%

TOTAL OTHER APPROPRIATIONS

	<u>\$ 3,228,353</u>	<u>\$ 3,009,822</u>	<u>\$ 163,770</u>	<u>93.2%</u>
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South Carolina Workers' Compensation Commission
2010 - 2011 Budget
 June 30, 2011

Consolidated

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date - 100.00%				
				Expended June	Year To Date	%	Encumb	Balance
Commissioners								
Salaries	\$ 1,150,244	\$ -	\$ 1,150,244	\$ 96,571	\$ 1,137,858	96%	\$ -	\$ 12,385
Other Operating Expenditures								
Total Contractual Services	207,935	[30,645]	217,290	27,563	199,653	92%	-	17,537
Total Supplies & Materials	36,313	-	36,313	1,037	59,871	55%	-	16,442
Total Fixed Charges	159,652	-	159,652	15,551	145,885	91%	-	13,758
Total Travel	67,650	-	67,650	8,675	74,420	85%	-	13,233
Total Other Operating Exp	531,550	[30,645]	500,905	53,997	439,828	88%	-	61,077
Total Commissioners	\$ 1,681,794	\$ [30,645]	\$ 1,651,149	\$ 150,468	\$ 1,577,687	96%	\$ -	\$ 73,462
Administration								
Salaries	\$ 448,858	\$ 10,531	\$ 459,389	\$ 42,868	\$ 455,380	100%	\$ -	\$ (4)
Other Operating Expenditures								
Total Contractual Services	254,874	[17,016]	207,858	21,543	195,978	94%	-	11,879
Total Supplies & Materials	25,038	3,847	29,885	1,239	16,417	62%	-	11,468
Total Fixed Charges	135,600	[4,878]	130,722	12,657	116,638	89%	-	14,084
Total Travel	12,521	-	12,521	2,910	11,585	93%	-	936
Total Equipment	35,000	-	35,000	-	33,095	94%	-	1,905
Total Other Operating Exp	464,033	[48,047]	415,986	38,358	375,653	90%	-	40,332
Total Administration	\$ 908,891	\$ [37,516]	\$ 871,375	\$ 81,226	\$ 831,042	95%	\$ -	\$ 40,332
Claims								
Salaries	\$ 301,417	\$ 2,565	\$ 303,982	\$ 30,885	\$ 363,472	100%	\$ -	\$ 560
Other Operating Expenditures								
Total Contractual Services	47,405	5,000	52,405	8,531	54,404	104%	-	[1,999]
Total Supplies & Materials	27,138	5,000	27,138	839	26,000	96%	-	1,138
Total Fixed Charges	78,689	-	78,689	7,542	72,621	92%	-	6,068
Total Travel	1,750	-	1,750	78	1,406	80%	-	344
Total Other Operating Exp	149,982	10,000	159,982	17,127	155,337	97%	-	4,645
Total Claims	\$ 511,399	\$ 12,565	\$ 523,964	\$ 48,011	\$ 538,759	99%	\$ -	\$ 5,552
Insurance and Medical Services								
Salaries	\$ 460,608	\$ 40,491	\$ 500,899	\$ 77,583	\$ 500,899	100%	\$ -	\$ 0
Other Operating Expenditures								
Total Contractual Services	37,701	-	37,701	8,291	52,452	139%	-	[14,751]
Total Supplies & Materials	34,500	45	34,545	1,551	34,762	44%	-	13,762
Total Fixed Charges	67,220	-	67,220	6,253	55,464	83%	-	6,756
Total Travel	258	-	258	-	1,113	406%	-	[855]
Total Other Operating Exp	139,679	45	139,724	16,095	123,853	93%	-	9,871
Total Insurance and Medical Services	\$ 598,887	\$ 40,536	\$ 639,425	\$ 93,678	\$ 624,750	98%	\$ -	\$ 9,871
Judicial								
Salaries	\$ 383,862	\$ [1,607]	\$ 382,255	\$ 31,632	\$ 380,748	100%	\$ -	\$ 1,506
Other Operating Expenditures								
Total Contractual Services	43,078	-	43,078	4,355	17,265	63%	-	15,803
Total Supplies & Materials	22,024	-	22,024	915	17,840	81%	-	4,184
Total Fixed Charges	65,966	-	65,966	7,217	63,502	95%	-	2,464
Total Travel	3,350	-	3,350	145	5,382	192%	-	[372]
Total Other Operating Exp	134,418	-	134,418	12,627	111,979	83%	-	22,445
Total Judicial	\$ 518,280	\$ [1,607]	\$ 516,673	\$ 43,974	\$ 492,722	95%	\$ -	\$ 24,951
Totals By Departments								
Department Totals								
Commissioners	\$ 1,681,794	\$ [30,645]	\$ 1,651,149	\$ 150,468	\$ 1,577,687	96%	\$ -	\$ 73,462
Administration	908,891	[37,516]	871,375	81,226	831,042	95%	\$ -	40,332
Claims	511,399	12,565	523,964	48,011	538,759	99%	\$ -	5,552
Insurance & Medical	598,887	40,536	639,425	93,678	624,750	98%	\$ -	9,871
Judicial	518,280	[1,607]	516,673	43,974	492,722	95%	\$ -	24,951
Total Departmental Expend	\$ 4,215,451	\$ [10,667]	\$ 4,198,784	\$ 417,263	\$ 4,044,960	96%	\$ -	\$ 154,187
Employer Contributions	823,319	38,506	861,825	75,610	861,825	100%	-	0
Total General & earmarked funds	\$ 5,038,770	\$ 21,839	\$ 5,060,609	\$ 482,873	\$ 4,906,785	97%	\$ -	\$ 154,187

South Carolina Workers' Compensation Commission
2010 - 2011 Budget
 June 30, 2011

General Appropriation

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date 100.00%				
				Expended - Line	Year To Date to Date	%	Cumulative Balance	
Commissioners								
Salaries								
Chairman	\$ 115,567	\$ (4,426)	\$ 111,141	\$ 9,731	\$ 111,141	100%	\$ -	\$ 0
Commissioner	664,602	4,426	669,028	55,783	659,038	100%	-	(0)
Classified Employees	290,075	-	290,075	24,173	290,075	100%	-	0
Total Commissioners	1,070,244	-	1,070,244	89,687	1,070,243	100%	-	-
Administration								
Salaries								
Director	\$ 94,152	\$ -	\$ 94,152	\$ 7,846	\$ 94,152	100%	\$ -	\$ -
Classified Positions	132,206	-	132,206	10,069	132,206	100%	-	-
Total Administration	226,358	-	226,358	17,915	226,358	100%	-	-
Claims								
Salaries								
Classified Positions	\$ 55,417	\$ 5,049	\$ 60,466	\$ 15	\$ 60,466	100%	\$ -	\$ (0)
Total Claims	55,417	5,049	60,466	15	60,466	100%	-	(0)
Insurance and Medical Services								
Salaries								
Classified Positions	\$ 57,755	\$ -	\$ 57,755	\$ 4,721	\$ 57,755	100%	\$ -	\$ -
Total Ins and Medical Svcs	57,755	-	57,755	4,721	57,755	100%	-	-
Judicial								
Salaries								
Classified Positions	\$ 61,862	\$ -	\$ 61,862	\$ 5,155	\$ 61,862	100%	\$ -	\$ 0
Total Judicial	61,862	-	61,862	5,155	61,862	100%	-	0
General Funds								
Department Totals								
Commissioners	\$ 1,070,244	\$ -	\$ 1,070,244	\$ 89,687	\$ 1,070,243	100%	\$ -	\$ -
Administration	226,358	-	226,358	17,915	226,358	100%	-	-
Claims	55,417	5,049	60,466	15	60,466	100%	-	(0)
Insurance & Medical	57,755	-	57,755	4,721	57,755	100%	-	-
Judicial	61,862	-	61,862	5,155	61,862	100%	-	0
Total Departmental Expend	\$ 1,471,636	\$ 5,049	\$ 1,476,685	\$ 116,933	\$ 1,476,684	100%	\$ -	\$ 1
Employer Contributions	448,315	16,790	465,105	57,386	465,109	100%	-	-
Total General Fund Appropriations	\$ 1,919,951	\$ 21,839	\$ 1,941,794	\$ 174,319	\$ 1,941,793	100%	\$ -	\$ 1

South Carolina Workers' Compensation Commission

2010 - 2011 Budget

June 30, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date - 100.00%				
				Expended June	Year to Date	%	Encumb Balance	
Commissioners								
Salaries								
Taxable Subsistence	\$ 80,000	\$ -	\$ 80,000	\$ 7,584	\$ 67,615	85%	\$ -	\$ 12,385
Total Salaries	80,000	-	80,000	7,584	67,615	85%	-	12,385
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	700	-	700	-	-	0%	-	700
Copying Equipment Service	200	-	200	-	-	0%	-	200
Print/Bind/Advertisement	510	-	510	-	510	100%	-	-
Print/Pub Annual Reports	28	-	28	-	-	0%	-	28
Data Processing Services	58,535	(30,645)	27,890	4,491	30,334	80%	-	7,556
Freight Express Delivery	490	-	490	-	-	0%	-	490
Telephone	4,500	-	4,500	810	5,075	113%	-	(575)
Cellular Phone Service	12,000	-	12,000	994	8,015	67%	-	3,985
Legal Services/Attorney Fees	150,000	-	150,000	21,358	155,424	90%	-	6,676
Other Professional Services	972	-	972	10	2,378	245%	-	(1,406)
Total Contractual Services	247,935	(30,645)	217,290	27,663	199,653	92%	-	17,637
Supplies & Materials								
Office Supplies	3,500	-	3,500	200	5,901	69%	-	2,599
Copying Equipment	7,714	-	7,714	447	4,045	148%	-	(1,299)
Printing	1,750	-	1,750	357	1,088	62%	-	662
Data Processing Supplies	649	-	649	-	230	35%	-	419
Postage	21,500	-	21,500	-	7,856	36%	-	13,644
Communication Supplies	50	-	50	-	450	900%	-	(400)
Miscellaneous Supplies	75	-	75	-	185	245%	-	(110)
Motor Vehicle Supply/Gasoline	100	-	100	-	58	58%	-	42
Other Supplies	375	-	375	3	100	13%	-	375
Total Supplies & Materials	36,313	-	36,313	1,007	19,871	59%	-	16,442
Fixed Charges								
Rental-Cont Rent Payment	4,800	-	4,800	240	7,790	58%	-	2,010
Rent Non State Owned Property	149,750	-	149,750	12,579	135,566	91%	-	14,184
Rent-Other	250	-	250	-	212	85%	-	38
Insurance-STATE	3,533	-	3,533	3,513	7,266	200%	-	(3,733)
Insurance Non State	159	-	159	-	-	0%	-	159
Fees & Fines	50	-	50	-	50	100%	-	-
Equipment Maintenance	1,300	-	1,300	-	-	0%	-	1,300
Total Fixed Charges	159,652	-	159,652	16,551	145,885	91%	-	13,768
Travel (Includes Leased Car)								
In State - Meals (Non-Reimbursable)	650	-	650	-	294	45%	-	356
In State - Auto Mileage	10,000	-	10,000	754	9,490	95%	-	510
In State - Subsistence Allowance	25,000	-	25,000	952	26,352	105%	-	(1,352)
Out State - Meals	500	-	500	-	51	10%	-	449
Out State - Auto Mileage	1,500	-	1,500	-	460	31%	-	1,040
Leased Car	50,000	-	50,000	6,865	37,772	70%	-	12,228
Total Travel	87,650	-	87,650	8,676	74,410	85%	-	13,240
Total Other Operating Expenditures	531,550	(30,645)	500,905	53,897	439,828	88%	-	61,077
Total Commissioners	\$ 611,550	\$ (30,645)	\$ 580,905	\$ 61,281	\$ 507,443	87%	\$ -	\$ 73,462

South Carolina Workers' Compensation Commission

2010 - 2011 Budget

June 30, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-to-Date : 100.00%				
				Expended June	Year to Date	%	Encumbr	Balance
Administration								
Salaries								
Classified Positions	\$ 214,000	\$ 5,043	\$ 219,043	\$ 22,940	\$ 219,343	100%	\$ -	\$ (0)
Temporary Employees	3,500	5,353	8,853	7,064	8,853	100%	-	0
Terminal Leave	1,000	(155)	845	-	845	100%	-	-
Total Salaries	218,500	10,591	229,091	25,019	229,091	100%	-	(0)
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	4,904	-	4,904	-	5,095	104%	-	(145)
Copying Equipment Service	2,033	-	2,000	519	319	76%	-	1,481
Print/Band/Advertisement	4,550	-	4,650	-	404	9%	-	4,246
Print - Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	101,559	104,812	146,046	16,006	146,112	100%	-	739
Freight Express Delivery	15,500	112,224	3,296	55	424	13%	-	2,871
Telephone	4,435	-	4,434	1,003	6,185	138%	-	(1,692)
Cellular Phone Service	1,325	-	1,325	264	1,328	100%	-	(3)
Education & Training Services	1,033	-	1,000	-	1,050	105%	-	(50)
Attorney Fees	34,347	-	34,917	2,466	31,843	91%	-	3,105
General Repair	233	(13)	217	-	-	0%	-	217
Audit Acct Finance	133	-	100	-	100	100%	-	-
Careed Monis	1,033	-	1,000	-	1,851	183%	-	(831)
Non-State Employee Travel	-	(3)	15	-	15	98%	-	0
Other Professional Services	2,033	-	2,000	-	75	4%	-	1,925
Other Contractual Services	335	-	445	-	445	100%	-	-
Total Contractual Services	254,874	(47,016)	207,858	21,543	195,978	94%	-	11,879
Supplies & Materials								
Office Supplies	9,743	(1,053)	8,690	747	5,147	59%	-	3,543
Subscriptions	175	-	175	-	-	0%	-	175
Copying Equipment Supplies	3,334	-	3,354	345	1,360	85%	-	574
Printing	1,354	-	1,964	624	1,506	77%	-	458
Data Processing Supplies	2,075	-	2,075	35	235	11%	-	1,840
Postage	7,100	4,350	11,250	(98)	6,741	52%	-	4,509
Maint/Janitorial Supplies	98	-	98	-	146	149%	-	(48)
Fees & Fines	174	750	924	-	275	32%	-	649
Gasoline/ Motor Vehicle Supply	35	-	35	-	94	261%	-	(58)
Promotional Supplies	75	-	75	-	-	0%	-	75
Employee Recog Award	564	-	564	28	788	142%	-	(224)
Other Supplies	100	-	100	47	124	124%	-	(24)
Total Supplies & Materials	25,098	3,847	29,885	1,239	18,417	62%	-	11,468
Fixed Charges								
Rent-Cost Rent Payment	5,979	-	5,979	508	4,389	77%	-	1,590
Rent-Non State Owned Property	107,111	(4,978)	102,129	8,204	87,710	86%	-	14,438
Rent-Other	225	1,500	1,725	70	1,339	154%	-	(1,114)
Insurance-State	7,490	(1,400)	5,090	2,564	5,744	100%	-	(7,654)
Insurance-Non State	134	-	134	-	-	0%	-	134
Dues and Memberships	3,985	-	3,985	75	3,810	96%	-	175
Equipment Maintenance	1,000	-	1,000	-	-	0%	-	1,000
Sales Tax Paid	9,666	-	5,686	1,157	5,436	87%	-	1,752
Total Fixed Charges	135,600	(4,878)	130,722	12,667	116,638	89%	-	14,084
Travel (Includes leased Car)								
In State - Meals Non / Reponsible	21	(9)	12	-	28	233%	-	(10)
Reportable Meals	-	9	9	-	9	100%	-	-
Out of State - Mileage	-	86	86	-	86	99%	-	0
In State - Registration Fees	-	150	150	-	182	121%	-	(32)
Leased Car	12,500	(736)	11,764	2,910	11,281	92%	-	583
Total Travel	12,521	-	12,521	2,910	11,585	93%	-	936
Equipment								
Equipment: Data Processing- PC's	35,000	-	35,000	-	33,055	94%	-	1,945
Total Equipment	35,000	-	35,000	-	33,055	94%	-	1,945
Total Other Operating Expenditures	464,833	(48,047)	415,986	28,358	375,653	90%	-	40,332
Total Administration	\$ 683,333	\$ (37,516)	\$ 645,817	\$ 63,371	\$ 604,684	94%	\$ -	\$ 40,332

South Carolina Workers' Compensation Commission

2010 - 2011 Budget

June 30, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date 100.00%				
				Expended June	Year To Date	%	Encumb Balance	
Claims								
Salaries								
Classified Positions	\$ 301,000	\$ (13,171)	\$ 287,827	\$ 29,859	\$ 287,267	100%	\$ -	\$ 560
Temporary Positions	4,000	8,597	12,597	1,011	12,597	100%	-	-
Terminal Leave	1,000	2,091	3,092	-	3,092	100%	-	-
Total Salaries	306,000	(12,494)	293,516	30,870	302,956	100%	-	560
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	200	-	200	-	90	45%	-	110
Print / Bind / Ad	750	-	750	-	404	54%	-	346
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	26,900	-	26,900	3,820	24,128	91%	-	2,575
Freight Express Delivery	500	-	500	-	-	0%	-	500
Telephone	3,000	-	3,000	667	3,145	105%	-	(145)
Cellular Phone Service	-	10	10	357	357	3570%	-	-
Temporary Services	13,000	4,390	17,390	3,853	2,705	143%	-	(7,719)
Other Professional Services	2,000	-	2,000	-	90	3%	-	2,910
Total Contractual Services	47,405	5,000	52,405	8,697	54,404	104%	-	(1,652)
Supplies & Materials								
Office Supplies	2,912	5,000	8,913	158	9,309	104%	-	(389)
Copying Equipment	2,000	-	2,000	354	2,566	128%	-	(986)
Printing	1,000	-	2,000	282	802	41%	-	1,138
Data Processing Supplies	75	-	75	-	53	71%	-	22
Postage	14,000	-	14,000	-	13,458	96%	-	542
Main/Janitorial Supplies	50	-	50	12	100	131%	-	(119)
Other Supplies	100	-	100	3	80	80%	-	20
Total Supplies & Materials	22,138	5,000	27,138	809	25,906	99%	-	232
Fixed Charges								
Rent-Cent. Rear Payment	1,500	-	1,500	226	1,815	71%	-	685
Rent-Non State Owned Property	71,750	-	71,750	6,339	67,783	92%	-	3,967
Rent-Other	225	-	225	-	219	95%	-	12
Insurance-State	1,080	-	1,080	997	1,094	105%	-	(914)
Insurance-Non State	124	-	124	-	-	0%	-	124
Equipment-Copying	-	815	815	-	815	100%	-	(9)
Equipment Maintenance	1,000	(815)	185	-	-	0%	-	185
Total Fixed Charges	78,689	-	78,689	7,542	72,621	92%	-	6,063
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	800	(3)	797	-	232	79%	-	50
In State - Lodging	500	-	500	-	565	113%	-	(65)
In State - Auto Mileage	500	-	600	-	272	46%	-	328
In-State Registration	-	8	8	-	0	100%	-	-
Keeneland Meals	100	-	100	78	325	325%	-	(225)
Leased Car	250	-	250	-	-	0%	-	250
Total Travel	1,750	-	1,750	78	1,406	80%	-	344
Total Other Operating Expenditures	143,982	10,000	153,982	17,127	155,337	97%	-	4,992
Total Claims	\$ 455,987	\$ 7,516	\$ 463,503	\$ 47,997	\$ 458,293	99%	\$ -	\$ 5,552

South Carolina Workers' Compensation Commission

2010 - 2011 Budget

June 30, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100.00%			Encumb	Balance
				Expended June	Year to Date	%		
Insurance and Medical Services								
Salaries								
Classified Positions	383,300	(2,089)	381,211	32,188	380,911	100%	-	0
Retire Incentive Pmt	-	25,250	25,250	25,250	25,250	100%	-	-
Terminal Leave	-	14,257	14,257	14,257	14,257	100%	-	-
Temporary Employees	15,318	7,708	23,026	1,251	22,776	100%	-	-
Special Contractual Employee	4,585	(4,655)	-	-	-	0%	-	-
Total Salaries	402,653	40,481	443,134	72,861	441,144	100%	-	0
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	200	-	200	-	-	0%	-	200
Cooking Equipment Service	1,000	-	1,000	255	255	25%	-	745
Print/Bind/Advertisement	3,400	(2,551)	849	-	444	10%	-	2,699
Print Pub Annual Report	24	-	24	-	-	0%	-	24
Data Processing Services	24,864	-	24,864	7,132	44,475	178%	-	(19,611)
Telephone	2,626	-	2,626	454	2,886	110%	-	(260)
Cell Phone	-	255	255	255	255	100%	-	-
Other Professional Services	2,387	-	2,387	185	1,660	70%	-	127
Other Contractual Services	3,200	-	3,200	-	2,515	79%	-	685
Total Contractual Services	37,701	-	37,701	8,293	52,492	139%	-	(14,791)
Supplies & Materials								
Office Supplies	6,000	-	6,000	310	3,066	50%	-	2,984
Lodging Equipment	3,000	-	3,000	291	1,000	100%	-	(300)
Printing	1,500	-	1,500	287	1,131	75%	-	369
Data Processing Supplies	1,000	-	1,000	170	370	37%	-	630
Postage	21,625	-	21,625	-	6,612	31%	-	15,199
Maintenance/Janitorial Supplies	75	-	75	-	162	215%	-	(91)
Fees & Fines	-	45	45	-	45	100%	-	-
Other Supplies	100	-	100	3	28	88%	-	12
Total Supplies & Materials	33,500	45	33,545	1,661	14,783	44%	-	18,762
Fixed Charges								
Rental-Civil Rent Payment	2,104	-	2,104	434	2,809	134%	-	(705)
Rent-Non State Owned Property	56,400	-	56,400	4,475	47,847	85%	-	8,553
Rent-Other	225	-	225	-	213	95%	-	12
Insurance State	1,901	-	1,901	1,218	2,036	107%	-	(135)
Insurance-Non State	148	-	148	-	-	0%	-	148
Equipment Maintenance	942	-	942	-	-	0%	-	942
Sales Tax Paid	1,300	-	1,300	123	2,259	173%	-	(1,299)
Total Fixed Charges	62,220	-	62,220	6,050	55,499	89%	-	6,756
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	50	-	50	-	349	696%	-	(298)
In-State Registration	-	-	16	-	15	100%	-	-
Reportable Meals	50	-	50	-	87	178%	-	(39)
In State - Lodging	158	-	158	-	663	417%	-	(502)
Total Travel	258	-	274	-	1,117	406%	-	(839)
Total Other Operating Expenditures	133,679	45	133,740	16,003	123,851	98%	-	9,889
Total Insurance and Medical Services	\$ 536,332	\$ 40,526	\$ 576,858	\$ 88,864	\$ 566,995	98%	\$ -	\$ 9,889

South Carolina Workers' Compensation Commission

2010 - 2011 Budget

June 30, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year To-Date : 100.00%				
				Expended June	Year to Date	%	Encumb	Balance
Judicial								
Salaries								
Classified Positions	\$ 322,000	\$ (1,351)	\$ 319,509	\$ 26,477	\$ 318,103	100%	\$ -	\$ 1,506
Term No Leave	-	784	784	-	784	100%	-	101
Total Salaries	322,000	(1,607)	319,393	26,477	318,887	100%	-	1,506
Other Operating Expenditures								
Contractual Services								
Off on Equipment Services	180	-	180	-	-	0%	-	180
Print/Bind/Advertisement	500	-	500	-	461	72%	-	139
Print Pub Annual Reports	20	-	20	-	-	0%	-	20
Data Processing Services	37,803	-	37,803	3,764	21,143	61%	-	14,658
Freight Express Delivery	150	-	150	-	-	0%	-	150
Lease/Lease	3,000	-	3,000	420	2,540	85%	-	460
Cellular Phone Service	1,225	-	1,225	181	1,044	100%	-	1
Other Professional Services	200	-	200	-	-	0%	-	200
Total Contractual Services	43,078	-	43,078	4,365	27,269	63%	-	15,809
Supplies & Materials								
Office Supplies	4,775	-	4,775	156	5,043	100%	-	(174)
Copying Equipment Supplies	1,949	-	1,949	317	2,594	138%	-	(735)
Printing	2,500	-	2,500	428	345	34%	-	1,654
Data Processing Supplies	75	-	75	-	-	0%	-	75
Postage	12,580	-	12,580	-	9,033	72%	-	3,547
Maintenance/Territorial Supplies	50	-	50	-	118	236%	-	(68)
Promotional Supplies	20	-	20	-	-	0%	-	20
Other Supplies	75	-	75	15	84	112%	-	(9)
Total Supplies & Materials	22,024	-	22,024	315	17,820	81%	-	4,204
Fixed Charges								
Rental Cont. Rent Payment	1,750	-	1,750	240	1,115	64%	-	635
Rent- Non State Owned Property	63,750	-	63,750	5,582	59,039	94%	-	3,041
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,221	-	1,221	1,181	2,306	211%	-	(1,245)
Insurance Non State	120	-	120	-	-	0%	-	120
Total Fixed Charge	66,066	-	66,966	7,017	63,507	85%	-	3,464
Travel (Includes Leased Car)								
In State - Meas / Non-Reportable	250	-	250	-	242	97%	-	8
Reportable Meas	100	-	100	38	250	250%	-	(150)
In State - Lodging	400	-	400	-	749	187%	-	(349)
In State - Auto Mileage	2,200	-	2,200	47	2,077	94%	-	123
In State - Misc Travel Expense	100	-	100	-	56	56%	-	44
In-State Registration	-	8	8	-	8	100%	-	-
Out State - Auto Mileage	300	(8)	292	-	-	0%	-	292
Total Travel	3,350	-	3,350	145	3,382	101%	-	(132)
Total Other Operating Expenditures	135,438	-	135,438	12,342	111,973	83%	-	23,445
Total Judicial	\$ 457,438	\$ (1,607)	\$ 455,811	\$ 38,819	\$ 430,860	95%	\$ -	\$ 24,951
Earmarked Funds								
Department Totals								
Commissioners	\$ 611,550	\$ (10,045)	\$ 599,505	\$ 61,281	\$ 527,443	87%	\$ -	\$ 78,462
Administration	687,533	(17,516)	645,017	64,171	524,684	94%	-	40,332
Claims	455,982	7,518	463,498	47,997	458,733	99%	-	5,554
Insurance & Medical	536,232	40,536	576,884	38,864	566,995	98%	-	9,889
Judicial	457,438	(11,607)	455,911	48,819	433,850	95%	-	24,351
Total Departmental Expend	\$ 2,743,815	\$ (21,716)	\$ 2,722,115	\$ 300,332	\$ 2,568,275	94%	\$ -	\$ 154,187
Employer Contributions	375,000	21,716	396,716	38,224	396,716	100%	-	0
Total Earmarked Funds	\$ 3,118,815	\$ -	\$ 3,118,831	\$ 318,556	\$ 2,964,991	95%	\$ -	\$ 154,187
Capital / Computer Project Carryforward	\$ 54,761	\$ -	\$ 54,761	\$ 35,397	\$ 44,831	82%	-	\$ 9,930

South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures
2011 - 2012 Budget
July 31, 2011

	Budget	FY To Date	Benchmark	8.33%
STATE APPROPRIATIONS				
General Appropriation	<u>\$ 1,743,070</u>	<u>\$ 145,256</u>		8.33%

<u>Account Description</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Balance</u>	<u>% Expended</u>
Personal Services	\$ 1,329,429	\$ 110,786	\$ 1,218,643	8.3%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	413,641	32,017	381,624	7.7%
Total	<u>\$ 1,743,070</u>	<u>\$ 142,797</u>	<u>\$ 1,600,273</u>	<u>8.2%</u>

OTHER APPROPRIATIONS

EARMARKED

	<u>Budgeted Revenues</u>	<u>Received thru 7/31/11</u>	<u>% Received</u>
Training Conference Registration Fee	\$ 1,000	\$ -	0.00%
Sale of Publication and Brochures	8,000	825	10.31%
Workers' Comp Award Review Fee	75,000	7,500	10.00%
Sale of Photocopies	55,000	9,293	9.77%
Workers' Compensation Filing Violation Fee	1,891,000	174,946	9.25%
Sale of Listings and Labels	30,000	3,009	10.03%
Workers' Comp Hearing Fee	600,000	60,525	10.09%
Earmarked Funds - Original Authorization	<u>\$ 2,700,000</u>	<u>\$ 256,088</u>	9.48%
Increase Authorization	418,815		
Total Earmarked Revenues + Fund Balance	<u>\$ 3,118,815</u>		

<u>Account Description</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Balance</u>	<u>% Expended</u>
Personal Services	\$ 1,378,265	\$ 114,834	\$ 1,263,431	8.3%
Taxable Subsistence	72,350	3,976	68,374	5.5%
Other Operating Expenses	1,220,016	51,450	1,168,566	4.2%
Employer Contribution	448,184	37,638	410,546	8.4%
Total Earmarked	<u>\$ 3,118,815</u>	<u>\$ 207,898</u>	<u>\$ 2,910,917</u>	<u>6.7%</u>

COMPUTER FUNDS CARRIED FORWARD

	<u>\$ 9,931</u>			
Computer Services - Carry forward	<u>\$ 9,931</u>	<u>\$ -</u>	<u>\$ 9,931</u>	<u>0.0%</u>

TOTAL OTHER APPROPRIATIONS

	<u>\$ 3,138,677</u>	<u>\$ 207,898</u>	<u>\$ 2,920,848</u>	<u>6.6%</u>
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South Carolina Workers' Compensation Commission
2011 - 2012 Budget
 July 31, 2011

Consolidated

Year-To-Date: 8.33%

	Original Budget	Budget Amendments	Amended Budget	Expended July	Year to-Date	%	Excess	Balance
Commissioners								
Salaries	\$ 1,142,594	\$ -	\$ 1,142,594	\$ 93,163	\$ 93,163	8%	\$ -	\$ 69,374
Other Operating Expenditures								
Total Contractual Services	211,100	-	211,100	1,913	1,913	1%	-	209,188
Total Supplies & Materials	20,499	-	20,499	1,121	1,121	5%	-	19,378
Total Fixed Charges	174,102	-	174,102	12,033	12,033	8%	-	162,069
Total Travel	80,450	-	80,450	1,568	1,568	2%	-	78,882
Total Other Operating Exp	450,151	-	450,151	16,634	16,634	4%	-	433,517
Total Commissioners	\$ 1,598,745	\$ -	\$ 1,598,745	\$ 109,797	\$ 109,797	7%	\$ -	\$ 507,891
Administration								
Salaries	\$ 458,224	\$ -	\$ 458,224	\$ 39,524	\$ 39,524	9%	\$ -	\$ 418,700
Other Operating Expenditures								
Total Contractual Services	201,027	-	201,027	3,938	3,938	2%	-	197,089
Total Supplies & Materials	20,808	-	20,808	1,750	1,750	8%	-	19,058
Total Fixed Charges	118,095	-	118,095	8,125	8,125	7%	-	109,970
Total Travel	12,490	-	12,490	50	50	0%	-	12,440
Total Equipment	-	-	-	-	-	0%	-	-
Total Other Operating Exp	352,415	-	352,415	13,862	13,862	4%	-	338,553
Total Administration	\$ 810,639	\$ -	\$ 810,639	\$ 53,386	\$ 53,386	7%	\$ -	\$ 757,253
Claims								
Salaries	\$ 375,000	\$ -	\$ 375,000	\$ 30,911	\$ 30,911	8%	\$ -	\$ 344,089
Other Operating Expenditures								
Total Contractual Services	61,305	-	61,305	514	514	1%	-	60,791
Total Supplies & Materials	28,275	-	28,275	2,308	2,308	8%	-	25,967
Total Fixed Charges	73,730	-	73,730	3,875	3,875	8%	-	69,855
Total Travel	2,100	-	2,100	39	39	2%	-	2,061
Total Other Operating Exp	163,119	-	163,119	8,736	8,736	5%	-	154,383
Total Claims	\$ 540,119	\$ -	\$ 540,119	\$ 39,647	\$ 39,647	7%	\$ -	\$ 497,472
Insurance and Medical Services								
Salaries	\$ 458,368	\$ -	\$ 458,368	\$ 34,365	\$ 34,365	7%	\$ -	\$ 424,003
Other Operating Expenditures								
Total Contractual Services	56,050	-	56,050	-	-	0%	-	56,050
Total Supplies & Materials	16,725	-	16,725	1,162	1,162	7%	-	15,563
Total Fixed Charges	55,520	-	55,520	4,256	4,256	8%	-	51,264
Total Travel	1,550	-	1,550	-	-	0%	-	1,550
Total Other Operating Exp	129,645	-	129,645	5,418	5,418	4%	-	124,227
Total Insurance and Medical Services	\$ 588,013	\$ -	\$ 588,013	\$ 39,783	\$ 39,783	7%	\$ -	\$ 545,130
Judicial								
Salaries	\$ 345,898	\$ -	\$ 345,898	\$ 31,632	\$ 31,632	8%	\$ -	\$ 314,266
Other Operating Expenditures								
Total Contractual Services	30,275	-	30,275	303	303	1%	-	29,972
Total Supplies & Materials	19,745	-	19,745	976	976	5%	-	18,769
Total Fixed Charges	63,216	-	63,216	3,367	3,367	8%	-	59,849
Total Travel	3,950	-	3,950	155	155	4%	-	3,795
Total Other Operating Exp	116,686	-	116,686	6,800	6,800	6%	-	109,886
Total Judicial	\$ 462,544	\$ -	\$ 462,544	\$ 38,432	\$ 38,432	8%	\$ -	\$ 424,112
Totals By Departments								
Department Totals								
Commissioners	\$ 1,598,745	\$ -	\$ 1,598,745	\$ 109,797	\$ 109,797	7%	\$ -	\$ 507,891
Administration	810,639	-	810,639	53,386	53,386	7%	-	757,253
Claims	540,119	-	540,119	39,647	39,647	7%	-	497,472
Insurance & Medical	588,013	-	588,013	39,783	39,783	7%	-	545,130
Judicial	462,544	-	462,544	38,432	38,432	8%	-	424,112
Total Departmental Expend	\$ 4,000,060	\$ -	\$ 4,000,060	\$ 281,046	\$ 281,046	7%	\$ -	\$ 2,719,357
Employer Contributions	861,825	-	861,825	69,650	69,650	8%	-	792,175
Total General & Earmarked Funds	\$ 4,861,885	\$ -	\$ 4,861,885	\$ 350,696	\$ 350,696	7%	\$ -	\$ 3,511,532

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
 July 31, 2011

General Appropriation

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 8.33%				
				Expended July	Year to Date to Date	%	Encumb	Balance
Commissioners								
Salaries								
Chairman	\$ 115,567	\$ -	\$ 115,567	\$ 9,231	\$ 9,231	8%	\$ -	\$ 106,336
Commissioner	654,602	-	654,602	55,783	55,783	8%	-	608,819
Classified Employees	290,075	-	290,075	24,173	24,173	8%	-	265,902
Total Commissioners	1,070,244	-	1,070,244	89,187	89,187	8%	-	-
Administration								
Salaries								
Director	\$ 94,152	\$ -	\$ 94,152	\$ 7,846	\$ 7,846	8%	\$ -	\$ 86,306
Classified Positions	44,825	-	44,825	3,735	3,735	8%	-	41,090
Total Administration	138,977	-	138,977	11,581	11,581	8%	-	127,396
Claims								
Salaries								
Classified Positions	\$ 67,000	\$ -	\$ 67,000	\$ 5,583	\$ 5,583	8%	\$ -	\$ 61,417
Total Claims	67,000	-	67,000	5,583	5,583	8%	-	61,417
Insurance and Medical Services								
Salaries								
Classified Positions	\$ 25,350	\$ -	\$ 25,350	\$ 2,113	\$ 2,113	8%	\$ -	\$ 23,238
Total Ins and Medical Svcs	25,350	-	25,350	2,113	2,113	8%	-	23,238
Judicial								
Salaries								
Classified Positions	\$ 27,858	\$ -	\$ 27,858	\$ 2,322	\$ 2,322	8%	\$ -	\$ 25,537
Total Judicial	27,858	-	27,858	2,322	2,322	8%	-	25,537
General Funds								
Department Totals								
Commissioners	\$ 1,070,244	\$ -	\$ 1,070,244	\$ 89,187	\$ 89,187	8%	\$ -	\$ 981,057
Administration	138,977	-	138,977	11,581	11,581	8%	-	127,396
Claims	67,000	-	67,000	5,583	5,583	8%	-	61,417
Insurance & Medical	25,350	-	25,350	2,113	2,113	8%	-	23,238
Judicial	27,858	-	27,858	2,322	2,322	8%	-	25,537
Total Departmental Expend	\$ 1,329,429	\$ -	\$ 1,329,429	\$ 110,786	\$ 110,786	8%	\$ -	\$ 1,218,643
Employer Contributions	413,641	-	413,641	32,012	32,012	8%	-	381,629
Total General Fund Appropriations	\$ 1,743,070	\$ -	\$ 1,743,070	\$ 142,797	\$ 142,797	8%	\$ -	\$ 1,600,273

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
 July 31, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year To Date - 8.33%				
				Expended July	Year to Date	%	Encumb	Balance
Commissioners								
Salaries								
Taxable Subsistence	\$ 72,350	\$ -	\$ 72,350	\$ 3,976	\$ 3,976	5%	\$ -	\$ 68,374
Total Salaries	72,350	-	72,350	3,976	3,976	5%	-	68,374
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	700	-	700	-	-	0%	-	700
Copying Equipment Service	200	-	200	-	-	0%	-	200
Print/Bind/Advertisement	510	-	510	-	-	0%	-	510
Print; Pub Annual Reports	28	-	28	-	-	0%	-	28
Data Processing Services	35,000	-	35,000	-	-	0%	-	35,000
Freight Express Delivery	490	-	490	-	-	0%	-	490
Telephone	5,100	-	5,100	-	-	0%	-	5,100
Cellular Phone Service	8,100	-	8,100	-	-	0%	-	8,100
Legal Services/Attorney Fees	160,000	-	160,000	1,013	1,013	1%	-	158,988
Other Professional Services	572	-	572	-	-	0%	-	572
Total Contractual Services	211,100	-	211,100	1,013	1,013	1%	-	209,188
Supplies & Materials								
Office Supplies	6,000	-	6,000	5	5	0%	-	5,995
Copying Equipment	4,200	-	4,200	340	340	3%	-	3,860
Printing	1,200	-	1,200	-	-	0%	-	1,200
Data Processing Supplies	649	-	649	-	-	0%	-	649
Postage	8,000	-	8,000	775	775	10%	-	7,225
Communication Supplies	50	-	50	-	-	0%	-	50
Miscellaneous Supplies	200	-	200	-	-	0%	-	200
Motor Vehicle Supp/Gasoline	100	-	100	-	-	0%	-	100
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	20,499	-	20,499	1,121	1,121	5%	-	19,378
Fixed Charges								
Rental Conn Rent Payment	3,000	-	3,000	335	339	11%	-	2,661
Rent-Non State Owned Property	116,500	-	116,500	11,694	11,694	9%	-	124,806
Rent-Other	250	-	250	-	-	0%	-	250
Insurance-State	3,633	-	3,633	-	-	0%	-	3,633
Insurance-Non State	169	-	169	-	-	0%	-	169
Fees & Fines	50	-	50	-	-	0%	-	50
Equipment Maintenance	500	-	500	-	-	0%	-	500
Total Fixed Charges	144,102	-	144,102	12,033	12,033	8%	-	132,069
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	350	-	350	-	-	0%	-	350
In State - Auto Mileage	10,000	-	10,000	888	888	9%	-	9,112
In State - Subsistence Allowance	30,000	-	30,000	680	680	2%	-	29,320
Out State - Meals	100	-	100	-	-	0%	-	100
Out State - Auto Mileage	2,000	-	2,000	-	-	0%	-	2,000
Leased Car	38,000	-	38,000	-	-	0%	-	38,000
Total Travel	80,450	-	80,450	1,568	1,568	2%	-	78,882
Total Other Operating Expenditures	458,151	-	458,151	16,634	16,634	4%	-	439,517
Total Commissioners	\$ 528,501	\$ -	\$ 528,501	\$ 20,610	\$ 20,610	4%	\$ -	\$ 507,891

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
 July 31, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 8.33%			
				Expended July	Year to Date	%	Encumb Balance
Administration							
Salaries							
Classified Positions	\$ 307,000	\$ -	\$ 307,000	\$ 25,356	\$ 25,356	8%	\$ - \$ 281,444
Temporary Employees	11,247	-	11,247	2,387	2,587	21%	- 8,860
Terminal Leave	1,000	-	1,000	-	-	0%	- 1,000
Total Salaries	319,247	-	319,247	27,942	27,942	9%	- 291,305
Other Operating Expenditures							
Contractual Services							
Office Equipment Service	5,200	-	5,200	3,774	3,774	73%	- 1,426
Copying Equipment Service	550	-	550	-	-	0%	- 550
Print/Bind/Advertisement	500	-	500	-	-	0%	- 500
Print Pub Annual Reports	22	-	22	-	-	0%	- 22
Data Processing Services	148,000	-	148,000	57	57	0%	- 147,943
Freight Express Delivery	1,000	-	1,000	117	107	11%	- 882
Telephone	6,200	-	6,200	-	-	0%	- 6,200
Cellular Phone Service	1,325	-	1,325	-	-	0%	- 1,325
Education & Training Services	1,000	-	1,000	-	-	0%	- 1,000
Attorney Fees	34,000	-	34,000	-	-	0%	- 34,000
General Repair	230	-	230	-	-	0%	- 230
Auto Accr Finance	100	-	100	-	-	0%	- 100
Catered Meals	2,000	-	2,000	-	-	0%	- 2,000
Other Professional Services	100	-	100	-	-	0%	- 100
Other Contractual Services	200	-	200	-	-	0%	- 200
Total Contractual Services	201,027	-	201,027	3,938	3,938	2%	- 197,089
Supplies & Materials							
Office Supplies	6,000	-	6,000	698	698	12%	- 5,302
Subscriptions	175	-	175	-	-	0%	- 175
Copying Equipment Supplies	3,934	-	3,934	436	436	11%	- 3,498
Printing	1,964	-	1,964	-	-	0%	- 1,964
Data Processing Supplies	500	-	500	-	-	0%	- 500
Postage	6,800	-	6,800	615	615	9%	- 6,185
Maint/Janitorial Supplies	150	-	150	-	-	0%	- 150
Eggs & Flies	280	-	280	-	-	0%	- 280
Gasoline/Motor Vehicle Supply	100	-	100	-	-	0%	- 100
Employee Retag Award	800	-	800	-	-	0%	- 800
Other Supplies	100	-	100	-	-	0%	- 100
Total Supplies & Materials	20,805	-	20,805	1,750	1,750	8%	- 19,055
Fixed Charges							
Rental-Cont Rent Payment	5,000	-	5,000	480	483	10%	- 4,517
Rent-Non State Owned Property	88,986	-	88,986	7,567	7,557	9%	- 81,419
Rent-Other	3,500	-	3,500	75	75	2%	- 3,425
Insurance-State	7,490	-	7,490	-	-	0%	- 7,490
Insurance Non State	134	-	134	-	-	0%	- 134
Dues and Memberships	3,985	-	3,985	-	-	0%	- 3,985
Sales Tax Paid	9,000	-	9,000	-	-	0%	- 9,000
Total Fixed Charges	118,095	-	118,095	8,125	8,125	7%	- 109,970
Travel (Includes Leased Car)							
In State - Meals Non/ Reportable	100	-	100	7	7	7%	- 93
Reportable Meals	100	-	100	-	-	0%	- 100
Out of State - Mileage	90	-	90	-	-	0%	- 90
In State - Registration Fees	200	-	200	43	43	22%	- 157
Leased Car	12,000	-	12,000	-	-	0%	- 12,000
Total Travel	12,490	-	12,490	50	50	0%	- 12,440
Equipment							
Equipment Data Processing- PC's	-	-	-	-	-	0%	- -
Total Equipment	-	-	-	-	-	0%	- -
Total Other Operating Expenditures	352,415	-	352,415	13,862	13,862	4%	- 338,553
Total Administration	\$ 671,662	\$ -	\$ 671,662	\$ 41,804	\$ 41,804	6%	\$ - \$ 629,858

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
 July 31, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date - 8.33%				
				Expended July	Year to Date	%	Encumb	Balance
Claims								
Salaries								
Classified Positions	\$ 293,000		\$ 293,000	\$ 24,291	\$ 24,291	8%	\$ -	\$ 258,709
Temporary Positions	14,000		14,000	1,037	1,037	7%	-	12,963
Terminal Leave	1,000		1,000	-	-	0%	-	1,000
Total Salaries	308,000	-	308,000	25,328	25,328	8%	-	282,672
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	200	-	200	-	-	0%	-	200
Print / Bind / Adv	750	-	750	-	-	0%	-	750
Print - Job Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	26,933	-	26,933	-	-	0%	-	26,933
Freight Express Delivery	500	-	500	-	-	0%	-	500
Telephone	4,000	-	4,000	-	-	0%	-	4,000
Cellular Phone Service	2,500	-	2,500	-	-	0%	-	2,500
Temporary Services	26,000	-	26,000	514	514	2%	-	25,486
Other Professional Services	100	-	100	-	-	0%	-	100
Total Contractual Services	61,005	-	61,005	514	514	1%	-	57,991
Supplies & Materials								
Office Supplies	10,000	-	10,000	20	20	0%	-	9,980
Copying Equipment	3,000	-	3,000	269	269	9%	-	2,731
Printing	900	-	900	-	-	0%	-	900
Data Processing Supplies	75	-	75	-	-	0%	-	75
Postage	14,000	-	14,000	2,019	2,019	14%	-	11,981
Mount/Retrieval Supplies	200	-	200	-	-	0%	-	200
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	28,275	-	28,275	2,308	2,308	8%	-	25,967
Fixed Charges								
Rent-Cont Rent Payment	2,500	-	2,500	28	28	1%	-	2,472
Rent-Non State Owned Property	58,000	-	58,000	5,847	5,847	9%	-	52,153
Rent-Other	225	-	225	-	-	0%	-	225
Insurance-State	1,000	-	1,000	-	-	0%	-	1,000
Insurance-Non State	134	-	134	-	-	0%	-	134
Equipment- Copying	800	-	800	-	-	0%	-	800
Equipment Maintenance	1,000	-	1,000	-	-	0%	-	1,000
Total Fixed Charges	73,739	-	73,739	5,875	5,875	8%	-	67,864
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	300	-	300	-	-	0%	-	300
In State - Lodging	600	-	600	-	-	0%	-	600
In State - Auto Mileage	600	-	600	-	-	0%	-	600
In-State Negotiation	200	-	200	-	-	0%	-	200
Reportable Meals	400	-	400	39	39	10%	-	361
Total Travel	2,100	-	2,100	39	39	2%	-	2,061
Total Other Operating Expenditures	165,119	-	165,119	8,736	8,736	5%	-	153,883
Total Claims	\$ 473,119	\$ -	\$ 473,119	\$ 34,064	\$ 34,064	7%	\$ -	\$ 436,555

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
 July 31, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date 8.33%			
				Expended July	Year to Date	%	Enclumb Balance
Insurance and Medical Services							
Salaries							
Classified Positions	418,000	-	418,000	31,001	31,001	7%	386,999
Temporary Employees	35,018	-	35,018	1,251	1,251	8%	13,767
Total Salaries	453,018	-	453,018	32,253	32,253	7%	400,766
Other Operating Expenditures							
Contractual Services							
Office Equipment Service	700	-	700	-	-	0%	700
Copying Equipment Service	300	-	300	-	-	0%	300
Print/Bind/Advertisement	500	-	500	-	-	0%	500
Print Fax Annual Report	24	-	24	-	-	0%	24
Data Processing Services	45,000	-	45,000	-	-	0%	45,000
Telephone	2,626	-	2,626	-	-	0%	2,626
Cell Phone	3,000	-	3,000	-	-	0%	-
Other Professional Services	1,800	-	1,800	-	-	0%	1,800
Other Contractual Services	2,600	-	2,600	-	-	0%	2,600
Total Contractual Services	56,050	-	56,050	-	-	0%	53,050
Supplies & Materials							
Office Supplies	4,000	-	4,000	5	5	0%	3,995
Copying Equipment	3,500	-	3,500	298	298	9%	3,202
Printing	1,500	-	1,500	-	-	0%	1,500
Data Processing Supplies	500	-	500	-	-	0%	500
Postage	7,000	-	7,000	860	860	12%	6,140
Maintenance/Janitorial Supplies	75	-	75	-	-	0%	75
Fees & Fines	50	-	50	-	-	0%	50
Other Supplies	100	-	100	-	-	0%	100
Total Supplies & Materials	16,725	-	16,725	1,163	1,163	7%	15,563
Fixed Charges							
Rental-Cont Rent Payments	2,104	-	2,104	128	128	6%	1,976
Rent-Non State Owned Property	48,000	-	48,000	4,127	4,127	9%	43,873
Rent-Other	225	-	225	-	-	0%	225
Insurance-State	1,101	-	1,101	-	-	0%	1,101
Insurance-Non State	148	-	148	-	-	0%	148
Equipment Maintenance	942	-	942	-	-	0%	942
Sales Tax Paid	3,000	-	3,000	-	-	0%	3,000
Total Fixed Charges	55,520	-	55,520	4,256	4,256	8%	51,264
Travel (Includes Leased Car)							
In State - Me's (Non-Reportable)	400	-	400	-	-	0%	400
In-State Registrars	100	-	100	-	-	0%	-
Reportable Meals	150	-	150	-	-	0%	150
In State Lodging	700	-	700	-	-	0%	700
Total Travel	1,350	-	1,350	-	-	0%	1,250
Total Other Operating Expenditures	129,645	-	129,645	5,418	5,418	4%	121,227
Total Insurance and Medical Services	\$ 582,663	\$ -	\$ 582,663	\$ 37,671	\$ 37,671	7%	\$ 521,992

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
 July 31, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date - 8.33%			
				Expended July	Year to Date	%	Encumb Balance
Judicial							
Salaries							
Classified Positions	\$ 318,000	\$ -	\$ 318,000	\$ 29,311	\$ 29,311	9%	\$ - \$ 288,689
Total Salaries	318,000	-	318,000	29,311	29,311	9%	- 288,689
Other Operating Expenditures							
Contractual Services							
Office Equipment Services	180	-	180	-	-	0%	- 180
Copy Equipment Services	250	-	250	303	303	87%	- 47
Print/Bind/Advertisement	300	-	300	-	-	0%	- 300
Print Pub Annual Reports	20	-	20	-	-	0%	- 20
Data Processing Services	25,000	-	25,000	-	-	0%	- 25,000
Telephone	3,000	-	3,000	-	-	0%	- 3,000
Cellular Phone Service	1,225	-	1,225	-	-	0%	- 1,225
Other Professional Services	200	-	200	-	-	0%	- 200
Total Contractual Services	30,275	-	30,275	303	303	1%	- 29,972
Supplies & Materials							
Office Supplies	5,200	-	5,200	4	4	0%	- 5,196
Copying Equipment Supplies	2,700	-	2,700	241	241	9%	- 2,459
Printing	1,000	-	1,000	-	-	0%	- 1,000
Data Processing Supplies	75	-	75	-	-	0%	- 75
Postage	10,000	-	10,000	731	731	7%	- 9,269
Maintenance/Janitorial Supplies	150	-	150	-	-	0%	- 150
Promotional Supplies	20	-	20	-	-	0%	- 20
Other Supplies	100	-	100	-	-	0%	- 100
Total Supplies & Materials	19,245	-	19,245	976	976	5%	- 18,269
Fixed Charges							
Rental-Cont Real Payment	1,750	-	1,750	208	208	12%	- 1,542
Rent-Non State Owned Property	60,000	-	60,000	5,159	5,159	9%	- 54,841
Rent-Other	225	-	225	-	-	0%	- 225
Insurance-State	1,121	-	1,121	-	-	0%	- 1,121
Insurance-Non State	120	-	120	-	-	0%	- 120
Total Fixed Charges	63,216	-	63,216	5,367	5,367	8%	- 57,849
Travel (Includes Leased Car)							
In State - Meals / Non Reportable	250	-	250	-	-	0%	- 250
Reportable Meals	250	-	250	59	59	24%	- 191
In State - Lodging	750	-	750	-	-	0%	- 750
In State - Auto Mileage	2,200	-	2,200	96	96	4%	- 2,104
In State - Misc Travel Expense	100	-	100	-	-	0%	- 100
In-State Registration	100	-	100	-	-	0%	- 100
Out State - Auto Mileage	200	-	200	-	-	0%	- 200
Total Travel	3,950	-	3,950	155	155	4%	- 3,795
Total Other Operating Expenditures	116,686	-	116,686	6,800	6,800	6%	- 109,886
Total Judicial	\$ 434,686	\$ -	\$ 434,686	\$ 36,111	\$ 36,111	8%	\$ - \$ 398,575
Earmarked Funds							
Department Totals							
Commissioners	\$ 528,501	\$ -	\$ 528,501	\$ 20,610	\$ 20,610	4%	\$ - \$ 507,891
Administration	671,062	-	671,062	41,804	41,804	6%	- 629,258
Claims	473,119	-	473,119	34,064	34,064	7%	- 439,055
Insurance & Medical	562,663	-	562,663	37,671	37,671	7%	- 524,992
Judicial	434,686	-	434,686	36,111	36,111	8%	- 398,575
Total Departmental Expend	\$ 2,670,031	\$ -	\$ 2,670,031	\$ 170,260	\$ 170,260	6%	\$ - \$ 2,499,771
Employer Contributions	448,184	-	448,184	37,609	37,609	8%	- 410,575
Total Earmarked Funds	\$ 3,118,215	\$ -	\$ 3,118,215	\$ 207,869	\$ 207,869	7%	\$ - \$ 2,910,346
Capital / Computer Project Carryforward	\$ 9,931	\$ -	\$ 9,931	\$ -	\$ -	0%	\$ 9,931

MEMORANDUM

August 10, 2011

TO: Mr. Gary Cannon
Executive Director

FROM: Cathy Floyd
Human Resources

SUBJECT: Human Resource Report Period of July 13 – August 9, 2011

Below is a summary of the Human Resource activity for the period of July 13 – August 9, 2011.

Employee Relations (ER)

- One ER issue was addressed during the activity period
- The 2011 Multiple Agency Harvest Hope Food Drive is being held July 18 – August 19, 2011
- Processed three probationary EPMS Reports

Recruitment and Selection

- Narrowed down the list of 56 applicants to 11 for the initial interview phase
- The initial interview phase was conducted by email, responses were received by all 11 applicants

Reporting

- The revised Administrative Policies and Procedures Manual was issued
- Submitted the annual Bonus Report and Monetary Rewards report for the State Division of Human Resources
- Assisted Finance with the Compensated Absences Report
- Completed the State Accident Fund Customer Satisfaction Survey

Benefits

- Assisted an employee with retirement inquiry
- Completed a verification of final payment for an employee with the retirement systems
- Resolved retirement system issues on two former employees

SC Enterprise Information System (SCEIS)

- Twenty-three transactions were keyed into the system
- Assisted three employees with leave/time issues

Training

- Attended United Way Meeting regarding the 2011 campaign
- Provided training on Windows 7 and Microsoft Office 2010 during the agency wide meeting
- A job analysis was conducted on Self-Insurance using the DACUM process
- Work has begun in creating a training program and tutorial for the Informal Conference Process

WCC IT Projects Status Report

Period: 08/16/11 Status Key: No. Started

Timing

Projects									
ID	Key Projects	Sub Project	Regulation	Due Date	% of completion	% of time devoted to issue	Lead	Issues / Comments	
2	PC and Server Refresh	Refresh		8/31/2011	75%	20%	Divane	Set up test Plan, verify connectivity and stability before turning over the business users for acceptance testing	
2	PC and Server Refresh	Refresh		8/31/2011	75%	10%	Amanda	Set up test Plan, verify connectivity and usability before turning over the business users for acceptance testing	
3	Phase II - Claims FDI release: 3			Apr-1 2012	0%	0%	IT Staff	Starting project team and timeline offer new server and PC projects are complete	
4g	Electronic Service Initiatives	Electronic Service Initiatives Consent Orders	67-213	May 2011	52%	10%	Amanda	Begin estimate of project plan	
4h		Electronic Service Initiatives Clinchers	67-213	TBD	0%	0%		Begin estimate of project plan	
4i		Electronic Service Initiatives Fee Petitions	67-213	TBD	0%	0%		Begin estimate of project plan	
4j		Electronic Service Initiatives - Receipt of electronic pleadings	67-211	TBD	0%	0%		Test to electronic payment	
4k		Electronic receipt of any form or document	67-205	TBC	0%	0%			

WCC IT Projects Status Report

Period	08/15/11	Status Key:	Not Started	At Risk	On Track	Timing
4	12 M Revamp of Current Minor Medical Reporting from Carriers	E7-412	TBD	0%	0%	Met with WCC Rehab, DeLoreo, WCC data for past 2 years. They will return matches and stat/cas. Then we will begin the automation and access to WCC data for the Voc-Rehab counselors.
5	SC Wcc Rel'ab		TBD	10%	5%	Betsy
9	Show Cause enhancements		TBD	5%	0%	Have requirements from Compliance - need to write up for Amanda:
				Projects Amanda	20%	
				Projects Duane	20%	
				Projects Betsy	5%	

WCC IT Projects Status Report

Period	08/15/11	Status Key:	Not Started	Planning				
Maintenance								
Priority	Maintenance Issue	Project	Start date	Estimated completion	% complete	% of time devoted to issue	Assigned to	Status
2	FOIC issues	EDI Coverage	August	4/30/2011	95%	70%	Duane	Latest runs show still working as it should be. Duane will meet with the vendors and group them to allow the 3 users users to transfer rather than merge if a vendor is not on file.
8	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing		10%	Duane	
					Maintenance Duane	80%		
	Closed File QA Verification/ Destruction Preparation	Imaging	April	5/31/2011		25%	Amanda	
	eCase Enhancement Issues & TrialCase		December	ongoing		0%	Amanda	
	Secure email issues and Customer Service		April	ongoing		5%	Amanda	Annual report
2	FOIA report requests, general issues and questions from Coverage claims and Judicial	all departments	ongoing	ongoing		50%	Amanda	
					Maintenance Amanda	80%		
2	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing		25%	Betsy	
					Maintenance Betsy	25%		

WCC IT Projects Status Report

Period: 06/15/11 Status Key: Not Started Timing

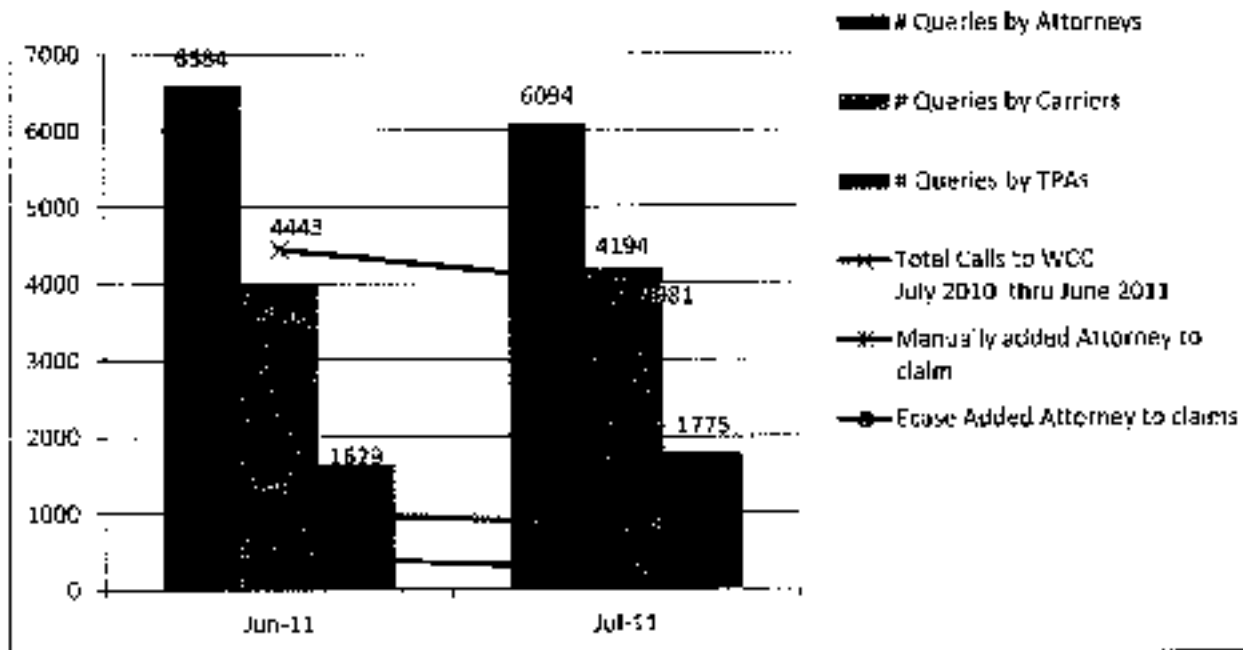
Administrative: Betsy						
#	Project	Sub Project	Due Date	% of completion	% of time devoted to issue	Assigned to
2	PC and Server Refresh	Refresh	TBD	90%	25%	Betsy
3	IT Help Desk Issues	Help Desk	ongoing	50%	10%	Deby
4	Contracts	DSIT, Claimshop	ongoing	75%	35%	Betsy
					70%	

Status
 Server ready for deployment configuration. New PC's arrival. Setting up major and verifying security. Will begin deployment at 3:00 after DSIT Security has verified images.

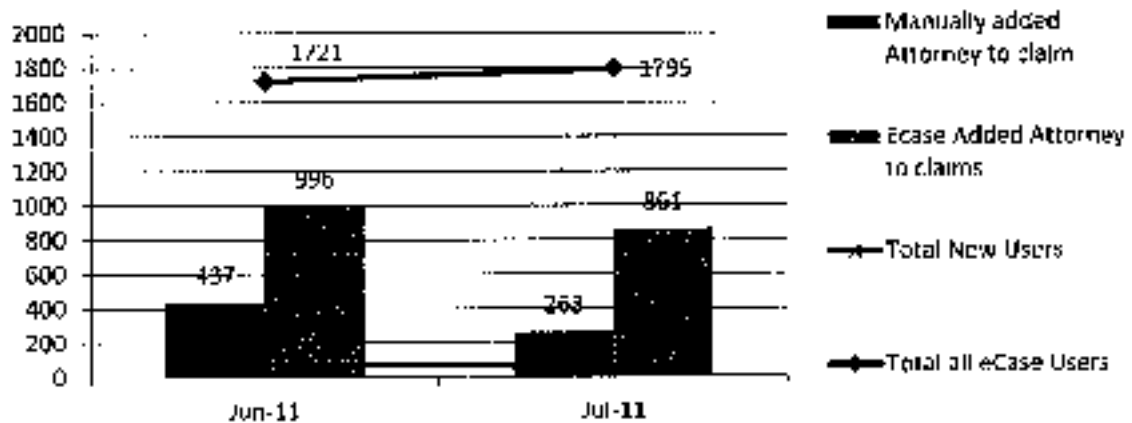
Status
 Working on migrations to the application and each Director on priorities in each department. Will meet with G. Cannon for over all prioritization.

Status
 negotiating both Claimshop and DSIT contracts.

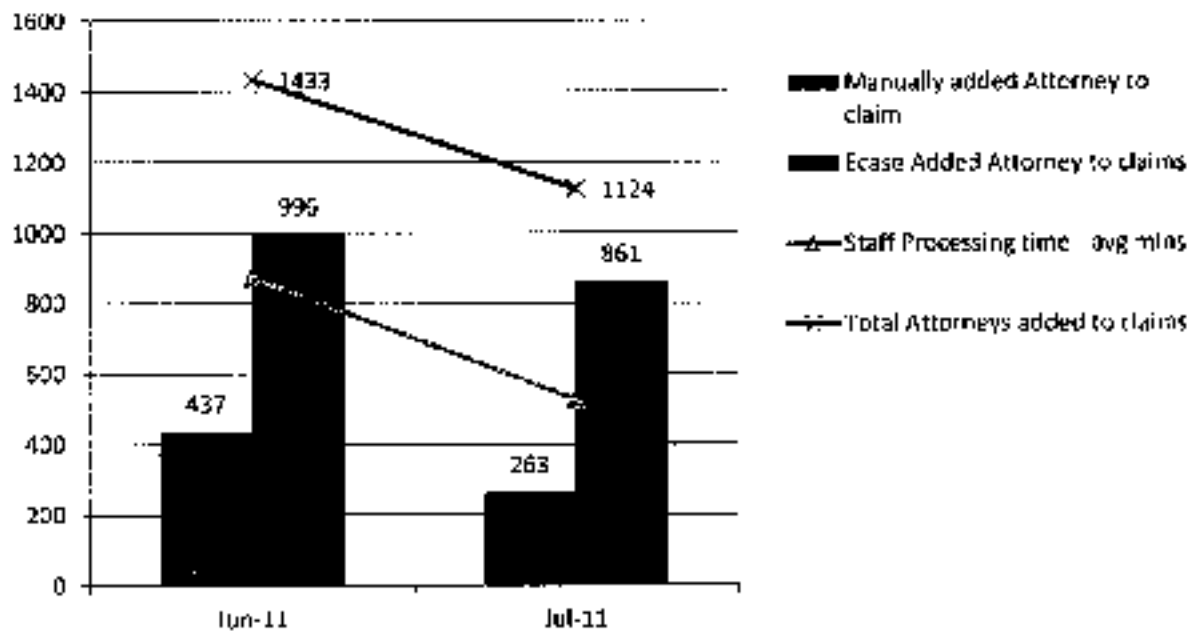
eCase Queries by Month and Type of User



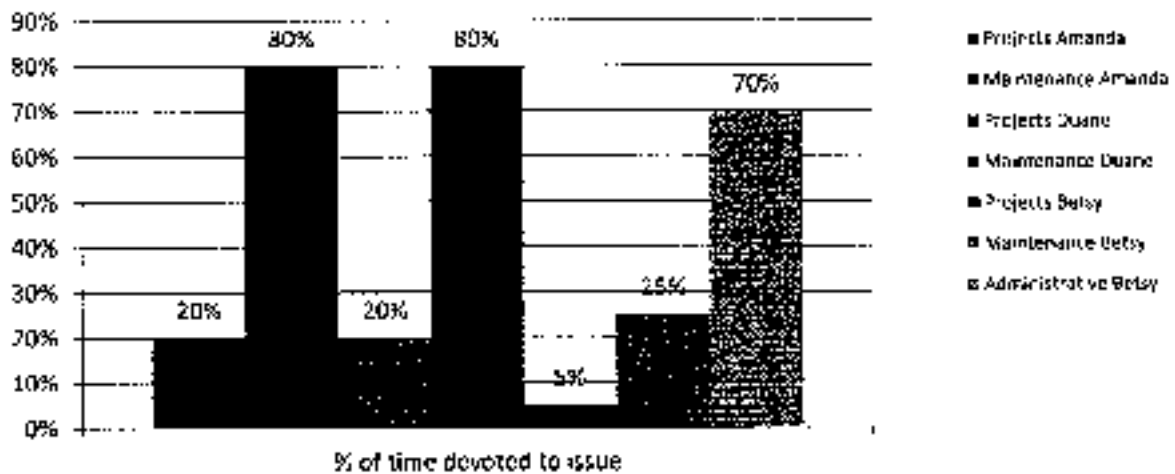
eCase Users by Type and Date Added



eCase - attorney Add to Claims



IT Projects and Maintenance July 2011



TO: Gary M. Cannon, Executive Director

FROM: Wayne Ducote

DATE: August 9, 2011

RE: Outstanding Fines Status

The following is the requested status of outstanding fines in the Compliance and Coverage Divisions of the Insurance and Medical Services Department:

Compliance

There are two categories for Compliance fines: cases with underlying claims; and cases without underlying claims. Cases with underlying claims are those cases in which a claim has been filed but there is no record of the employer having coverage. Cases with no underlying claims are the cases where employers are discovered to have no coverage through the search of the Department of Employment and Workforce records or a random coverage check.

The procedure for collection of fines is as follows:

1. Employers suspected of not having insurance are sent a letter requesting verification they have coverage and are given 14 days to respond. Failure to respond and to immediately acquire insurance will result in fines being assessed at \$1.00 per day for each employee, a minimum of \$10.00 per day and a maximum of \$100.00 per day.

Thirteen violation letters were issued during the month of July.

2. For cases without an underlying claim, if the employer immediately comes into compliance after the initial notification, the assessed fine is \$750 for 10 or less employees and \$1,000 for 11-20 employees.

Fifteen compliance agreements were received during the month of July.

3. If there is no response and we can prove the employer is subject to the Workers' Compensation Act, the Compliance Division subpoenas the employer to an Order and Rule to Show Cause hearing. These hearings are scheduled every 30 days.

Nine subpoenas were issued in July. The next Order and Rule to Show Cause hearing is scheduled for August 29, 2011.

4. Along with the subpoena, the employer is provided a letter offering the opportunity to settle in lieu of attending the hearing. However, if the employer does not settle, and the employer is found to be subject to the Act at the hearing, an order is issued finding the employer in violation of the Act. In most instances, the order stipulates maximum fines and penalties. Orders are issued within 30 days after the hearing.

3 orders resulting from the June 28, 2011 Order and Rule to Show Cause hearing were published in July. The Order and Rule to Show Cause hearing originally scheduled for July 20, 2011 was postponed until August due to a scheduling conflict.

5. If there is no response to the order, a civil judgment is filed within 45 days.

No civil judgments were filed during the month of July.

6. Further contact with the employer (telephone and letter) is attempted by the Director of Compliance. If the employer remains willfully uninsured, the Director of Compliance files a criminal complaint with the jurisdictional magistrate. This new procedure for the Department has yet to be finalized with legal counsel.

7. Two line items on the Insurance and Medical Services Report have been combined for reporting purposes. The line items stating "Random Investigation" under Total Fines Assessed and Total Fines Collected have been combined with the line items stating "Employer wage / coverage screening."

Coverage

1. There are two types of fines assessed on carriers by the Coverage Division:

- A. Late filing for policies not received within 30 days of the policies' effective date.
- B. 12M Minor Medical Fines

In January - March 2010, approximately 200 carriers were sent a final notice on fines over 90 days old. Carriers were advised that failure to pay outstanding fines would result in a subpoena being issued requiring attendance at an Order and Rule to Show Cause Hearing. Initially, these carriers owed \$207,375 in fines over 90 days old. This total was reduced to \$14,410.00 as of August 8, 2011.

2. Reporting on coverage late fines for the month of July also include August 1st. Coverage late fines are typically assessed on the 15th and 30th of each month. However, July 30th fell on a weekend and the coverage late fines weren't assessed until August 1st.

Department of Insurance & Medical Services
 South Carolina Workers' Compensation Commission
 August 2011 Monthly Report

July August September October November December January February March April May June 2011 - 2012

SELF INSURANCE:													
New Self-Insurers Approved	9												9
Self Insurance Tax Collected	\$76,776												\$76,776
COMPLIANCE:													
Cases Active at Beginning of Period	681												108
Cases Initiated	108												51
Cases Closed	51												51
Cases Active at End of Period	738												108
Total Fines Assessed	\$21,010												\$21,010
- Employer wage/ov screen/random inv	\$9,808												\$9,808
- Underlying claim / unmeasured emp/ovr	\$11,202												\$11,202
Total Fines Collected	\$20,968												\$20,968
- Employer wage/ov screen/random inv	\$16,097												\$16,097
- Underlying claim / unmeasured employee	\$4,871												\$4,871
Fines Waived/Rescindible/Uncollectible	\$21,879												\$21,879
- Waived	\$0												\$0
- Rescinded	\$0												\$0
- Uncollectible	\$0												\$0
COVERAGE & ACCIDENT RPTG													
Employers Withdrawing From the Act	5												3
Coverage Fines Assessed	\$3,600												\$3,600
Coverage Fines Collected	\$10,750												\$10,750
Coverage Fines Waived	\$2,000												\$2,000
Number of 12As Filed FDf	1,496												1,496
Number of 12As Filed Manually	384												384
Total Number of WCC Files Created	1,880												1,880
Number of Fatalities Filed on 12As	8												8
MEDICAL SERVICES													
Bills Pending at Beginning of Period	33												39
Bills Received	39												39
Bills to be Reviewed	72												56
Bills Reviewed this Month	56												56
Bills Pending at End of Period	16												16

TO: GARY CANNON, EXECUTIVE DIRECTOR
FROM: GREGORY S. LINE, DIRECTOR OF CLAIMS
SUBJECT: CLAIMS REPORT FOR THE MONTH OF JULY
DATE: 08/05/11

Fines assessed for the month of July 2011:

- We assessed **487** fines for the month of July which was up from assessing **358** fines for the month of June.
- The dollar amount of the fines assessed for the month June was **\$103,850** which was up from assessing **\$72,500** for the month of June.

Fines received for the month of July 2011:

- We received payment on **543** fines for the month of July which was down from receiving **609** fines for the month of June.
- The dollar amount of fines received for the month July was **\$111,875** which was down from receiving **\$124,650** for the month of July.

The number of fines assessed went up for the month of July and the number of fines collected went down slightly for the month:

• July '10 fines assessed	1,195	July fines collected	742
• August fines assessed	699	August fines collected	722
• September fines assessed	839	September fine collected	580
• October fines assessed	560	October fines collected	599
• November fines assessed	715	November fines collected	649
• December fines assessed	661	December fines collected	488
• January '11 fines assessed	701	January fines collected	510
• February fines assessed	479	February fines collected	512
• March fines assessed	579	March fines collected	552
• April fines assessed	631	April fines collected	620
• May fines assessed	487	May fines collected	577
• June fines assessed	358	June fines collected	609
• July fines assessed	487	July fines collected	543

The fines assessed for Form 18's went up **54** fines for the month. I would think the Form 18 fines assessed may stay between **150 & 200** a month. The Claims Department processed **5,595** Form 18's for the month of July. Since October, we are averaging assessing **568** fines and collecting 566 fines per month.

Fines Collected Years 2007, 2008, 2009, 2010, 2011

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec
2007	21,820	34,881	36,520	35,339	45,785	36,760	46,355	63,016	49,281	58,934	45,203	40,281
2008	48,613	38,805	45,167	34,710	40,525	78,055	67,769	51,195	65,230	59,817	37,309	39,583
2009	37,080	44,750	35,960	49,842	93,182	65,351	100,383	119,853	100,026	66,565	61,627	54,390
2010	66,200	103,600	203,410	159,375	216,150	96,500	147,025	144,825	119,329	120,300	128,000	103,000
2011	104,200	101,700	110,650	119,525	117,875	124,650	111,875					
*May collected figures include payments 5/11/2010 through 6/11/2010												
June collected figure includes payments 6/12/2010 through 6/30/2010												

The dollar amount of fines assessed for each form, for the month of June, and fines collected for each form from July 1, 2011 through July 31, 2011
 The number of fines assessed and collected, for each form, are in parenthesis.

	<u>Assessed</u>	<u>Collected</u>
Form 12A -	\$ 21,800.00 (109)	\$ 12,700.00 (63)
Form 15 Section I -	\$ 16,400.00 (73)	\$ 11,300.00 (56)
Form 15 Section II -	\$ 4,800.00 (24)	\$ 4,500.00 (24)
Form 15 S -	\$ 2,200.00 (11)	\$ 1,000.00 (5)
Form 17 -	\$ 2,400.00 (12)	\$ 600.00 (3)
Form 18 -	\$ 48,600.00 (210)	\$ 75,200.00 (350)
Form 19 -	\$ 650.00 (13)	\$ 375.00 (8)
Denial letter -	\$ 4,200.00 (21)	\$ 1,800.00 (10)
Failure to respond -	\$ 2,800.00 (14)	\$ 4,000.00 (21)
Form 16	0	\$ 200.00 (1)
Failure to pay orig. fine	0	\$ 200.00 (1)
TOTAL -	\$ 103,850.00 (487)	\$ 111,875.00 (542)

Fine Report for February, March, April, May, June & July 2011

	Feb	Mar	Apr	May	Jun	Jul
Amt assess	\$ 96,600	\$120,200	\$133,350	\$102,650	\$72,500	\$103,850
# fines assess	479	579	631	487	358	487
Amt coll	\$101,700	\$110,650	\$119,525	\$117,875	\$124,650	\$111,875
<u>Fines coll</u>	<u>512</u>	<u>552</u>	<u>620</u>	<u>577</u>	<u>609</u>	<u>542</u>
Form 18's						
Fines assess						
Daily	\$74,200	\$75,400	\$73,600	\$51,600	\$28,000	\$42,400
Fines assessed						
file review	\$1,400	\$5,800	\$14,200	\$6,600	\$3,200	\$ 6,200
Total amount:						
<u>Assessed</u>	<u>\$75,600</u>	<u>\$81,200</u>	<u>\$87,800</u>	<u>\$58,200</u>	<u>\$31,200</u>	<u>\$48,600</u>
fines assess daily	366	353	344	233	140	181
# fines assess						
file review	7	29	39	33	16	26
<u>Total fines assess</u>	<u>373</u>	<u>382</u>	<u>383</u>	<u>266</u>	<u>156</u>	<u>210</u>
Amt coll	\$79,100	\$83,300	\$85,172	\$87,300	\$91,250	\$75,200
# coll	399	412	437	416	432	350
All other lines assessed						
(Form 12-A, Form 15, Form 17, Form 19, denial letter, Form 20, failure to respond)						
Amt assess	\$21,000	\$49,300	\$45,550	\$44,250	\$41,300	\$55,250
# fines assess	106	197	248	221	194	277
Amt paid	\$22,600	\$27,350	\$34,350	\$30,575	\$33,400	\$36,675
# fines pd	113	140	182	161	177	192

TO: Gury M. Cannon, Executive Director

FROM: Gregory S. Line
Director of Claims

DATE: August 5, 2011

RE: Claims
Outstanding fine status

Below is a list of five carriers that were sent a Second and Final Notice of fines Assessment on February 28, 2011.

1. American Casualty Co. of Rdg PA (00017)
 - a. Beginning bal \$ 7,086.33
 - b. Bal as of 7/5/11 \$ 1,186.33

2. Lowe's Companies, Inc. (00946)
 - a. Beginning bal \$ 4,386.33
 - b. Bal as of 7/5/11 \$ 2,186.33

3. Kroger Company (01691)
 - a. Beginning bal \$ 4,000.00
 - b. Bal as of 7/5/11 \$ 400.00

4. SC School Board Self Ins. Trust Fund (00926)
 - a. Beginning bal \$ 9,600.00
 - b. Bal as of 7/5/11 \$ 5,400.00

5. Federal Express Corp. (00956)
 - a. Beginning bal \$ 1,400.00
 - b. Bal as of 7/5/11 \$ 400.00

TO: Gary M. Cannon, Executive Director
FROM: Gregory S. Line
Director of Claims
DATE: August 5, 2011
RE: Claims
Outstanding fine status

Below is a list of five carriers that were sent a Second and Final Notice of fines Assessment on April 14, 2011.

1. Electric Insurance Company (00497)
 - a. Beginning bal \$ 2,250.00
 - b. Bal as of 7/5/11 \$ **200.00**

2. US Fire Insurance Co. (00125)
 - a. Beginning bal \$ 2,000.00
 - b. Bal as of 7/5/11 \$ **600.00**

3. Limitedbrands, Inc. (01644)
 - a. Beginning bal \$ 3,400.00
 - b. Bal as of 7/5/11 \$ **1,200.00**

4. Cooper US Inc. (00987)
 - a. Beginning bal \$ 1,850.00
 - b. Bal as of 7/5/11 \$ **0**

5. Great American Alliance Ins. Co. (00372)
 - a. Beginning bal \$ 7,400.00
 - b. Bal as of 7/5/11 \$ **4,200.00**

TO: Gary M. Cannon, Executive Director
FROM: Gregory S. Linc
DATE: August 5, 2011
RE: Claims
Outstanding Fines Status

Below is the status of 4 companies that were sent a Second and Final Notice of Fines Assessment on February 18, 2011.

1. Lumbermens Mutual Casualty Co. (00056)
 - a. Beginning bal \$ 2,725.00
 - b. Bal as of 7/5/11 \$ **300.00**

2. Liberty Mutual Corporation (00417)
 - a. Beginning bal \$ 10,000.00
 - b. Bal as of 7/5/11 \$ **1,100.00**

3. Delhaize America, Inc (00891)
 - a. Beginning bal \$ 15,386.33
 - b. Bal as of 7/5/11 \$ **800.00**

4. Southeastern Freight Lines, Inc. (00898)
 - a. Beginning Bal \$ 1,100.00
 - b. Bal as of 7/5/11 \$ **0**

TO: Gary M. Cannon, Executive

FROM: Gregory S. Line
Director of Claims

DATE: August 5, 2011

RE: Claims
Outstanding Fines Status

Below is a list of four carriers that were sent a Second and Final Notice of fines Assessment on February 18, 2011

1. Williamsburg National Ins. Co. (01058)
 - a. Beginning bal \$ 1,200.00
 - b. Bal as of 7/5/11 \$ 200.00

2. Safety National Casualty Corp. (01026)
 - a. Beginning bal \$ 1,800.00
 - b. Bal as of 7/5/11 \$ 400.00

3. PA Manufacturers Assn. Ins. Co. (00394)
 - a. Beginning bal \$ 5,200.00
 - b. Bal as of 7/5/11 \$ 1,000.00

4. Nash Johnson & Sons Farm, Inc. (00994)
 - a. Beginning bal \$ 4,800.00
 - b. Bal as of 7/5/11 \$ 600.00

SCWCC Judicial Report



August 2011

Pleadings Assigned

Month	District 1	District 2	District 3	District 4	District 5	District 6	District 7
Jul-11	85	106	103	153	155	139	163
Aug-11							
Sep-11							
Oct-11							
Nov-11							
Dec-11							
Jan-12							
Feb-12							
Mar-12							
Apr-12							
May-12							
Jun-12							
Totals	85	106	103	153	155	139	163
FY 2011-2012							

Informal Conference & Mediations

Staff	Mileage/Hours	Month												Total		
		Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12			
Staff 1 Greg	SVM 225.00															225.00
	PVM 0.00															0.00
	Time 12.00															12.00
	Hotel 0.00															0.00
Staff 2 Ginger	SVM 426.00															426.00
	PVM 0.00															0.00
	Time 32.00															32.00
	Hotel 0.00															0.00
Mediations	SVM 0.00															0.00
	PVM 0.00															0.00
	Time 0.00															0.00
	Hotel 0.00															0.00
Staff 3 Vivian	SVM 302.00															302.00
	PVM 0.00															0.00
	Time 28.00															28.00
	Hotel 0.00															0.00
Staff 4 Garry	SVM 713.00															713.00
	PVM 0.00															0.00
	Time 38.50															38.50
	Hotel 0.00															0.00
Staff 5 Kelly	SVM 0.00															0.00
	PVM 0.00															0.00
	Time 0.00															0.00
	Hotel 0.00															0.00
Staff 6 Robin	SVM 0.00															0.00
	PVM 190.00															190.00
	Time 43.50															43.50
	Hotel 0.00															0.00

Totals FY 2011-2012	
SVM = State Vehicle Miles	1666.00
PVM = Personal Vehicle Miles	190.00
T = Time	154.00
H = Hotel Cost	0.00

2010 - 2013 Hearing Numbers by County

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	County Totals
Greenville	84	106	96	86	87	80	97	122	145	118	84	88	1192
Pickens	9	15	15	13	10	15	11	10	20	12	8	7	145
Abbeville	0	2	3	2	2	1	4	1	2	1	3	2	27
Aiken	22	17	19	11	13	18	16	16	20	23	11	22	211
Anderson	34	33	19	23	18	24	22	15	18	29	28	23	286
Edgefield	4	0	4	2	0	0	0	0	2	2	0	0	15
Greenwood	13	17	16	4	6	10	16	9	16	7	12	8	132
Laudens	11	16	10	19	3	14	9	5	11	6	17	8	126
McCormick	4	1	1	1	0	0	2	0	3	1	2	0	15
Newberry	8	3	6	8	5	9	7	3	15	5	8	7	94
Oconee	13	4	3	9	4	4	7	13	3	6	7	8	81
Saluda	2	3	1	2	0	0	0	1	2	1	3	1	18
Allendale	5	2	3	2	4	2	1	0	2	3	1	6	31
Bamberg	2	4	1	4	2	5	3	2	3	2	0	2	32
Barrow	3	2	4	3	2	5	3	3	6	4	3	1	38
Beaufort	32	35	25	19	24	18	30	31	26	28	33	33	336
Calhoun	0	1	1	1	1	2	2	0	2	6	2	1	19
Charleston	9	7	4	2	6	8	8	6	4	6	4	6	70
Colleton	7	8	7	8	10	0	0	12	11	8	9	11	109
Hampton	5	3	8	2	1	6	3	4	4	1	3	2	43
Jasper	3	2	5	4	7	1	9	4	5	7	2	9	58
Kershaw	0	11	3	3	11	11	5	6	7	14	7	15	102
Lee	2	1	1	1	2	6	3	3	3	0	1	1	24
Orangeburg	17	19	20	19	26	21	24	33	23	15	20	13	230
Sumter	20	18	23	16	20	17	23	19	13	13	28	11	232
Berkeley	26	33	21	28	19	20	26	15	33	31	25	21	290
Charleston	116	125	84	105	102	93	110	99	113	102	112	94	1255
Worcester	27	33	25	24	19	18	28	25	24	30	23	23	299
Chesterfield	4	5	4	2	2	3	1	1	4	2	2	4	15
Darlington	6	12	9	5	8	8	7	5	6	10	7	2	80
Dillon	4	2	3	2	2	2	2	0	3	4	3	4	35
Bluff	40	29	24	26	23	23	12	24	30	26	34	26	120
Georgetown	13	19	14	10	10	8	9	8	10	6	6	7	128
Henry	65	56	31	54	42	38	49	40	72	37	46	62	612
Marion	8	0	5	5	0	4	2	6	2	4	4	2	51
Marlboro	5	3	2	2	4	4	3	2	7	1	5	2	40
Williamsburg	1	3	3	1	1	3	4	3	6	6	5	3	39
Chester	7	3	3	14	7	12	8	2	8	7	5	3	88
Laurens	5	2	2	6	4	6	5	4	7	3	7	3	45
Spartanburg	21	20	31	36	50	44	49	47	77	57	40	56	658
Union	4	8	8	1	2	3	0	1	8	5	3	3	46
York	25	21	31	20	17	19	30	27	30	29	29	33	317
Fairfield	6	6	3	5	3	2	3	1	7	5	6	13	62
Lexington	37	52	55	45	40	42	41	35	54	60	45	42	552
Richland	97	74	105	80	108	73	93	57	98	98	88	97	1068
Monthly Totals	891	912	812	746	797	707	809	909	966	853	793	797	9752

State of South Carolina

1443 Main Street, 5th Floor
P.O. Box 1715
Columbia, S.C. 29202-1715



TEL: (803) 737-5730
FAX: (803) 737-5764

Workers' Compensation Commission

Executive Director's Report August 15, 2011

Fines and Assessments Aging Report

The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for the period ending July 31, 2011.

Employee Meetings/Staff Training

The agency All Employee Meeting was held on July 21. Executive Staff met on August 2.

Personnel Recruitment

We received 63 applications for the Insurance and Medical Services Director's position. Eleven candidates were selected to respond to assessment questions. We anticipate interviewing the candidates within the next two weeks.

Constituent /Public Information Services

For the period July 14 through August 9 the Executive Director's Office had 100 contacts with various system constituents. The contacts included telephone communications; electronic and personal contacts with claimants or constituents, state agencies, federal agencies, attorneys, service providers, business partners; and letters with congressional offices.

IAIABC Webinar

On July 19 the Executive Director participated in the IAIABC webinar, "Strategies to Address Workers' Compensation Pharmaceutical Costs."

SC Department of Vocational Rehabilitation

The Executive Director and Betsy Hartman met with Jim Williams and Michelle Provost from SC Department of Vocational Rehabilitation on August 2 to continue developing a process for referring workers' compensation claimants to SC Vocational Rehabilitation.

Pharmacy Fee Schedule Advisory Committee

The next meeting is scheduled for August 26, 2011 at 10:30 a.m. in the first floor conference room.

Surgical Implant Advisory Committee

The committee members have submitted comments and position papers addressing issues discussed at the June 22 meeting. The committee is awaiting results of the financial impact analysis. A follow up meeting has not been scheduled.

Commission Website

We have added the following links to our website: SC Attorney General's Insurance Fraud Division – www.scag.gov/insurance-fraud; SC Vocational Rehabilitation Department – www.scvrd.net; and SC Comptroller General – Agency Spending Transparency www.cg.sc.gov/agencytransparency.

Contract with DSIT

At the last Commission meeting I reported the contract with DSIT for Server Management would be presented at the Commission's Business Meeting on August 15. Since we added a new server, software and pc upgrades we are still in negotiations with DSIT on new costs. I anticipate presenting the contract to you at the Business Meeting in September.

OSHA

The Executive Director met with the SC Director of OSHA on August 10 to discuss the exchange of information pursuant to Section 42-3-195, which provides the Commission shall cooperate and provide information and statistics to the SC Commissioner of Labor for scheduling inspections for compliance with occupational safety and health rules and regulations and statistical evaluation of hazards.

Workers' Compensation Advisory Committee

The meeting scheduled for August 5 was cancelled and rescheduled for September 23. Chairman Bill Shaughnessy has requested a briefing on the activities of the Surgical Implant Advisory Committee and the Pharmacy Fee Schedule Advisory Committee.

State of South Carolina

1122 Main Street, 5th Floor
P.O. Box 1715
Columbia, S.C. 29202-1715



TEL: (803) 737-5700
FAX: (803) 737-5764

Workers' Compensation Commission

TO: Commissioners

FROM: Gary Cannon

DATE: August 11, 2011

RE: Surgical Implants

The Surgical Implant Advisory Committee has convened one time to discuss their mission and the issues to be considered. The Committee members were asked to submit written comments and position papers by August 1. Most have complied with the request. Some members have requested completion of the financial analysis of a separate fee for implantable devices prior to submitting their respective organization's position.

The Commission recognized the necessity of conducting the financial analysis of a policy change and contracted with Mr. Thibault to perform this analysis and update the Medical Services Provider Manual (MSPM) in 2010. Thibault was unable to complete surgical implant analysis before the end of his contract on June 30, 2010.

The Commission does not have the internal resources to conduct this analysis. Therefore, I am recommending we outsource the project to a consulting firm with experience conducting financial and actuarial analysis in the medical services field.

Attached is a proposal from Mr. Eric Anderson of Optum, formerly Ingenix, Inc., to conduct this analysis for a total cost of \$16,500. This includes \$1,500 travel expenses to Columbia for meetings with the advisory committee and presentations to the Commission.

I recommend paying for the services of this contract from surplus funds resulting from the vacancy of the IMS Director's position and year end fund balance in the Earmarked Fund.



9200 Worthington Rd
Suite 303
Westerville, OH 43082
www.optum.com

Aug. 10, 2011

Gary Cannon
Executive Director
Workers' Compensation Commission
1333 Main St. 5th Floor
Columbia, SC 29202

Dear Gary,

It was good to talk with you the other day. As we discussed, I have put together a scope of work proposal for examining the implantable issue.

While it would seem that these projects ought to be straightforward, in my experience that is seldom the case. The biggest hang-up, invariably, will be finding suitable data. While OptumInsight has many data resources, it may be desirable to have data at a far more specific level than what we have available. We will need to discuss what is available and how it can be leveraged.

Accordingly, the data phase of the project is the most variable. Ideally, hospitals and ASCs will be able to provide us with appropriate data and it will go very smoothly. However, this is one area where we can run into delays or unanticipated expense.

I wasn't certain about the exact sequencing of the results presentations. The proposal envisions three stages. The first is an initial results discussion to see if there are other things that need to be considered. This is usually a staff discussion. The second is a somewhat broader internal discussion. This is usually a presentation to commission members so they are aware of the results and can offer any insights. Finally, is the presentation to the stakeholders, which is probably committee, to solicit input and response.

You may or may not need to have all of these discussions. In other engagements, we've found that having early discussions allow folks to consider issues raised before a public response is necessary. This, oftentimes, helps build consensus, but I know you understand the dynamics of your process better than we do.

Best regards,

Eric Anderson
Senior Consultant
Data Analytics and PPS Payment Systems

ASC/Hospital Outpatient Implantable Cost Project Proposal

Project Description

South Carolina's Workers' Compensation Commission rules currently reimburse hospitals and ambulatory surgical centers using the Medicare payment methodology. The current rate is the Medicare payment plus 40 percent.

Hospitals and ambulatory surgical centers have expressed concern that for certain MS-DRG (Medicare Severity Diagnosis Related Groups) and APCs (Ambulatory Payment Classifications) that the Medicare formula does not fully cover the cost of the associated implantable. The Commission has formed a Surgical Implant Advisory Committee to consider whether changes need to be made to the current payment policy.

Brief background

"Charge compression" plays a major role in this payment issue. Charge compression refers to variable markup amounts within hospital departments, most notably medical/surgical supplies. For example, a bandage which costs the hospital \$1 might have a \$10 charge or a 10 times markup ratio. Correspondingly, a knee implant device might have a \$10,000 cost to the hospital, and the hospital only charges \$15,000 or a 1.5 times markup ratio.

Medicare's MS-DRG and APC weighting systems are built around average cost. However, because of charge compression, the cost calculations for some MS-DRGs and APCs may be significantly skewed. Medicare is aware of this issue and has taken some steps to address it, but a full resolution might be some time in coming.

In essence, the question can be framed simply: To what extent does charge compression affect certain MS-DRG and APC weights and thus result in possible underpayments?

Key issues

There are several key points for this project:

- What data is available and at what detail level? It may be feasible derive some observations from current publicly available data; however, having accurate, submitted data from either hospitals/ASCs or insurers will make the results more reliable.

- How does an implantable policy bump against an outlier policy? If an outlier methodology exists, implantables often drive outlier charges. Therefore, some examination of outlier policy and how implantables affect it may be required.
- How complicated does any implementation need to be? It might be feasible to calculate implantable offsets on an MS-DRG or APC basis. Does that create too many implementation/maintenance/rule issues?

Project plan

In our experience, similar types of projects tend to group themselves into phases.

- **Initial phase.** Meet with committee. Provide overview of charge compression and implantable issue from national perspective. Determine data availability. Determine approximate project timelines.
- **Data collection/analysis phase.** Collect data, perform initial analysis. Consulting with staff relating to early findings.
- **Internal presentation phase.** Write report, submit findings. Discuss possible approaches if merited.
- **External presentation phase.** Provide stakeholders with results, possible approaches as merited.

Some of the phases may overlap and some may be recursive. The data analysis phase in particular may raise additional questions needing to be considered.

Pricing Estimate

Initial phase

8 hours preparation and follow-up	
8 hours, travel presentation in Columbia	
16 hours @\$250	\$4,000
Travel billed at cost, estimated	\$750

Data collection/analysis phase

Costs for this phase are the most variable because of uncertainty about what data maybe available and in what format. This estimate presumes straightforward data collection. If hospitals/ASCs cannot supply data, it may be possible to find appropriate data from OptumInsight or other data vendors.

8 hours data collection	\$2,000
12 hours data analytics	\$3,000
4 hours staff prep/discussion	\$1,000

We envision that initial report preparation/discuss can be handled via WebEx/conference call.

Internal presentation

4-8 hours prep, presentation to commission \$1,000-\$2,000

Travel to Columbia optional/desirable?

Final presentation

This is the presentation of the final report to stakeholders, others.

8 hours preparation	\$2,000
8 hours travel/on-site presentation	\$2,000
Travel billed at actual cost, estimate	\$750

Summary

60 estimated hours	\$15,000
2 estimated travel	\$1,500

Current and previous facility-focused workers' compensation projects

Alaska

We're currently updating their rule and payments. As a part of this project, we've updated their language wrapped around their outpatient payment methodology. The currently methodology pays based on percentile of charge basis

Georgia

We helped Georgia adopt a modified Medicare-based inpatient system, and we provide on-going maintenance for that system. Georgia currently has an ICD-9 based outpatient payment methodology, and we've provided some early assessments of the impact of moving from such a system. (ICD-9 as a coding methodology will be replaced by ICD-10 in 2013)

Idaho

We provided the state with an analysis of its schedule, including implants and outliers, if it moved to a modified Medicare system. Ultimately, the state decided to keep its existing discount from charge system.

Maine

We're currently helping them as they adopt a modified Medicare inpatient/outpatient/ASC schedule. This has been a lengthy process, but they're hoping to go to publication in August 2011 with adoption on Jan. 1, 2012. Implantables and outliers have been an important part of the process.

Minnesota

We supplied data and some guidance as the state modified its existing system. Ultimately, the state did much of the work and rule changes in-house.

Mississippi

We worked with the state as it adopted a modified-Medicare approach for outpatient and ASCs in 2010. We helped the state adopt a modified Medicare inpatient system several years earlier. Implantables and outliers were an important part of the process. Since then, we've helped as occasional questions and issues show up. (We also provide ongoing website and physician support as well.)

Montana

We helped Montana adopt a modified Medicare schedule several years ago. Since then, we've work with them on a quarterly basis to update their schedule. Implantables and outliers have been an important part of the process.

New York

We are currently helping New York as it considers options in moving from its existing legacy (Medicaid-based) system.

Texas

We provided analysis and data as Texas moved from its legacy system to a modified Medicare approach.

Vermont

We provided analysis and data as Vermont considered a move from its existing system to a Medicare-based approach.