

## **A G E N D A**

### **SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION**

1333 Main Street, 5<sup>th</sup> Floor  
Columbia, South Carolina 29201

**April 15, 2013 – 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.*

- |    |   |  |
|----|---|--|
| 1. | APPROVAL OF AGENDA OF BUSINESS MEETING<br>OF APRIL 15, 2013, 2013   | <i>CHAIRMAN BECK</i>   |
| 2. | APPROVAL OF MINUTES OF THE BUSINESS MEETING<br>OF MARCH 18, 2013 (Tab 1)  | <i>CHAIRMAN BECK</i>   |
| 3. | GENERAL ANNOUNCEMENTS   | <i>MR. CANNON</i>  |
| 4. | APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2)  | <i>MR. SMITH</i>   |
| 5. | DEPARTMENT DIRECTORS' REPORTS<br>Administration – Financial Report (Tab 3)<br>Human Resources (Tab 4)<br>Information Services (Tab 5)<br>Insurance & Medical Services (Tab 6)<br>Claims (Tab 7)<br>Judicial (Tab 8) | <i>MS. GANTT<br/>MS. FLOYD<br/>MS. HARTMAN<br/>MR. DUFFIELD<br/>MR. LINE<br/>MS. CROCKER</i> |
| 6. | EXECUTIVE DIRECTOR'S REPORT (Tab 9)   | <i>MR. CANNON</i>  |
| 7. | OLD BUSINESS<br>A. Commuted Value Advisory Committee Recommendation (Tab 10)<br>B. Surgical Implant Advisory Committee Recommendation (Tab 11)  | <i>CHAIRMAN BECK<br/>MR. CANNON<br/>MR. CANNON</i>   |
| 8. | NEW BUSINESS  | <i>CHAIRMAN BECK</i>   |
| 9. | ADJOURNMENT   | <i>CHAIRMAN BECK</i>   |

## **Table of Contents**

<b>1</b>	<b>Approval of Minutes of the Business Meeting of March 18, 2013</b>
<b>2</b>	<b>Self-Insurance</b>
<b>3</b>	<b>Administration</b>
<b>4</b>	<b>Human Resources</b>
<b>5</b>	<b>Information Services</b>
<b>6</b>	<b>Insurance &amp; Medical Services</b>
<b>7</b>	<b>Claims</b>
<b>8</b>	<b>Judicial</b>
<b>9</b>	<b>Executive Director's Report</b>
<b>10</b>	<b>Commuted Value Advisory Committee Recommendation</b>
<b>11</b>	<b>Surgical Implant Advisory Committee Recommendation</b>

THE  
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION  
BUSINESS MEETING

**Monday, March 18, 2013**

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, March 18, 2013 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:

T. SCOTT BECK, INTERIM CHAIRMAN  
SUSAN S. BARDEN, VICE CHAIR  
MELODY L. JAMES, COMMISSIONER  
GENE MCCASKILL, COMMISSIONER  
ANDREA C. ROCHE, COMMISSIONER  
AVERY B. WILKERSON, JR., COMMISSIONER

Present also were Gary M. Cannon, Executive Director, Grant Duffield, Insurance and Medical Services Director; Virginia Crocker, Judicial Director; Greg Line, Claims Director; Cathy Floyd, Human Resources Manager; Wayne Ducote, Coverage Director; W.C. Smith, Self-Insurance Director; Betsy Hartman, IT Director; Amanda Underhill, Business Analyst; and Keith Roberts, Attorney. Also present was Clara Smith and Ronnie Maxwell, Injured Workers' Advocates; Kristian Cross, Collins & Lacy, P.C.; AnnMargaret McCraw, Midlands Orthopaedics/SC Orthopaedic Association; Grady Beard, Sowell Gray Stepp & Laffitte; TJ Hopper and Dick Kale, City of Union.

Chairman Beck called the meeting to order at 10:40 a.m.

**AGENDA**

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

**APPROVAL OF MINUTES – BUSINESS MEETING OF FEBRUARY 19, 2013**

Commissioner Barden moved that the minutes of the Business Meeting of February 19, 2013 be approved. Commissioner James seconded the motion, and the motion was approved.

**APPROVAL OF MINUTES – SPECIAL BUSINESS MEETING OF MARCH 4, 2013**

Commissioner Wilkerson moved that the minutes of the Special Business Meeting of March 4, 2013 be approved. Commissioner James 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. Seventeen (17) prospective members of two (2) funds were presented to the Commission for approval. The applications were:

**Palmetto Timber Fund**  
Hiott Logging LLC  
Vernie & Vernie Logging LLC

**SC Home Builders SIF**  
Anthony Stewart dba Upstate Framing  
Brandon Butts Grading  
Brooks Lenell & Brooks Joseph dba B&B Drywall  
Charles Allen Company LLC  
Exterior Contracting Services LLC  
Granada Interiors Inc.  
House MD  
Impact Unlimited  
JMD Construction  
Joseph Hopkins dba Cut-N-Edge Concrete  
Michael Young dba Youngs Painting Service  
Mike Dubois dba Mike's Floor Covering  
Shaw Grading Service  
Sherry Truesdale dba R&S Builders  
Quinn Mack dba Mack Construction Co.

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 James seconded the motion. The motion was unanimously approved.

#### **DEPARTMENT DIRECTORS' REPORTS**

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

##### **Administration Department**

Diana Gantt presented the Summary of Revenues and Expenditures for the period ending February 28, 2013. The benchmark for February is 66.67%. The Commission's revenues are at 55.9%, and expenditures are at 67%.

##### **Human Resources Department**

Cathy Floyd presented the Human Resources report for the period of February 13, 2013 through March 12, 2013. Ms. Floyd announced the Employee Appreciation Luncheon will be held at Noon on Monday, May 20, 2013, in the First Floor Conference Room.

##### **Information Services**

Betsy Hartman presented the Information Services Department's report. Ms. Hartman pointed out the following highlights from her report:

- Implemented the scanning and storing of I2M reporting
- Building testing plans for SC Vocational Rehabilitation Department's data portal
- Implemented Travelers and State Accident Fund with EDI Release 3

There was discussion on DSIT's recent modification in security guidelines requiring changing passwords every 60 days.

Commissioner Roche reported the electronic filing of the Form 58 is working very well. Also, at hearings she gives the APAs back to the attorneys and requests they submit them electronically.

### **Insurance & Medical Services Department**

Grant Duffield presented the Insurance & Medical Services Department's report. Year to date, Compliance Division fines is 154% of prior year's accrual. The Compliance Division closed February 2013 with 334 cases active, compared to an active caseload of 449 at the close of February 2012. Year to date, Coverage Division fines are at 99% of prior year's collections. Year to date, Self Insurance tax revenue is trending at 110% of prior year.

### **Claims Department**

Greg Line presented the Claims Department's report. For the month of February, Claims Department closed 2,369 individual case files. Fine revenue received in February was \$79,875, an increase of \$19,325 over prior month. Claims Examiners reviewed 1,537 individual case files.

### **Judicial Department**

Virginia Crocker presented the Judicial Department's report. Work continues on developing work flow processes in preparation for the passage of the mediation regulations. The pleadings for the month of February are down for the claimants and the defendants. The number of Motions filed in February increased as well as the number of appeals.

## **EXECUTIVE DIRECTOR'S REPORT**

Gary Cannon, Executive Director, presented his report which was also submitted to the Commission in written form. He pointed out the following highlights from his report:

### **Proposed Mediation Regulations (R 4286)**

The proposed Mediation Regulations are scheduled to be on the agenda for the Senate Judiciary Committee meeting tomorrow, March 19.

### **R67-706 Oral Argument (R 4283)**

The request was submitted to the State Register's Office to permanently withdraw R 4283.

### **End of Fiscal Year 2012-13 Revenue and Expenditure Projections**

Mr. Cannon presented the projected revenues and expenditures for end of FY 2012-13. The General Fund Budget for FY 2012-13 is \$1,841,795. The projected expenditures are \$21,884 more than the budgeted appropriation. This is due to an unanticipated annual leave terminal pay. The projected revenues, expenditures and the use of Appropriated Fund Balance will result in a deficit of \$12,307 in the Earmarked Fund. The General Assembly authorized the Commission to spend \$3.2 million in Earmarked Fund in FY 2012-13. The actual expenditures are forecast at \$3 million, resulting in a surplus of \$212,571.

The Earmarked Fund balance is \$1.4 million. The \$535,000 budget for FY 2012-13 and the necessity to utilize almost \$13,000 to cover the deficit in the General Fund and a little more than \$12,000 to cover the deficit in the Earmarked Fund results in a projected \$872,000 in fund balance in the Earmarked Fund at end of fiscal year.

## **OLD BUSINESS**

There was no old business.

## **NEW BUSINESS**

### **A. Surgical Implant Advisory Committee Recommendation**

Mr. Cannon introduced Grady Beard, Esq., chairman, Surgical Implant Advisory Committee. Mr. Beard briefed the Commissioners on the work of the committee. On behalf of the committee, Mr. Beard presented the following recommendation:

*Surgical Implant Advisory Committee Recommendation*

*The Maximum Allowable Payment (MAP) for procedures performed in an Ambulatory Surgery Center (ASC) will be calculated at 140% of the Medicare Payment for procedures plus the total cost of all surgical implants per case with Revenue Codes 274, 276 and 278 minus a five hundred dollar (\$500.00) implant cost reduction per case.*

*The total cost of all surgical implants shall be calculated using net actual manufacturer's wholesale invoice price less any adjustments which accrue to, or are factored into, the final net cost to the surgery center. If the total net cost of all implants for a case is less than \$500.00, the implants will not be billed or reimbursed.*

*Surgical implants are defined as follows:*

*a. An item that is surgically placed into the body, including any reasonably and medically necessary external device connected to such surgically placed item, for the purpose of replacing, repairing or improving function and or promoting healing that is designed and intended to remain in the body.*

*Examples of these items include but are not limited to bone, cartilage, tendon or other tissues taken from a source other than the patient; pins, screws and/or plates, anchors, radioactive seeds, ports and pain pumps;*

*b. Sutures, surgical staples, associated disposable instrumentation, and intravenous catheters are not considered implants. They are considered to be surgical supplies and therefore included in the facility fee.*

*The MAP represents the maximum amount that a provider can legally be paid for rendering services under the Workers' Compensation Act. In instances where the provider's usual charge is lower than the MAP amount, or where the provider has agreed by contract with an employer or insurance carrier to accept discounts or lower fees than the Commission's MAP, payment is made at the lower amount. In the event that the prevailing MAP amount for the same procedure, including the cost of the implants, if performed at the hospital in South Carolina nearest the ASC is lower, the ASC shall accept that hospital's MAP for the same procedure as payment in full.*

*In order to receive reimbursement, the surgery center must provide a copy of the actual original manufacturer's wholesale invoice at the time of billing. The surgery center shall adjust the manufacturer's invoice to reflect, at the time implanted, all applicable rebates, discounts, offsets, considerations, volume pricing, refunds, and product replacement programs, and documentation of same must be provided as a condition of payment for the implant. The manufacturer's wholesale invoices must be retained by the surgery center for 3 years from the date of implantation.*

**Motion to carry over Surgical Implant Advisory Committee recommendation until Commission's next regularly scheduled business meeting.**

Following discussion, Commissioner Wilkerson made a motion to carry over consideration of Surgical Implant Advisory Committee's recommendation until the Commission's next regularly scheduled business meeting. Commissioner Barden seconded the motion, and the motion was approved.

**B. Request Approval to Establish Fee for Providing Electronic Proof of Coverage (POC) Data Access**

Mr. Cannon recognized Mr. Duffield. Mr. Duffield said the Commission currently supports an online Proof of Coverage (POC) application through which a user is able to determine if an employer has a proper workers' compensation insurance policy in place, as reported by NCCI. The Commission has received requests from entities to provide quarterly/semi-annual batch file transfers of POC data. The Commission provides existing POC data at a fee of \$75 per quarterly data request.

Mr. Duffield presented a recommendation that the Commission implements a secure process by which individuals or entities are able to access batch file POC data. The process would require individuals or entities to register and be approved by the Commission and will have access to the data via a secure file transfer protocol and user password combination. Registered users would be required to obtain access permissions as well as a properly completed SC Freedom of Information Act request annually through the Commission, and an annual fee of \$300.

**Motion to carry over request for approval to establish fee for providing electronic proof of coverage data access.**

Following discussion, Commissioner Roche made a motion to carry over the matter, which was duly seconded by Commissioner James. The vote was taken, and the motion was approved.

**ADJOURNMENT**

Commissioner Roche made the motion to adjourn. Commissioner Wilkerson seconded the motion, and the motion was approved.

The March 18, 2013 meeting of the South Carolina Workers' Compensation Commission adjourned at 11:20 a.m.

Reported April 15, 2013  
Kim Ballentine, Office of the Executive Director

---

**INTEROFFICE MEMORANDUM**

---

**TO:** GARY CANNON, EXECUTIVE DIRECTOR  
**FROM:** DIANA GANTT, DIRECTOR OF ADMINISTRATION  
**SUBJECT:** FINANCIAL REPORT PERIOD ENDING MARCH 31, 2013  
**DATE:** 4/9/2013

---

The Summary of Revenues and Expenditures for the period ending March 31, 2013, is attached.

- March is the 9th Fiscal Month of FY13.
- There were 84 payments made to vendors, travelers, and other State Agencies.
- The benchmark for March is 75%. The Commission's revenues are at 65.84% and expenses are at 74%.
  
- The following is a summary of each department expenditure benchmarks:

**General Fund:** Total expenditures are at 75%.

**Essex Fund:**

*Commissioners –*

- Total expenditures are at 60% of budget.

*Administration –*

- Overall the expenditures are 77% of budget.

*Claims –*

- Expenditures are at 72% of budget.

*Insurance & Medical –*

- Total expenditures are at 77% of budget

*Judicial –*

- Total expenditures are at 67% of budget.

**Activity Report from the Procurement Office:**

	MTD	YTD
SCEIS Shopping Carts	0	6
Vendors Contacted for Price Quotes	25	168
Visa Procurement Card Orders Placed	9	58
SC Dept of Corrections Orders Placed	0	7
Staples Orders Placed	9	49
State Leased Vehicles taken for Service	3	21
State Reports filed by Procurement Officer	1	13

**Mail Room Activity:**

	MTD	YTD
Files Copied for Outside Parties	221	1,989
Pages Copied	1,088	81,406



**South Carolina Workers' Compensation Commission**  
**Summary of Revenues and Expenditures**  
**2012 - 2013 Budget**  
**March 31, 2013**

	<b>Budget</b>	<b>FY To Date</b>	<b>Benchmark</b>	<b>75.00%</b>
<b>STATE APPROPRIATIONS</b>				
General Appropriation	<u>\$ 1,841,795</u>	<u>\$ 1,381,346.25</u>		75.00%

<u>Account Description</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Balance</u>	<u>% Expended</u>
Personal Services	\$ 1,378,405	\$ 1,062,878	\$ 315,527	77.1%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	463,390	309,316	154,074	66.8%
<b>Total</b>	<u><b>\$ 1,841,795</b></u>	<u><b>\$ 1,372,194</b></u>	<u><b>\$ 469,601</b></u>	<u><b>74.5%</b></u>

**OTHER APPROPRIATIONS**

**EARMARKED**

	<u>Budgeted Revenues</u>	<u>Received thru 3/31/13</u>	<u>% Received</u>
Training Conference Registration Fee	\$ 1,000	\$ 4,625	462.50%
Sale of Publication and Brochures	8,000	3,375	42.19%
Workers' Comp Award Review Fee	75,000	49,900	66.53%
Sale of Photocopies	95,000	67,018	70.55%
Workers' Compensation Filing Violation Fee	1,891,000	1,227,816	64.93%
Sale of Listings and Labels	30,000	20,694	68.98%
Workers' Comp Hearing Fee	600,000	400,740	66.79%
Insurance Reserve Refund (Prepaid Legal)		3,493	
Earmarked Funds - Original Authorization	<u>\$ 2,700,000</u>	<u>\$ 1,777,661</u>	<u>65.84%</u>
Increase Authorization	535,066		
Increase Authorization - 80100	-		
<b>Total Earmarked Revenues + Fund Balance</b>	<u><b>\$ 3,235,066</b></u>		

<u>Account Description</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Balance</u>	<u>% Expended</u>
Personal Services	\$ 1,464,017	\$ 1,101,061	\$ 362,956	75.2%
Taxable Subsistence	80,000	38,289	41,711	47.9%
Other Operating Expenses	1,242,865	833,308	409,557	67.0%
Employer Contribution	448,184	388,362	59,822	86.7%
<b>Total Earmarked</b>	<u><b>\$ 3,235,066</b></u>	<u><b>\$ 2,361,021</b></u>	<u><b>\$ 874,045</b></u>	<u><b>73.0%</b></u>

**COMPUTER FUNDS CARRIED FORWARD**

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

<b>TOTAL OTHER APPROPRIATIONS</b>	<u><b>\$ 3,235,066</b></u>	<u><b>\$ 2,361,021</b></u>	<u><b>\$ 874,045</b></u>	<u><b>73.0%</b></u>
-----------------------------------	----------------------------	----------------------------	--------------------------	---------------------

**South Carolina Workers' Compensation Commission**  
**2012 - 2013 Budget**  
**March 31, 2013**

**Consolidated**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 75.00%				
				Expended March	Year to Date	%	Encumb	Balance
<b>Commissioners</b>								
Salaries	\$ 1,150,244	\$ 32,990	\$ 1,183,234	\$ 95,870	\$ 885,461	75%	\$ -	\$ 41,711
Other Operating Expenditures								
Total Contractual Services	219,128	-	219,128	17,000	146,241	67%	-	72,887
Total Supplies & Materials	23,499	-	23,499	1,334	9,769	42%	-	13,736
Total Fixed Charges	158,028	-	158,028	11,768	105,679	67%	-	52,349
Total Travel	90,950	-	90,950	4,863	42,472	47%	-	48,478
Total Other Operating Exp	491,605	-	491,605	34,965	304,161	62%	-	187,440
<b>Total Commissioners</b>	<b>\$ 1,641,849</b>	<b>\$ 32,990</b>	<b>\$ 1,674,839</b>	<b>\$ 130,835</b>	<b>\$ 1,189,616</b>	<b>71%</b>	<b>\$ -</b>	<b>\$ 329,161</b>
<b>Administration</b>								
Salaries	\$ 558,792	\$ 4,168	\$ 562,960	\$ 48,718	\$ 425,814	76%	\$ -	\$ 138,945
Other Operating Expenditures								
Total Contractual Services	105,502	-	105,502	4,700	109,561	104%	-	(4,059)
Total Supplies & Materials	23,053	-	23,053	1,483	14,021	61%	-	9,031
Total Fixed Charges	132,810	-	132,810	9,805	90,937	68%	-	41,873
Total Travel	14,490	-	14,490	1,174	7,896	54%	-	6,594
Total Equipment	-	-	-	-	-	0%	-	-
Total Other Operating Exp	275,855	-	275,855	17,162	222,416	81%	-	53,439
<b>Total Administration</b>	<b>\$ 835,648</b>	<b>\$ 4,168</b>	<b>\$ 839,814</b>	<b>\$ 66,874</b>	<b>\$ 648,330</b>	<b>77%</b>	<b>\$ -</b>	<b>\$ 191,484</b>
<b>Claims</b>								
Salaries	\$ 376,787	\$ 10,223	\$ 386,980	\$ 34,431	\$ 308,957	79%	\$ -	\$ 82,023
Other Operating Expenditures								
Total Contractual Services	64,472	-	64,472	4,324	40,110	62%	-	24,362
Total Supplies & Materials	37,471	-	37,471	1,647	13,683	37%	-	23,788
Total Fixed Charges	79,659	-	79,659	5,975	54,043	68%	-	25,616
Total Travel	2,100	-	2,100	98	855	41%	-	1,245
Total Other Operating Exp	183,702	-	183,702	12,044	108,691	59%	-	75,011
<b>Total Claims</b>	<b>\$ 560,499</b>	<b>\$ 10,223</b>	<b>\$ 570,682</b>	<b>\$ 46,473</b>	<b>\$ 418,648</b>	<b>72%</b>	<b>\$ -</b>	<b>\$ 157,034</b>
<b>Insurance and Medical Services</b>								
Salaries	\$ 422,768	\$ 780	\$ 423,548	\$ 35,702	\$ 328,825	77%	\$ -	\$ 95,493
Other Operating Expenditures								
Total Contractual Services	73,104	200	73,304	5,922	67,059	91%	-	6,245
Total Supplies & Materials	22,725	(200)	22,525	1,251	15,360	68%	-	7,165
Total Fixed Charges	62,194	-	62,194	4,251	38,441	62%	-	23,753
Total Travel	1,350	-	1,350	-	-	0%	-	1,350
Total Other Operating Exp	159,373	-	159,373	11,423	120,900	76%	-	38,473
<b>Total Insurance and Medical Services</b>	<b>\$ 582,141</b>	<b>\$ 780</b>	<b>\$ 582,901</b>	<b>\$ 47,126</b>	<b>\$ 448,925</b>	<b>77%</b>	<b>\$ -</b>	<b>\$ 133,966</b>
<b>Judicial</b>								
Salaries	\$ 363,885	\$ 835	\$ 364,721	\$ 27,345	\$ 287,863	71%	\$ -	\$ 86,858
Other Operating Expenditures								
Total Contractual Services	33,570	200	33,770	2,354	20,516	61%	-	13,254
Total Supplies & Materials	22,770	(200)	22,570	969	7,726	34%	-	14,844
Total Fixed Charges	70,545	-	70,545	5,185	46,993	67%	-	23,552
Total Travel	5,445	-	5,445	32	1,811	33%	-	3,634
Total Other Operating Exp	132,330	-	132,330	8,540	77,147	58%	-	55,183
<b>Total Judicial</b>	<b>\$ 496,216</b>	<b>\$ 835</b>	<b>\$ 497,051</b>	<b>\$ 35,885</b>	<b>\$ 335,008</b>	<b>67%</b>	<b>\$ -</b>	<b>\$ 162,043</b>
<b>Totals by Departments</b>								
<b>Department Totals</b>								
Commissioners	\$ 1,641,849	\$ 32,990	\$ 1,674,839	\$ 130,835	\$ 1,189,616	71%	\$ -	\$ 329,161
Administration	835,646	4,168	839,814	66,874	648,330	77%	-	191,484
Claims	560,459	10,223	570,682	46,473	413,648	72%	-	157,034
Insurance & Medical	582,141	780	582,901	47,126	448,935	77%	-	133,966
Judicial	496,216	835	497,051	35,885	335,008	67%	-	162,043
<b>Total Departmental Expend</b>	<b>\$ 4,318,333</b>	<b>\$ 48,976</b>	<b>\$ 4,365,287</b>	<b>\$ 327,185</b>	<b>\$ 3,035,537</b>	<b>73%</b>	<b>\$ -</b>	<b>\$ 879,888</b>
Employer Contributions	882,374	29,200	911,574	70,071	697,678	77%	-	213,896
<b>Total General &amp; Earmarked Funds</b>	<b>\$ 4,998,685</b>	<b>\$ 78,176</b>	<b>\$ 5,076,861</b>	<b>\$ 397,272</b>	<b>\$ 3,733,215</b>	<b>74%</b>	<b>\$ -</b>	<b>\$ 1,087,589</b>

**South Carolina Workers' Compensation Commission**  
**2012 - 2013 Budget**  
 March 31, 2013

**General Appropriation**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 75.00%				
				Expended March	Year to Date to Date	%	Encumb Balance	
<b>Commissioners</b>								
<b>Salaries</b>								
Chairman	\$ 115,567	\$ 3,323	\$ 118,890	\$ 9,508	\$ 85,568	72%	\$ -	\$ 33,323
Commissioner	564,602	191	564,793	57,445	517,005	78%	-	147,788
Terminal Leave	-	19,747	19,747	-	19,747	100%	-	(0)
Classified Employees	290,075	9,729	299,804	24,984	224,852	75%	-	74,952
<b>Total Commissioners</b>	<b>1,070,244</b>	<b>32,990</b>	<b>1,103,234</b>	<b>91,936</b>	<b>847,172</b>	<b>77%</b>	<b>-</b>	<b>-</b>
<b>Administration</b>								
<b>Salaries</b>								
Director	\$ 94,352	\$ 2,824	\$ 96,976	\$ 8,083	\$ 72,732	75%	\$ -	\$ 24,244
Classified Positions	44,825	1,344	46,169	3,847	42,352	92%	-	3,817
<b>Total Administration</b>	<b>138,977</b>	<b>4,168</b>	<b>143,145</b>	<b>11,929</b>	<b>115,083</b>	<b>80%</b>	<b>-</b>	<b>28,062</b>
<b>Claims</b>								
<b>Salaries</b>								
Classified Positions	\$ 67,000	\$ 10,223	\$ 77,223	\$ 6,613	\$ 59,521	77%	\$ -	\$ 17,702
<b>Total Claims</b>	<b>67,000</b>	<b>10,223</b>	<b>77,223</b>	<b>6,613</b>	<b>59,521</b>	<b>77%</b>	<b>-</b>	<b>17,702</b>
<b>Insurance and Medical Services</b>								
<b>Salaries</b>								
Classified Positions	\$ 25,350	\$ 760	\$ 26,110	\$ 2,176	\$ 19,582	75%	\$ -	\$ 6,528
<b>Total Ins and Medical Svcs</b>	<b>25,350</b>	<b>760</b>	<b>26,110</b>	<b>2,176</b>	<b>19,582</b>	<b>75%</b>	<b>-</b>	<b>6,528</b>
<b>Judicial</b>								
<b>Salaries</b>								
Classified Positions	\$ 27,858	\$ 835	\$ 28,693	\$ 2,391	\$ 21,520	75%	\$ -	\$ 7,173
<b>Total Judicial</b>	<b>27,858</b>	<b>835</b>	<b>28,693</b>	<b>2,391</b>	<b>21,520</b>	<b>75%</b>	<b>-</b>	<b>7,173</b>
<b>General Funds</b>								
<b>Department Totals</b>								
Commissioners	\$ 1,070,244	\$ 32,990	\$ 1,103,234	\$ 91,936	\$ 847,172	77%	\$ -	\$ 256,062
Administration	138,977	4,168	143,145	11,929	115,083	80%	-	28,062
Claims	67,000	10,223	77,223	6,613	59,521	77%	-	17,702
Insurance & Medical	25,350	760	26,110	2,176	19,582	75%	-	6,528
Judicial	27,858	835	28,693	2,391	21,520	75%	-	7,173
<b>Total Departmental Expend</b>	<b>\$ 1,329,429</b>	<b>\$ 48,976</b>	<b>\$ 1,378,405</b>	<b>\$ 115,045</b>	<b>\$ 1,062,878</b>	<b>77%</b>	<b>\$ -</b>	<b>\$ 315,527</b>
Employer Contributions	434,190	29,200	463,390	34,486	309,316	67%	-	154,074
<b>Total General Fund Appropriations</b>	<b>\$ 1,763,619</b>	<b>\$ 78,176</b>	<b>\$ 1,841,795</b>	<b>\$ 149,532</b>	<b>\$ 1,372,194</b>	<b>75%</b>	<b>\$ -</b>	<b>\$ 469,601</b>

**South Carolina Workers' Compensation Commission**

**2012 - 2013 Budget**

March 31, 2013

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 75.00%				
				Expended March	Year to Date	%	Encumb	Balance
<b>Commissioners</b>								
<b>Salaries</b>								
Taxable Self-insurance	\$ 80,000	\$ -	\$ 80,000	\$ 3,934	\$ 38,289	48%	\$ -	\$ 41,711
<b>Total Salaries</b>	<b>80,000</b>	<b>-</b>	<b>80,000</b>	<b>3,934</b>	<b>38,289</b>	<b>48%</b>	<b>-</b>	<b>41,711</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	1,700	-	1,700	-	-	0%	-	1,700
Copying Equipment Service	1,200	-	1,200	-	1,057	88%	-	143
Print/Bind/Advertisement	1,510	-	1,510	-	-	0%	-	1,510
Print Pub Annual Reports	1,028	-	1,028	-	-	0%	-	1,028
Data Processing Services	34,000	-	34,000	2,571	23,365	69%	-	10,635
Freight Express Delivery	1,490	-	1,490	-	73	5%	-	1,417
Telephone	6,100	-	6,100	308	2,476	41%	-	3,624
Cellular Phone Service	9,100	-	9,100	862	7,867	86%	-	1,233
Legal Services/Attorney Fees	160,000	-	160,000	13,149	111,222	70%	-	48,778
Other Professional Services	3,000	-	3,000	10	180	6%	-	2,820
<b>Total Contractual Services</b>	<b>219,128</b>	<b>-</b>	<b>219,128</b>	<b>17,000</b>	<b>146,341</b>	<b>67%</b>	<b>-</b>	<b>71,887</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	7,500	-	7,500	306	2,308	31%	-	5,194
Copying Equipment	4,200	-	4,200	-	1,716	41%	-	2,484
Printing	1,200	-	1,200	573	1,468	122%	-	(268)
Data Processing Supplies	1,649	-	1,649	21	45	3%	-	1,604
Postage	8,500	-	8,500	415	3,998	47%	-	4,502
Communication Supplies	50	-	50	-	-	0%	-	50
Maint./Janitorial Supplies	200	-	200	18	112	56%	-	88
Motor Vehicle Supp/Gasoline	100	-	100	-	49	49%	-	51
Other Supplies	100	-	100	-	67	67%	-	33
<b>Total Supplies &amp; Materials</b>	<b>23,499</b>	<b>-</b>	<b>23,499</b>	<b>1,334</b>	<b>9,763</b>	<b>42%</b>	<b>-</b>	<b>13,736</b>
<b>Fixed Charges</b>								
Rental-Cont. Rent Payment	2,500	-	2,500	74	455	18%	-	2,045
Rent-Non State Owned Property	149,000	-	149,000	11,694	105,224	71%	-	43,776
Rent-Other	250	-	250	-	-	0%	-	250
Insurance-State	4,500	-	4,500	-	-	0%	-	4,500
Insurance-Non State	1,169	-	1,169	-	-	0%	-	1,169
Fees & Fines	109	-	109	-	-	0%	-	109
Equipment Maintenance	500	-	500	-	-	0%	-	500
<b>Total Fixed Charges</b>	<b>158,828</b>	<b>-</b>	<b>158,828</b>	<b>11,768</b>	<b>105,679</b>	<b>67%</b>	<b>-</b>	<b>52,349</b>
<b>Travel (Includes Rental Car)</b>								
In State - Meals (Non Reportable)	350	-	350	35	186	53%	-	164
In State - Auto Mileage	20,000	-	20,000	1,394	13,321	67%	-	6,679
In State - Substantive Allowance	30,000	-	30,000	861	6,888	23%	-	23,112
Out State - Meals	100	-	100	-	75	75%	-	25
Out State - Auto Mileage	2,000	-	2,000	-	288	14%	-	1,712
Leased Car	38,500	-	38,500	2,573	21,714	56%	-	16,786
<b>Total Travel</b>	<b>90,950</b>	<b>-</b>	<b>90,950</b>	<b>4,853</b>	<b>42,472</b>	<b>47%</b>	<b>-</b>	<b>48,478</b>
<b>Total Other Operating Expenditures</b>	<b>491,605</b>	<b>-</b>	<b>491,605</b>	<b>34,945</b>	<b>304,155</b>	<b>62%</b>	<b>-</b>	<b>187,450</b>
<b>Total Commissioners</b>	<b>\$ 571,605</b>	<b>\$ -</b>	<b>\$ 571,605</b>	<b>\$ 38,899</b>	<b>\$ 342,444</b>	<b>60%</b>	<b>\$ -</b>	<b>\$ 229,161</b>

**South Carolina Workers' Compensation Commission**

**2012 - 2013 Budget**

March 31, 2013

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 75.00%				
				Expended March	Year to Date	%	Embumb	Balance
<b>Administration</b>								
<b>Salaries</b>								
Classified Positions	\$ 408,567	\$ -	\$ 408,567	\$ 37,827	\$ 302,079	74%	\$ -	\$ 106,488
Temporary Employees	13,247	-	13,247	357	8,751	78%	-	2,496
Terminal Leave	1,000	-	1,000	-	-	0%	-	1,000
<b>Total Salaries</b>	<b>428,814</b>	<b>-</b>	<b>428,814</b>	<b>37,784</b>	<b>310,830</b>	<b>74%</b>	<b>-</b>	<b>189,984</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	5,800	-	5,800	-	5,174	89%	-	626
Copying Equipment Service	550	-	550	-	245	45%	-	305
Print/Bind/Advertisement	500	-	500	-	-	0%	-	500
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	62,000	-	62,000	1,504	78,189	126%	-	(16,189)
Freight Express Delivery	800	-	800	-	495	62%	-	305
Telephone	4,600	-	4,600	284	3,104	67%	-	1,496
Cellular Phone Service	3,000	-	3,000	151	1,733	58%	-	1,267
Education & Training Services	1,000	-	1,000	-	-	0%	-	1,000
Attorney Fees	25,000	-	25,000	2,323	39,499	78%	-	5,403
General Repair	230	-	230	407	407	177%	-	(177)
Audit Acct Finance	100	-	100	-	104	104%	-	(4)
Catered Meals	300	-	300	-	-	0%	-	300
Other Professional Services	100	-	100	31	166	166%	-	(66)
Other Contractual Services	1,500	-	1,500	-	445	30%	-	1,055
<b>Total Contractual Services</b>	<b>105,500</b>	<b>-</b>	<b>105,502</b>	<b>4,708</b>	<b>189,561</b>	<b>184%</b>	<b>-</b>	<b>(4,899)</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	5,000	-	5,000	205	5,832	117%	-	(832)
Subscriptions	175	-	175	-	-	0%	-	175
Copying Equipment Supplies	3,434	-	3,434	-	1,387	41%	-	2,037
Printing	1,964	-	1,964	777	1,509	77%	-	455
Data Processing Supplies	500	-	500	16	1,032	206%	-	(532)
Postage	10,000	-	10,000	443	4,115	41%	-	5,885
Maint./Janitorial Supplies	200	-	200	42	89	44%	-	111
Fees & Fines	280	-	280	-	50	18%	-	230
Gasoline/ Motor Vehicle Supply	100	-	100	-	-	0%	-	100
Employee Recog Award	1,000	-	1,000	-	-	0%	-	1,000
Other Supplies	400	-	400	-	-	0%	-	400
<b>Total Supplies &amp; Materials</b>	<b>28,053</b>	<b>-</b>	<b>28,053</b>	<b>1,489</b>	<b>14,822</b>	<b>81%</b>	<b>-</b>	<b>9,051</b>
<b>Fixed Charges</b>								
Rent-Cont Rand Payment	6,000	-	6,000	455	4,868	81%	-	1,132
Rent-Non State Owned Property	95,000	-	95,000	7,557	68,099	72%	-	26,901
Rent-Other	11,000	-	11,000	628	8,571	78%	-	2,429
Insurance-State	7,490	-	7,490	-	-	0%	-	7,490
Insurance-Non State	134	-	134	-	705	526%	-	(571)
Dues and Memberships	5,000	-	5,000	735	4,685	94%	-	315
Sales Tax Paid	8,184	-	8,184	420	4,009	49%	-	4,177
<b>Total Fixed Charges</b>	<b>132,810</b>	<b>-</b>	<b>132,810</b>	<b>9,885</b>	<b>98,937</b>	<b>88%</b>	<b>-</b>	<b>41,873</b>
<b>Travel (Includes Leased Car)</b>								
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	143	537	168%	-	(137)
Leased Car	14,000	-	14,000	1,024	7,553	54%	-	6,447
<b>Total Travel</b>	<b>14,490</b>	<b>-</b>	<b>14,490</b>	<b>1,174</b>	<b>7,894</b>	<b>54%</b>	<b>-</b>	<b>6,594</b>
<b>Equipment</b>								
Equipment Data Processing- PC's	-	-	-	-	-	0%	-	-
<b>Total Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>
<b>Total Other Operating Expenditures</b>	<b>275,855</b>	<b>-</b>	<b>275,855</b>	<b>17,162</b>	<b>222,416</b>	<b>81%</b>	<b>-</b>	<b>53,439</b>
<b>Total Administration</b>	<b>\$ 696,669</b>	<b>\$ -</b>	<b>\$ 696,669</b>	<b>\$ 54,946</b>	<b>\$ 533,246</b>	<b>77%</b>	<b>\$ -</b>	<b>\$ 163,423</b>

**South Carolina Workers' Compensation Commission**  
**2012 - 2013 Budget**  
 March 31, 2013

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 75.00%				
				Expended March	Year to Date	%	Encumb	Balance
<b>Claims</b>								
<b>Salaries</b>								
Classified Positions	\$ 294,757	\$ -	\$ 294,757	\$ 27,818	\$ 239,166	81%	\$ -	\$ 55,591
Temporary Positions	14,000	-	14,000	-	6,270	45%	-	7,730
Terminal Leave	1,000	-	1,000	-	-	0%	-	1,000
<b>Total Salaries</b>	<b>309,757</b>	<b>-</b>	<b>309,757</b>	<b>27,818</b>	<b>245,436</b>	<b>79%</b>	<b>-</b>	<b>84,321</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Services	200	-	200	-	-	0%	-	200
Copying Equipment Service	400	-	400	-	752	183%	-	(352)
Print / Bind / Adv	750	-	750	-	-	0%	-	750
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	30,000	-	30,000	2,247	20,125	67%	-	9,875
Freight Express Delivery	500	-	500	-	21	4%	-	479
Telephone	4,000	-	4,000	263	2,736	68%	-	1,264
Cellular Phone Service	2,500	-	2,500	52	467	19%	-	2,033
Temporary Services	26,000	-	26,000	1,763	16,030	62%	-	9,970
Other Professional Services	100	-	100	-	-	0%	-	100
<b>Total Contractual Services</b>	<b>64,472</b>	<b>-</b>	<b>64,472</b>	<b>4,324</b>	<b>40,118</b>	<b>62%</b>	<b>-</b>	<b>24,352</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	8,271	-	8,271	170	1,556	19%	-	6,715
Copying Equipment	3,000	-	3,000	-	1,359	45%	-	1,642
Printing	900	-	900	454	1,073	119%	-	(173)
Data Processing Supplies	3,000	-	3,000	16	36	1%	-	2,964
Postage	22,000	-	22,000	992	9,457	43%	-	12,543
Maint./Janitorial Supplies	200	-	200	15	202	101%	-	(2)
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>37,471</b>	<b>-</b>	<b>37,471</b>	<b>1,647</b>	<b>13,683</b>	<b>37%</b>	<b>-</b>	<b>23,788</b>
<b>Fixed Charges</b>								
Rental-Cost Rent Payment	2,500	-	2,500	128	1,421	57%	-	1,079
Rent-Non State Owned Property	73,000	-	73,000	5,847	52,622	72%	-	20,378
Rent-Other	225	-	225	-	-	0%	-	225
Insurance-State	2,000	-	2,000	-	-	0%	-	2,000
Insurance-Non State	134	-	134	-	-	0%	-	134
Equipment- Copying	800	-	800	-	-	0%	-	800
Equipment Maintenance	1,000	-	1,000	-	-	0%	-	1,000
<b>Total Fixed Charges</b>	<b>79,659</b>	<b>-</b>	<b>79,659</b>	<b>5,975</b>	<b>54,043</b>	<b>68%</b>	<b>-</b>	<b>25,616</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals (Non-Reportable)	300	-	300	-	63	21%	-	237
In State - Lodging	600	-	600	-	172	29%	-	428
In State - Auto Mileage	600	-	600	-	32	5%	-	568
In-State Registration	200	-	200	-	-	0%	-	200
Reportable Meals	400	-	400	98	588	147%	-	(188)
<b>Total Travel</b>	<b>2,100</b>	<b>-</b>	<b>2,100</b>	<b>98</b>	<b>855</b>	<b>41%</b>	<b>-</b>	<b>1,245</b>
<b>Total Other Operating Expenditures</b>	<b>183,702</b>	<b>-</b>	<b>183,702</b>	<b>12,844</b>	<b>106,891</b>	<b>59%</b>	<b>-</b>	<b>75,011</b>
<b>Total Claims</b>	<b>\$ 493,459</b>	<b>\$ -</b>	<b>\$ 493,459</b>	<b>\$ 39,661</b>	<b>\$ 354,127</b>	<b>72%</b>	<b>\$ -</b>	<b>\$ 139,332</b>

**South Carolina Workers' Compensation Commission**

**2012 - 2013 Budget**

March 31, 2013

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 75.00%				
				Expended March	Year to Date	%	Encumb	Balance
<b>Insurance and Medical Services</b>								
<b>Salaries</b>								
Classified Positions	378,434	-	378,434	32,237	293,340	78%	-	85,094
Temporary Employees	15,469	-	15,469	1,289	11,598	75%	-	3,871
Terminal Leave	3,515	-	3,515	0	3,515	100%	-	-
<b>Total Salaries</b>	<b>397,418</b>	<b>-</b>	<b>397,418</b>	<b>33,526</b>	<b>308,452</b>	<b>78%</b>	<b>-</b>	<b>88,966</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	200	-	200	-	-	0%	-	200
Copying Equipment Service	300	-	300	-	-	0%	-	300
Print/Bind/Advertisement	500	-	500	-	-	0%	-	500
Print Pub Annual Report	24	-	24	-	-	0%	-	24
Data Processing Services	47,000	-	47,000	4,080	36,386	77%	-	10,614
Freight Express Delivery	-	200	200	-	21	11%	-	179
Telephone	2,626	-	2,626	201	1,683	64%	-	943
Cell Phone	3,000	-	3,000	52	480	16%	-	2,520
Catered Meals	2,000	-	2,000	-	1,661	83%	-	339
Other Professional Services	10,000	-	10,000	1,589	26,415	264%	-	(16,415)
Other Contractual Services	7,454	-	7,454	-	413	6%	-	7,043
<b>Total Contractual Services</b>	<b>73,204</b>	<b>200</b>	<b>73,394</b>	<b>5,922</b>	<b>67,099</b>	<b>91%</b>	<b>-</b>	<b>6,245</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	5,000	-	5,000	465	8,075	161%	-	(3,075)
Copying Equipment	3,500	-	3,500	-	1,302	43%	-	1,998
Printing	1,500	-	1,500	502	2,085	139%	-	(585)
Data Processing Supplies	500	-	500	18	40	8%	-	460
Postage	11,000	(200)	10,800	250	3,561	33%	-	7,239
Maintenance/Janitorial Supplies	75	-	75	16	98	131%	-	(23)
Building Materials	1,000	-	1,000	-	-	0%	-	1,000
Fees & Fines	50	-	50	-	-	0%	-	50
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>22,725</b>	<b>(200)</b>	<b>22,525</b>	<b>1,251</b>	<b>15,340</b>	<b>68%</b>	<b>-</b>	<b>7,184</b>
<b>Fixed Charges</b>								
Rental-Cost Rent Payment	2,104	-	2,104	82	1,140	54%	-	964
Rent-Non State Owned Property	52,000	-	52,000	4,127	37,145	71%	-	14,855
Rent-Other	2,000	-	2,000	-	-	0%	-	2,000
Insurance-State	2,000	-	2,000	-	-	0%	-	2,000
Insurance-Non State	148	-	148	-	-	0%	-	148
Equipment Maintenance	942	-	942	-	-	0%	-	942
Sales Tax Paid	3,000	-	3,000	41	196	7%	-	2,804
<b>Total Fixed Charges</b>	<b>62,194</b>	<b>-</b>	<b>62,194</b>	<b>4,251</b>	<b>38,481</b>	<b>62%</b>	<b>-</b>	<b>23,713</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals (Non-Reportable)	400	-	400	-	-	0%	-	400
In-State Registration	100	-	100	-	-	0%	-	100
Reportable Meals	150	-	150	-	-	0%	-	150
In State - Lodging	700	-	700	-	-	0%	-	700
<b>Total Travel</b>	<b>1,350</b>	<b>-</b>	<b>1,350</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>1,350</b>
<b>Total Other Operating Expenditures</b>	<b>159,373</b>	<b>-</b>	<b>159,373</b>	<b>11,425</b>	<b>128,900</b>	<b>78%</b>	<b>-</b>	<b>88,473</b>
<b>Total Insurance and Medical Services</b>	<b>\$ 556,791</b>	<b>\$ -</b>	<b>\$ 556,791</b>	<b>\$ 44,951</b>	<b>\$ 439,852</b>	<b>77%</b>	<b>\$ -</b>	<b>\$ 127,439</b>

**South Carolina Workers' Compensation Commission**

**2012 - 2013 Budget**

March 31, 2013

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 75.00%				
				Expended March	Year to Date	%	Encumb	Balance
<b>Judicial</b>								
<b>Salaries</b>								
Classified Positions	\$ 333,028	\$ -	\$ 333,028	\$ 24,954	\$ 135,780	71%	\$ -	\$ 97,248
Temporary Employees	3000	0	3000	0	563	19%	-	2,438
<b>Total Salaries</b>	<b>336,028</b>	<b>-</b>	<b>336,028</b>	<b>24,954</b>	<b>136,343</b>	<b>70%</b>	<b>-</b>	<b>99,686</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Services	80	-	80	-	-	0%	-	80
Copy Equipment Services	850	-	850	-	-	0%	-	850
Print/Wrap/Advertisement	800	-	800	-	-	0%	-	800
Print Pub Annual Reports	20	-	20	-	-	0%	-	20
Freight Express Delivery	-	200	200	-	23	11%	-	179
Data Processing Services	28,000	-	28,000	2,105	18,177	65%	-	9,823
Telephone	2,500	-	2,500	186	1,572	63%	-	928
Cellular Phone Service	1,120	-	1,120	63	745	67%	-	375
Other Professional Services	200	-	200	-	-	0%	-	200
<b>Total Contractual Services</b>	<b>33,578</b>	<b>200</b>	<b>33,778</b>	<b>2,354</b>	<b>20,618</b>	<b>61%</b>	<b>-</b>	<b>13,254</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	5,500	-	5,500	152	1,498	27%	-	4,002
Copying Equipment Supplies	2,500	-	2,500	-	1,216	49%	-	1,284
Printing	2,000	-	2,000	406	960	48%	-	1,040
Data Processing Supplies	2,500	-	2,500	68	367	15%	-	2,133
Postage	10,000	(200)	9,800	330	3,605	37%	-	6,195
Maintenance/Janitorial Supplies	150	-	150	13	80	53%	-	70
Promotional Supplies	20	-	20	-	-	0%	-	20
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>22,778</b>	<b>(200)</b>	<b>22,578</b>	<b>969</b>	<b>7,718</b>	<b>34%</b>	<b>-</b>	<b>14,861</b>
<b>Fixed Charges</b>								
Rent-Cons Rent Payment	3,000	-	3,000	26	562	19%	-	2,438
Rent-Non State Owned Property	65,300	-	65,300	5,159	46,431	71%	-	18,869
Rent-Other	125	-	125	-	-	0%	-	125
Insurance-State	2,000	-	2,000	-	-	0%	-	2,000
Insurance-Non State	120	-	120	-	-	0%	-	120
<b>Total Fixed Charges</b>	<b>70,545</b>	<b>-</b>	<b>70,545</b>	<b>5,185</b>	<b>46,993</b>	<b>67%</b>	<b>-</b>	<b>23,552</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals / Non-Reportable	450	-	450	-	212	47%	-	238
Reportable Meals	770	-	770	19	216	28%	-	554
In State - Lodging	2,200	-	2,200	-	1,045	47%	-	1,155
In State - Auto Mileage	1,800	-	1,800	19	438	24%	-	1,362
In State - Misc Travel Expense	25	-	25	-	-	0%	-	25
In-State Registration	100	-	100	-	-	0%	-	100
Out State - Auto Mileage	100	-	100	-	-	0%	-	100
<b>Total Travel</b>	<b>5,445</b>	<b>-</b>	<b>5,445</b>	<b>32</b>	<b>1,911</b>	<b>35%</b>	<b>-</b>	<b>3,534</b>
<b>Total Other Operating Expenditures</b>	<b>132,330</b>	<b>-</b>	<b>132,330</b>	<b>8,540</b>	<b>77,347</b>	<b>58%</b>	<b>-</b>	<b>55,183</b>
<b>Total Judicial</b>	<b>\$ 468,358</b>	<b>\$ -</b>	<b>\$ 468,358</b>	<b>\$ 33,494</b>	<b>\$ 313,489</b>	<b>67%</b>	<b>\$ -</b>	<b>\$ 154,869</b>
<b>Earmarked Funds</b>								
<b>Department Totals</b>								
Commissioners	\$ 571,605	\$ -	\$ 571,605	\$ 38,899	\$ 342,444	60%	\$ -	\$ 229,161
Administration	696,649	-	696,649	54,945	533,246	77%	-	163,423
Claims	493,459	-	493,459	39,861	354,327	72%	-	139,332
Insurance & Medical	556,791	-	556,791	44,950	429,352	77%	-	127,439
Judicial	468,358	-	468,358	33,494	313,489	67%	-	154,869
<b>Total Departmental Expend</b>	<b>\$ 2,784,862</b>	<b>\$ -</b>	<b>\$ 2,784,862</b>	<b>\$ 212,159</b>	<b>\$ 1,972,658</b>	<b>71%</b>	<b>\$ -</b>	<b>\$ 814,224</b>
<b>Employer Contributions</b>	<b>448,184</b>	<b>-</b>	<b>448,184</b>	<b>35,590</b>	<b>388,362</b>	<b>87%</b>	<b>-</b>	<b>59,821</b>
<b>Total Earmarked Funds</b>	<b>\$ 3,233,046</b>	<b>\$ -</b>	<b>\$ 3,233,046</b>	<b>\$ 247,749</b>	<b>\$ 2,361,021</b>	<b>76%</b>	<b>\$ -</b>	<b>\$ 874,045</b>
<b>Capital / Computer Project Carryforward</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>	<b>\$ -</b>



## MEMORANDUM

Date: April 10, 2013

**TO:** Mr. Gary Cannon  
Executive Director

**FROM:** Cathy Floyd  
Human Resources

**SUBJECT:** Human Resources Report Period of March 13 – April 9, 2013

Below is a summary of the Human Resources activity for the period of March 13 – April 9, 2013.

### Recruitment and Selection

- Recruited internally for the Compliance Officer position in the Coverage and Compliance Division
  - 18 applicants, 4 applicants selected for the interview process, 1 applicant withdrew
  - Notified external applicants that recruitment was limited to internal applicants
  - Extended an offer that was accepted by Bryan Berthelette

### Employee Relations (ER)

- One ER issue was addressed during the activity period
- One employee injury was reported to Compendium

### Benefits

- Assisted two employees with benefit related matters
- Completed one inquiry with the Retirement Systems
- Issued two COBRA letters

### SC Enterprise Information System (SCEIS)

- Processed an employment verification
- Assisted one employee with payroll related issues
- Continue to assist employees with leave and time issues caused by SCEIS
- Twelve transactions were keyed into the system

### Finance Related

- Assisted with the daily deposit
- Approved thirty-six SCEIS financial transactions



## Workers' Compensation Commission

---

**To:** Gary Cannon  
SCWCC Executive Director

**From:** Betsy Hartman  
IT Director

**Date:** April 10, 2013

**Subject:** IT Department  
April 2013 Full Commission Report

---

### Summary of IT Department Activities

DSIT signed contract with Deloitte LLC for a three year; \$3 million contract to do assessments of security for 18 state agencies. The contract will also allow other state agencies to contract with Deloitte on an hourly basis to conduct security audits as well. Initial audits to be performed on the Budget and Control Board (DSIT and Research and Statistics), DHEC and PPP. A Steering Committee is being formed and should meet this week to select the criteria for the other 15 agencies to receive audits as part of the contract.

WCC IT staff viewed a demo of security audit software as an alternate approach to determine vulnerabilities in the WCC infrastructure and web applications.

### Implemented

- Scanning and storing 12M reporting

### Requirement development

- Security Plan
- Medical Dispute Portal
- Compliance Investigator Productivity reporting
- Upload of APA documents via eCase

### Projects – In Process

#### iPad Pilot

- Commissioner Roche is accepting APA documents electronically. Modified process to include email reply requesting all APA documents be sent secure email

### EDI Release 3

- Travelers and Guard insurance groups implemented in March
- Metrics

Daily Average	Release 1	R1 %	Release 3	R3 %
November	130	100%	0	0%
December	90	54%	78	47%
January*	66	43%	86	56%
February	53	40%	78	60%
March	42	29%	103	71%

### SCVRD Portal

- Testing phase. Some requirement changes from SCVRD on roles will require more coding time.

### Proof of Coverage (POC)

- Request from DataLister for additional data fields from POC. Recommendation sent to Executive Director and Director of IMS.

### Mediation

- Process and status codes developed for Mediation. Coding required for reminder emails.

### Projects - to be started in May 2013 or after

#### DSIT Contract

- Waiting on DSIT for Security language to be added to the contract

#### Rule to Show Cause automation

- Estimate to code, test and implement 8 weeks.

#### Production Server Upgrade

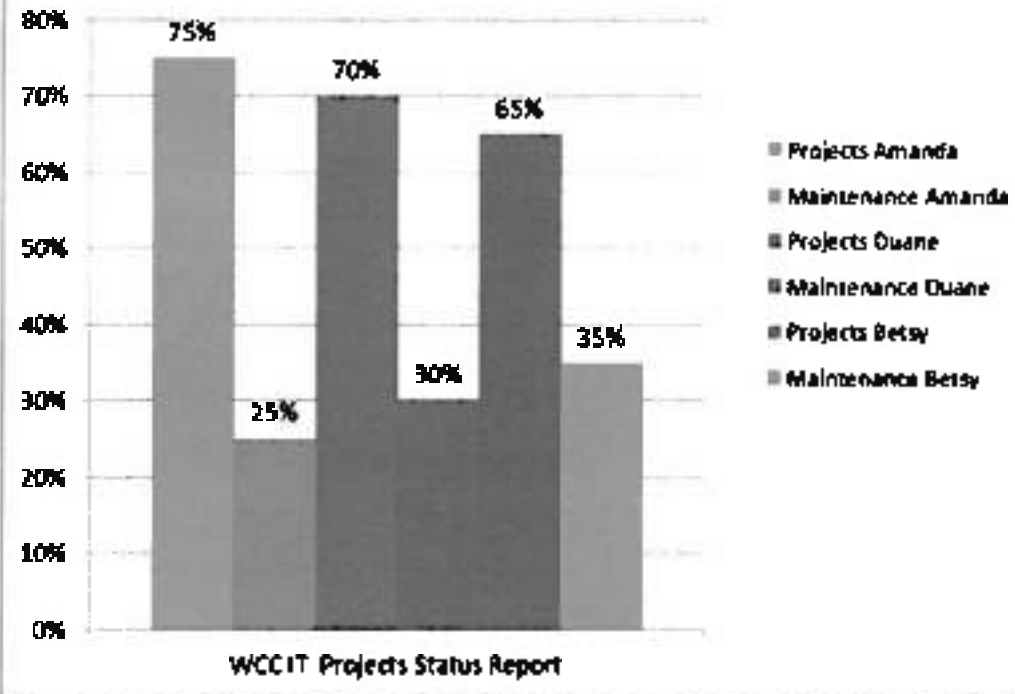
- Upgrading Progress to Open Edge 10.2b 7
- Test

#### eCase

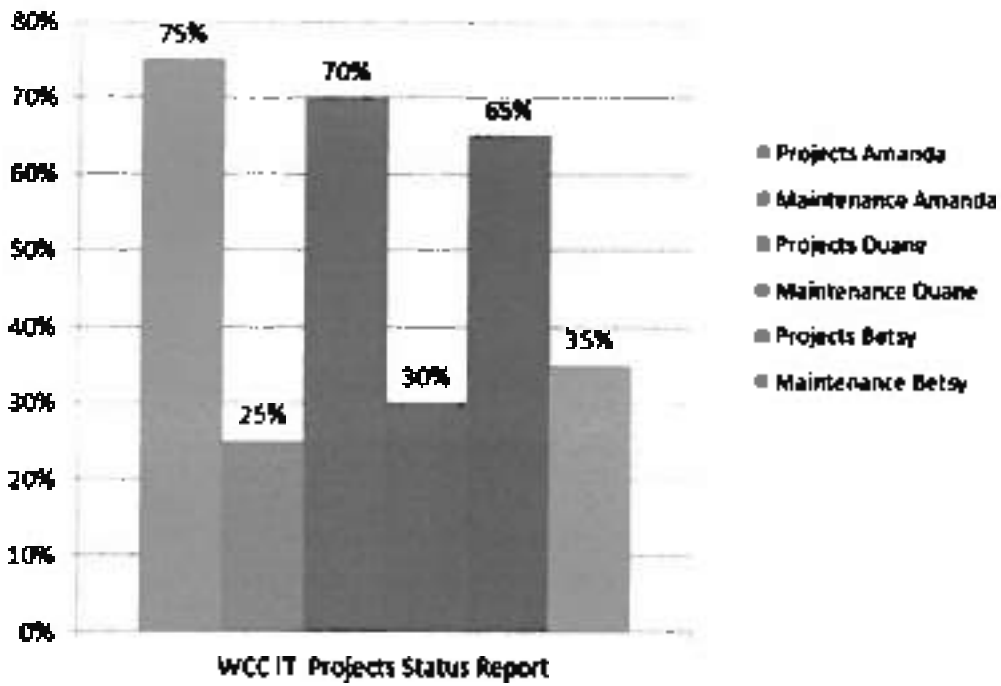
- Add ability to upload APA documents via eCase rather than secure email

WCCIT Project Status Report							
Project		04/2011		Status Key	Est. Start	Est. End	Timing
Key Project	Sub Project	Regulation	Due Date	% of completion	% of items reviewed	Lead	Notes / Comments
Phase 1 - Clinical FOI review 2			December 2011	65%	20%	Deane	Complete FOI review. Review and implementation issues.
Phase 2 - Clinical FOI review 2			December 2011	65%	20%	Adrianne	Complete FOI review. Review and implementation issues.
Phase 3 - Clinical FOI review 2			December 2011	65%	20%	Deane	Complete FOI review. Review and implementation issues.
Upgrade record server to Windows MS SQL. Program 15-16-08			6/14/2011	100%	100%	Deane	Testing and clean up.
IG Inc. Portal	Upgrade to WCCSQL		TBD	100%	100%	Deane	WCCSQL review and test completed. Working on application for 6/20/11. Data feed issues from development to testing by 6/29/2011.
Upgrade record server to Windows MS SQL. Program 15-16-08			TBD				After full testing of development.
RTBC process and automation	Case RTBC process		12/1/2011	20%	20%	Aracelis	Platform process.
Electronic Service Invoices	Electronic Service Invoices - Clinician	07-241	TBD	0%			
	Electronic Service Invoices - Fee Payers - Part 1a	07-242	TBD	0%			
	Electronic Service Invoices - Receipt of electronic payments	07-243	TBD	0%			
	Electronic record of the 10th or discussed	07-244	TBD	0%			
	12 M Review of Clinical notes Medical Reporting Part 1a/1b/1c	07-442	TBD	100%	20%	Aracelis	Training Marlene Jones on scanning. Coding for submission of fees to be completed by 6/30/11.
Mediation			TBD	100%	30%	Deane	Process documented. Working on final implementation. All other rules of process review.
Security plan	ITBC guidelines		ASAP	10%	10%	Deane	Document requirements.
Shared Records			TBD	100%	0%	Deane	Working on flow and policies.
Shared Records			TBD	100%	0%	Aracelis	Set up Outlook for electronic storage.
12M record storage and automated fee generation			6/15/2011	20%	20%	Aracelis	Upload financial data to Program, set up reports. 12M and 12M-12M-12M.
12M record storage and automated fee generation				10%	10%	Deane	
				Projects Complete	75%		
				Projects Ongoing	70%		
				Projects Delay	65%		
Administrative - Misc							
FOI report requests - general							
FOI report requests - specific							
Coverage - cases area address	all correspondence	copying	mailing		10%	Deane	
					20%		

**IT Projects and Maintenance**  
March 13, 2013 through April 10, 2013



**IT Projects and Maintenance**  
March 13, 2013 through April 10, 2013



State of South Carolina



Workers' Compensation Commission

---

To: Mr. Gary Cannon  
SCWCC Executive Director

From: Grant Duffield  
IMS Director

Date: 10 – Apr – 2013

Subj: Insurance and Medical Services Department  
March 2013 Full Commission Report

---

Please find attached information provided to summarize the status and workflow of initiatives currently underway within the Insurance and Medical Services (IMS) Department.

In addition to the statistical data provided, please be advised of the following workflow initiatives:

Compliance Division	<ol style="list-style-type: none"><li>1. GEAR program support and scheduling of GEAR Hearings.</li><li>2. Revising template letters for use in case investigation processes.</li><li>3. Implementing use of productivity metrics to gauge performance.</li></ol>
Coverage Division	<ol style="list-style-type: none"><li>1. Working with IT department to automate 12m fine assessment process.</li><li>2. EDI R3 Implementation.</li></ol>
Medical Services	<ol style="list-style-type: none"><li>1. Identifying updates / edits needed within the Medical Services Provider Manual.</li><li>2. Continued administration of the MBD process.</li></ol>
IMS Administration:	<ol style="list-style-type: none"><li>1. Monthly department-wide meetings.</li><li>2. Working with team-members to review / improve team processes and key functions.</li><li>3. Continued cross-training of staff with other Commission personnel.</li><li>4. Working with IT department to improve docketing process for RTSC.</li><li>5. Working with Executive Team concerning strategic planning and future needs forecasting.</li></ol>

Mr. Cannon, while this summary is in no way all-inclusive, it may serve to assist you and our Commissioners in understanding the key initiatives underway in the IMS Department and provide measures by which the Department's effectiveness can be gauged. IMS welcomes any guidance that you and/or our Commissioners can provide concerning our performance and direction.

**Carryover Caseload:**

The Compliance Division closed March 2013 with 356 cases active, compared to an active caseload of 480 at the close of March 2012.

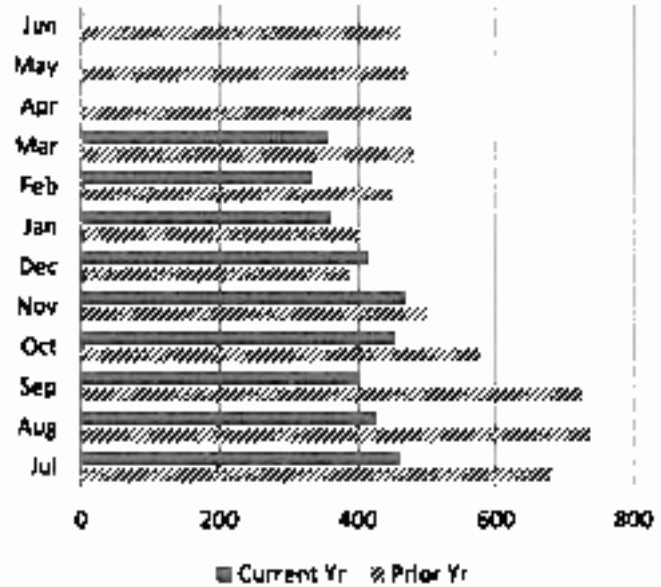
**Cases Resolved:**

Due to the decrease in carry-over, greater effort is focused on case resolution. For the month of March 2013, Compliance Division staff closed-out 90 cases.

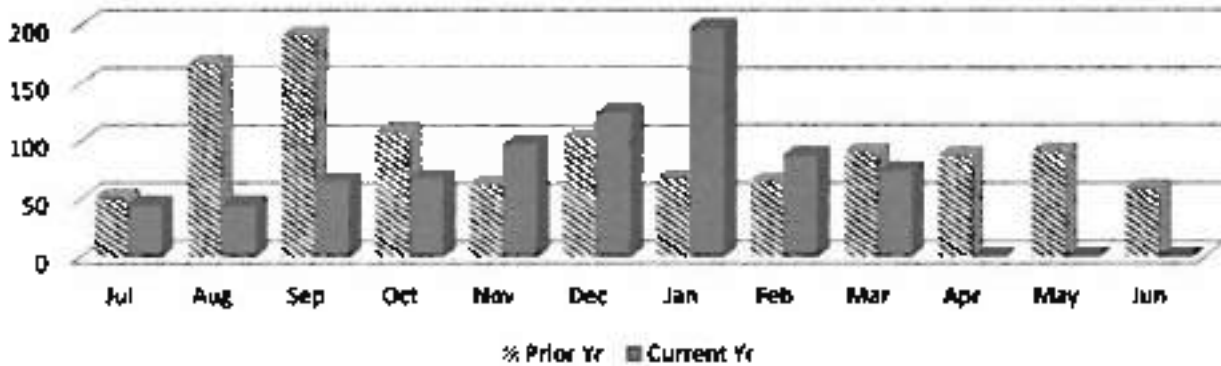
**Compliance Fines:**

Year to Date, the Compliance Division has collected \$392,370 in fines which represents 165% of prior year's accrual (\$238,196). Compliance fine collection is trending in a positive direction, at 237% of same month / prior year (March 2012). Compliance fine revenue represents 19% of the Commission's annual earmarked revenue budget.

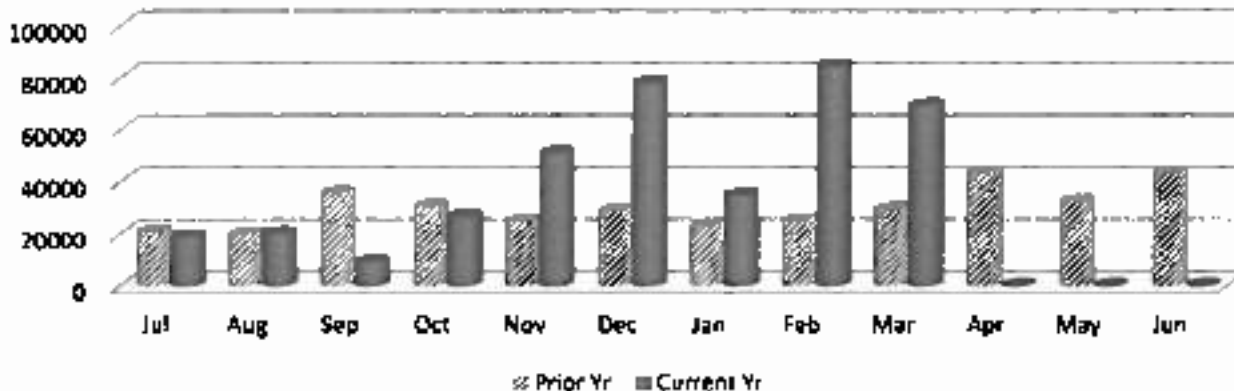
**Caseload Pending v. Prior Year**



**Cases Resolved v. Prior Year**



**Compliance Fines Collected v. Prior Year**





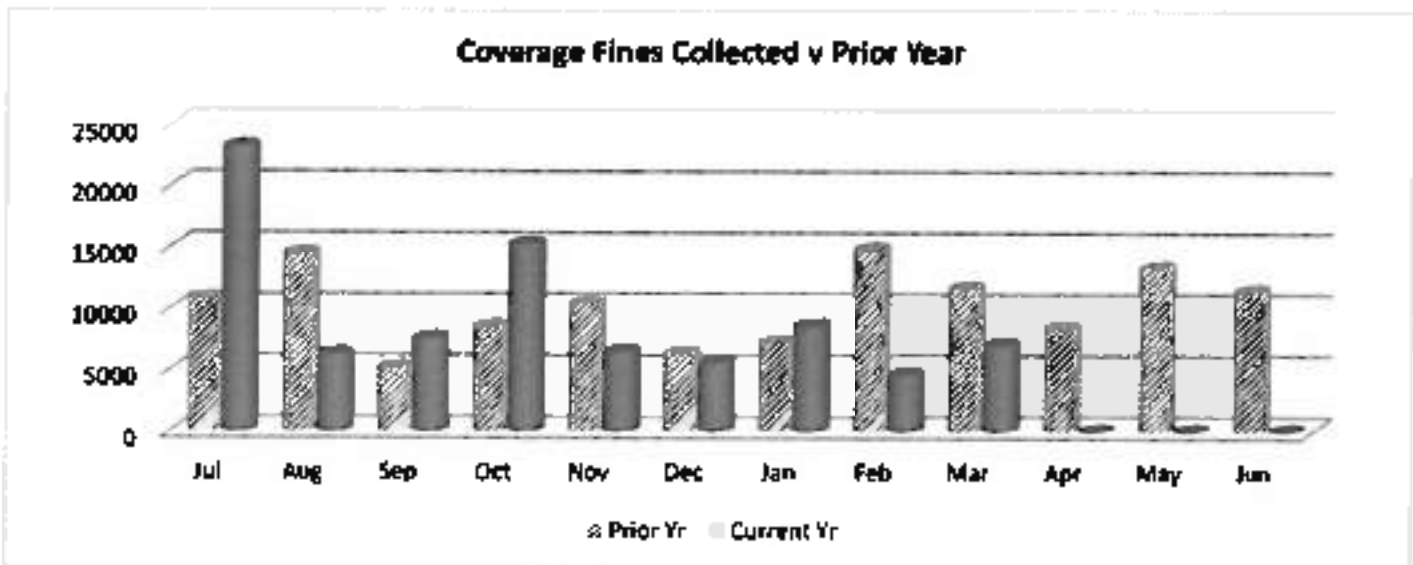
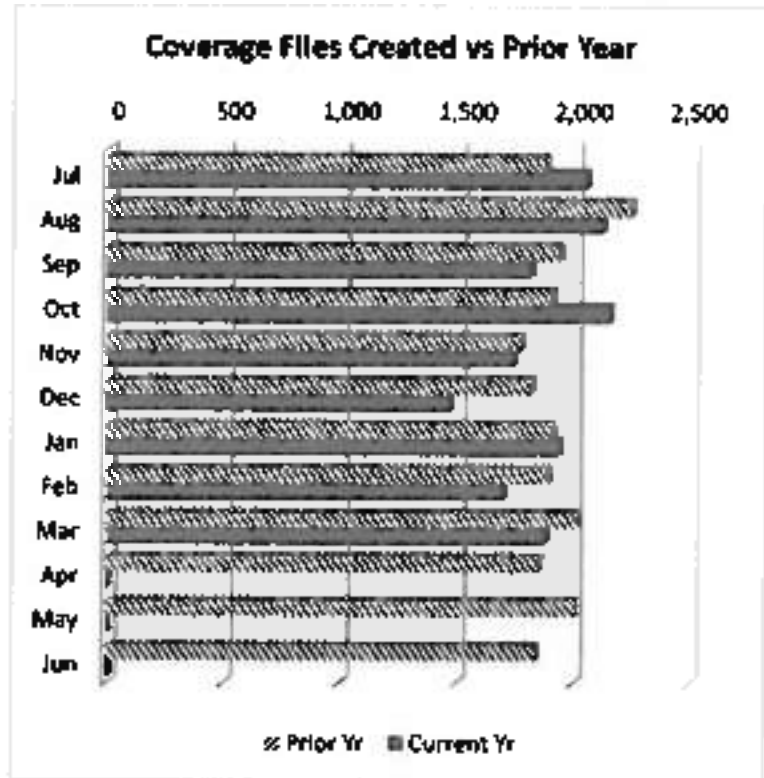
**WCC Claim Files:**

In March 2013, the Coverage Division created a total of 1,876 WCC Claim files. Of these, 1,571 were created electronically, and 305 were submitted in hard copy format. Year to Date, 16,854 Claim files have been created which is 97% of claim file volume for the same period in prior year (17,385).

**Coverage Fines:**

The Coverage Division collected \$7,000 in fine revenue in March 2013, as compared to \$4,600 in Coverage fines/penalties accrued during February 2013. Year on Year, Coverage fines are at 95% of collections for the same period.

Coverage Division fines represent 10% of the Commission's annual earmarked budget.



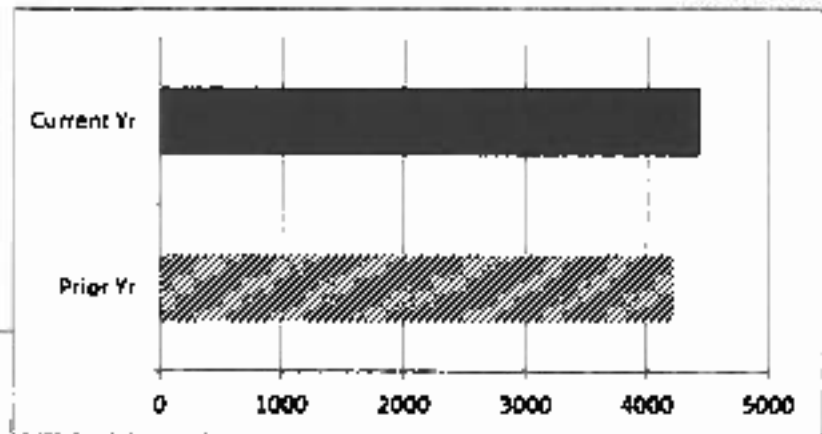
**IMS SELF INSURANCE DIVISION**

March 2013

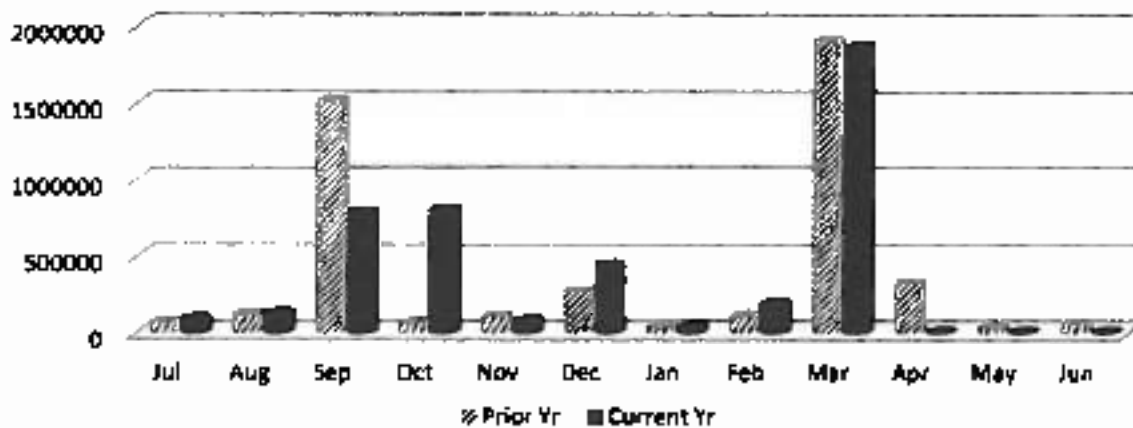
During the month of March 2013, the Self Insurance Division:

- \* collected \$1,864,324 in self-insurance tax.
- \* added 17 new self-insurers.
- \* conducted 5 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 105% of prior year and 42 Self Insurance audits have been completed.



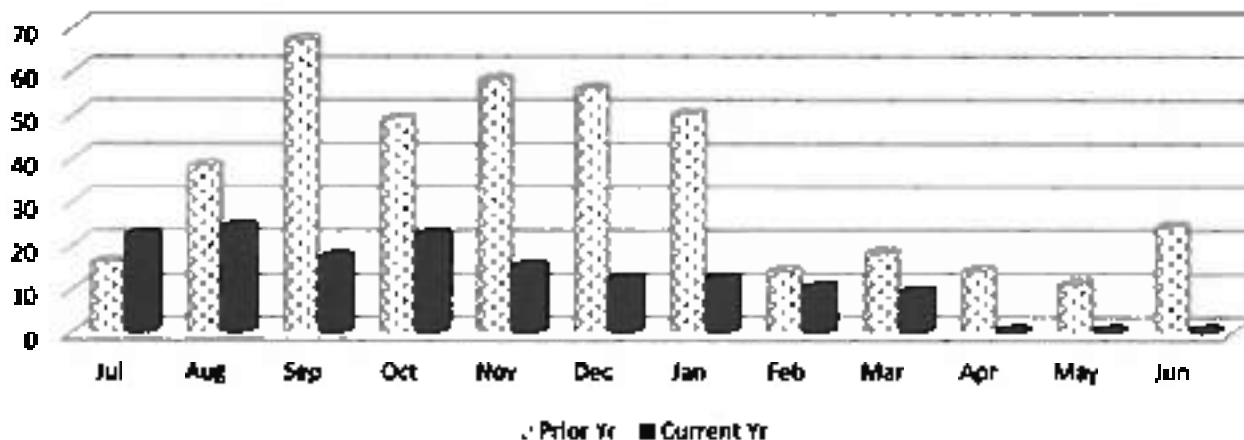
**Self Insurance Tax Collections v. Prior Year**



**IMS MEDICAL SERVICES DIVISION**

In March 2013, the Medical Services Division began the month with 10 bills pending review, received an additional 13 bills for review, conducted 14 bill reviews and ended the month with 9 bills pending.

**Medical Bills Pending Review v. Prior Year**



State of South Carolina



**Workers' Compensation Commission**

---

**To:** Gary Cannon  
SCWCC Executive Director

**From:** Gregory S. Line  
Claims Director

**Date:** April 3, 2013

**Subj:** Claims Department  
April 2013 Full Commission Report

---

Please find attached information provided to summarize key workflow benchmarks related to the functions of the Claims Department. In addition to the statistical data provided herein, please note the following information.

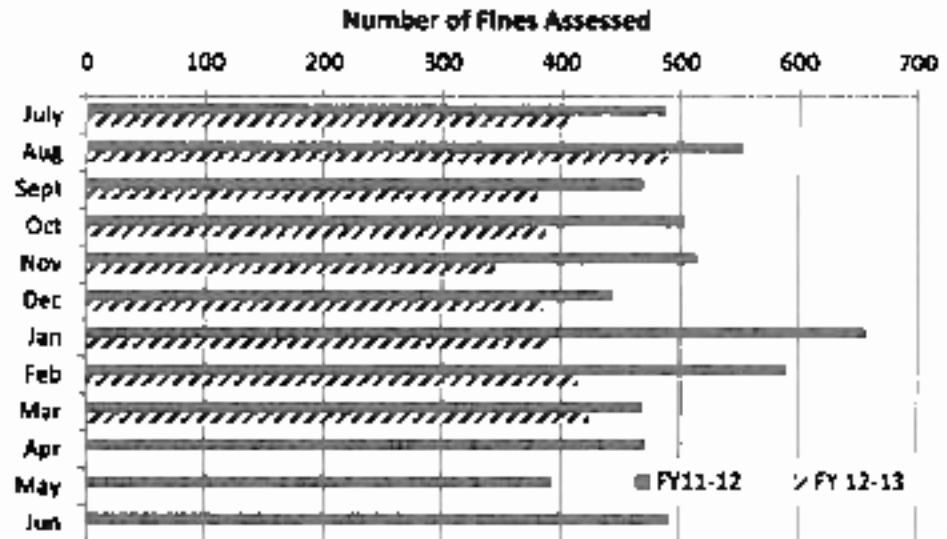
For the month of March 2013, the Claims Department has:

1. Closed 2397 individual case files.
2. Collected \$67,000 in Fine revenue.
3. The examiners reviewed 1,399 individual case files.
4. Continued to assist IMS in the processing of Carrier related Order and Rule to Show Cause Hearing matters.
5. Continued to provide Informal Conference staff support.

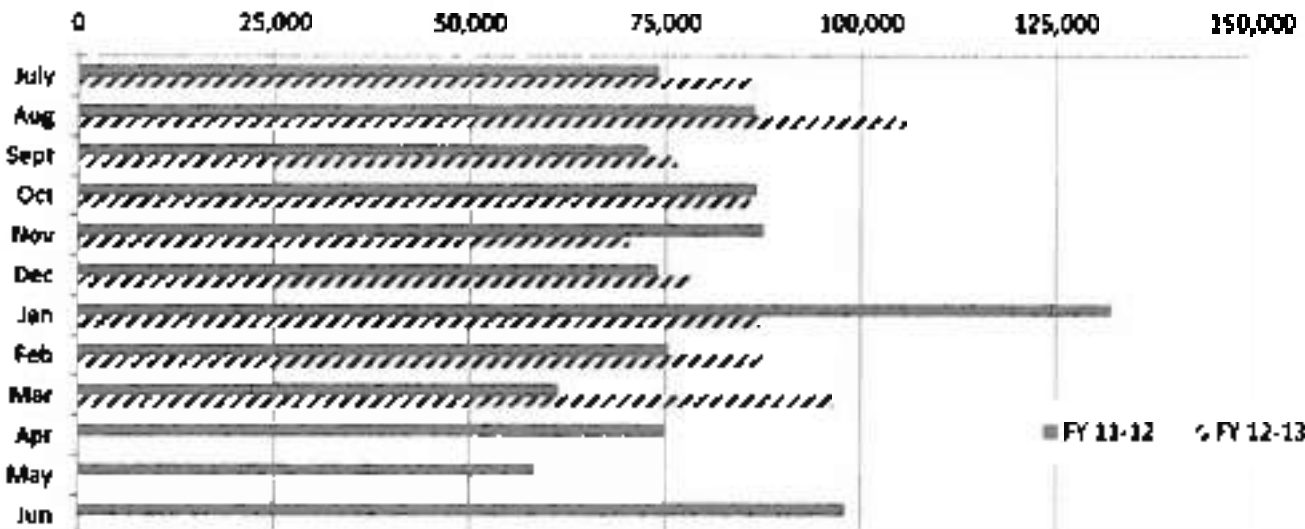
**CLAIMS DEPARTMENT - Fine Activity Report March 2013**

The number of fines assessed by the Claims Department increased slightly in number in March to 425 from 414 in February. The number of Claims fines paid in March (334) decreased from prior month (373).

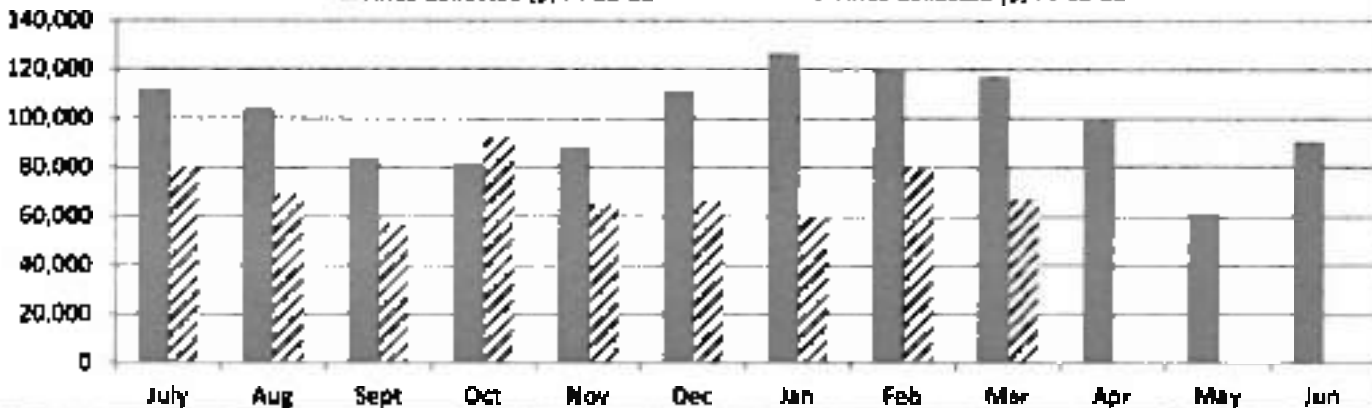
Total fine dollars assessed in March was \$96,650 an increase over prior month (\$87,700). Fine revenue received in March was \$67,000 a decrease over prior month (\$79,875). Year to Date, Fine revenue received is trending at .51% of prior year collections.



**Net Fines Assessed (\$)**



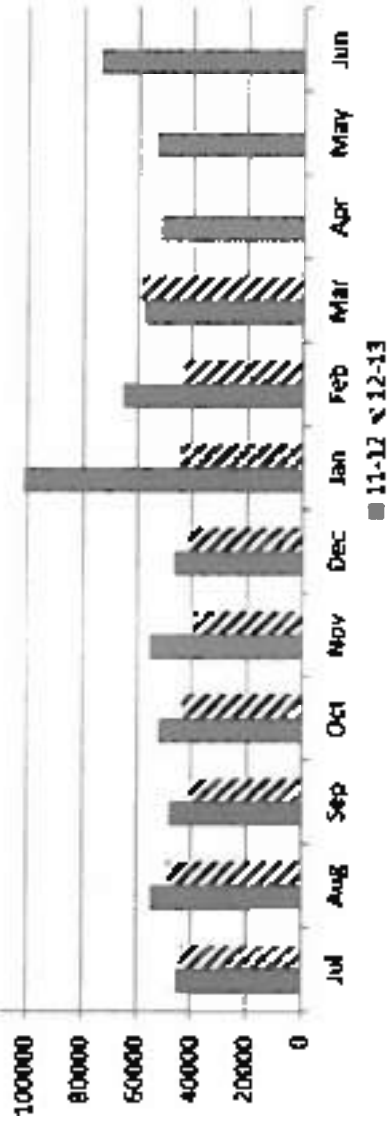
**Fines Collected (\$)**



### FORM 18 FINE ASSESSMENTS

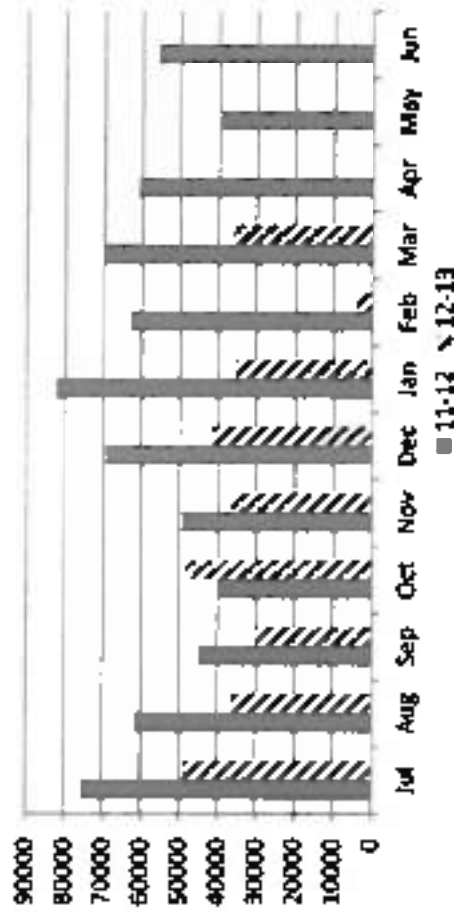
Consistent with overall Commission strategy, the Claims Department works with our Carrier partners to develop approaches that result in increased compliance levels and reduced Fine related costs to businesses in South Carolina.

A key "success measure" of this effort is the Form 18 Fine Assessment report. For the month of March 2013, this has resulted in an increase in Form 18 Fine Assessments (in \$) that were issued in February 2013. The actual number of fines assessed decreased from 245 in March 2012 to 236 in March 2013.



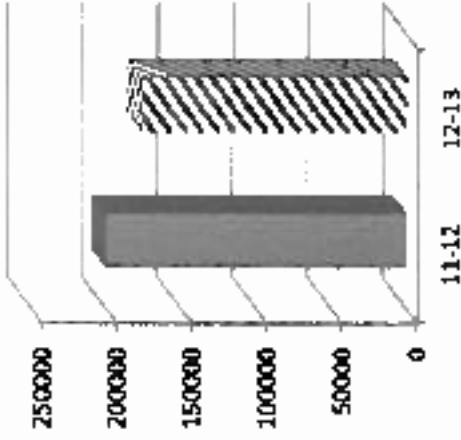
### FORM 18 FINE COLLECTION

In March 2013, the Claims Department received payment on 177 outstanding Form 18 Fines resulting in revenue of \$360,050. This represents a revenue decrease over prior month, although overall Year to Date Form 18 Fine revenue is lower.



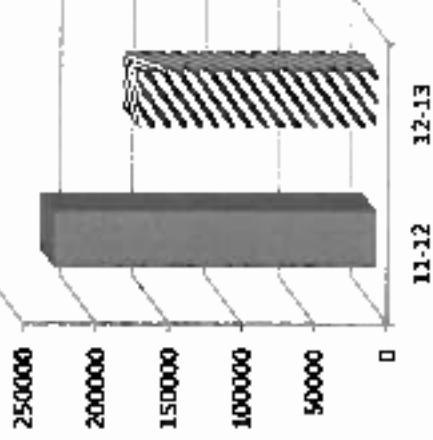
### FORM 18 FINE ASSESSMENTS YTD

Form 18 Fine Assessment is trending at 88% of prior year assessments.



### FORM 18 FINE REVENUE YTD

Form 18 Fine Revenue is trending at 75% of prior year collections.



Fines Collected FY 2009-2010, 2010-2011, 2011-2012, and 2012-2013

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
2009-2010	100,343	119,653	100,026	68,665	61,627	54,390	66,200	1,003,600	203,410	159,175	210,150	86,500
2010-2011	147,025	144,825	119,325	120,300	128,008	103,000	164,200	101,700	110,650	119,525	117876*	124650**
2011-2012	111,875	103,600	63,300	61,308	65,100	110,700	126,780	120,225	118,815	100,200	61,050	90,450
2012-2013	80,825	69,100	57,075	91,925	64,825	53,950	60,350	79,875	67,000			

\*May collected figures include payments 5/1/2010 through 6/1/2010

\*\*June collected figure includes payments 6/1/2010 through 6/30/2010

**CLAIMS DEPARTMENT REPORT  
STATISTICS FOR FISCAL YEAR 2012-2013**

Prepared April 3, 2013

**I. Claims Services Division**

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Forms 15-1	1,387	1,458	1,298	1,453	1,183	1,054	1,325	1,200	1323				11,690
Forms 15-B/Forms 17	887	921	777	905	884	701	812	710	840				7,117
Forms 16 for PP/Dis'	253	368	228	268	209	294	281	296	227				2,402
Forms 18	4,899	5,294	4,585	5,205	4,334	4,548	4,933	4,840	5,446				43,884
Forms 20	978	1,002	874	1,053	906	667	1,048	889	959				8,379
Form 50 Claims Only	293	327	280	298	237	151	278	291	283				2,439
Form 61	690	779	629	718	545	689	838	618	730				6,296
Letters of Rep	184	181	142	155	129	82	144	140	116				1,253
Clinchers	748	826	626	739	613	666	899	649	786				8,532
Third Party Settlements	22	27	33	30	16	42	27	23	18				238
SSA Requests for Info	141	134	96	88	81	101	93	98	125				957
Cases Closed	2,117	2,562	1,965	2,504	1,829	1,957	2,527	2,389	2397				20,227
Cases Reviewed	943	1,545	991	1,622	882	606	1,736	1,537	1399				11,080
<b>Total</b>	<b>13,903</b>	<b>16,420</b>	<b>12,505</b>	<b>14,938</b>	<b>11,448</b>	<b>11,557</b>	<b>14,984</b>	<b>13,470</b>	<b>14,629</b>				<b>122,484</b>

**CLAIMS DEPARTMENT REPORT  
STATISTICS FOR FISCAL YEAR 2012-2013**  
Prepared April 3, 2013

**II. Fines Assessed by Claims Department**

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
# Assessed	406	489	380	307	344	388	391	414	425				3,822
# Rescinded	92	105	71	80	60	57	65	53	54				657
# Reduced	48	22	17	34	13	15	13	18	6				187
# Paid	363	314	275	437	295	313	302	373	334				3,006
# Outstanding*	823	893	927	797	786	902	886	794	831				831
Total Amt. Assessed	\$86,325	\$105,800	\$76,500	\$65,760	\$70,360	\$78,400	\$87,200	\$87,700	\$96,650				\$774,655
Total Amt. Rescinded	\$19,000	\$23,100	\$15,700	\$20,808	\$12,750	\$11,450	\$17,600	\$12,100	\$11,650				\$144,250
Total Amt. Reduced	\$8,200	\$2,900	2,475	4,300	700	1,500	1,300	1,675.00	1250				\$24,300
Total Amt. Paid	\$88,825	\$89,100	\$57,075	\$91,925	\$84,825	\$65,950	\$68,900	\$79,875	\$87,000				\$637,125
Total Outstanding*	\$174,698	\$185,598	\$186,848	\$155,903	\$147,528	\$147,028	\$154,776	\$148,828	\$165,578				\$165,578





## Workers' Compensation Commission

### MEMORANDUM

April 15, 2013

**To:** Gary Cannon  
Executive Director

**From:** Virginia Crocker  
Judicial Director

**RE: MONTHLY REPORT**

The Judicial Department continues to work to perfect the mediation work flow system in anticipation of the passage of the mediation regulation. This not only entails the proper flow of pleading through the Judicial Department, but the documentation and reporting system through Progress. On April 24, the Judicial Department will be processing claims which are to be heard in the month of July. With passage of the mediation regulation, those cases will be subject to the new regulation.

The pleadings for the month of March are up in all categories.

The efforts to secure additional hearing sites throughout the state continue.

The Hampton County cases processed through another week of mediation this month and the Exide cases are in mediation throughout this week here in Columbia.

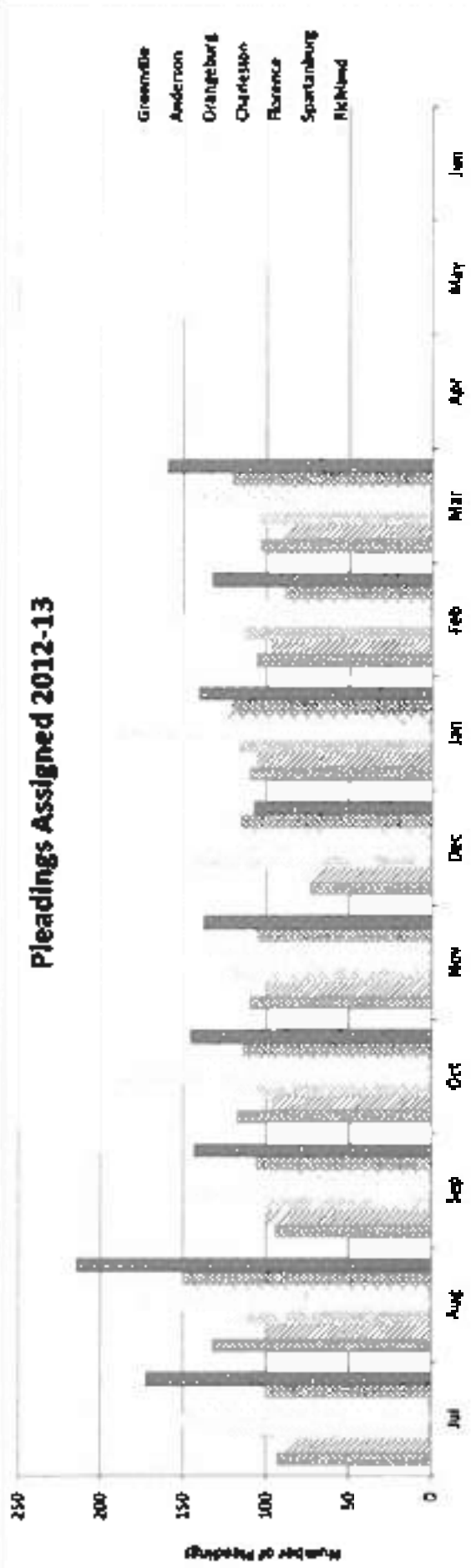


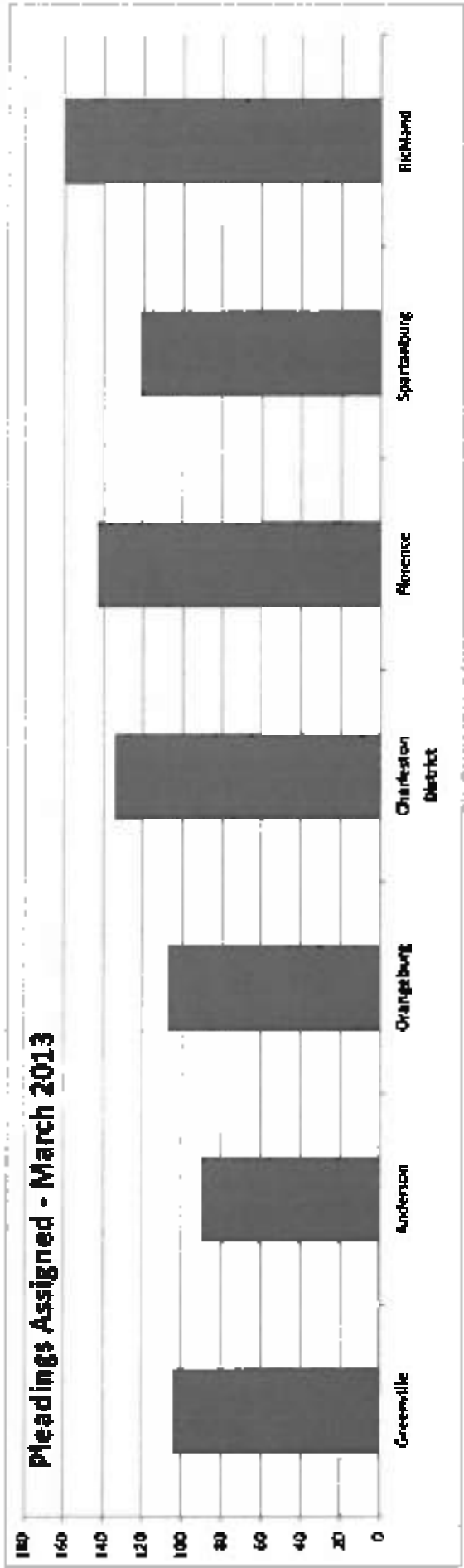
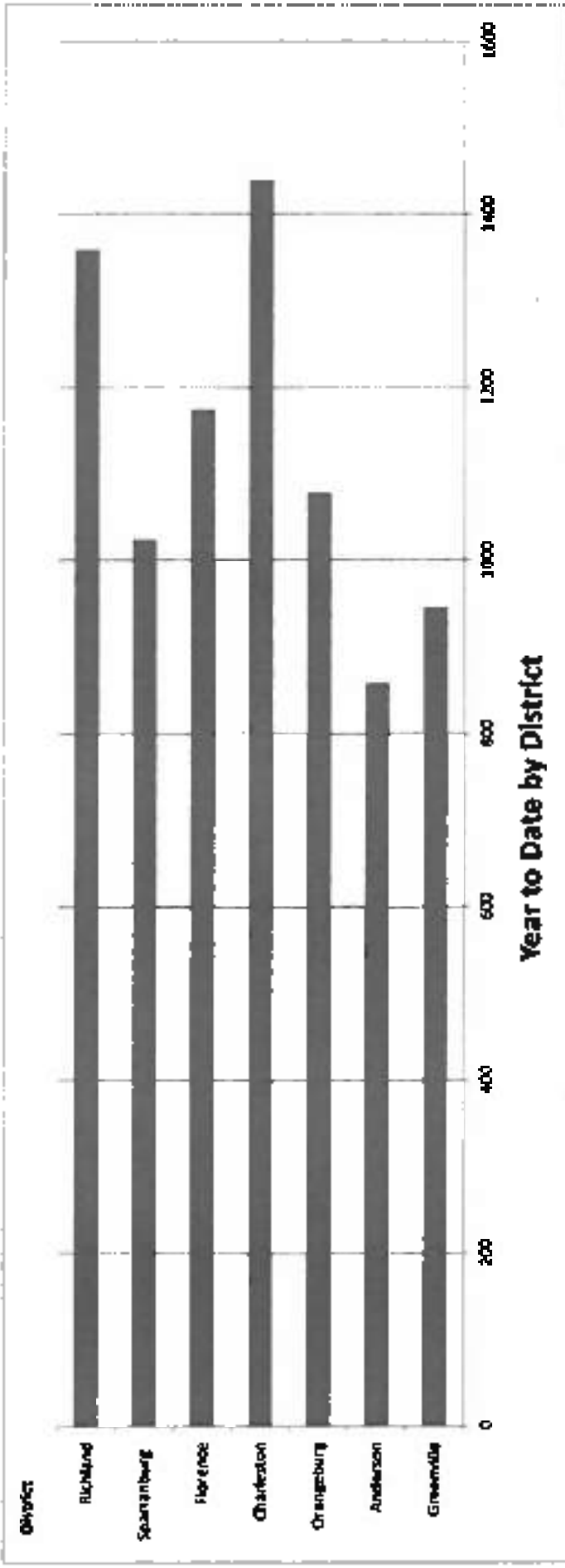


Pleadings Assigned

	District 1 Greenville			District 2 Anderson			District 3 Orangeburg			District 4 Charleston			District 5 Florence			District 6 Spartanburg			District 7 Richland		
	12-13	11-12	10-11	12-13	11-12	10-11	12-13	11-12	10-11	12-13	11-12	10-11	12-13	11-12	10-11	12-13	11-12	10-11	12-13	11-12	10-11
Jul	94	85	95	89	106	111	124	103	118	160	153	169	140	155	146	99	139	114	173	163	140
Aug	133	140	121	100	104	106	126	122	113	176	199	195	149	149	198	149	184	109	215	183	132
Sep	95	121	111	100	95	85	101	128	105	144	143	130	101	152	115	107	131	103	144	148	163
Oct	118	118	99	97	97	76	130	134	141	188	198	157	138	128	117	115	132	83	146	144	190
Nov	111	139	97	99	94	50	124	133	132	153	151	140	131	131	99	106	138	98	138	181	151
Dec	74	164	95	80	142	81	142	104	111	126	163	131	118	117	88	116	115	83	108	144	118
Jan	111	118	108	106	90	83	118	122	123	153	180	154	116	116	90	121	98	101	141	129	140
Feb	106	163	138	98	116	87	115	112	102	165	141	139	114	136	84	84	117	85	133	153	95
Mar	104	118	165	90	84	100	107	126	109	134	162	160	143	149	140	121	134	133	160	118	139
Apr		101	130		89	83		101	112		126	163		143	96		106			165	163
May		105	92		79	90		130	119		148	160		130	112		109			144	149
Jun		112	95		94	79		119	118		170	138		134	110		143			154	152
Totals	946	1318	1338	819	1188	1011	1078	1435	1314	1439	1532	1844	1174	1625	1340	1013	1546	1212	1388	1896	1692

Pleadings Assigned 2012-13

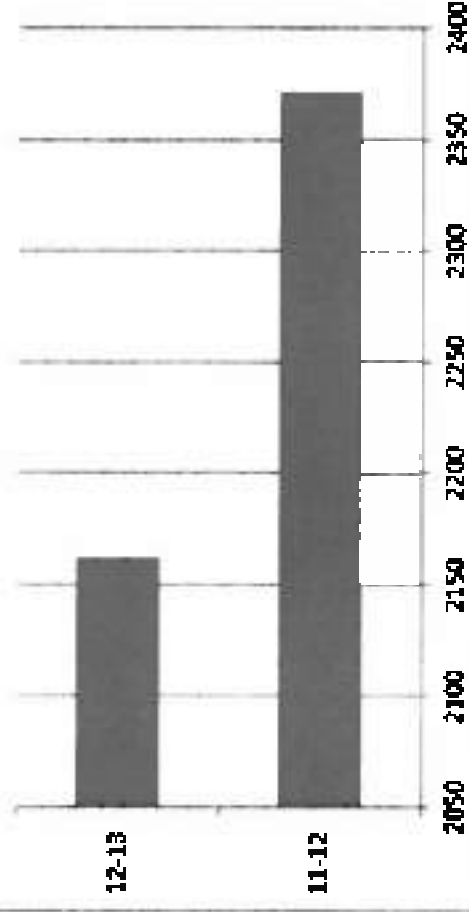




**Informal Conf. Conducted**

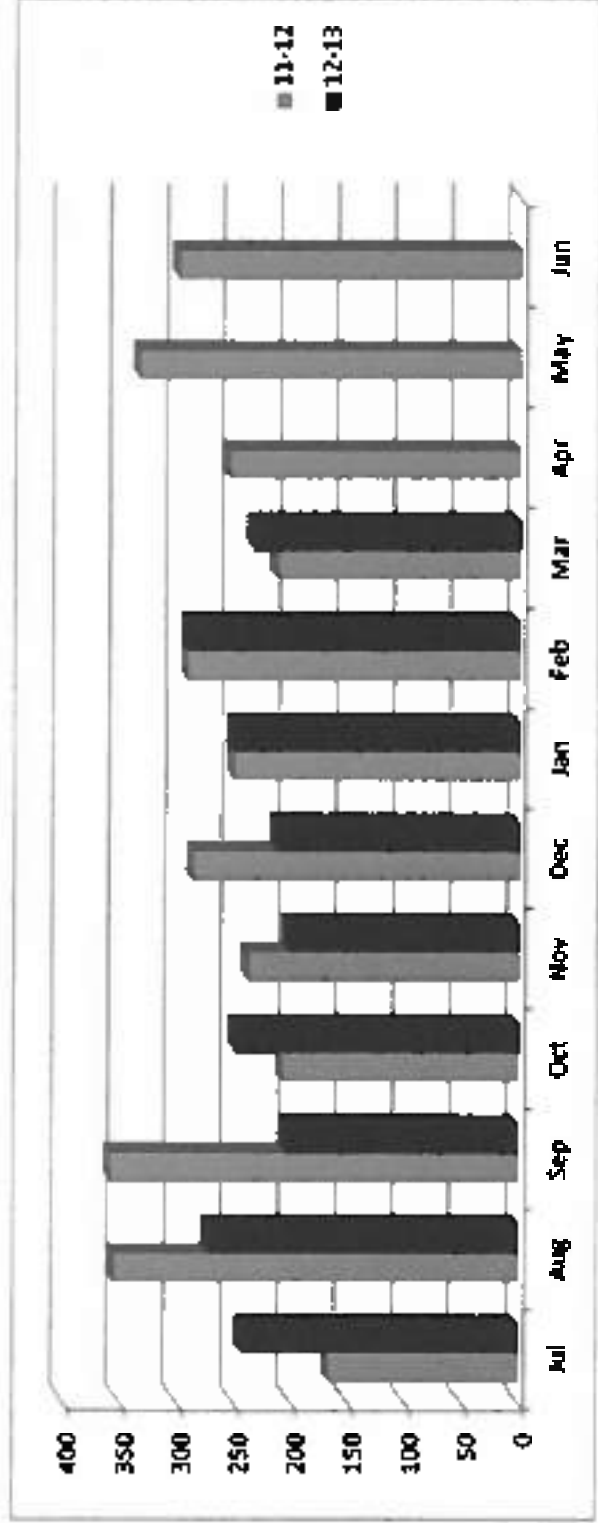
	11-12	12-13	
Jul	167	243	145.5%
Aug	356	272	76.4%
Sep	359	206	57.1%
Oct	208	249	119.7%
Nov	238	202	84.9%
Dec	287	213	74.2%
Jan	251	252	100.4%
Feb	292	292	100.0%
Mar	213	234	109.9%
Apr	255		0.0%
May	335		0.0%
Jun	301		0.0%
<b>Total</b>	<b>3262</b>	<b>2162</b>	

**IC's to Date v. Prior**



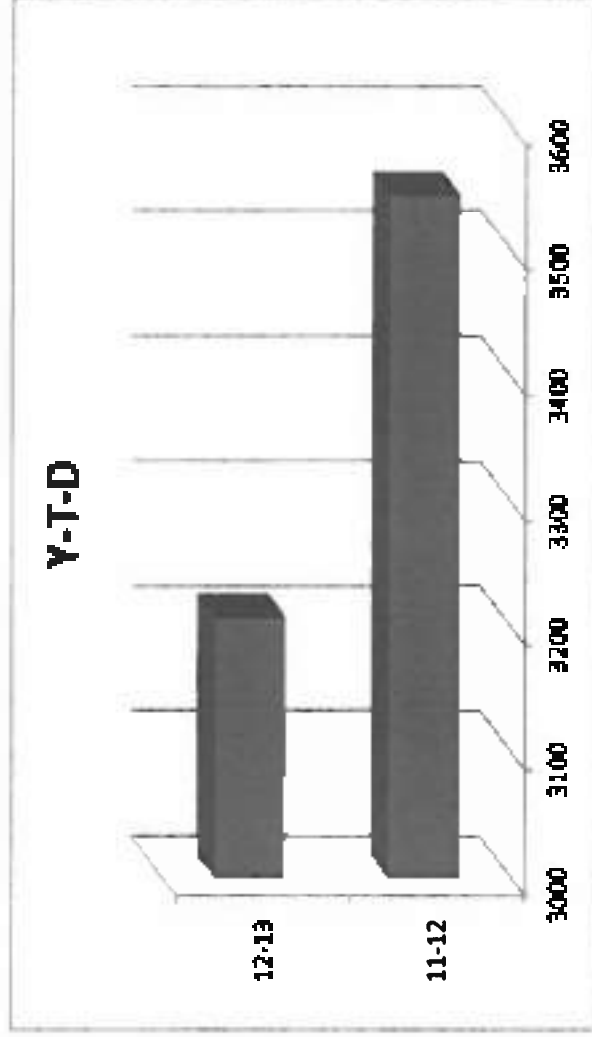
11-12 2371 12-13 2162 91.2%

Y-T-D



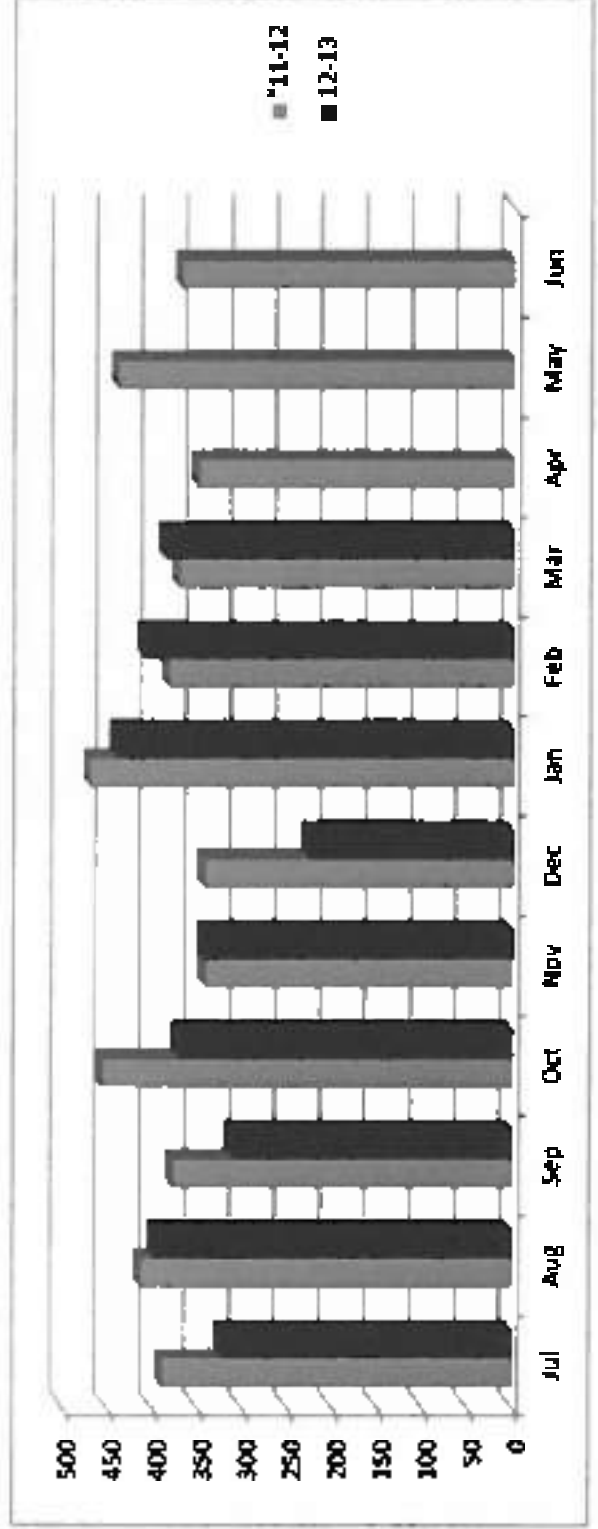
**Informal Conf. Requested**

	'11-12	12-13
Jul	389	322
Aug	413	398
Sep	378	310
Oct	456	371
Nov	342	343
Dec	343	227
Jan	470	441
Feb	383	410
Mar	372	386
Apr	350	
May	440	
Jun	370	
<b>Total</b>	<b>4706</b>	<b>3208</b>



11-12 3546 12-13 3208 0.904681

Y-T-D



### Informal Conference & Mediations

Staff	Mileage/Hours	Month												Total		
		Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13			
Staff 1 Greg	SVM 615.00	730.00	983.00	1192.00	783.00	723.00	860.00	1141.00	877.00							7904.00
	PVM 50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							50.00
	Time 60.00	44.00	52.00	56.00	51.00	33.00	91.00	53.00	52.00							492.00
	Hotel 0.00	0.00	0.00	0.00	0.00	0.00	86.24	0.00	0.00							86.24
Staff 2 DiAnn	SVM 513.00	776.00	424.00	290.00	427.00	60.00	841.00	286.00	568.00							4185.00
	PVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
	Time 42.00	59.75	39.00	38.00	42.50	29.00	44.00	31.50	28.00							353.75
	Hotel 0.00	11.96	0.00	0.00	0.00	0.00	86.24	0.00	0.00							198.19
Staff 3 Kelly	SVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
	PVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
	Time 12.50	12.50	12.50	12.00	12.50	0.00	24.50	11.50	11.50							109.50
	Hotel 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
Staff 4 Robin	SVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
	PVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
	Time 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
	Hotel 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
Staff 5 Ginger	SVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00							0.00
Mediations	PVM 0.00	0.00	346.00	0.00	0.00	250.00	0.00	0.00	0.00							596.00
	Time 8.00	0.00	60.50	16.00	7.00	48.00	15.00	11.00	5.50							171.00
	Hotel 0.00	0.00	0.00	0.00	0.00	466.50	0.00	0.00	0.00							466.50

Totals FY 2012-2013	
SVM = State Vehicle Miles	12089.00
PVM = Personal Vehicle Miles	646.00
T = Time	1138.75
H = Hotel Cost	750.93



# *State of South Carolina*

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



TEL: (803) 737-5700  
[www.wcc.sc.gov](http://www.wcc.sc.gov)

## *Workers' Compensation Commission*

**Executive Director's Report**  
**Gary M. Cannon**  
**April 10, 2013**

### **Proposed Mediation Regulations (R 4286)**

The Senate Judiciary Committee approved the Mediation Regulations on March 19, 2013.

### **H3632 – Self Insurance Tax Collections**

The Licenses, Fees, Insurance Tax and Other Charges Legislative Subcommittee approved H3632 on April 9, 2013. We anticipate the bill will be considered by the full Ways and Means Committee next week.

### **Summer Law Clerk**

On April 8 the Executive Director, Chairman Beck and Keith Roberts interviewed three candidates referred by the SC Bar's Young Lawyer's Division Diversity Clerkship program. One candidate will clerk with the Commission this summer.

### **Claims Administration Workshop**

Registration has begun for the Claims Administration Workshop scheduled for Friday, May 3, 2013 at SC Department of Archives and History from at 8:45 a.m. until 12:45 p.m. The workshop will include an overview of the proposed Mediation Regulations.

### **ULLICO Casualty Company**

ULLICO Casualty Company, an insurer based in Delaware and insuring a number of employers in South Carolina, has been placed in rehabilitation by Order of the Court of Chancery of the State of Delaware. Updates concerning the matter will be posted to the Agency's Website as it becomes available.

### **Meetings**

The Executive Director participated in the following meetings/activities:

- March 20 – Chairman Beck, Executive Director, and Director of Finance met with the Senate Finance Subcommittee to review the FY 14 Budget request
- March 22 – Presentation to Injured Workers Advocates
- March 29 – 2013 SCWCEA Medical Seminar Committee Conference Call to discuss the program for the 2014 conference.

**Employee Meetings/Staff Training**

An All Employee meeting was held on March 21. The Executive Staff met on March 26 and April 9. The Annual Leadership Team Retreat was postponed. The Employee Social Committee is hosting a Hot Dog & Hamburger Luncheon for the employees on April 16, 2013.

**Constituent /Public Information Services**

For the period March 12, 2013 through April 9, 2013 the Executive Director's Office had 526 contacts with various system constituents and stakeholders. 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.

**SCWCC Stakeholder Electronic Distribution List**

For the period March 13 through April 9, 2013, we added 16 individuals to the Commission's stakeholder distribution list. We have 388 individuals currently receiving notifications from the Commission.

**SC Vocational Rehabilitation Department**

Attached is a statistical report on SCVRD/WCC referrals provided by Chuck Hamden, SCVRD Counselor, for March 2013.

**Court Fines and Assessments Aging Report**

The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for the period ending March 31, 2013.

Finest and Assessments Aging Report  
Monthly Totals

Summary All Depths	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Total	\$1,119,034	\$1,120,312	\$1,111,051	\$1,122,189	\$1,124,186	\$1,958,297	\$1,947,737	\$2,044,234			
Count	2,428	2,449	2,300	2,282	2,283	2,240	2,270	2,274			
> 91 Days	\$860,507	\$800,917	\$671,058	\$670,064	\$658,010	\$876,193	\$876,278	\$903,769			
Count	1,752	1,741	1,667	1,669	1,620	1,629	1,578	1,587			
\$1-60 Days	\$48,081	\$44,765	\$40,840	\$35,291	\$46,006	\$43,865	\$44,738	\$193,808			
Count	103	140	137	108	129	101	106	108			
\$1-60 Days	\$77,108	\$67,428	\$60,280	\$78,527	\$75,467	\$93,385	\$346,398	\$548,458			
Count	232	229	183	172	170	202	175	219			
< 30 days	\$111,637	\$107,212	\$137,372	\$139,372	\$162,683	\$544,824	\$681,335	\$388,209			
Count	341	338	313	333	361	348	413	360			
Of Finest Over 90 Days Old											
Ordinance	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275			
Count	5	5	5	5	5	5	5	5			
Judgments	\$250,792	\$250,792	\$250,792	\$250,792	\$250,792	\$250,792	\$250,792	\$250,792			
Count	537	537	537	537	537	537	537	537			

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
<b>Claims</b>												
<b>Division Total</b>	\$445,201	\$447,068	\$445,516	\$410,093	\$386,658	\$392,658	\$384,706	\$383,858	\$394,248			
<b>Count</b>	2,038	2,048	2,047	1,987	1,874	1,879	1,862	1,809	1,817			
<b>&gt; 91 Days</b>	\$297,852	\$288,568	\$300,266	\$268,218	\$281,768	\$268,518	\$271,948	\$258,698	\$257,848			
<b>Count</b>	1,432	1,387	1,412	1,350	1,348	1,297	1,305	1,248	1,256			
<b>61-90 Days</b>	\$19,844	\$40,450	\$32,800	\$28,450	\$21,460	\$25,480	\$18,600	\$19,700	\$19,150			
<b>Count</b>	88	150	128	118	83	109	80	85	88			
<b>31-60 Days</b>	\$59,200	\$48,450	\$45,850	\$35,475	\$34,780	\$32,800	\$38,100	\$34,200	\$42,950			
<b>Count</b>	218	198	204	180	190	157	182	150	171			
<b>&lt; 30 days</b>	\$87,909	\$69,900	\$67,500	\$61,950	\$59,700	\$65,700	\$66,190	\$73,300	\$74,700			
<b>Count</b>	302	311	303	259	283	318	285	315	303			
<b>Of Fines Over 90 Days Old</b>												
<b>Orders</b>	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275			
<b>Count</b>	5	5	5	5	5	5	5	5	5			
<b>Judgments</b>	\$82,043	\$82,043	\$82,043	\$82,043	\$82,043	\$82,043	\$82,043	\$82,043	\$82,043			
<b>Count</b>	474	474	474	474	474	474	474	474	474			

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
<b>Compliance</b>												
<b>Division Total</b>	\$685,215	\$364,952	\$600,030	\$634,322	\$682,743	\$688,042	\$1,102,415	\$1,485,352	\$1,544,031			
<b>Count</b>	230	224	235	237	238	243	282	271	271			
<b>&gt; 91 Days</b>	\$521,290	\$537,823	\$538,841	\$532,184	\$537,430	\$534,892	\$551,201	\$565,834	\$584,828			
<b>Count</b>	199	199	203	200	198	198	203	208	213			
<b>61-90 Days</b>	\$29,437	\$15,888	\$11,124	\$18,840	\$12,241	\$20,749	\$24,886	\$24,839	\$173,189			
<b>Count</b>	13	9	7	5	7	7	8	10	15			
<b>31-60 Days</b>	\$15,886	\$11,874	\$18,840	\$22,886	\$37,778	\$39,888	\$54,905	\$310,729	\$501,310			
<b>Count</b>	9	8	5	12	9	13	19	21	28			
<b>&lt; 30 days</b>	\$38,832	\$19,969	\$38,225	\$62,582	\$74,893	\$72,414	\$471,813	\$584,090	\$314,904			
<b>Count</b>	13	8	18	20	24	25	31	32	15			
<b>Of Fines Over 90 Days Old</b>												
<b>Orders</b>												
<b>Count</b>												
<b>Judgments</b>	\$158,749	\$158,749	\$158,749	\$158,749	\$158,749	\$158,749	\$158,749	\$158,749	\$158,749			
<b>Count</b>	83	83	83	83	83	83	83	83	83			

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Coverage Division Total	\$52,600	\$57,225	\$48,650	\$43,200	\$39,600	\$38,805	\$37,300	\$41,500	\$40,550			
Count	137	139	125	129	125	114	112	123	137			
> 91 Days	\$46,000	\$49,025	\$42,650	\$33,400	\$31,600	\$33,305	\$31,500	\$31,100	\$29,350			
Count	104	98	81	80	85	88	83	81	81			
81-90 Days	\$600	\$600	\$400	\$2,400	\$1,600	\$1,000	\$200	\$0	\$400			
Count	3	3	2	12	8	5	1	0	2			
31-60 Days	\$600	\$1,000	\$3,200	\$2,200	\$1,800	\$1,200	\$0	\$400	\$3,000			
Count	4	5	18	11	9	8	0	2	15			
< 30 days	\$5,200	\$6,600	\$3,200	\$5,200	\$4,600	\$3,400	\$5,600	\$10,000	\$7,800			
Count	26	33	16	28	23	17	28	50	39			
Of Fines Over 90 Days Old												
Orders												
Count												
Judgments												
Count												
Judicial Division Total	\$17,018	\$21,844	\$21,114	\$21,438	\$23,744	\$24,623	\$23,784	\$28,948	\$27,404			
Count	22	48	44	47	45	47	44	57	48			
> 91 Days	\$15,396	\$17,779	\$18,958	\$19,245	\$20,185	\$21,185	\$21,544	\$21,544	\$21,933			
Count	20	36	35	37	36	39	36	38	39			
81-90 Days	\$200	\$1,423	\$431	\$1,150	\$0	\$779	\$380	\$380	\$1,058			
Count	1	1	3	2	0	2	1	1	2			
31-60 Days	\$1,423	\$718	\$1,438	\$0	\$2,169	\$1,379	\$390	\$1,058	\$1,588			
Count	1	5	4	0	4	3	1	2	5			
< 30 days	\$0	\$1,725	\$267	\$3,040	\$1,378	\$1,169	\$1,461	\$3,945	\$805			
Count	0	5	2	8	3	3	4	18	3			



## South Carolina Vocational Rehabilitation Department

*Enabling eligible South Carolinians with disabilities to prepare for,  
achieve and maintain competitive employment.*

Barbara G. Hollis, Commissioner

---

### MEMO

**TO:** Gary Cannon  
**FROM:** Chuck Hamden, SCVRD Counselor  
**DATE:** March 28, 2013  
**RE:** SCVRD/WCC Referrals

---

As the SCVRD counselor assigned to the Workers Compensation Commission, I held office hours at WCC for four (4) days in the month of March 2013.

During the March office hours, SCVRD has continued to review the Workman's Compensation Commission files for Richland and Lexington counties for 2010. With the continued implementation of the WCC Query program, thirty-eight (38) referral letters have been sent in March out to potential clients.

As of March 28th, 2013, we had the following contacts regarding potential WCC referrals:

- For the month of March 2013, a total of six (6) claimants have called for more information and referrals were made to the following agencies:
  - One referral was made to the Aiken County SCVRD office
  - Three referrals were made to the Lexington County SCVRD office
  - Two referrals were made to the Richland County SCVRD office
  
  - One claimant was interested in services but did not want to make an appointment due to her schedule but will call back if her situation changes
- Additionally, one claimant was referred by her Attorney's (McDaniels Law Firm) office and was referred to the Lexington County office
- Two referrals currently have open cases with SCVRD. One referral had a SCVRD case that was closed in January 2013 that was a WCC referral
- One letter was returned with no forwarding address.
  
- Four (4) clients that work for the WCC staff are being served for Job Retention Services and are receiving VR services.

**SC Vocational Rehabilitation Dept  
Workers' Comp Referrals SFY 2013**

COUNTY	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	County Total
Abbeville													0
Aiken		1							1				2
Allendale													0
Anderson													0
Bamberg													0
Barnwell													0
Beaufort													0
Berkeley	1			1									2
Calhoun													0
Charleston	1	2	1										4
Cherokee													0
Chester													0
Chesterfield													0
Clarendon													0
Colleton													0
Darlington													0
Dillon													0
Dorchester	1	1											2
Edgefield													0
Fairfield													0
Florence													0
Georgetown			1										1
Greenville	1												1
Greenwood													0
Hampton													0
Horry													0
Inspir													0
Kershaw		1					1						2
Lancaster													0
Laurens													0
Lee													0
Lexington		2	2	1	1		4		3				13
Marion													0
Marlboro													0
McCormick													0
Newberry							1						1
Oconee													0
Orangeburg		1			1		1						3
Pickens													0
Richland			1	2	1	2	3		2				11
Saluda													0
Spartanburg													0
Sumter		1											1
Union													0
Williamsburg													0
York													0
Monthly TtIs	4	9	5	4	3	2	10	0	6	0	0	0	43

SC Vocational Rehabilitation Dept  
Workers' Comp Referrals SFY 2013

Primary Disability	#
Mobility Impairments	2
Manipulation/dexterity Impairments (hand/fingers)	4
Other Orthopedic Impairments (e.g. limited range of motion)	24
General physical debilitation (fatigue, weakness, chronic pain)	32
Hearing or visual Impairments	
Other physical Impairments (not listed above)	4
Total	46



*State of South Carolina*

1111 Main Street, 5<sup>th</sup> 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: April 10, 2013**

**RE: Lump Sum Payment Commuted Value Advisory  
Committee**

Attached is a minority report with regard to the recommendation approved by the Lump Sum Payment Commuted Value Advisory Committee on November 14, 2012.

Also attached is the recommendation presented to you on January 17, 2013.

DATE: April 9, 2013

SUBJECT: MINORITY RESPONSE TO MAJORITY RECOMMENDATION OF  
COMMUTED VALUE OF ADVISORY COMMITTEE

First, let the minority express our gratitude to the majority for the additional time to prepare this minority report. We appreciate your patience.

OUR MISSION AS WE UNDERSTAND IT

The Committee's mission is to suggest a way of commuting present value of future awards that is fair to the employee but also fair to the carrier. The majority suggests leaving awards of 100 weeks or less to the 2% rate currently in use and tying commuted values for lump sums over 100 weeks to the interest rate for five year treasury bonds on January 1 for each year with a maximum of 6% and a minimum of 2% per the statute. For the reasons set forth herein, the minority questions whether this is fair to carriers whose investment yield historically beats the five year treasury yield.

HISTORICAL PROSPECTIVE

We should not address this issue in a vacuum. A historical prospective is helpful. When the Act was first passed in 1935, the intent was to pay awards in weekly installments. Initially, an injured worker could not receive his award in a lump sum unless he or she could show unusual circumstances to justify the commutation.<sup>1</sup> The primary concern was income-protection which was best accomplished through periodic income payments. Benefits were considered a substitute for wages of the injured worker to prevent the imprudent employee from wasting the means of his support and becoming a burden on society.<sup>2</sup> Therefore, satisfying debt, buying a new house, or taking an around the world cruise were not reasons to justify a lump sum award.<sup>3</sup> Generally, the claimant had to have a plan to spend the money in a way that would somehow improve his circumstances like obtain a college education, train for a job, or buy a business. Lump sum awards were not easy to obtain. They were the exception and not the rule.

In 1980, the General Assembly, led by Senator Isadore Lourie, amended S.C. CODE ANN. §42-9-300 to relieve the claimant of the burden of proving unusual circumstances to receive the award in a lump sum. Under the change, the injured worker need only request the lump sum and the burden shifted to the carrier to prove the lump sum payment was contrary to the best interest of the employee or would place an undue hardship on the carrier.<sup>4</sup> Rather than being the exception, lump sum awards quickly became the norm.

---

<sup>1</sup> *Ashley v. Ware Shoals Mfg. Co.*, 210 S.C. 273, 42 S.E.2d 390 (1947)

<sup>2</sup> *Woods v. Sumter Stress-Crete, Inc.*, 266 S.C. 245, 222 S.E.2d 760 (1976).

<sup>3</sup> See, e.g., *Woods v. Sumter Stress-Crete, Inc.*, 266 S.C. 245, 222 S.E.2d 760 (1976).

<sup>4</sup> The amendment was a rider to the appropriations bill which the Supreme Court later held was unconstitutional. The bill was reintroduced in 1983 and passed as S.C. CODE ANN. §42-9-301.

The economy was very different in the 1980s. Interest rates were high and a claimant who took the lump sum could invest in federal funds earning over 15% and make a good return.<sup>5</sup> Likewise, carriers made more money on investments as well. The rush to lump sums, however, proved to be detrimental to carrier's reserves. Being required to pay out lump sums commuted at 5% when the prime interest rate was in the 20% range meant lost income on reserves.

Ironically, in today's economy, the reverse is true. Interest rates are so low; a claimant who requests a lump sum cannot hope to make a sufficient return to sustain himself or herself. Carriers are advantaged because the commuted value is still calculated at 5% and because the carriers' return is less than 5% in most cases, the net is a gain for the carrier. In the 1980s, carriers felt the pinch. Today, claimants feel the pinch. Ergo, here we are trying to find a calculation that is fair, or as fair as possible, regardless of the whims of the economy. Our limits are a low of 2% and a high of 6% set forth in the statute.

## DISCUSSION

For years, the Commission has set the interest rate for calculation of commuted values at 5%, one percent less than the maximum allowed by statute. The minority submits this was no accident, nor was it arbitrary. Through the ups and downs of the economy, the Commission has obviously felt a 5% return on investment was a reasonable return.

The insurance industry's return on investment has historically been better than the interest on five year treasury notes. Attached is a chart of the ten largest workers' compensation carriers by premium written in South Carolina. The chart shows the return on investment for each carrier in 2011 as reported in 2012 by A.M. Best. The yield on a five year treasury note on January 26, 2011, was 2.11%. Only one carrier's return even approached that low figure. Most were between 3% and 5% and at least one was 5.8%. Over the five year period prior to 2012, the average rate of return on carriers' investments was 4.6% while the rate of return on a five years treasury averaged 2% to 3%. Today, however, the yield on five year treasuries is the lowest in history, less than 1%.

The majority spoke of a "dollar for dollar" swap in approaching this issue. They assumed that, when an award was made for 500 weeks, for example, carriers invest that reserve in treasury bills or other safe investment that yields a similar return. While the carrier certainly wants to invest reserves safely, we could not confirm treasuries are the only investment option. Otherwise, how could the carriers' investments regularly outperform five year treasuries?

The "dollar for dollar" swap approach certainly has merit. The fallacy, it seems to us, rests on the assumption the five year treasury accurately reflects the carriers' rate of return. The percent used to calculate commuted value should be more closely aligned

---

<sup>5</sup> Rattner, Steven (January 5, 1981). "Federal Reserve Sees Little Growth in '81 With Continued High Rates". *New York Times*; Cowan, Edward (May 5, 1981). "Bank Lending Rate Set at Record 14% By Federal Reserve". *New York Times*.

with the carrier's actual returns, which has been about 2% above the five year treasuries yield.

#### RECOMMENDATION

The second paragraph of the recommendation prepared by the majority should be amended to read as follows:

*Installments yet to accrue of one-hundred one through five hundred weeks shall be discounted at the yield-to-maturity rate of the Five Year U.S. Treasury Note as published by the United States Treasury Department on the first business day after January 1<sup>st</sup> each year plus two percent, but in no case shall the discount rate exceed six percent or be less than two percent.*

The two percent is based on very preliminary research. The minority suggests a more thorough examination of the historical data be done to assure the Commission, the claimant's bar and the insurance industry the percentage reflects an accurate differential between treasury interest rates and actual return on investments of carriers. This reflects more accurately the rate of return on carrier investments and produces a result that is fair to the carrier and the employee.

Respectfully submitted

Stan Lacy

Sunnie Thomason

Barbara Cullum

Drake Rogers

**TEN LARGEST WORKERS' COMPENSATION CARRIERS IN SOUTH CAROLINA  
BY PREMIUM AS PROVIDED BY THE DEPARTMENT OF INSURANCE.**

<b>A.M. Best Page</b>	<b>Company</b>	<b>5 yr. avg.</b>	<b>2011</b>
2671	Bridgefield Casualty	4.4%	3.1%
2151	Hartford Ins. of the Midwest	4.3%	4.0%
968	Accident Fund Ins. Co. of America	3.1%	2.3%
5060	American Zurich Ins. Co.	7.2%	5.8%
2678	Liberty Insurance Corp.	4.4%	4.1%
5072	Zurich American Ins. Co.	4.0%	3.6%
422	Commerce & Industry Ins. Co.	4.8%	4.2%
4775	Key Risk Ins. Co.	3.8%	3.5%
2162	Twin Cities Fire Ins. Co.	4.4%	4.2%
4527	Phoenix Ins. Co.	5.8%	4.9%

Source: A.M. Best Insurance Reports  
2012 Edition

*State of South Carolina*

1333 Main Street, 5<sup>th</sup> 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: January 17, 2013**

**RE: Lump Sum Payment Commuted Value Advisory  
Committee**

Attached is the recommendation from the Lump Sum Payment Commuted Value Advisory Committee approved by the Committee on November 14, 2012. Consensus could not be reached by the Committee. The recommendation passed by a vote of 4 to 3.

A minority report has not been submitted at this time.

## State of South Carolina

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



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

### *Workers' Compensation Commission*

**TO: Commuted Value Discount Advisory Committee**  
**FROM: Gary M. Cannon**  
**DATE: January 7, 2013**  
**RE: Recommendation to the Commission**

I apologize for the delay in providing this information to you. This is a summary of the action taken by the Committee at the meeting on November 14, 2012, with regard to a recommendation to the Commission.

The Committee recommends the Commission amend the language in Regulation 67-1605 Lump Sum Payment to include the following provisions.

*No change in the commuted value discount rate of 2% for installments to accrue for the first one-hundred weeks.*

*Installments yet to accrue of one-hundred one through five hundred weeks shall be discounted at the yield-to-maturity rate of the Five Year U.S. Treasury Note as published by the United States Treasury Department on the first business day after January 1<sup>st</sup> each year, but in no case shall the discount rate exceed six percent or be less than two percent.*

*The Commission shall publish a present value table showing the conversion factors for weeks one-hundred and one through five-hundred on the first business day following January 1<sup>st</sup> of each year.*

*The present value table for weeks one-hundred and one through five-hundred published on the first business day following January 1<sup>st</sup> shall apply to all awards*

*made during the year until a new present value table is published the following year.*

*The present value of the commutable weeks shall be determined based on the present value tables in effect on the date of the award or settlement.*

My record of the meeting reflects the Committee discussed the following matter however it was not included in the motion.

*In the event the Commission makes an award of a partial lump sum in excess of five-hundred weeks in accordance with S.C. Code § 42-9-10(C) and § 42-9-10(D), the discount rate shall be determined on a case by case basis.*

The matter will be scheduled for consideration by the Commission at the next Business Meeting.

Thank you for your participation on this committee.



*State of South Carolina*

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



TEL: (803) 737-5700  
[www.wcc.sc.gov](http://www.wcc.sc.gov)

*Workers' Compensation Commission*

**TO:** Commissioners  
**FROM:** Gary M. Cannon  
**DATE:** April 11, 2013  
**RE:** Surgical Implant Fee

Attached you will find the recommendation from the Surgical Implant Fee Advisory Committee presented to you on March 18, 2013 and a spreadsheet showing select CPT codes used in surgical implant procedures and the cost differences between hospitals and ambulatory surgery centers.

The original spreadsheet was prepared by Ann Margaret McCraw, Business Manager at Midlands Orthopedics, and presented to the Advisory Committee in January. The numbers in the spreadsheet have been updated to reflect the rates in the current In-Patient Hospital Fee Schedule and the rates in the Ambulatory Surgery Centers Fee Schedule.

Ms. McCraw will be present at the Business Meeting to respond to any questions.

CPT	Description	Hospital (BMAC) Medicare + 80%	ASC Rate Medicare + 80%	Implant Cost	Implant Reduction	ASC Rate Medicare + 80% + Implant Carve Out	Cost Difference: Hospital vs. ASC + Implant Carve Out + (-)
29846	right ulnar shortening osteotomy	\$2,699.78	\$1,539.41	\$1,192.00	\$500.00	\$2,131.41	\$468.37
29827	right shoulder rotator cuff repair	\$4,961.00	\$2,828.74	\$220.00	\$220.00	\$2,828.74	\$2,132.26
24665	left ORIF, radial triad lig repair	\$4,812.33	\$2,743.99	\$1,900.00	\$500.00	\$4,143.99	\$668.35
27814	ORIF ankle	\$4,812.33	\$2,743.99	\$1,500.00	\$500.00	\$3,743.99	\$1,068.35
23405	ORIF left ulna non-union with bone graft	\$8,557.27	\$4,879.34	\$2,780.00	\$500.00	\$7,159.34	\$1,397.92
20680							
25405	left radius hardware removal, corrective distal radius fx with iliac crest grafting with internal fixation, left CTR	\$8,489.65	\$4,840.79	\$1,830.00	\$500.00	\$6,170.79	\$2,318.86
25115							
23550	revision left shoulder acromioclavicular joint reconstruction	\$4,812.33	\$2,743.99	\$3,286.00	\$500.00	\$5,529.99	-\$717.65
23552	right acromioclavicular joint reconstruction with palmaris longus tendon digitatus	\$6,286.99	\$3,584.82	\$835.00	\$500.00	\$3,919.82	\$2,367.16
23120							
25390	left ulnar osteotomy	\$4,395.08	\$2,506.07	\$1,285.00	\$500.00	\$3,191.07	\$1,104.01
29827	left shoulder scope, SAD, RCR, biceps tenotomy	\$8,791.39	\$5,012.82	\$660.00	\$500.00	\$5,172.82	\$3,618.57
29826							
29819							
27422	left femoral leg reconstruction, ACL	\$5,869.73	\$3,346.90	\$997.00	\$500.00	\$3,843.90	\$2,025.82
20924							
29888	right knee scope ACL reconstruction, bone patella tendon bone allograft	\$8,845.28	\$5,043.57	\$3,342.00	\$500.00	\$7,885.57	\$959.71
29881							
25607	ORIF left wrist CTR	\$8,444.21	\$8,674.48	\$1,888.00	\$500.00	\$5,039.48	\$3,404.72
25390	left ulnar shortening osteotomy	\$4,395.08	\$2,506.07	\$1,780.00	\$500.00	\$3,786.07	\$609.01

CPT	Description	Hospital (BMC) Medicare + 40%	ASC Rate Medicare + 40%	Implant Cost	Implant Reduction	ASC Rate Medicare + 40% + Implant Carve Out	Cost Difference Hospital vs. ASC + Implant Carve Out + (-)
29808 29830	left knee ACL with BTB allograft	\$8,845.28	\$5,043.57	\$3,300.00	\$500.00	\$7,843.57	\$1,001.71
29819 29826	lateral repair shoulder	\$7,441.50	\$4,243.11	\$825.00	\$500.00	\$4,568.11	\$2,873.39
25609	distal radial fr. 3 or more fragments	\$6,444.21	\$3,959.56	\$2,815.00	\$500.00	\$6,274.56	\$169.64

Hospital rate	\$6,444.21
ASC rate	\$3,959.56
Implant cost	\$2,815.00
Implant cost reduction	-\$500.00
ASC + Implant carve out Rate	\$6,274.56
ASC Savings over Hospital Rate	\$1,409.73

BMC = Baptist Medical Center, Columbia

ASC = Ambulatory Surgery Center

*State of South Carolina*

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



TEL: (803) 737-3700  
www.sc.gov

*Workers' Compensation Commission*

**TO: Commissioners**

**FROM: Gary M. Cannon**

**DATE: March 15, 2013**

**RE: Surgical Implant Advisory Committee Recommendation**

In 2006 the Hospital Advisory Committee recommended a change in the In-Patient Hospital Fee Schedule. The Commission approved the Hospital Fee Schedule. However, they deferred action on the Committee's recommendation for surgical implants. The Committee recommended the maximum allowable payments for surgical implants in the fee schedule separate from the diagnostic related groups and based on cost of the device and procedure.

In March 2011, the Commission created an Ad Hoc Advisory Committee to evaluate and develop recommendations with regard to the maximum allowable payment for surgical implant devices in the Commission's medical fee schedule. Based upon the research and discussions conducted by the members of the Surgical Implant Advisory Committee, the attached recommendation is proposed. Grady Beard, chairman, will present the recommendation at the March 18 Business Meeting.

## **Surgical Implant Advisory Committee Recommendation**

### **March 1, 2013**

The Maximum Allowable Payment (MAP) for procedures performed in an Ambulatory Surgery Center (ASC) will be calculated at 140% of the Medicare Payment for procedures plus the total cost of all surgical implants per case with Revenue Codes 274, 276 and 278 minus a five hundred dollar (\$500.00) implant cost reduction per case.

The total cost of all surgical implants shall be calculated using net actual manufacturer's wholesale invoice price less any adjustments which accrue to, or are factored into, the final net cost to the surgery center. If the total net cost of all implants for a case is less than \$500.00, the implants will not be billed or reimbursed.

Surgical implants are defined as follows:

- a. An item that is surgically placed into the body, including any reasonably and medically necessary external device connected to such surgically placed item, for the purpose of replacing, repairing or improving function and or promoting healing that is designed and intended to remain in the body.

Examples of these Items include but are not limited to bone, cartilage, tendon or other tissues taken from a source other than the patient; pins, screws and/or plates, anchors, radioactive seeds, ports and pain pumps;

- b. Sutures, surgical staples, associated disposable instrumentation, and intravenous catheters are not considered implants. They are considered to be surgical supplies and therefore included in the facility fee.

The MAP represents the maximum amount that a provider can legally be paid for rendering services under the Workers' Compensation Act. In instances where the provider's usual charge is lower than the MAP amount, or where the provider has agreed by contract with an employer or insurance carrier to accept discounts or lower fees than the Commission's MAP, payment is made at the lower amount. In the event that the prevailing MAP amount for the same procedure, including the cost of the implants, if performed at the hospital in South Carolina nearest the ASC is lower, the ASC shall accept that hospital's MAP for the same procedure as payment in full.

In order to receive reimbursement, the surgery center must provide a copy of the actual original manufacturer's wholesale invoice at the time of billing. The surgery center shall adjust the manufacturer's invoice to reflect, at the time implanted, all applicable rebates, discounts, offsets, considerations, volume pricing, refunds, and product replacement programs, and documentation of same must be provided as a condition of payment for the implant. The manufacturer's wholesale invoices must be retained by the surgery center for 3 years from the date of implantation.