

AGENDA

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

May 20, 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 OF MAY 20, 2013 *CHAIRMAN BECK*
2. APPROVAL OF MINUTES OF THE BUSINESS MEETING OF APRIL 15, 2013 (Tab 1) *CHAIRMAN BECK*
3. GENERAL ANNOUNCEMENTS *MR. CANNON*
4. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) *MR. SMITH*
5. DEPARTMENT DIRECTORS' REPORTS
Administration - Financial Report (Tab 3) *MS. GANTT*
Human Resources (Tab 4) *MS. FLOYD*
Information Services (Tab 5) *MS. HARTMAN*
Insurance & Medical Services (Tab 6) *MR. DUFFIELD*
Claims (Tab 7) *MR. LINE*
Judicial (Tab 8) *MS. CROCKER*
6. EXECUTIVE DIRECTOR'S REPORT (Tab 9) *MR. CANNON*
7. OLD BUSINESS *CHAIRMAN BECK*
A. Fee for Providing Electronic Proof of Coverage Data Access (Tab 10) *MR. DUFFIELD*
8. NEW BUSINESS *CHAIRMAN BECK*
A. Notice of Drafting - Regulation 67-1605 Lump Sum Payment (Tab 11) *MR. CANNON*
9. EXECUTIVE SESSION *CHAIRMAN BECK*
A. Personnel Matter
10. ADJOURNMENT *CHAIRMAN BECK*

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9	Executive Director's Report
10	Request Approval to Establish Fee for Providing Electronic Proof of Coverage (POC) Data Access
11	Notice of Drafting - R 67-1605 Lump Sum Payment

THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

Monday, April 15, 2013

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, April 15, 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
AISHA TAYLOR, COMMISSIONER
AVERY B. WILKERSON, JR., COMMISSIONER

Present also were 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 were Stan Lacy and Kristian Cross, Collins & Lacy, P.C.; Clara Smith and Ronnie Maxwell, Injured Workers' Advocates; AnnMargaret McCraw, Midlands Orthopaedics/SC Orthopaedic Association; Derrick Williams, Mickle and Bass, LLC; and Eric Powers, University of South Carolina.

Chairman Beck called the meeting to order at 10:36 a.m.

AGENDA

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

APPROVAL OF MINUTES - BUSINESS MEETING OF MARCH 18, 2013

Commissioner Barden moved that the minutes of the Business Meeting of March 18, 2013 be approved. Commissioner Roche 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. Twenty-nine (29) prospective members of two (2) funds were presented to the Commission for approval. The applications were:

SC Automobile Dealers SIF
COC Auto LLC dba Crews Chevrolet
SOC LLC dba Crews Subaru of Charleston

SC Home Builders SIF

Artcrete Flooring Concepts, LLC
Atlantic Building Components & Services, Inc.
Atlantic Construction Services, Inc.
Atlantic Design Group, LLC
Bryant's Carpet Installation Service
Charleston Roofs & Windows, LLC
Cool Temp Awning & Aluminum Products, Inc.
Concrete Masonry, LLC
Custom Audio Video, LLC
FH Construction of SC, Inc.
Hilton Head Signs, Inc.
James Butler dba D&L Masonry, Inc.
KCK Enterprises, Inc.
Keith Bailey
Lewis Marcus dba LCJ Renovations
Michael's Landscaping
Nelson Aggregate, Inc. dba Apple Appliance Center
New Media Communications, Inc. 29171
Palmetto Decorators, Inc.
Quad K, LLC
Quality Built, Inc.
Ramey Home Builders, Inc.
Stewart Construction, Inc. of S.C.
T.C.O. Construction, Inc.
Virgil Stroud
Wendell Mishoe Construction, Inc.
W.F. Construction, LLC

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 Ganti presented the Summary of Revenues and Expenditures for the period ending March 31, 2013. The benchmark for March is 75%. The Commission's revenues are at 65.84%, and expenditures are at 74%.

Human Resources Department

Cathy Floyd presented the Human Resources report for the period of March 13, 2013 through April 9, 2013. The Commission recruited internally for the Compliance Officer position in the Coverage and Compliance Division. Brian Berthelette was selected for the position. Ms. Floyd announced that the Employee Hot Dog and Hamburger luncheon scheduled for April 16 is postponed.

Information Services

Betsy Hartman presented the Information Services Department's report. Ms. Hartman reported DSIT has signed a contract with Deloitte, LLC to perform security assessments for 18 state agencies. The contract will also allow other state agencies to contract with Deloitte on an hourly basis to conduct security audits. Initial audits will be performed on the Budget and Control Board (DSIT and Research & Statistics), DHEC, and Division of Probation, Parole and Pardon Services. A steering committee is being formed to select criteria for the other 15 agencies to receive audits as part of the contract.

Insurance & Medical Services Department

Grant Duffield presented the Insurance & Medical Services Department's report. Year to date, the Compliance Division has collected \$392,370 in fines, which represents 165% of prior year's accrual. Year to date, the Coverage Division has created 16,854 claim files which is 97% of claim file volume for the same period in prior year. Year to date, Self Insurance tax revenue is trending at 105% of prior year and 42 Self Insurance audits have been completed.

Claims Department

Greg Line presented the Claims Department's report. For the month of March, Claims Department closed 2,397 individual case files. Fine revenue received in March was \$67,000, a decrease of \$12,875 over prior month. Claims Examiners reviewed 1,399 individual case files.

Judicial Department

On behalf of Virginia Crocker, Eugenia Hollmon 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 March are up. Efforts continue on securing additional hearing sites throughout the state.

EXECUTIVE DIRECTOR'S REPORT

Gary Cannon, Executive Director, was absent from the meeting due to medical leave. His report was submitted to the Commission in written form.

On behalf of Gary Cannon, Chairman Beck presented the Executive Director's report. This was received as information.

OLD BUSINESS

A. Commuted Value Advisory Committee Recommendation

Chairman Beck said that at the regular business meeting in January 2012, the Commission accepted for consideration the recommendation from the Commuted Value Discount Advisory Committee proposing to amend the language in Regulation 67-1605 Lump Sum Payment. The Committee approved the recommendation by a vote of 4 to 3. The Chairman opened the floor for discussion.

Attorney Stan Lacy briefed the Commission on the minority response to the majority recommendation from the advisory committee. The minority response questions whether tying commuted values for lump sums over 100 weeks to the interest rate for five year treasury bonds is fair to carriers whose investment yield historically beats the five year treasury yield. The minority response recommends an amendment to the second paragraph of the recommendation prepared by the majority to include "plus two percent" 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 in the United States Treasury Department on the first business day after January 1st each year plus two percent, but in no case shall the discount rate exceed six percent or be less than two percent.

Motion On Commuted Value Discount Advisory Committee Recommendation

Following discussion, Commissioner Wilkerson made a motion to proceed with the Commuted Value Discount Advisory Committee's recommendation as presented on January 22, 2013. There was no second, and the motion failed.

Attorney Ronnie Maxwell requested permission to address the Commission. Mr. Maxwell served as chairman of the Commuted Value Discount Advisory Committee. He said an economist, Dr. Eric Powers, associate professor of finance, University of South Carolina, served on the advisory committee and provided expert knowledge on the matter and structured input with the recommendation. The majority believes the recommendation is a fair "dollar for dollar" swap. He said it has been five months since the Committee prepared the report in November 2012. Mr. Maxwell recognized Dr. Eric Powers.

Dr. Powers said the motivation for choosing the Treasury Rates to determine the appropriate rate for discount was the observation and understanding that awards received by claimants are risk free cash flows and the Treasury Rates are risk free discount rates.

Motion On Commuted Value Discount Advisory Committee Recommendation

Commissioner Wilkerson made a motion to approve the Commuted Value Discount Advisory Committee's recommendation as presented on January 22, 2013. Commissioner Roche seconded the motion, and the motion was approved unanimously.

B. Surgical Implant Advisory Committee Recommendation

Chairman Beck said that at the regular business meeting on March 18, 2013, the Commission received the recommendation from the Surgical Implant Advisory Committee with regard to the maximum allowable payment for surgical implants devices in the Commission's medical fee schedule. The Commission voted to carry the matter over for a month.

Motion On Surgical Implant Advisory Committee Recommendation

Following discussion, Commissioner Roche moved to accept the recommendation of the Surgical Implant Advisory Committee as presented at the March 18, 2013 Commission Business Meeting. Commissioner Barden seconded the motion, and the motion was approved unanimously.

NEW BUSINESS

There was no new business.

ADJOURNMENT

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

The April 15, 2013 meeting of the South Carolina Workers' Compensation Commission adjourned at 11:07 a.m.

Reported May 20, 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 APRIL 30, 2013
DATE: 5/14/2013

The Summary of Revenues and Expenditures for the period ending April 30, 2013, is attached

- April is the 10th Fiscal Month of FY13.
- There were 79 payments made to vendors, travelers, and other State Agencies.
- The benchmark for April is 83.33%. The Commission's revenues are at 71.86% and expenses are at 82%.

- The following is a summary of each department expenditure benchmarks:

General Fund: Total expenditures are at 83%.

Earmark Fund:

Commissioners –

- Total expenditures are at 67% of budget.

Administration –

- Overall the expenditures are 95% of budget.

Claims –

- Expenditures are at 81% of budget.

Insurance & Medical –

- Total expenditures are at 86% of budget

Judicial –

- Total expenditures are at 74% of budget.

Activity Report from the Procurement Office:

	MTD	YTD
SCEIS Shopping Carts	0	6
Vendors Contacted for Price Quotes	18	186
Visa Procurement Card Orders Placed	11	69
SC Dept of Corrections Orders Placed	0	7
Staples Orders Placed	3	52
State Leased Vehicles taken for Service	2	23
State Reports filed by Procurement Officer	5	18

Mail Room Activity:

	MTD	YTD
Files Copied for Outside Parties	245	2,234
Pages Copied	8,582	89,988

South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures
2012 - 2013 Budget
April 30, 2013

STATE APPROPRIATIONS	Budget	FY To Date	Benchmark	83.33%
General Appropriation	<u>\$ 1,841,795</u>	<u>\$ 1,534,829.17</u>		83.33%

<u>Account Description</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Balance</u>	<u>% Expended</u>
Personal Services	\$ 1,378,405	\$ 1,177,923	\$ 200,482	85.5%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	463,390	343,562	119,828	74.1%
Total	<u>\$ 1,841,795</u>	<u>\$ 1,521,485</u>	<u>\$ 320,310</u>	<u>82.6%</u>

OTHER APPROPRIATIONS

EARMARKED

	<u>Budgeted</u> <u>Revenues</u>	<u>Received</u> <u>thru 4/30/13</u>	<u>% Received</u>
Training Conference Registration Fee	\$ 1,000	\$ 7,775	777.50%
Sale of Publication and Brochures	8,000	3,760	47.00%
Workers' Comp Award Review Fee	75,000	53,720	71.63%
Sale of Photocopies	95,000	73,155	77.01%
Workers' Compensation Filing Violation Fee	1,891,000	1,336,630	70.68%
Sale of Listings and Labels	30,000	21,631	72.10%
Workers' Comp Hearing Fee	600,000	439,965	73.33%
Insurance Reserve Refund (Prepaid Legal)	-	3,493	-
Earmarked Funds - Original Authorization	\$ 2,700,000	\$ 1,940,130	71.86%
Increase Authorization	535,066	-	-
Increase Authorization - BD100	-	-	-
Total Earmarked Revenues + Fund Balance	<u>\$ 3,235,066</u>	<u>\$ 1,940,130</u>	<u>59.97%</u>

<u>Account Description</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Balance</u>	<u>% Expended</u>
Personal Services	\$ 1,464,017	\$ 1,226,087	\$ 237,930	83.7%
Taxable Subsistence	80,000	42,960	37,040	53.7%
Other Operating Expenses	1,242,865	923,298	319,567	74.3%
Employer Contribution	448,184	433,491	14,693	96.7%
Total Earmarked	<u>\$ 3,235,066</u>	<u>\$ 2,625,835</u>	<u>\$ 609,231</u>	<u>81.2%</u>

COMPUTER FUNDS CARRIED FORWARD

Computer Services - Carry forward	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.0%</u>
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TOTAL OTHER APPROPRIATIONS	<u>\$ 3,235,066</u>	<u>\$ 2,625,835</u>	<u>\$ 609,231</u>	<u>81.2%</u>
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South Carolina Workers' Compensation Commission

2012 - 2013 Budget

April 30, 2013

Consolidated

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date - 83.33%				
				Expended April	Year to Date	%	Encumb	Balance
Commissioners								
Salaries	\$ 1,150,244	\$ 32,990	\$ 1,183,234	\$ 95,870	\$ 992,060	83%	\$ -	\$ 17,040
Other Operating Expenditures								
Total Contractual Services	219,128	-	219,128	17,140	163,381	75%	-	55,747
Total Supplies & Materials	23,499	-	23,499	1,117	10,879	46%	-	12,620
Total Fixed Charges	158,028	-	158,028	11,694	117,393	74%	-	40,635
Total Travel	90,950	-	90,950	3,549	46,022	51%	-	44,928
Total Other Operating Exp	491,445	-	491,445	23,500	337,675	69%	-	153,990
Total Commissioners	\$ 1,641,649	\$ 32,990	\$ 1,674,639	\$ 129,370	\$ 1,319,743	79%	\$ -	\$ 190,870
Administration								
Salaries	\$ 559,791	\$ 4,168	\$ 563,959	\$ 40,482	\$ 476,396	84%	\$ -	\$ 87,563
Other Operating Expenditures								
Total Contractual Services	105,502	-	105,502	6,553	116,139	110%	-	(10,637)
Total Supplies & Materials	23,053	-	23,053	1,135	25,157	66%	-	7,896
Total Fixed Charges	132,810	-	132,810	9,210	100,147	75%	-	32,663
Total Travel	14,490	-	14,490	863	8,760	60%	-	5,730
Total Equipment	-	-	-	-	-	0%	-	-
Total Other Operating Exp	275,855	-	275,855	17,762	240,299	87%	-	35,552
Total Administration	\$ 835,646	\$ 4,168	\$ 839,814	\$ 68,244	\$ 716,598	85%	\$ -	\$ 123,215
Claims								
Salaries	\$ 376,757	\$ 10,223	\$ 386,980	\$ 34,811	\$ 339,368	88%	\$ -	\$ 47,692
Other Operating Expenditures								
Total Contractual Services	64,472	-	64,472	7,691	47,801	74%	-	16,671
Total Supplies & Materials	37,871	-	37,871	1,772	15,454	41%	-	22,017
Total Fixed Charges	79,659	-	79,659	5,967	60,009	75%	-	19,650
Total Travel	2,100	-	2,100	111	966	46%	-	1,134
Total Other Operating Exp	183,702	-	183,702	15,540	124,231	68%	-	59,471
Total Claims	\$ 560,459	\$ 10,223	\$ 570,682	\$ 49,971	\$ 483,819	81%	\$ -	\$ 107,063
Insurance and Medical Services								
Salaries	\$ 422,768	\$ 760	\$ 423,528	\$ 35,876	\$ 368,811	84%	\$ -	\$ 59,617
Other Operating Expenditures								
Total Contractual Services	73,304	200	73,304	7,597	74,656	102%	-	(1,352)
Total Supplies & Materials	22,725	(200)	22,525	880	16,240	72%	-	6,285
Total Fixed Charges	62,194	-	62,194	4,306	42,786	69%	-	19,408
Total Travel	1,350	-	1,350	231	731	17%	-	1,119
Total Other Operating Exp	159,373	-	159,373	13,013	133,913	84%	-	25,460
Total Insurance and Medical Services	\$ 582,141	\$ 760	\$ 582,901	\$ 48,889	\$ 497,824	85%	\$ -	\$ 85,077
Judicial								
Salaries	\$ 363,884	\$ 835	\$ 364,721	\$ 27,345	\$ 285,207	78%	\$ -	\$ 79,514
Other Operating Expenditures								
Total Contractual Services	33,370	200	33,770	3,974	24,490	73%	-	9,280
Total Supplies & Materials	22,770	(200)	22,570	934	8,661	38%	-	13,909
Total Fixed Charges	70,545	-	70,545	5,359	52,153	74%	-	18,392
Total Travel	5,445	-	5,445	64	1,973	36%	-	3,472
Total Other Operating Exp	132,330	-	132,330	10,133	87,276	66%	-	45,054
Total Judicial	\$ 496,216	\$ 835	\$ 497,051	\$ 37,476	\$ 372,483	75%	\$ -	\$ 124,568
Totals By Departments								
Department Totals								
Commissioners	\$ 1,641,649	\$ 32,990	\$ 1,674,639	\$ 129,370	\$ 1,319,743	79%	\$ -	\$ 190,870
Administration	835,646	4,168	839,814	68,244	716,598	85%	-	123,215
Claims	560,459	10,223	570,682	49,971	483,819	81%	-	107,063
Insurance & Medical	582,141	760	582,901	48,889	497,824	85%	-	85,077
Judicial	496,216	835	497,051	37,476	372,483	75%	-	124,568
Total Departmental Expend	\$ 4,116,311	\$ 48,974	\$ 4,165,287	\$ 337,951	\$ 3,970,268	81%	\$ -	\$ 630,894
Employer Contributions	282,374	29,200	311,574	75,507	777,053	86%	-	134,521
Total General & Enmarked Funds	\$ 4,398,685	\$ 78,174	\$ 4,476,861	\$ 409,458	\$ 4,147,320	82%	\$ -	\$ 765,415

South Carolina Workers' Compensation Commission
2012 - 2013 Budget
 April 30, 2013

General Appropriation

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 83.33%				
				Expended April	Year to Date to Date	%	Encumb	Balance
Commissioners								
Salaries								
Chairman	\$ 115,567	\$ 3,323	\$ 118,890	\$ 9,508	\$ 95,075	80%	\$ -	\$ 23,815
Commissioner	664,602	191	664,793	57,445	574,450	86%	-	90,343
Terminat leave	-	19,747	19,747	-	19,747	100%	-	(19)
Classified Employees	290,075	9,729	299,804	24,984	249,836	83%	-	49,968
Total Commissioners	1,070,244	32,990	1,103,234	91,936	939,108	85%	-	-
Administration								
Salaries								
Director	\$ 94,152	\$ 2,824	\$ 96,976	\$ 8,081	\$ 80,813	83%	\$ -	\$ 16,163
Classified Positions	44,825	1,344	46,169	3,847	46,199	100%	-	(30)
Total Administration	138,977	4,168	143,145	11,929	127,012	89%	-	16,133
Claims								
Salaries								
Classified Positions	\$ 67,000	\$ 10,223	\$ 77,223	\$ 6,613	\$ 66,134	86%	\$ -	\$ 11,089
Total Claims	67,000	10,223	77,223	6,613	66,134	86%	-	11,089
Insurance and Medical Services								
Salaries								
Classified Positions	\$ 25,350	\$ 760	\$ 26,110	\$ 2,176	\$ 21,758	83%	\$ -	\$ 4,352
Total Ins and Medical Svcs	25,350	760	26,110	2,176	21,758	83%	-	4,352
Judicial								
Salaries								
Classified Positions	\$ 27,858	\$ 835	\$ 28,693	\$ 2,391	\$ 23,911	83%	\$ -	\$ 4,782
Total Judicial	27,858	835	28,693	2,391	23,911	83%	-	4,782
General Funds								
Department Totals								
Commissioners	\$ 1,070,244	\$ 32,990	\$ 1,103,234	\$ 91,936	\$ 939,108	85%	\$ -	\$ 164,126
Administration	138,977	4,168	143,145	11,929	127,012	89%	-	16,133
Claims	67,000	10,223	77,223	6,613	66,134	86%	-	11,089
Insurance & Medical	25,350	760	26,110	2,176	21,758	83%	-	4,352
Judicial	27,858	835	28,693	2,391	23,911	83%	-	4,782
Total Departmental Expend	\$ 1,329,429	\$ 48,976	\$ 1,378,405	\$ 115,045	\$ 1,177,923	85%	\$ -	\$ 200,482
Employer Contributions	434,390	29,200	463,590	34,246	343,562	74%	-	119,828
Total General Fund Appropriations	\$ 1,763,819	\$ 78,176	\$ 1,841,995	\$ 149,291	\$ 1,521,485	83%	\$ -	\$ 320,310

South Carolina Workers' Compensation Commission

2012 - 2013 Budget

April 30, 2013

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 83.33%				
				Expended April	Year to Date	%	Encumb	Balance
Commissioners								
Salaries								
Taxable Subsistence	\$ 80,000	\$ -	\$ 80,000	\$ 3,934	\$ 42,960	54%	\$ -	\$ 37,040
Total Salaries	80,000	-	80,000	3,934	42,960	54%	-	37,040
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	1,700	-	1,700	-	-	0%	-	1,700
Copying Equipment Service	1,700	-	1,700	-	1,057	62%	-	143
Print/Band/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	4,509	27,868	82%	-	6,132
Freight Express Delivery	1,490	-	1,490	-	73	5%	-	1,417
Telephone	6,100	-	6,100	308	2,784	46%	-	3,316
Cellular Phone Service	9,100	-	9,100	940	8,808	97%	-	292
Legal Services/Attorney Fees	160,000	-	160,000	11,390	122,612	77%	-	37,388
Other Professional Services	3,000	-	3,000	-	180	6%	-	2,820
Total Contractual Services	219,128	-	219,128	17,140	163,381	75%	-	55,747
Supplies & Materials								
Office Supplies	7,500	-	7,500	187	2,493	33%	-	5,007
Copying Equipment	4,200	-	4,200	464	2,180	52%	-	2,020
Printing	1,200	-	1,200	-	1,468	122%	-	(268)
Data Processing Supplies	1,649	-	1,649	-	45	3%	-	1,604
Postage	8,500	-	8,500	441	4,439	52%	-	4,061
Communication Supplies	50	-	50	-	-	0%	-	50
Maint./Janitorial Supplies	200	-	200	25	137	68%	-	63
Motor Vehicle Supp./Gasoline	100	-	100	-	49	49%	-	51
Other Supplies	100	-	100	-	67	67%	-	33
Total Supplies & Materials	23,499	-	23,499	1,117	10,879	46%	-	12,620
Fixed Charges								
Rent-Cont Rent Payment	2,500	-	2,500	-	455	18%	-	1,045
Rent-Non State Owned Property	149,000	-	149,000	11,694	116,938	78%	-	32,062
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
Total Fixed Charges	158,928	-	158,828	11,694	117,393	74%	-	40,635
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	350	-	350	-	186	53%	-	164
In State - Auto Mileage	20,000	-	20,000	729	14,050	70%	-	5,950
In State - Subsistence Allowance	30,000	-	30,000	-	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	2,820	26,534	69%	-	13,966
Total Travel	90,950	-	90,950	3,549	48,022	53%	-	44,928
Total Other Operating Expenditures	491,605	-	491,605	33,500	397,675	80%	-	253,910
Total Commissioners	\$ 571,605	\$ -	\$ 571,605	\$ 37,434	\$ 388,635	67%	\$ -	\$ 190,970

South Carolina Workers' Compensation Commission

2012 - 2013 Budget

April 30, 2013

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 83.33%				
				Expended April	Year to Date	%	Encumb	Balance
Administration								
Salaries								
Classified Positions	\$ 408,567	\$ -	\$ 408,567	\$ 38,553	\$ 340,633	83%	\$ -	\$ 67,934
Temporary Employees	11,247	-	11,247	-	8,751	78%	-	2,496
Terminal Leave	1,000	-	1,000	-	-	0%	-	1,000
Total Salaries	420,814	-	420,814	38,553	349,384	83%	-	71,430
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	5,800	-	5,800	-	5,174	89%	-	626
Copying Equipment Service	950	-	950	-	245	26%	-	305
Print/Broch/Advertisement	500	-	500	-	-	0%	-	500
Print - Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	62,000	-	62,000	5,121	83,310	134%	-	(21,310)
Freight Express Delivery	800	-	800	81	576	72%	-	224
Telephone	4,600	-	4,600	343	3,447	75%	-	1,153
Cellular Phone Service	3,000	-	3,000	195	1,927	64%	-	1,073
Education & Training Services	1,000	-	2,000	-	-	0%	-	1,000
Attorney Fees	25,000	-	25,000	814	20,330	81%	-	4,662
General Repair	230	-	230	-	407	177%	-	(177)
Audit-Acct Finance	100	-	100	-	104	104%	-	(4)
Catered Meals	300	-	300	-	-	0%	-	300
Other Professional Services	100	-	100	-	166	166%	-	(66)
Other Contractual Services	1,500	-	1,500	-	445	30%	-	1,055
Total Contractual Services	105,582	-	105,582	4,553	116,189	110%	-	(10,637)
Supplies & Materials								
Office Supplies	5,000	-	5,000	131	5,963	119%	-	(963)
Subscriptions	175	-	175	-	-	0%	-	175
Copying Equipment Supplies	3,434	-	3,434	367	1,764	51%	-	1,670
Printing	1,964	-	1,964	-	1,509	77%	-	455
Data Processing Supplies	500	-	500	95	1,127	225%	-	(627)
Postage	10,000	-	10,000	523	4,636	46%	-	5,364
Maint./Janitorial Supplies	200	-	200	20	108	54%	-	92
Fees & Fines	280	-	280	-	50	18%	-	230
Gasoline/ Motor Vehicle Supply	100	-	100	-	-	0%	-	100
Employee Recognition Award	1,000	-	1,000	-	-	0%	-	1,000
Other Supplies	400	-	400	-	-	0%	-	400
Total Supplies & Materials	23,853	-	23,853	1,135	15,157	64%	-	7,898
Fixed Charges								
Rental-Cont Rent Payment	6,000	-	6,000	592	5,459	91%	-	541
Rent Non State Owned Property	95,000	-	95,000	7,567	75,644	80%	-	19,334
Rent Other	11,000	-	11,000	580	9,151	83%	-	1,849
Insurance-State	7,490	-	7,490	-	-	0%	-	7,490
Insurance-Non State	134	-	134	-	705	526%	-	(571)
Dues and Memberships	5,000	-	5,000	-	4,685	94%	-	315
Sales Tax Paid	8,186	-	8,186	472	4,421	55%	-	3,705
Total Fixed Charges	132,810	-	132,810	9,210	100,147	75%	-	32,663
Travel (includes leased car)								
In State - Meals Non-Reportable	100	-	100	-	7	7%	-	93
Reportable Meals	100	-	100	-	-	0%	-	100
Out of State - Meals	90	-	90	-	-	0%	-	90
In State - Registration Fees	200	-	200	-	337	169%	-	(137)
Leased Car	14,000	-	14,000	863	8,416	60%	-	5,584
Total Travel	14,490	-	14,490	863	8,760	60%	-	5,730
Equipment								
Equipment Data Processing PC's	-	-	-	-	-	0%	-	-
Total Equipment	-	-	-	-	-	0%	-	-
Total Other Operating Expenditures	275,855	-	275,855	17,762	240,203	87%	-	35,652
Total Administration	\$ 696,669	\$ -	\$ 696,669	\$ 56,315	\$ 589,587	85%	\$ -	\$ 107,082

South Carolina Workers' Compensation Commission

2012 - 2013 Budget

April 30, 2013

Earmarked Funds

Year-To-Date : 83.33%

	Original Budget	Budget Amendments	Amended Budget	Expended April	Year To-Date	%	Encumb	Balance
Claims								
Salaries								
Classified Positions	\$ 294,757	\$ -	\$ 294,757	\$ 27,818	\$ 266,984	91%	\$ -	\$ 27,773
Temporary Positions	14,000	-	14,000	-	6,270	45%	-	7,730
Terminal Leave	1,000	-	1,000	-	-	0%	-	1,000
Total Salaries	309,757	-	309,757	27,818	273,254	88%	-	36,503
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	200	-	200	-	-	0%	-	200
Copying Equipment Services	400	-	400	-	732	183%	-	(332)
Print / Bind / Adv	750	-	750	-	-	0%	-	750
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	30,000	-	30,000	4,260	24,384	81%	-	5,616
Freight Express Delivery	500	-	500	-	21	4%	-	479
Telephone	4,000	-	4,000	262	2,998	75%	-	1,002
Cellular Phone Service	2,500	-	2,500	159	625	25%	-	1,875
Temporary Services	26,000	-	26,000	3,011	19,040	73%	-	6,960
Other Professional Services	100	-	100	-	-	0%	-	100
Total Contractual Services	64,472	-	64,472	7,691	47,803	74%	-	16,671
Supplies & Materials								
Office Supplies	8,271	-	8,271	20	1,577	19%	-	6,694
Copying Equipment	3,000	-	3,000	367	1,726	58%	-	1,274
Printing	900	-	900	351	1,423	158%	-	(523)
Data Processing Supplies	3,000	-	3,000	-	36	1%	-	2,964
Postage	22,000	-	22,000	1,013	10,470	48%	-	11,530
Maint/Janitorial Supplies	200	-	200	20	222	111%	-	(22)
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	37,471	-	37,471	2,772	15,454	41%	-	22,017
Fixed Charges								
Rental-Cont Rent Payment	2,500	-	2,500	120	1,540	62%	-	960
Rent- Non State Owned Property	73,000	-	73,000	5,847	58,469	80%	-	14,531
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
Total Fixed Charges	79,659	-	79,659	5,967	60,009	75%	-	18,650
Travel (Includes Leased Car)								
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	111	699	175%	-	(299)
Total Travel	2,100	-	2,100	111	966	46%	-	1,134
Total Other Operating Expenditures	183,702	-	183,702	11,540	124,281	68%	-	59,421
Total Claims	\$ 493,459	\$ -	\$ 493,459	\$ 43,358	\$ 397,485	81%	\$ -	\$ 95,974

South Carolina Workers' Compensation Commission
2012 - 2013 Budget
 April 30, 2013

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 83.33%				
				Expended April	Year To Date	%	Encumb	Balance
Insurance and Medical Services								
Salaries								
Classified Positions	378,434	-	378,434	32,412	325,752	86%	-	52,682
Temporary Employees	15,469	-	15,469	1,289	12,886	83%	-	2,583
Terminal Leave	3,515	-	3,515	0	3,515	100%	-	-
Total Salaries	397,418	-	397,418	33,701	342,153	86%	-	55,265
Other Operating Expenditures								
Contractual Services								
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	5,804	42,190	90%	-	4,810
Freight Express Delivery	-	200	200	-	21	11%	-	179
Telephone	2,626	-	2,626	704	1,886	71%	-	740
Cell Phone	3,000	-	3,000	52	532	18%	-	2,468
Catered Meals	2,000	-	2,000	-	1,661	83%	-	339
Other Professional Services	10,000	-	10,000	1,537	27,952	280%	-	(17,952)
Other Contractual Services	7,454	-	7,454	-	413	6%	-	7,041
Total Contractual Services	73,104	200	73,304	7,597	74,656	102%	-	(1,352)
Supplies & Materials								
Office Supplies	5,000	-	5,000	46	4,120	162%	-	(3,120)
Copying Equipment	3,500	-	3,500	406	1,907	54%	-	1,593
Printing	1,500	-	1,500	-	2,085	139%	-	(585)
Data Processing Supplies	500	-	500	-	40	8%	-	460
Postage	11,000	(200)	10,800	407	3,968	37%	-	6,832
Maintenance/Janitorial Supplies	75	-	75	22	120	160%	-	(45)
Building Materials	3,000	-	3,000	-	-	0%	-	3,000
Fees & Fines	50	-	50	-	-	0%	-	50
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	22,725	(200)	22,525	880	16,290	72%	-	6,235
Fixed Charges								
Rental-Cont Rent Payment	2,104	-	2,104	137	1,277	61%	-	827
Rent Non State Owned Property	52,000	-	52,000	4,127	41,272	79%	-	10,728
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	237	8%	-	2,763
Total Fixed Charges	62,194	-	62,194	4,306	42,786	69%	-	19,408
Travel (Includes Leased Car)								
In-State - Meals (Non Reportable)	400	-	400	26	26	7%	-	374
In-State Registration	100	-	100	-	-	0%	-	100
Reportable Meals	150	-	150	-	-	0%	-	150
In State - Lodging	700	-	700	205	205	29%	-	495
Total Travel	1,350	-	1,350	231	231	17%	-	1,119
Total Other Operating Expenditures	159,373	-	159,373	11,013	133,919	84%	-	25,460
Total Insurance and Medical Services	\$ 556,791	\$ -	\$ 556,791	\$ 46,714	\$ 476,066	86%	\$ -	\$ 80,725

South Carolina Workers' Compensation Commission
2012 - 2013 Budget
 April 30, 2013

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 63.33%				
				Expended April	Year To Date	%	Encumbr	Balance
Judicial								
Salaries								
Classified Positions	\$ 333,028	\$ -	\$ 333,028	\$ 24,954	\$ 260,734	78%	\$ -	\$ 22,294
Temporary Employees	3000	0	3000	0	563	19%	-	2,438
Total Salaries	336,028	-	336,028	24,954	261,296	78%	-	74,732
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	80	-	80	-	-	0%	-	80
Copy Equipment Services	850	-	850	-	-	0%	-	850
Print/Bind/Advertisement	800	-	800	-	-	0%	-	800
Print/Pub Annual Reports	20	-	20	-	-	0%	-	20
Freight Express Delivery	-	200	200	-	21	11%	-	179
Data Processing Services	28,000	-	28,000	3,615	21,793	78%	-	6,207
Telephone	2,500	-	2,500	185	1,757	70%	-	743
Cellular Phone Service	1,120	-	1,120	174	919	82%	-	201
Other Professional Services	200	-	200	-	-	0%	-	200
Total Contractual Services	33,578	200	33,778	3,874	24,498	73%	-	9,280
Supplies & Materials								
Office Supplies	5,500	-	5,500	48	1,547	28%	-	3,953
Copying Equipment Supplies	2,500	-	2,500	329	1,544	62%	-	956
Printing	2,000	-	2,000	-	960	48%	-	1,040
Data Processing Supplies	2,500	-	2,500	-	367	15%	-	2,133
Postage	10,000	(200)	9,800	540	4,145	42%	-	5,655
Maintenance/Janitorial Supplies	150	-	150	17	97	65%	-	53
Promotional Supplies	20	-	20	-	-	0%	-	20
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	22,770	(200)	22,570	934	8,661	38%	-	13,909
Fixed Charges								
Rental-Cont Rent Payment	3,000	-	3,000	-	562	19%	-	2,438
Rent-Non State Owned Property	65,300	-	65,300	5,159	51,590	79%	-	13,710
Rent-Other	125	-	125	-	-	0%	-	125
Insurance-State	2,000	-	2,000	-	-	0%	-	2,000
Insurance-Non State	120	-	120	-	-	0%	-	120
Total Fixed Charges	70,545	-	70,545	5,159	52,152	74%	-	18,392
Travel (Includes Leased Car)								
In State - Meals / Non-Reportable	450	-	450	-	212	47%	-	238
Reportable Meals	770	-	770	46	262	34%	-	508
In State - Lodging	2,200	-	2,200	-	1,045	47%	-	1,155
In State - Auto Mileage	1,800	-	1,800	18	434	25%	-	1,346
In State - Misc Travel Expense	25	-	25	-	-	0%	-	25
In-State Registration	100	-	100	-	-	0%	-	100
Out State - Auto Mileage	100	-	100	-	-	0%	-	100
Total Travel	5,445	-	5,445	64	1,978	36%	-	3,472
Total Other Operating Expenditures	132,330	-	132,330	10,131	87,176	66%	-	45,054
Total Judicial	\$ 468,358	\$ -	\$ 468,358	\$ 35,085	\$ 348,472	74%	\$ -	\$ 119,786
Earmarked Funds								
Department Totals								
Commissioners	\$ 571,605	\$ -	\$ 571,605	\$ 37,434	\$ 340,635	67%	\$ -	\$ 190,970
Administration	696,669	-	696,669	56,315	589,587	85%	-	107,082
Claims	493,459	-	493,459	43,358	397,485	81%	-	95,974
Insurance & Medical	556,791	-	556,791	46,714	476,066	86%	-	80,725
Judicial	468,358	-	468,358	35,085	348,572	74%	-	119,786
Total Departmental Expend	\$ 2,786,882	\$ -	\$ 2,786,882	\$ 218,906	\$ 2,182,344	79%	\$ -	\$ 594,538
Employer Contributions	448,184	-	448,184	41,263	433,493	97%	-	14,693
Total Earmarked Funds	\$ 3,235,066	\$ -	\$ 3,235,066	\$ 260,167	\$ 2,625,835	81%	\$ -	\$ 609,231
Capital / Computer Project Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -

MEMORANDUM

Date: May 15, 2013

TO: Mr. Gary Cannon
Executive Director

FROM: Cathy Floyd
Human Resources

SUBJECT: Human Resources Report Period of April 10 – May 14, 2013

Below is a summary of the Human Resources activity for the period of April 10 – May 14, 2013.

Recruitment and Selection

- Processed a transfer of personnel from the Coverage and Compliance Division to the Claims Department
- Processed a temporary appoint separation
- A summer intern, Libby Crawford, began her 8-week internship on May 13, 2013
- Hired Dionne Witherspoon as a temporary employee in the Records Center Division to be effective May 20, 2013

Employee Relations (ER)

- One ER issue was addressed during the activity period
- Continuing to work on a combined position description/EPMS form
- Held an employee Hot Dog/Hamburger lunch on May 2, 2013
- The Employee Appreciation Luncheon will be held on May 20, 2013

Benefits

- Assisted two employees with benefit related matters
- Completed one inquiry with the Retirement Systems
- Assisted an employee with a retirement inquiry
- Issued one COBRA letter

SC Enterprise Information System (SCEIS)

- Processed five employment verifications
- Assisted one employee with payroll related issues
- Continue to assist employees with leave and time issues caused by SCEIS
- Twenty-two transactions were keyed into the system

State Human Resources Department (HRD)

- Coordinated with HRD regarding the closing of TempO and the impact on our agency

Training

- Attended a SHRM webinar – Effective and Flexible Workplaces on April 16, 2013
- Attended the SHRM Legal Update Workshop on April 18, 2013
- Attended the SC IPMA-HR Leadership Workshop on April 25, 2013
- Attended the State Accident Fund Annual Update on May 14, 2013

Finance Related

- Assisted with the daily deposit
- Approved seventy-five SCEIS financial transactions

State of South Carolina

1333 Main St, Suite 100
P.O. Box 1715
Columbia, S.C. 29202-1715



Tel. (803) 737-5700
Fax (803) 737-1258
www.wcc.sc.gov

Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director

From: Betsy Hartman
IT Director

Date: May 20, 2013

Subject: IT Department
May 2013 Full Commission Report

Summary of IT Department Activities

12 M automation completed. Second round of fines electronically generated and mailed to carriers.

KeyMark offered WCC to participate in a focus group for a new product, 'Forms in Motion' that is the anticipated solution for eForms. License fees and maintenance costs are free during the focus group time period of three to four months. No charge for assistance in setup and process design.

Running demo of audit software as an alternate approach to determine vulnerabilities in the WCC infrastructure and web applications on a repeatable basis.

Sent request to The Budget and Control Board to have Deloitte contact us to discuss potential contract for penetration testing of the WCC environment at DSIT for a benchmark of vulnerabilities.

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 – secure email for APA documents

EDI Release 3

- USIS Claim Administrator implemented in April
- Vendors Health Tech and Ebix, Inc. approved and scheduled for implementation June 17, 2013 and July 1, 2013 respectively.
- 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%
April	37	30%	87	70%

SCVRD Portal

- SCVRD testing. June 1 implementation for SCVRD Administration. July 1 implementation for statewide counselors.

Mediation

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

Projects – to be started in June 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

eForms/ePayment

- Copy request selected as first ePayment project
- Forms in Motion Focus Group with KeyMark

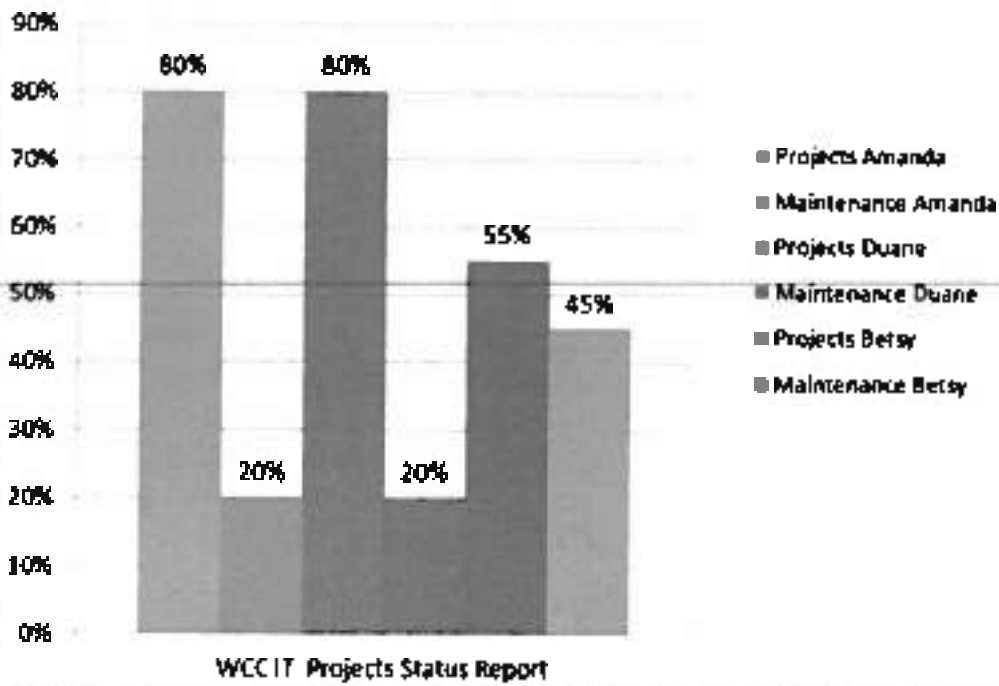
Medical Dispute Portal

- Move to a secure portal similar to eCase
- Need ability to upload HIPPA and PII documents securely – pattern after eCase and APA documents

X-File Process Review

- Have several requests for modifications. A complete review of the process would be beneficial due to change in management over the Compliance area.

IT Projects and Maintenance
April 10, 2013 through May 20, 2013



State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Grant Duffield
IMS Director

Date: 13 - May - 2013

Subj: Insurance and Medical Services Department
April 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">1. GEAR program support and scheduling of GEAR Hearings.2. Training new staff in Division.3. Revising Compliance Agreement documents with K. Roberts. |
| Coverage Division | <ol style="list-style-type: none">1. Coordinating with State Accident Fund to obtain coverage information for SAF members for use in researching coverage.2. EDI R3 implementation. |
| Medical Services | <ol style="list-style-type: none">1. Identifying updates / edits needed within the Medical Services Provider Manual.2. Working through Implementation Issues related to Surgical Implant policy adoption. |
| IMS Administration: | <ol style="list-style-type: none">1. Monthly department-wide meetings.2. Working with team-members to review / Improve team processes and key functions.3. Continued cross-training of staff with other Commission personnel.4. Working with in-house Counsel to Improve RTSC case preparation process.5. Working with Executive Team concerning strategic planning and future needs forecasting. |

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 April 2013 with 379 cases active, compared to an active caseload of 478 at the close of April 2012.

Cases Resolved:

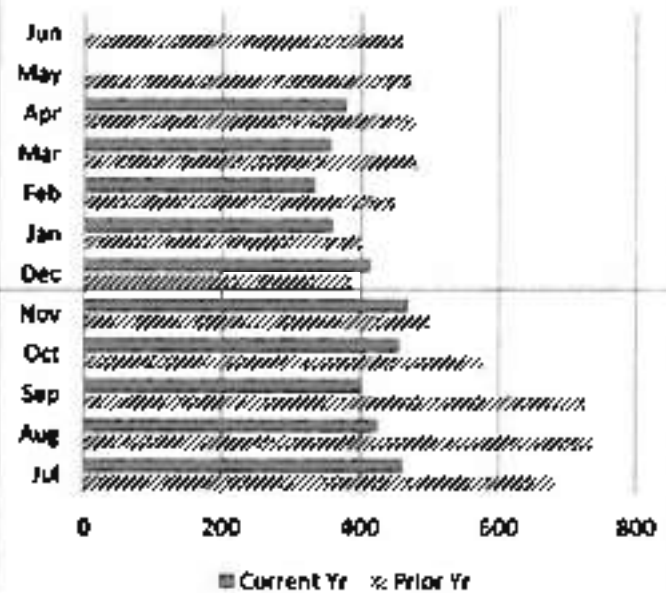
Due to the decrease in carry-over, greater effort is focused on case resolution. For the month of April 2013, Compliance Division staff closed-out 85 cases.

Compliance Fines:

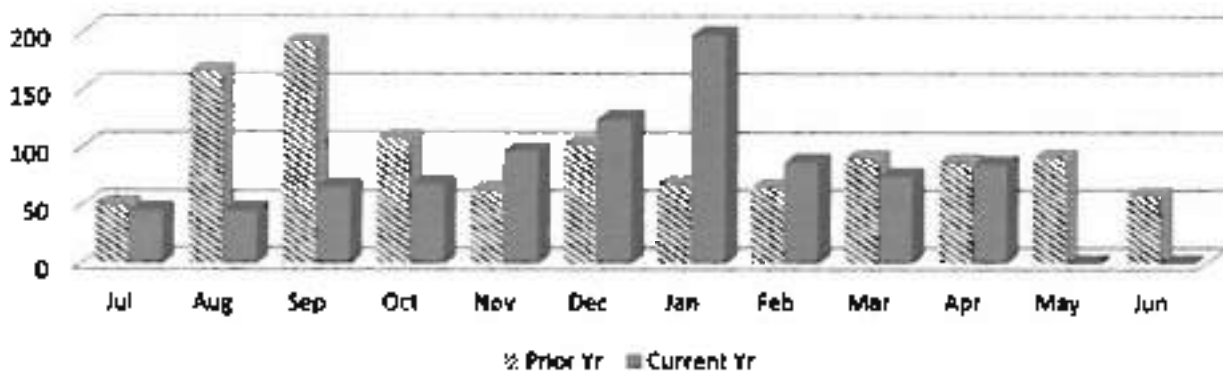
Year to Date, the Compliance Division has collected \$449,745 in fines which represents 126% of prior year's total year-end collection (\$357,214). The Compliance Division Year-to-Date (April 30) revenue trend is 159% of prior year, and month-on-month is at 132% of same month / prior year (April 2012).

Compliance fine revenue represents 19% of the Commission's annual earmarked revenue budget.

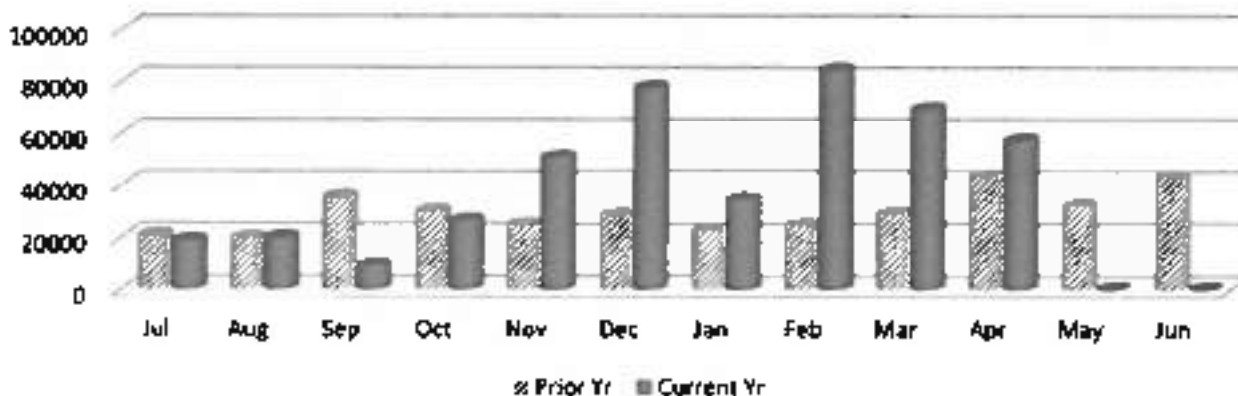
Caseload Pending v. Prior Year



Cases Resolved v. Prior Year



Compliance Fines Collected v. Prior Year



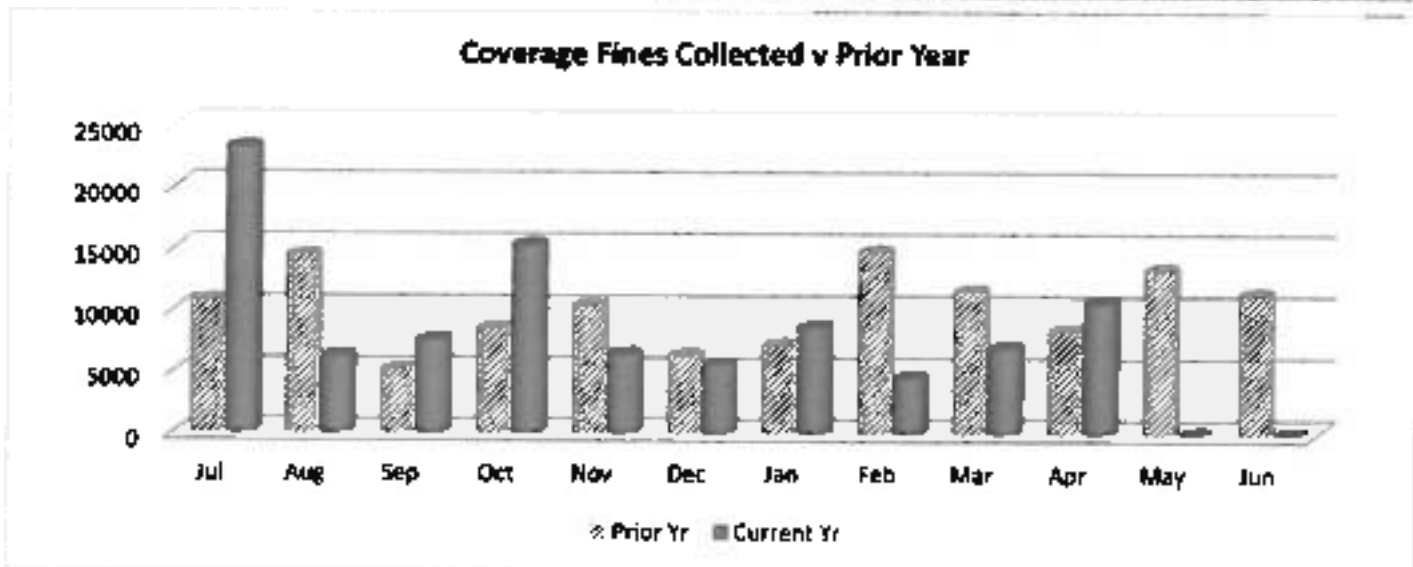
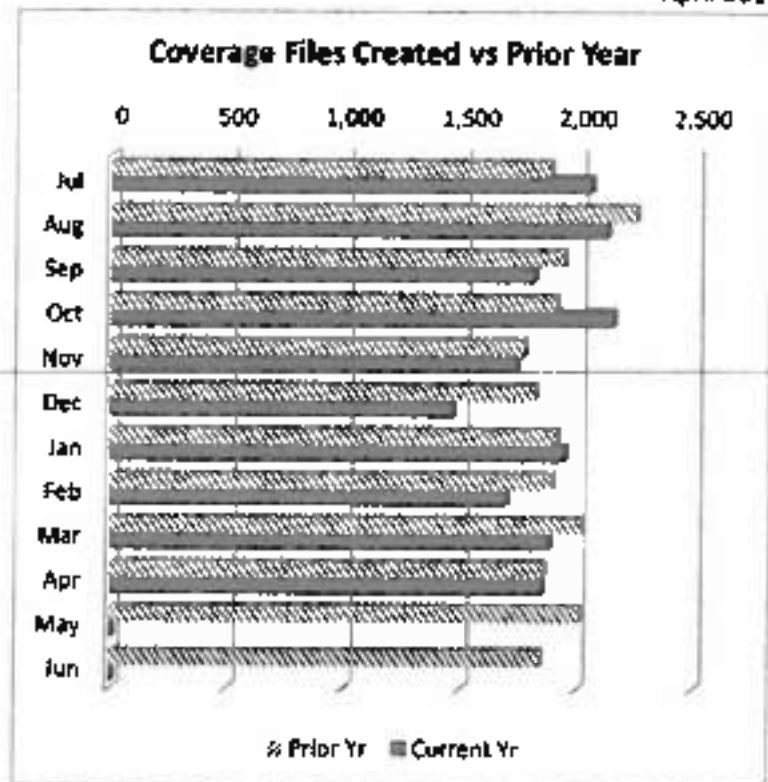
WCC Claim Files:

In April 2013, the Coverage Division created a total of 1,848 WCC Claim files. Of these, 1,503 were created electronically, and 345 were submitted in hard copy format. Year to Date, 18,702 Claim files have been created which is 88% of claim file volume for the same period in prior year (21,258).

Coverage Fines:

The Coverage Division collected \$10,600 in fine revenue in April 2013, as compared to \$7,000 in Coverage fines/penalties accrued during March 2013. Year on Year, Coverage fines are at 97% of collections for the same period.

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



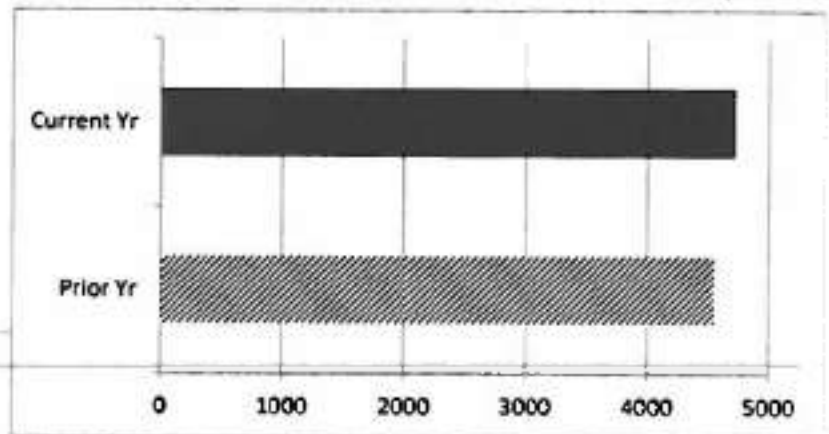
IMS SELF INSURANCE DIVISION

April 2013

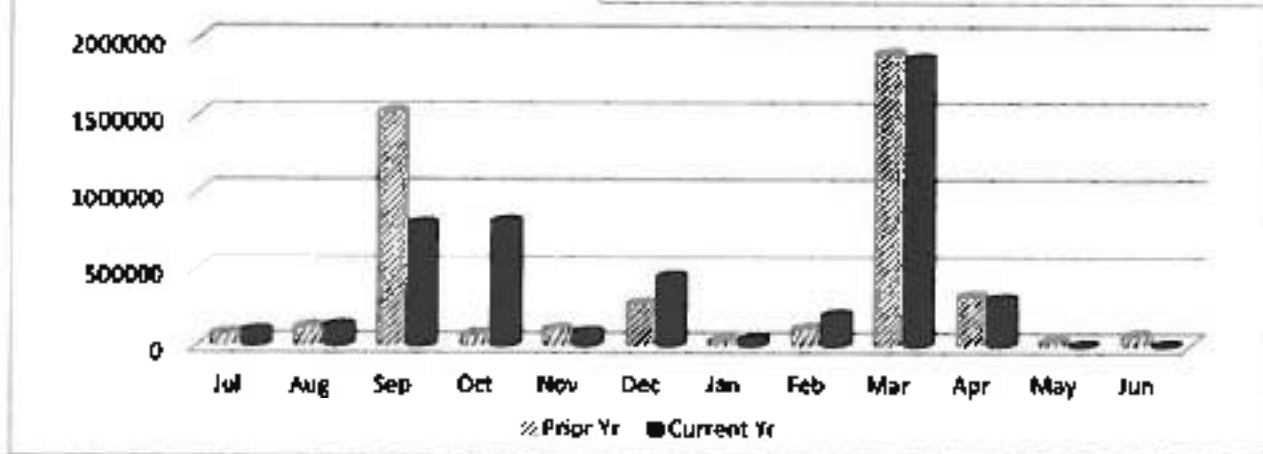
During the month of April 2013, the Self Insurance Division:

- * collected \$296,375 in self-insurance tax.
- * added 29 new self-insurers.
- * conducted 5 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 104% of prior year and 47 Self Insurance audits have been completed.



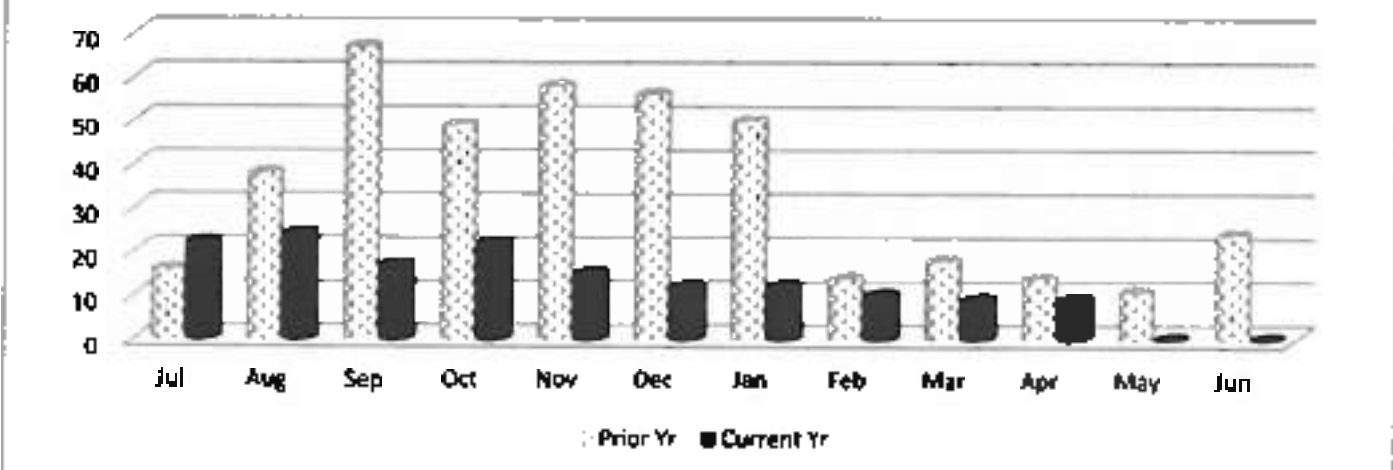
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In April 2013, the Medical Services Division began the month with 9 bills pending review, received an additional 12 bills for review, conducted 12 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: May 6, 2013

Subj: Claims Department
May 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 2,368 individual case files;
2. Collected \$56,650 in Fine revenue;
3. The examiners reviewed 1,051 individual case files;
4. Continued to assist IMS in the processing of Carrier related Order and Rule to Show Cause Hearing matters;
5. Conducted 320 informal conferences in eight (8) locations.

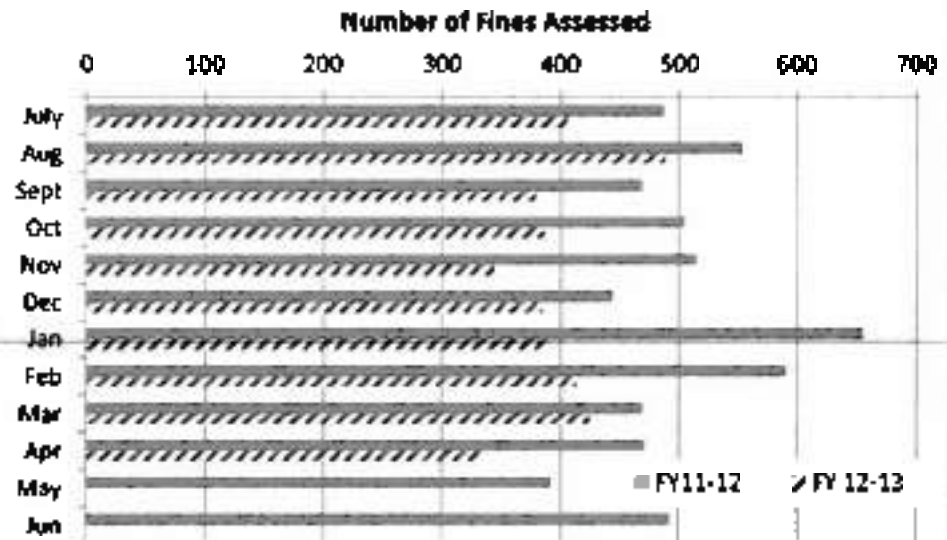
In mid-April, we received two scanners that we take to Informal Conferences. Once the Form 16 is signed, the Jurisdictional Commissioner's signature is stamped on the form. The form is scanned and indexed to the file. The carrier is provided a copy of the stamped form, thereby enabling the carrier to issue a check to the claimant without delay.

This new process reduces the days for the claimant to receive the indemnity payment and the carrier to close the file by 10-14 days.

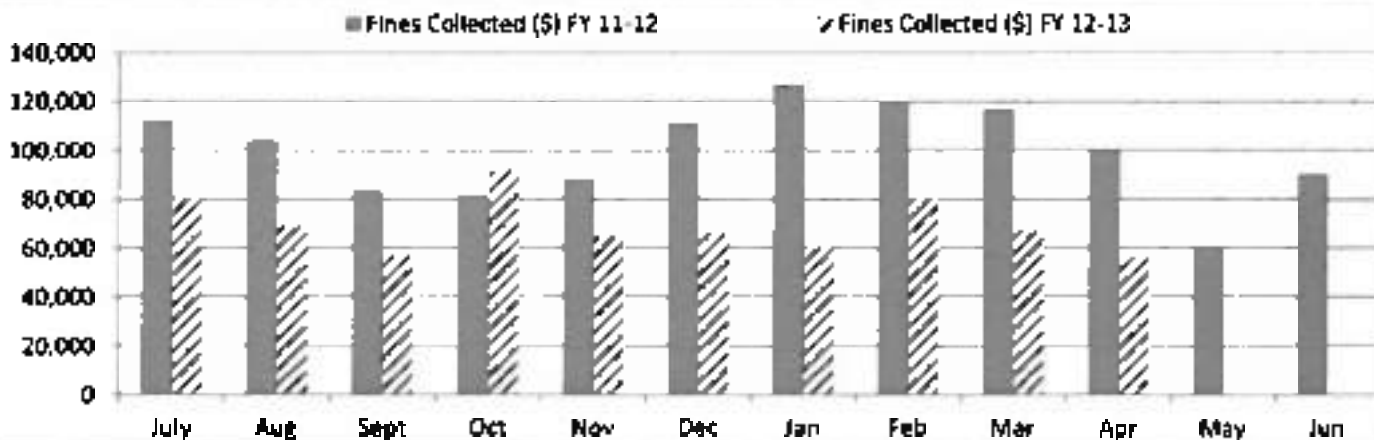
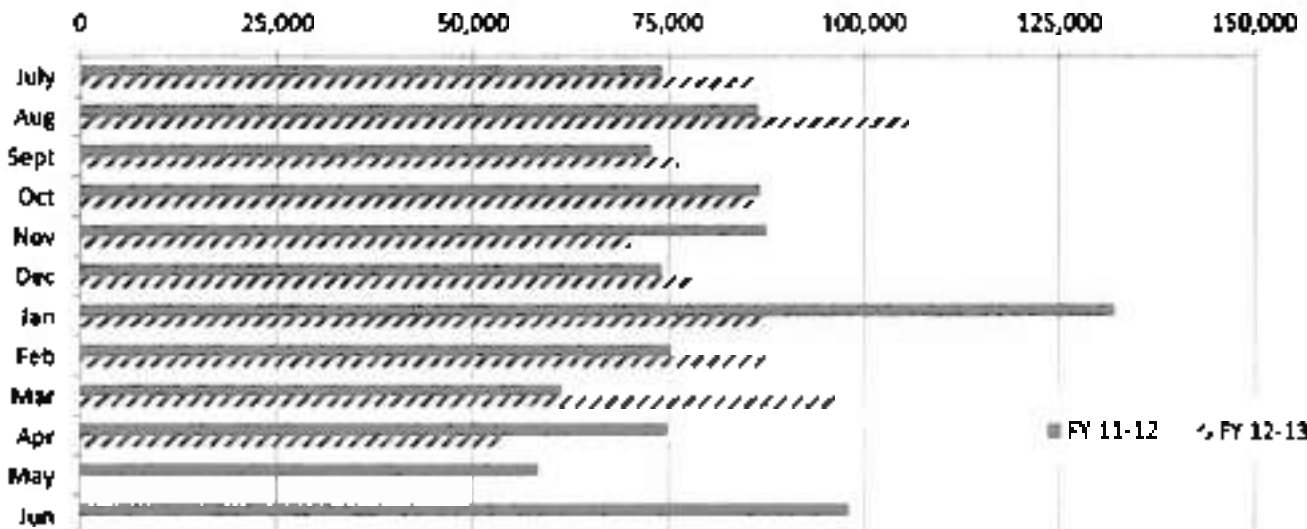
CLAIMS DEPARTMENT - Fine Activity Report April 2013

The number of fines assessed by the Claims Department decreased in number from 425 in March to 333 in April. The number of Claims fines paid in April (307) decreased from prior month (334).

Total fine dollars assessed in April was \$70,750 a decrease over prior month (\$96,650). Fine revenue received in April was \$56,650 a decrease over prior month (\$67,000). Year to Date, Fine revenue received is trending at .51% of prior year collections.



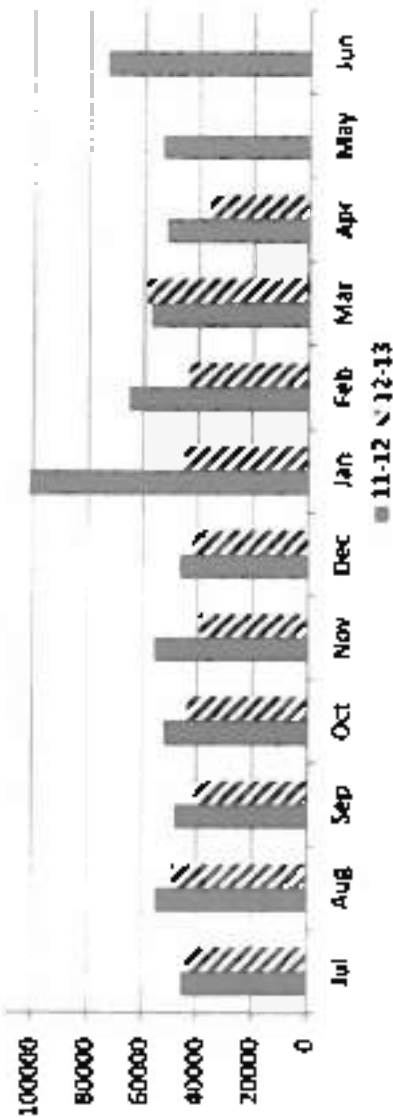
Net Fines Assessed (\$)



FORM 18 FINE ASSESSMENTS

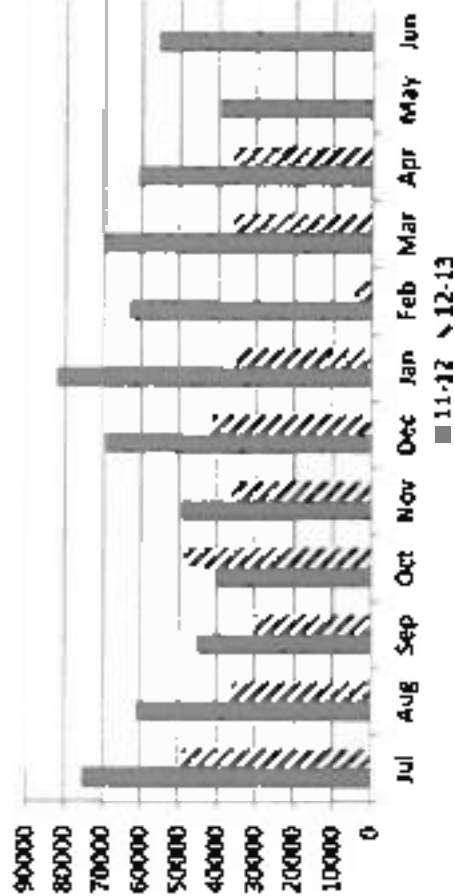
Consistent with overall Commission strategy, the Claims Department works with our Carrier partners to develop approaches that result in increased compliance levels and reduced fine related costs to businesses in South Carolina.

A key "success measure" of this effort is the Form 18 Fine Assessment report. For the month of April 2013, this has resulted in an increase in Form 18 Fine Assessments (In \$) than were issued in April 2012. The actual number of fines assessed decreased from 224 in April 2012 to 202 in April 2013.



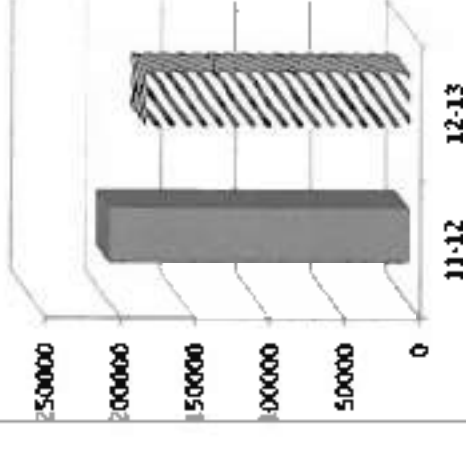
FORM 18 FINE COLLECTION

In April 2013, the Claims Department received payment on 177 outstanding Form 18 Fines resulting in revenue of \$36050. This represents a revenue decrease over prior month, although overall Year to Date Form 18 Fine revenue is lower.



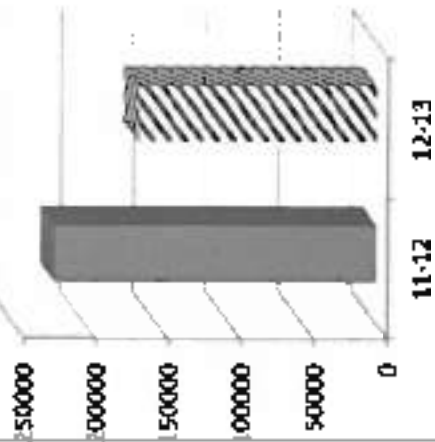
FORM 18 FINE ASSESSMENTS YTD

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	100,383	119,853	100,026	96,565	81,827	54,390	66,200	1,003,600	203,410	159,375	218,150	88,500
2010-2011	147,023	144,823	119,325	120,300	128,000	103,000	104,200	101,700	110,050	118,535	117,873*	124,650**
2011-2012	111,875	103,800	83,300	81,300	85,100	118,700	126,700	120,225	116,915	100,200	61,050	90,450
2012-2013	80,825	69,180	57,075	91,925	64,823	63,950	60,558	79,875	67,000	56,650		

*May collected figures include payments 5/1/2010 through 5/11/2010

**June collected figures include payments 6/1/2010 through 6/30/2010

**CLAIMS DEPARTMENT REPORT
STATISTICS FOR FISCAL YEAR 2012-2013**
Prepared May 7, 2013

I. Claims Services Division

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Forms 15-1	1,307	1,456	1,299	1,453	1,183	1,054	1,325	1,200	1,323	1,240			12,920
Forms 15-1W-Forms 17	867	921	777	805	684	701	812	710	840	769			7,886
Forms 16 for PP/Dial	253	366	228	288	209	294	261	296	227	308			2,770
Forms 18	4,899	5,294	4,565	5,205	4,334	4,548	4,833	4,540	5,446	4,667			48,531
Forms 20	979	1,002	874	1,053	906	667	1,040	899	959	942			9,321
Form 50 Claims Only	293	327	280	296	237	151	279	291	283	260			2,699
Form 61	680	779	629	718	545	689	808	618	730	684			6,980
Letters of Rep	164	181	142	155	129	82	144	140	116	135			1,388
Clinchers	748	826	626	739	613	668	899	649	766	757			7,289
Third Party Settlements	22	27	33	30	16	42	27	23	18	30			268
SSA Requests for Info	141	134	96	88	81	101	93	98	125	133			1,080
Cases Closed	2,117	2,562	1,965	2,504	1,829	1,957	2,527	2,389	2,397	2,368			22,595
Cases Reviewed	943	1,545	991	1,622	682	605	1,756	1,537	1,399	1,051			12,131
Total	13,503	15,420	12,505	14,838	11,448	11,557	14,994	13,470	14,629	13,404			135,868

**CLAIMS DEPARTMENT REPORT
STATISTICS FOR FISCAL YEAR 2012-2013
Prepared May 7, 2013**

II. Fines Assessed by Claims Department

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
# Assessed	408	489	380	387	344	386	391	414	425	333			3,953
# Recinded	92	105	71	80	80	57	85	53	54	68			725
# Reduced	49	22	17	34	13	15	13	18	6	26			213
# Paid	363	314	275	437	295	313	302	373	334	307			3,313
# Outstanding*	823	893	927	797	786	802	806	794	831	789			789
Total Amt. Assessed	\$96,325	\$105,900	\$76,500	\$65,780	\$70,308	\$78,400	\$87,200	\$87,700	\$86,650	\$70,750			\$845,405
Total Amt. Recinded	\$19,000	\$23,100	\$15,700	\$20,900	\$12,750	\$11,450	\$17,600	\$12,100	\$11,650	\$13,900			\$158,150
Total Amt. Reduced	\$4,200	\$2,900	\$2,475	\$4,300	\$700	\$1,500	\$1,300	\$1,675	\$1,250	\$3,200			\$27,500
Total Amt. Paid	\$80,825	\$80,100	\$57,075	\$91,925	\$64,825	\$65,930	\$60,550	\$79,875	\$87,000	\$56,650			\$693,775
Total Outstanding*	\$174,898	\$185,598	\$186,848	\$155,503	\$147,528	\$147,028	\$154,778	\$148,828	\$165,578	\$162,578			\$162,578

State of South Carolina

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



Tel: (803) 737-5700
Fax: (803) 737-5768
www.wcc.sc.gov

Workers' Compensation Commission

MEMORANDUM

May 20, 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. Pursuant to the directive of the Commissioners at Judicial Conference on April 15, on April 24, the Judicial Department began 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.

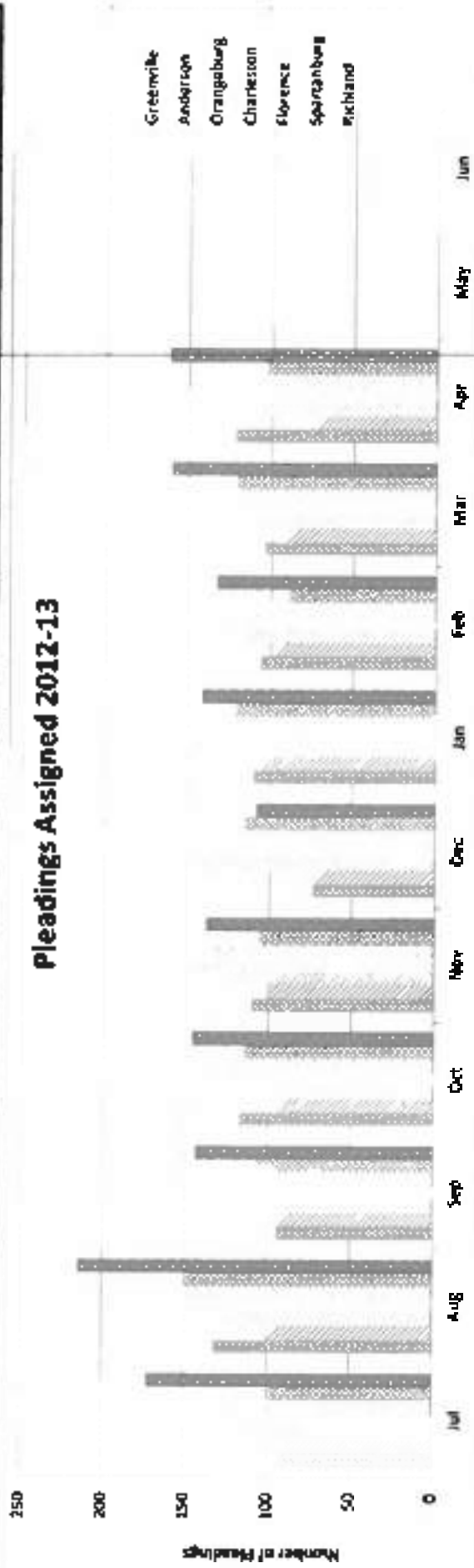
The Commission forms which are pertinent to mediation have been amended to allow the Parties to use these forms to include the mediation option in their pleadings. Those forms will be presented to the Commission for approval next month. The department also participated in the CAME conference and conducted a session on the new procedures regarding mediation. The response from the participants was very supportive. Round twelve of Exide mediations will be held here in Columbia starting tomorrow. This process is working very efficiently and we continue to resolve the vast majority of cases before us in each session. Efforts are made via telephone conference in those few cases which are not resolved during the session and are ultimately settled as well.

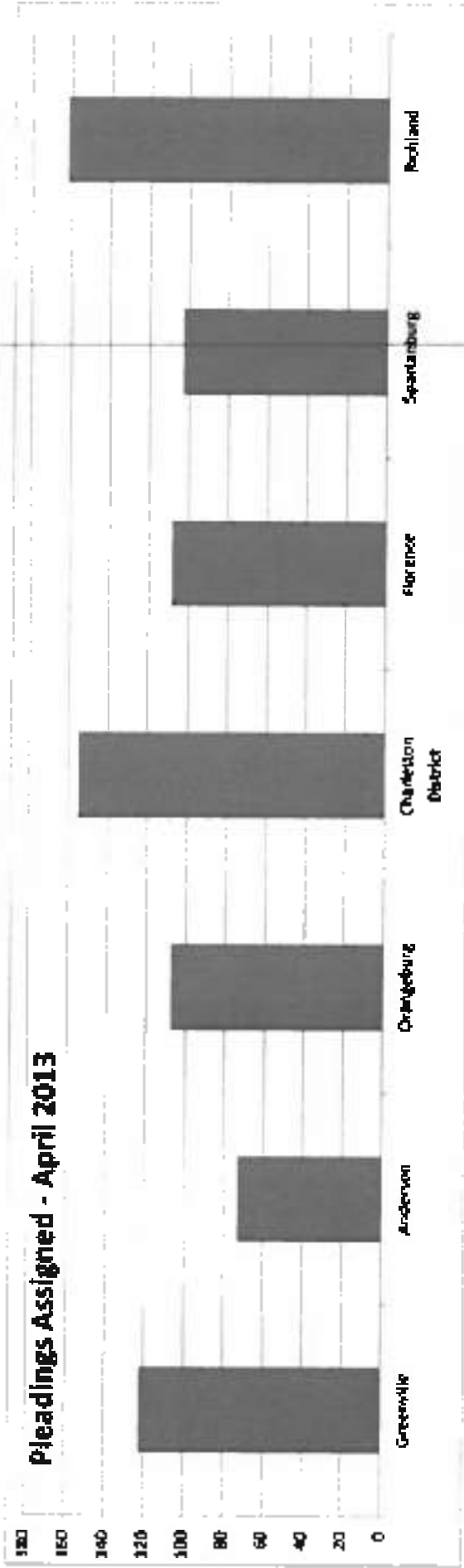
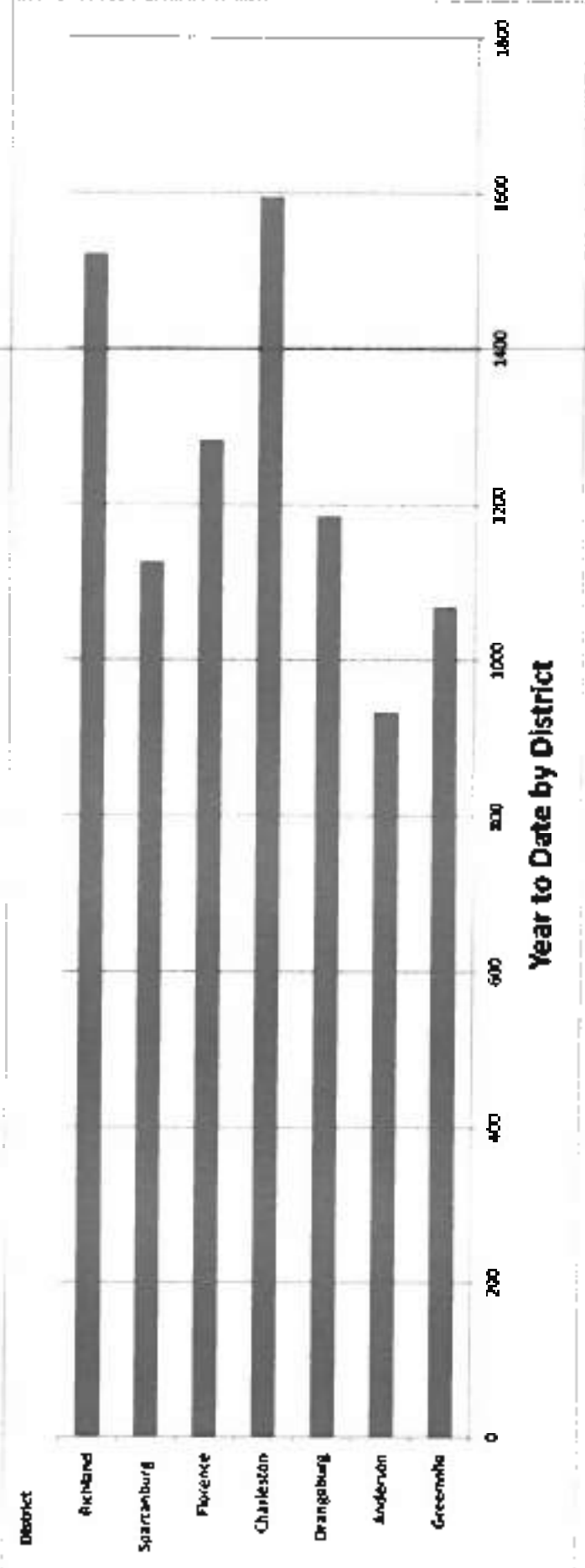
The department is working diligently and with excitement to perfect our new processes regarding the management of our docket with the inclusion of the mediation process.

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	11-13	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	93	89	106	111	124	168	118	160	153	146	99	189	114	173	163	140			
Aug	133	140	121	100	104	106	126	122	113	176	199	193	153	149	184	149	109	132			
Sep	95	121	111	100	95	85	101	128	105	144	143	130	101	152	131	103	148	163			
Oct	118	118	99	97	97	76	120	134	84	188	198	157	138	128	83	146	163				
Nov	111	159	97	99	94	50	125	133	122	153	151	140	139	121	99	100	131	151			
Dec	74	104	85	80	142	81	142	104	111	126	181	131	116	117	88	116	104	188			
Jan	111	112	108	106	90	83	118	122	123	193	180	164	128	118	90	121	101	140			
Feb	106	163	132	98	114	67	115	112	102	166	141	199	114	136	89	89	117	153			
Mar	104	118	105	90	84	100	107	126	109	134	162	160	143	149	140	121	134	160			
Apr	122	121	130	73	89	83	107	101	112	155	126	163	108	143	96	143	106	162			
May		105	92		79	90		131	113		148	160		130	112		109				
Jun		112	95		94	79		139	112		170	138		134	110		143	131			
Totals	1068	1518	1338	932	1188	1031	1185	1435	1324	1594	1952	1844	1282	1625	1340	1126	1546	1520	1836	1692	

Pleadings Assigned 2012-13

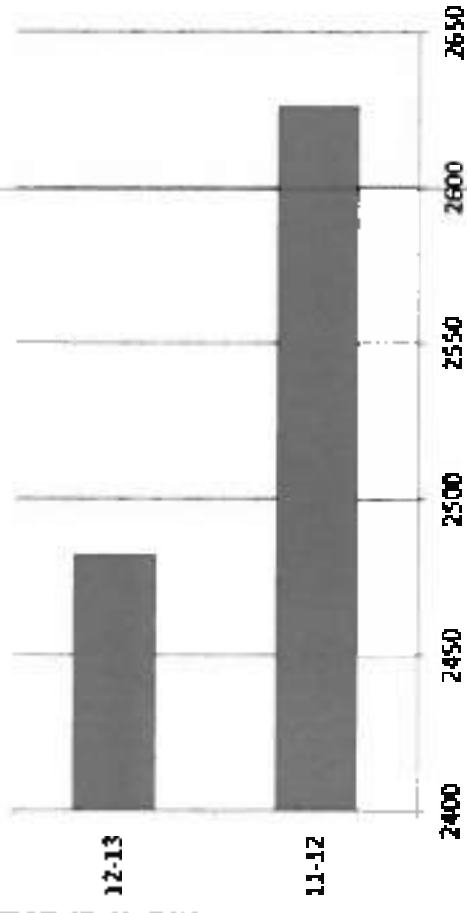




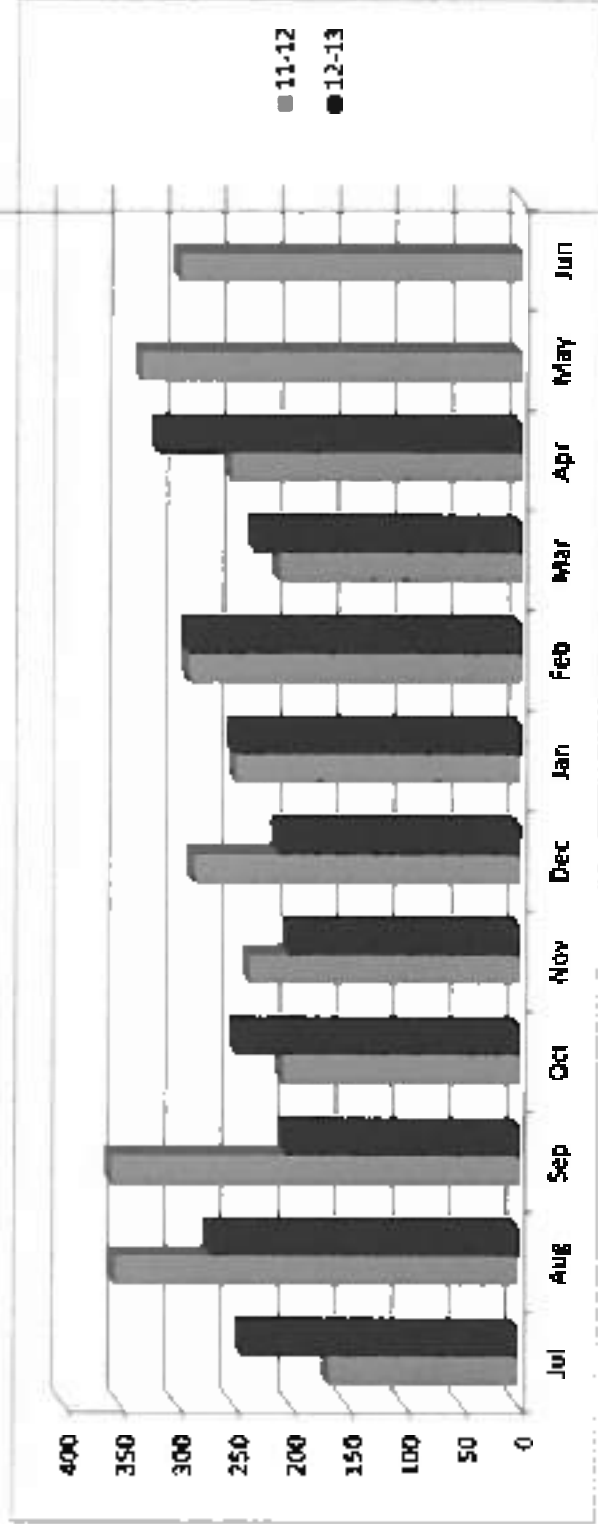
Informal Conf. Conducted

	11-12	12-13	
Jul	167	243	145.5%
Aug	356	372	76.4%
Sep	359	205	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	320	125.5%
May	335		0.0%
Jun	301		0.0%
Total	3262	2492	

IC's to Date v. Prior



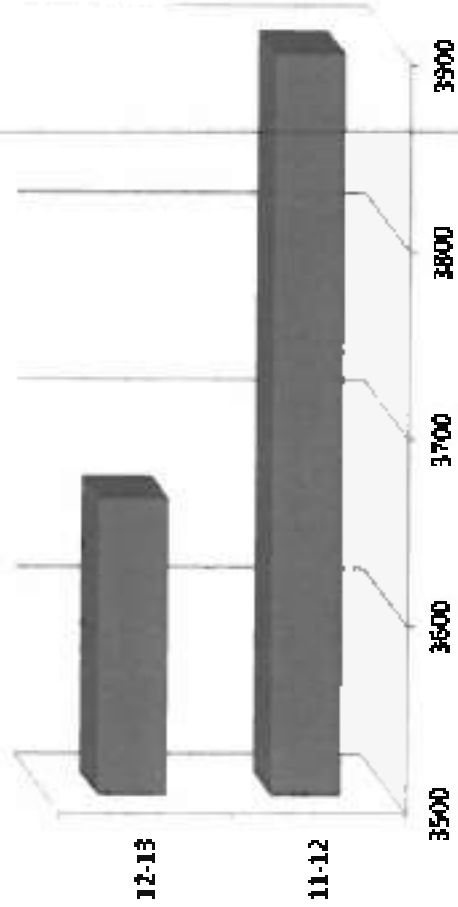
Y-T-D	11-12	12-13	%
	2626	2492	94.5%



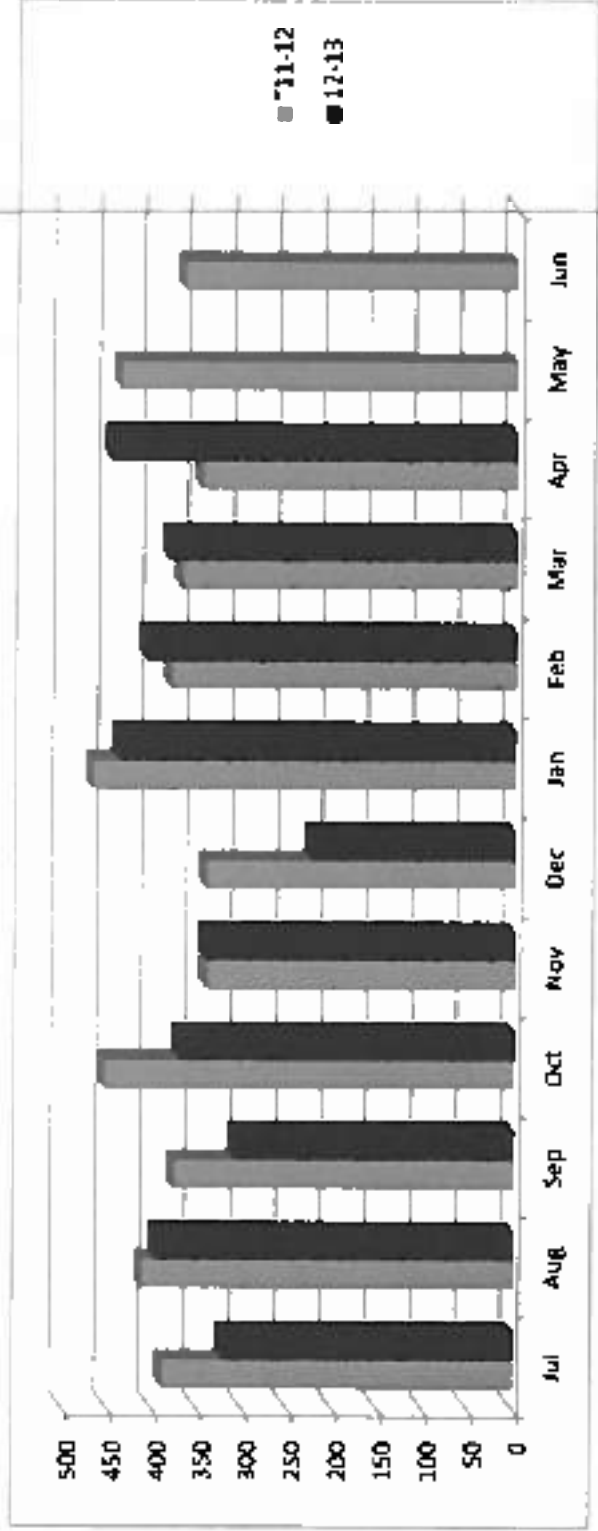
Informal Conf. Requested

	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	450
May	440	
Jun	370	
Total	4706	3658

Y-T-D



Y-T-D	11-12	12-13
	3896	3658
	0.938912	



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	1055.00				8959.00
	PVM	50.00	0.00	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	70.00				562.00
	Hotel	0.00	0.00	0.00	0.00	0.00	0.00	86.24	0.00	0.00	0.00				86.24
Staff 2 DuAnn	SVM	513.00	776.00	424.00	290.00	427.00	60.00	841.00	286.00	568.00	696.00				4881.00
	PVM	0.00	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	36.00				389.75
	Hotel	0.00	111.95	0.00	0.00	0.00	0.00	86.24	0.00	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				0.00
	PVM	0.00	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	12.50				122.00
	Hotel	0.00	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				0.00
	PVM	0.00	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				0.00
	Hotel	0.00	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				0.00
	PVM	0.00	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				0.00
	Hotel	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				0.00
Mediations	SVM	0.00	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				0.00
	Time	8.00	0.00	60.50	16.00	7.00	48.00	15.00	11.00	0.00	67.00				238.00
	Hotel	0.00	0.00	0.00	0.00	0.00	466.50	0.00	0.00	0.00	0.00				466.50

Totals FY 2012-2013	
SVM = State Vehicle Miles	13840.00
PVM = Personal Vehicle Miles	646.00
T = Time	1324.25
H = Hotel Cost	750.93

State of South Carolina

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



TEL: (803) 737-1700
www.wcc.sc.gov

Workers' Compensation Commission

Executive Director's Report Gary M. Cannon May 17, 2013

Mediation Regulations (R 4286)

May 13 was the date for the one-hundred-twenty-day period for automatic approval of the Mediation Regulation. The final regulation takes effect on the date of publication in the *State Register*, June 28, 2013. Staff posted an Advisory Announcement on the website and notified those on our email distribution list.

H3632 – Self Insurance Tax Collections

The Senate Judiciary Subcommittee on H3632 gave a favorable report on May 8. The House Ways and Means Committee met on April 17, 2013.

Claims Administration Workshop

Staff conducted a Claims Administration Workshop Friday, May 2, 2013 at the SC Department of Archives and History. A total of 90 stakeholders and 6 staff members participated.

SC Vocational Rehabilitation Data Portal

The target date for completion of the portal for remote data base access is June 1. Due to security on the Commission's Development Server, an update to SCVRD computers will be necessary to allow remote access to the Development Server for testing. Chuck Hamden, SCVRD Counselor, will train SCVRD counselors by July 1.

Meetings

The Executive Director participated in the following meetings/activities:

- April 17 – Presentation to Independent Insurance Agents and Brokers of Greater Charleston
- April 17 – Attended the House Ways and Means Committee meeting
- April 19 – Meeting with the Employee of the Year Nomination Review Panel
- April 24 – Meeting with Senator Setzler
- May 8 – Attended the Senate Judiciary Subcommittee meeting on H3632
- May 14 – Met with Jimmy Early, Director, State Information Technology Division
- May 17 – 2013 SCWCEA One Day Seminar

Employee Meetings/Staff Training

The Executive Staff met on April 30 and May 14. The Employee Social Committee hosted a Hot Dog & Hamburger Luncheon for the employees on May 2, 2013.

Constituent /Public Information Services

For the period April 10, 2013 through May 10, 2013 the Executive Director's Office had 642 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 April 10 through May 10, 2013, we added 10 individuals to the Commission's stakeholder distribution list. We have 398 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 April 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 April 30, 2013.



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: April 30, 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 April 2013.

During the April office hours, SCVRD has continued to review the Workman's Compensation Commission files for Richland and Lexington counties for 2011. With the continued implementation of the WCC Query program, fifty-six (56) referral letters have been sent in April out to potential clients.

As of April 30th, 2013, we had the following contacts regarding potential WCC referrals:

- For the month of April 2013, five (5) claimants have called for more information and referrals were made to the following agencies:
 - Three referrals were made to the Richland County SCVRD office
 - One referral was made to the Sumter County SCVRD office
 - One referral was made to the Lexington County office
- One WCC claimant had received referral letter and called SCVRD; she is not interested in services at this time
- Two letters was returned with no forwarding address.
- SCVRD staff also met with Claims Adjuster with Summit Holdings, a company that represents WCC claimants and 14 Defense attorneys throughout the State of South Carolina for him to learn more about SCVRD programs and client referrals. Information that they received can be used by both Attorneys and current WCC claimants to learn more about SCVRD services
- One client that works for the WCC staff is 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
Alben		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
Harri													0
Jasper													0
Kershaw		1					1						2
Lancaster													0
Laurens													0
Lee													0
Lexington		2	2	1	1		4		3	1			14
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	3			14
Saluda													0
Spartanburg													0
Sumter		1								1			2
Union													0
Williamsburg													0
York													0
Monthly Ttl:	4	9	5	4	3	2	10	0	6	5	0	0	48

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)	17
Hearing or visual Impairments	
Other physical impairments (not listed above)	4
Total	51

Coverage	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Division Total	\$52,500	\$57,225	\$49,850	\$43,200	\$39,600	\$38,905	\$37,300	\$41,500	\$44,550	\$50,100		
Count	137	139	125	129	125	114	112	133	137	176		
> 81 Days	\$46,000	\$49,025	\$42,850	\$33,400	\$31,600	\$33,305	\$31,500	\$31,100	\$28,350	\$30,800		
Count	104	98	91	80	85	86	83	81	81	80		
81-90 Days	\$500	\$800	\$400	\$2,400	\$1,600	\$1,000	\$200	\$0	\$400	\$1,200		
Count	3	3	2	12	8	5	1	0	2	6		
31-60 Days	\$900	\$1,000	\$3,200	\$2,200	\$1,800	\$1,200	\$0	\$400	\$3,000	\$1,400		
Count	4	5	16	11	9	6	0	2	15	7		
< 30 days	\$5,200	\$6,600	\$3,200	\$5,200	\$4,600	\$3,400	\$5,600	\$10,000	\$7,800	\$16,600		
Count	29	33	16	26	23	17	28	50	39	83		
Off Fines Over 90 Days Old												
Orders												
Count												
Judgments												
Count												

Judicial	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Division Total	\$17,018	\$21,844	\$21,114	\$23,436	\$23,744	\$24,323	\$23,784	\$26,848	\$25,404	\$28,548		
Count	22	48	44	47	45	47	44	57	49	51		
> 81 Days	\$15,386	\$17,779	\$18,958	\$19,245	\$20,195	\$21,185	\$21,544	\$21,544	\$21,923	\$23,002		
Count	20	36	35	37	38	39	38	38	39	41		
81-90 Days	\$200	\$1,423	\$431	\$1,150	\$0	\$779	\$380	\$390	\$1,000	\$1,598		
Count	1	1	3	2	0	2	1	1	2	5		
31-60 Days	\$1,423	\$718	\$1,438	\$0	\$2,169	\$1,379	\$380	\$1,058	\$1,588	\$390		
Count	1	5	4	0	4	3	1	2	5	1		
< 30 Days	\$0	\$1,725	\$287	\$3,040	\$1,379	\$1,169	\$1,461	\$3,945	\$805	\$1,659		
Count	0	6	2	8	3	3	4	16	3	4		

State of South Carolina



Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director

From: Grant Duffield
IMS Director

Date: 28 – February -
2013

CC:

Subj: Batch Transfer of POC data

As you are aware, the South Carolina Workers' Compensation Commission has been approached by Mr. Kevin Hale of Insurance TechKNOWLEDGEy, LLC and has requested that the Commission allow him to access our Proof of Coverage (POC) data records en mass on a weekly basis. Mr. Hale intends to use this data to provide an enhanced version of the Commission's POC application which he believes he will be able to market to the insurance community.

Background

The SCWCC currently supports an online Proof of Coverage 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). This application has been in use for several years and is quite well received by the workers' compensation community.

Several years ago, the SCWCC was approached by Mr. John McCarthy with Datalister Services and asked to provide quarterly / semi-annual batch file transfers of POC data. After a vetting of the request, the SCWCC began providing Datalister with this batch file POC data at a cost of \$75 per data request. The \$75 cost was (and is) designed to enable the Commission to cover the cost of data transfer operation, taking into account personnel costs associated with programming time and minimal system resource requirements.

In May of 2012, Mr. Hale approached the Commission with the request outlined above. After months of discussion and research involving the technical, legal and administrative issues related to the request, Staff is able to recommend that the Commission accommodate Mr. Hale's request. Staff recommends that the Commission implement a secure process by which Mr. Hale (as well as any other entity that has need) be able to access batch file POC data, the key elements of which are as follows.

Data Security: The POC data provided would be void of any FEIN, SSN, Personal Identification Information (PII), etc. (Attached is a "field layout" of the data to be provided which is highlighted in yellow).

Data Access/Delivery: The SCWCC will take the NCCI POC transactions, strip any PII fields and place the data in a folder on the SCWCC a secured network drive. Only those individuals/entities that register with and have been approved by the Commission will have access to the data via a Secure File Transfer Protocol (SFTP) and user password combination. Users would be required to obtain access permissions annually through the SCWCC. Registration approval will require the applicant to annually submit to the Commission a properly completed SC Freedom of Information Act request.

Registration: Registered users would be given a password and accessing instructions upon payment of an annual \$300 subscription fee. This fee is consistent with the Commission's existing POC data fee methodology of \$75 per quarterly data request.

Staff believes that as long as the data transfer is handled in a secure manner and the content of the data provided does not enable proprietary information to be compromised, the release of such data for use in the workers' compensation insurance marketplace will help to insure that more employers stay in compliance with the SCWC Act. As this is information that is current available to the public through the POC portal, staff believes that dissemination of the same through a batch file download in no way conflicts with the Commission's existing policies and practice.

State of South Carolina

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



TEL: (803) 737-5700
www.wcc.sc.gov

Workers' Compensation Commission

TO: Commissioners
FROM: Gary M. Cannon
DATE: May 15, 2013
RE: Proposed Regulation Change 67-1605 Lump Sum Payment

At the regular business meeting on April 15, 2013, the Commission approved the recommendation from the Commuted Value Discount Advisory Committee to amend the language in R 67-1605 Lump Sum Payment. The recommended change from the Advisory Committee will require a change in the regulation.

The publication of a Notice of Drafting in the *State Register* is the first step in the regulatory process for promulgation of a regulation. Attached is a draft for your consideration. Also attached is a proposed timeline.

Action Requested: Commission approve the language of the Notice of Drafting for the proposed amendment to R 67-1605 Lump Sum Payment for publication in the June 28 *State Register*.

**SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
CHAPTER 67**

Statutory Authority: 1976 Code Sections 42-3-30 and 42-9-301

Notice of Drafting:

The South Carolina Workers' Compensation Commission proposes to amend Regulation 67-1605 Lump Sum Payment. Interested persons may submit written comments to Gary Cannon, Executive Director, South Carolina Workers' Compensation Commission, 1333 Main Street, Post Office Box 1715, Columbia, South Carolina 29202-1715. To be considered, all comments must be received no later than 5:00 p.m., July 25, 2013, the close of the drafting comment period.

Synopsis:

The Commission is proposing to amend Regulation 67-1605 to include the following provisions:

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 1st 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 1st of each year;

The present value table for weeks one-hundred and one through five-hundred published on the first business day following January 1st 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.

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

Legislative review of this amendment is required.

**Proposed Amendment to
Regulation 67-1605 Lump Sum Payment
Proposed Timeline – May 20, 2013**

Task	Date
Submit Notice of Drafting to State Register	June 14, 2013
Notice of Drafting Published in State Register	June 28, 2013
Post Notice of Drafting on website	June 28, 2013
Deadline for Comments (during drafting comment period)	July 25, 2013
Proposed Regulation (Commissioners approval of proposed language)	August 12, 2013 (Monthly Business Meeting)
Submit Proposed Regulation to State Register	September 13, 2013
Proposed Regulation Published in State Register (Public hearing 30 days after publication in State Register – include deadline to receive comments)	September 27, 2013
Public Hearing Notice – Post on Website One Month Out (include deadline to receive comments)	September 27, 2013
Deadline to receive comments for Public Hearing	October 28, 2013
Date of Public Hearing (30 days after publication in State Register)	October 29, 2013
No later than 5 working days after public hearing presiding official issues a written report (unless presiding official orders an extension for not more than 20 days)	October 30, 2013
Agency Approval	November 18, 2013 (Monthly Business Meeting)
Submit for General Assembly Review Deadline for submission to General Assembly Regulation must be submitted to the General Assembly for review within one year of the date of publication of the Notice of Drafting (Section 1-23-128(A))	November 25, 2013