

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

February 23, 2015 – 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.

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|-----|--|---|
| 1. | CALL TO ORDER | <i>CHAIRMAN BECK</i> |
| 2. | APPROVAL OF AGENDA OF BUSINESS MEETING OF FEBRUARY 23, 2015 | <i>CHAIRMAN BECK</i> |
| 3. | APPROVAL OF MINUTES OF THE BUSINESS MEETING OF JANUARY 12, 2015 (Tab 1) | <i>CHAIRMAN BECK</i> |
| 4. | SPECIAL RECOGNITION | <i>CHAIRMAN BECK</i> |
| 5. | GENERAL ANNOUNCEMENTS | <i>MR. CANNON</i> |
| 6. | APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) | <i>MR. SMITH</i> |
| 7. | DEPARTMENT DIRECTORS' REPORTS
Human Resources (Tab 3)
Information Services (Tab 4)
Insurance, Medical & Administrative Services (Tab 5)
Claims (Tab 6)
Judicial (Tab 7) | <i>MS. OSBORNE</i>
<i>MS. HARTMAN</i>
<i>MR. DUFFIELD</i>
<i>MS. SPANN</i>
<i>MS. BRACY</i> |
| 8. | EXECUTIVE DIRECTOR'S REPORT (Tab 8) | <i>MR. CANNON</i> |
| 9. | OLD BUSINESS
A. DTO Contract (Tab 9)
B. MSPM Fee Schedule (Tab 10)
C. Outstanding Debt Accounts Receivable Report (11) | <i>CHAIRMAN BECK</i>
Mr. Cannon
Mr. Cannon
Mr. Cannon |
| 10. | NEW BUSINESS | <i>CHAIRMAN BECK</i> |
| 11. | ADJOURNMENT | <i>CHAIRMAN BECK</i> |

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THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

Monday, January 12, 2015

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, January 12, 2015 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, CHAIRMAN
SUSAN S. BARDEN, VICE CHAIR
R. MICHAEL CAMPBELL, II, COMMISSIONER
MELODY L. JAMES, COMMISSIONER
GENE MCCASKILL, COMMISSIONER
AISHA TAYLOR, COMMISSIONER
AVERY B. WILKERSON, JR., COMMISSIONER

Present also were Gary M. Cannon, Executive Director; Betsy Hartman, IT Director; Grant Duffield, Insurance and Medical Services Director; Sonji Spann, Claims Director; Amy Bracy, Judicial Director; Sherry Copeland, Administration Director; Alicia Osborne, Human Resources Manager; Wayne Ducote, Coverage & Compliance Director; W.C. Smith, Self-Insurance Director; Amanda Underhill, Business Analyst; Keith Roberts, Attorney; and Marlene Johnson-Moore, Law Intern. Also present were: Clara Smith and Ricci Land Welch, Injured Workers' Advocates; Amy Quinn, NCCI; AnnMargaret McCraw, Arcis Healthcare/SC Orthopaedic Association; and Lena Smith, Southern Strategy Group.

Chairman Beck called the meeting to order at 10:32 a.m.

AGENDA

Commissioner Taylor moved that the agenda be approved. Commissioner Campbell seconded the motion, and the motion was approved.

APPROVAL OF MINUTES – BUSINESS MEETING OF DECEMBER 15, 2014

Commissioner Taylor moved that the minutes of the Business Meeting of December 15 2014 be approved. Commissioner McCaskell 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. Twelve (12) prospective members of five (5) funds were presented to the Commission for approval. The applications were:

Palmetto Timber Fund

Smith Logging of Grays, SC, Inc.
Twin States Forest Products, Inc.

SC Home Builders SIF

Dunmore Builders, LLC
Harold's AC Repair Service & Installation, Inc.
James Lynn Builders, LLC
MB Aire Services, Inc.
Quenby Construction, LLC
Three D Construction & Renovation, LLC
William Guzman dba Guzman Paving Co.

SC McDonalds Operators Self Insurance Fund

Hoff Companies, Inc.

SC Municipal Self Insurance Trust Fund

Town of Trenton

SC School Board Self Insurance Trust Fund

East Cooper Montessori Charter School

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 McCaskill 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

Sherry Copeland presented the Summary of Revenues and Expenditures for the period ending December 31, 2014. The benchmark for December is 50%. The Commission's revenues are at 39.96%, and expenses are at 50%. Ms. Copeland reported that the data processing expenditures were transferred from each department into Administration. IT funding will be in a separate Cost Center in FY 2016.

Ms. Copeland distributed an amended Expenditure and Revenue Analysis for the period July 1, 2014 to December 31, 2014. She noted the following amendments on the third page of the analysis: the "assessed" and "waived" columns were deleted in the table; additional forms were included in total Violation Penalty Account; and the last paragraph was deleted. Chairman Beck asked if the information was available on January 8, 2015 when the original analysis was submitted. Ms. Copeland stated that it was, and that she had provided a copy of the analysis to Mr. Duffield for his approval; however Mr. Duffield did not receive the analysis in time to allow him opportunity to review and provide corrections. Chairman Beck said receiving the amended analysis at the business meeting does not allow enough time for the Commissioners to review and process.

There was discussion on the potential significant impact to revenue once Subsequent Report of Injury (SROI) is launched on March 31, 2015, specifically the electronic processing of the Form 18, and other forms as the implementation of electronic forms processing progresses.

Chairman Beck said that staff needs to monitor this closely to determine the effect it is going to have on the budget at year-end and subsequent years.

Ms. Copeland stated there are open invoices totaling approximately \$1.9 million, and that some of the invoices go back to 2008. There was discussion on the collection of outstanding fines through the Governmental Enterprise Accounts Receivable Collections (GEAR) program. Mr. Cannon will provide a report at the next business meeting to include policies currently in place for identifying outstanding fines and submitting to S.C. Department of Revenue in an attempt to collect the fines.

Human Resources Department

Alicia Osborne presented the Human Resources report for the period of December 1 through December 31, 2014. Ms. Osborne pointed out the following highlights from the report:

- Work continues on monitoring and correcting missing time and time collision reports through SCEIS;
- Recruiting has begun to fill the Records Analyst position in the File Room;
- Addressed general employee relations issues, benefits, and open enrollment for life insurance.

Information Technology Department

Betsy Hartman presented the Information Services Department's report. Ms. Hartman reported IT continues weekly training with the Commissioners' Administrative Assistants and Appeals Staff on the new Upload document processing project.

Commissioner McCaskill commended Ms. Hartman for always being available and for her helpful and efficient assistance.

Insurance & Medical Services Department

Grant Duffield presented the Insurance & Medical Services Department's report. In December, the Lapse in Coverage Notification program registered 116 new policies and issued six Lapse in Coverage Notifications. Mr. Duffield said the Compliance Division receives quarterly data from the Department of Employment and Workforce Department (DEW) which is used for compliance investigations. At the end of last quarter, all records have been investigated.

Claims Department

Sonji Spann presented the Claims Department's report. For the month of December, the Claims Department closed 2,167 individual case files. The fine revenue received in December was \$50,900. Claims Examiners reviewed 667 individual case files. Total number of fines collected was 446 and total number of Form 18 Fines was 377. Claims processed a total of 11,345 forms. Training was conducted on how to complete workers' compensation forms at United Heartland in Charlotte with eight participants.

Judicial Department

Amy Bracy presented the Judicial Department's report. She reported the following for December:

- 77 regulatory mediations scheduled
- 15 requested mediations
- 76 matters resolved in mediation with the receipt of Forms 70
- Addressed 180 informal conference cases
- 88 Single Commissioner Hearings conducted
- 8 cases appealed to Full Commission

Ms. Bracy reported the Judicial Department processed 712 additional pleadings the first six-months of FY 2013-14 compared to the number of pleadings processed for the same period FY 2014-15. The number of regulatory mediations is 209 less during the first six-months of FY 2013-14 compared to same period last fiscal year; and the number of mediations resolving claims is higher by 199.

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:

Personnel Changes

Mr. Cannon announced Ms. Peggy Hatfield was selected for the Records Analyst position in the File Room. January 12, 2015 is her first day of employment.

2015 Mileage Reimbursement Rate

Mr. Cannon announced effective January 1, 2015, the new mileage reimbursement rate to and from a place of medical attention is 57.5 cents per mile.

R67-1605 Lump Sum Payment Net Present Value Tables

Mr. Cannon announced that the present value tables published by the Commission for the year 2015 shall be discounted at the same rate as was used in 2014: 2% for weeks zero through 100 and at 2% for weeks 101 through 500.

Narcotics Use Advisory Committee

Mr. Cannon announced the next meeting of the Narcotics Use Advisory Committee will be scheduled for some time during the first week in March.

OLD BUSINESS

A. MSPM Fee Schedule

Mr. Duffield briefed the Commission on the report prepared by Optum Insight of their findings using the most recent medical cost data available to provide a comparison and update from the 2010 Medical Services Provider fee schedule to a proposed 2014 fee schedule.

NEW BUSINESS

A. SC Vocational Rehabilitation Department (SCVRD)

Chuck Hamden, SCVRD Counselor, gave an update on the implementation of the SCWCC-SCVRD statewide electronic portal for claimant outreach across the State of South Carolina.

ADJOURNMENT

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

The January 12, 2015 meeting of the South Carolina Workers' Compensation Commission adjourned at 11:36 a.m.

Reported February 23, 2015
Kim Ballentine, Office of the Executive Director

MEMORANDUM

Date: February 23, 2015

TO: Mr. Gary Cannon
Executive Director

FROM: Alicia Osborne
Human Resources

SUBJECT: Human Resources Report Period of January 1 through January 31, 2015

Below is a summary of the Human Resources activity for the period of January 1 – January 31, 2015.

Employee Relations (ER)

- One employee relations issue was addressed during the activity period
 - Ongoing review and evaluation of the situation
- Two ongoing workers' compensation injuries are being monitored
 - Surgery has been ordered for one.
 - Continuing to monitor second situation, no further action at this time
- Position Descriptions
 - Received approximately 80% timely
 - Preparing for next year to ensure timely delivery
- VSIO – Organizational Chart
 - Reviewed previous chart
 - Revising and bringing chart up to date to include organizational changes

Arrival(s):

- Department of Administration
 - Peggy Hatfield – Records Analyst I (Started January 12, 2015)

Departure(s):

- Department of Administration: Administrative Specialist II.
 - Rita Regal notified of departure due to retirement with a last day on Payroll of March 15, 2015
- Posting position in late February

Benefits

- Retirement
 - State Optional Retirement Program participants notified of Open Enrollment
 - Processed Final Payroll Certification for retired employees
 - Ongoing efforts to coordinate with CG's Office for payroll records of former employees
 - Reviewed and processed TERI and Retirement applications for current/former employees

State Human Resources Department (HRD)

- Conferred with HRD on various classification, compensation, and employee relations concerns
- Attended HR Advisory on January 28, 2015

Fiscal Responsibilities (w/ Sherry Copeland)

- Approved approximately 80 SCEIS financial transactions
 - Within the SCEIS system approved deposits, purchase orders, invoices, and travel requests submitted by the Fiscal Technician

Reports

- Ran SCEIS Deductions Not Taken / Arrears report
 - Report is clear
- Ran SCEIS Wage Type Report
 - Verified changes were valid
 - Noted discrepancies and addressed immediately (i.e. temporary employees time not entered/approved timely)
- Continue to monitor and correct Missing Time and Time Collision reports
 - Ensured all working time and leave entered timely
 - Was able to clear all but one outstanding time collision dating back to 2011
 - Approving leave as requested
- Leave Pool
 - Transferred leave to employee due to prolonged illness

Events

- All Employee Meeting on January 15, 2015
 - Continuing efforts to provide IT training and security training; collaboration between IT and Human Resources
- Partnered with the Foundation for Wellness Professionals
 - Free trigger point massages for employees
 - Future sessions in planning
 - Scheduled for All Employee meeting in March to discuss stress and fitness at work

Miscellaneous

- Ongoing: monitoring status of temps for ACA Reporting
- Attended SCEIS User meeting (January 30th)
- Assisted with resolution of issue with DMV regarding Commissioner license plates
- Certified time worked at the SC WCC for former employees
- Working on CAME workshop: scheduled for June 23, 2015



Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director
From: Betsy Hartman
IT Director
Date: February 13, 2015
Subject: IT Department February 2015 Full Commission Report

IT Department Activities for the Month of February 2015

- Production issues
 - EDI RIs3 FROI
 - Processing error research and resolution based on email questions from TPA's and Carriers.
 - Progress
 - Duane deployed new templates as requested by departments. This requires after hours work to not disrupt the staff work in Progress during the day.
 - Betsy tested the invoice system to determine what is causing out of balance reporting for invoice payments and deposits. It was determined that the reason code AED – Administrative Error Debit was being used as a line item rather than in the void process. Recommendation to Finance, Claims and Gary Cannon on using the void method was made.
 - Betsy updated the outstanding debt manual report to assist Grant Duffield and Wayne Ducote in determining a course of action for RTSC process changes. Data cleanup is required to properly code open invoices for insolvent carriers, inactive carriers, GEAR submissions, invoices over 24 month old as non-outstanding debts. It was also noted that some cases were canceled in favor of another case but the original case still had open outstanding invoices. Waiting on input from the team to determine what the criteria for reporting is needed. Once we have that, it will be written up and sent to Brave Point for coding. This will ensure the agency has an accurate accounting of outstanding debts and allow for better projections on revenue income from fees and fines.
 - Betsy ran multiple adhoc reports for Judicial and Legal.
 - Betsy is working with IMS Medical Division to create a Medical Dispute portal to replace the current FormsExpert site which doesnot meet security standards. Secure email may be a substitute until a portal can be built. Estimated three to four months to design, code, test and implement.
 - OnBase Production Maintenance and new requests
 - Amanda has been working with both internal and external users for upload Customer Service. Training, questions and issues that come up and require technical support.
 - eCase
 -

- Desktop support
- ELT projects
 - Upload project
 - Amanda and Betsy continue to meet weekly with AA's and Appeals staff to continue training on upload document processing and to help debug any end user issues. Sherry Copeland and Sallie Wider attended one meeting which resolved several issues with communication about how to scan certain documents. Will continue to meet and bring in other departments as necessary to streamline the upload and imaging process.
 - SROI Project
 - The public launch date is **March 31, 2015**.
 - Team meeting weekly on Wednesday at 11 AM.
 - All IABIABC documentation has been completed and submitted to their standards committee for comment and approval. Plan to have final documents posted mid-February.
 - Lining up test users once the final documentation is posted.
 - IT Security / DIS Policies
 - Original meeting set in December to review policies and get Full Commission sign off was canceled. Rescheduled for February.

- DTO meetings
 -

Professional Development/Training attended in February 2015

- Betsy attended the South Carolina Quality Forum Strategic Planning Retreat for 2 days in Orangeburg as a member of the steering committee.
- Betsy attended the South Carolina IT Directors Association Membership rules committee meetings.
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State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Grant Duffield
IMAS Director

Date: 17 – Feb – 2015

Subj: Insurance, Medical and Administrative Services Department
January 2015 Full Commission Report

Please find attached information provided to summarize the status and workflow of initiatives currently underway within the Insurance, Medical and Administrative Services (IMAS) 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. Implementing new compliance verification workflow.2. Reviewing revenue metrics.3. Clean-up of "cases open" files / metrics
Coverage Division	<ol style="list-style-type: none">1. Working with staff to review workflow processes and explore opportunities to enhance service provision.2. Working through staffing challenges (medical).3. Lapse in Coverage
Medical Services	<ol style="list-style-type: none">1. Release of draft MSPM data.2. Continue work with MedAssets to improve Medical Bill reviews.
Administrative Svcs	<ol style="list-style-type: none">1. Preparing for audit2. Compiling EBO debt report3. Preparing for staff transition (Receptionist).4. Working on Outstanding Debt analysis.
IMAS Administration:	<ol style="list-style-type: none">1. Working with Division Mgrs to provide cross coordination of mgmt. functions.2. Working with Executive Team concerning strategic planning and future needs forecasting.

Mr. Cannon, due to recent organizational restructuring efforts, IMAS is unable to provide the standard fiscal summary report for the February 23rd Full Commission meeting. A full report will be provided at the March 2015 meeting of Full Commission.

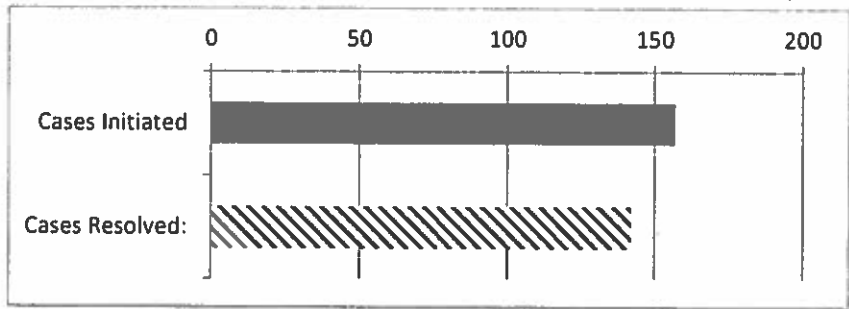
Mr. Cannon, while this summary is in no way all-inclusive, it may serve to assist you and our Commissioners in understanding the key initiatives underway in the IMAS Department and provide measures by which the Department's effectiveness can be gauged. IMAS welcomes any guidance that you and/or our Commissioners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

IMS COMPLIANCE DIVISION

January 2015

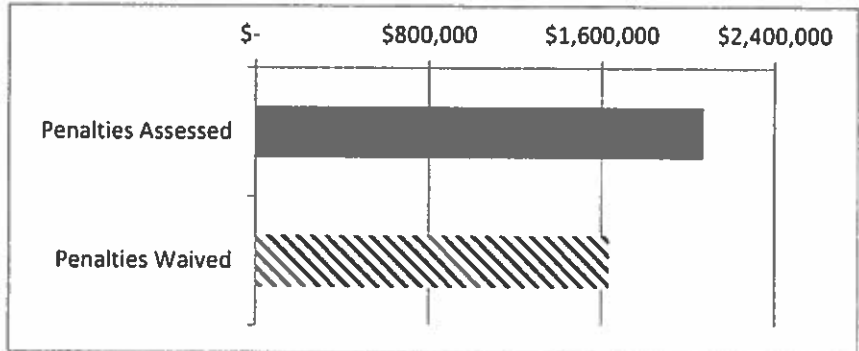
Employers Obtaining Coverage

For the Fiscal Year 2014 - 2015, the Compliance Division has worked with great diligence to help uninsured employers become compliant with the South Carolina Workers' Compensation Act. Year to date, the Compliance Division has compelled 142 employers in South Carolina to come into compliance with the Act. In so doing, approximately 1,321 previously uninsured workers are now properly covered.

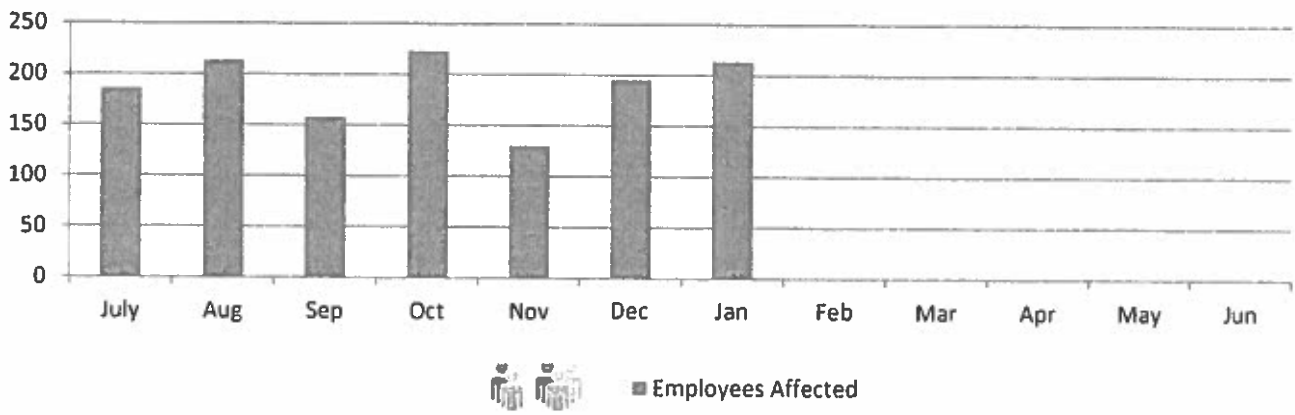
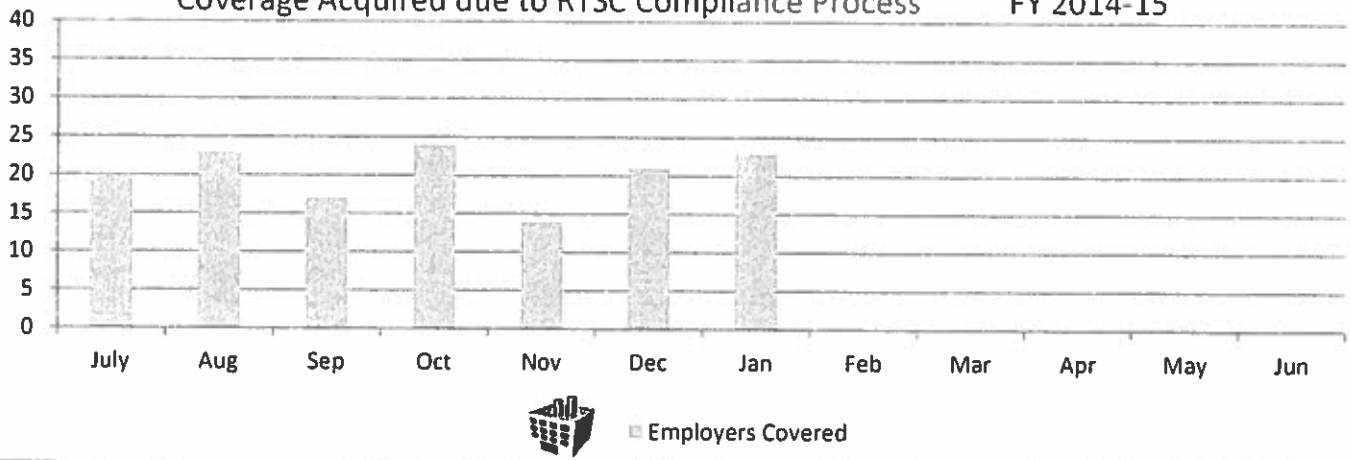


Penalties Waived

Although the Division has assessed \$2 million dollars in fines, over 78% of those fines (\$1.6m) have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.



Coverage Acquired due to RTSC Compliance Process FY 2014-15



Carryover Caseload:

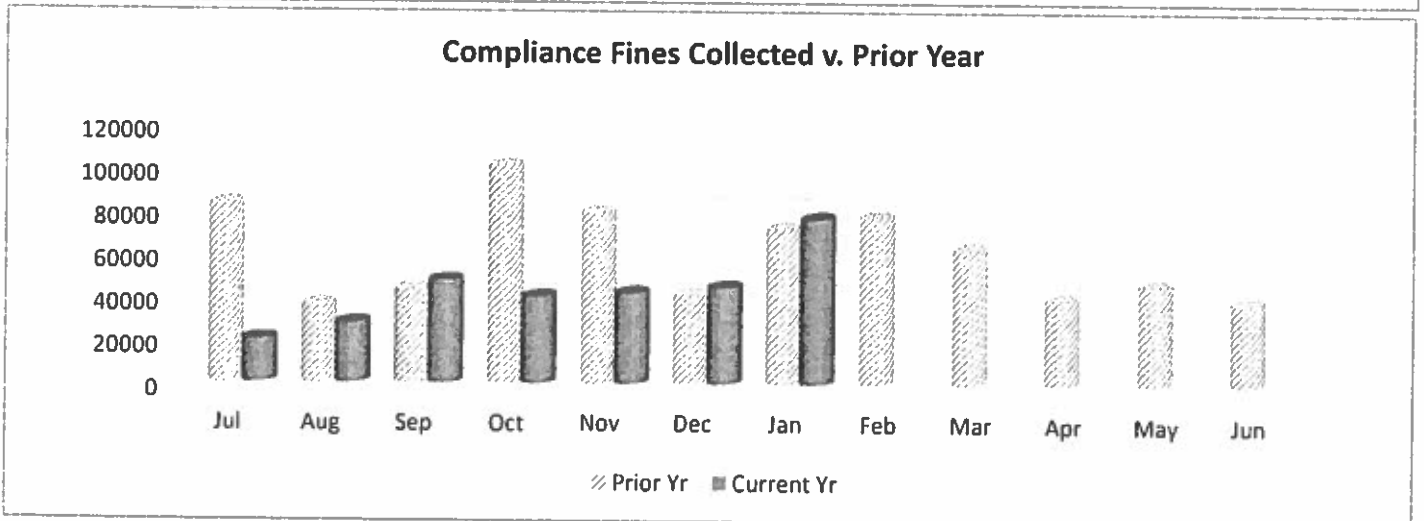
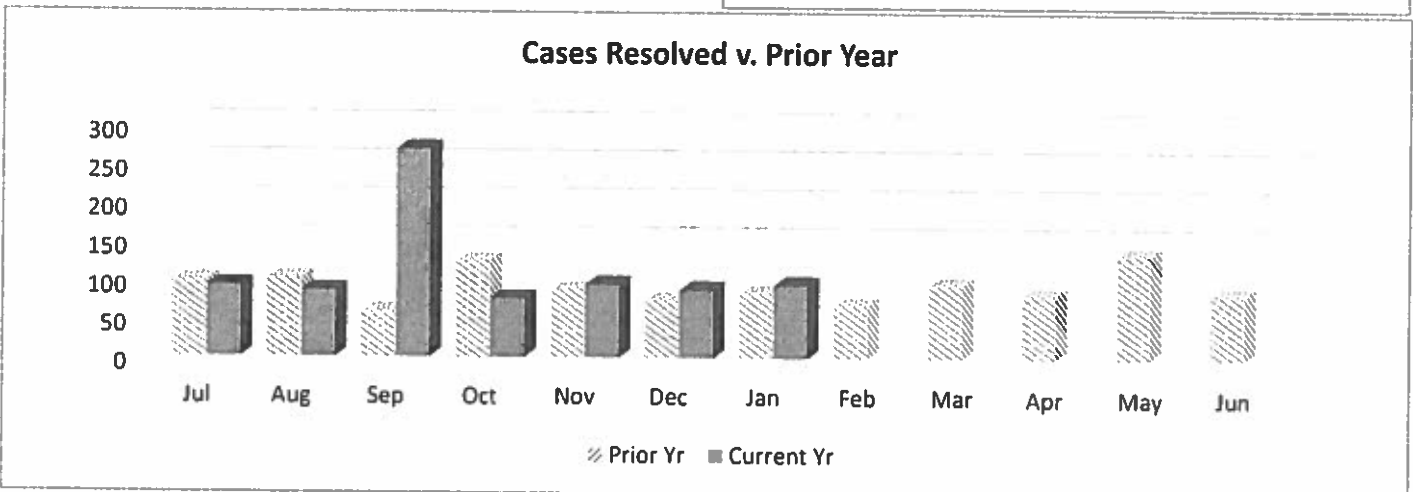
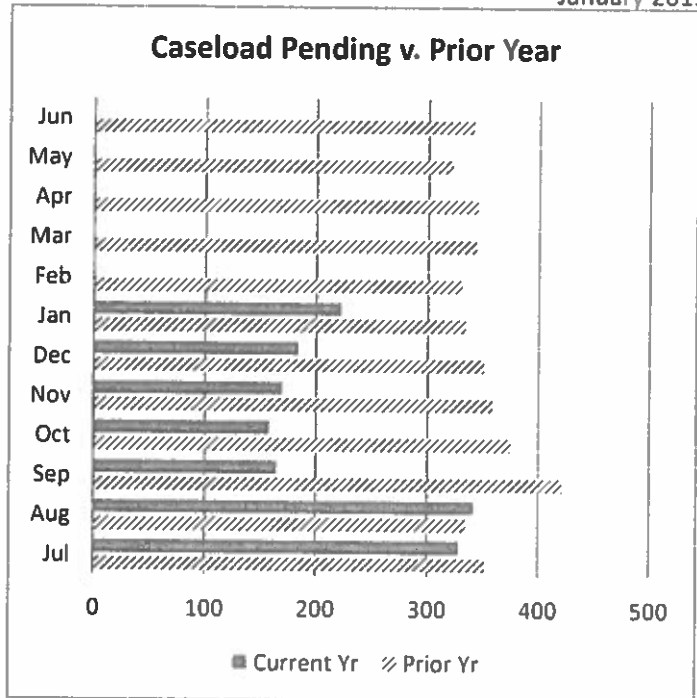
The Compliance Division closed January 2015 with 222 cases active, compared to an active caseload of 334 at the close of January 2014.

Cases Resolved:

Due to the decrease in carry-over, greater effort is focused on case resolution. For the month of January 2015, Compliance Division staff closed-out 96 cases.

Compliance Fines:

In January 2015, the Compliance Division collected \$77,014 in fines and penalties. Year to Date, the Compliance Division has collected \$301,767 in fines which represents 42% of prior year's year-end collection (\$725,776). The Compliance Division continues to find substantially greater compliance among employers in the State. This finding contributes to a current projected year-end revenue trend of 66% of prior year.



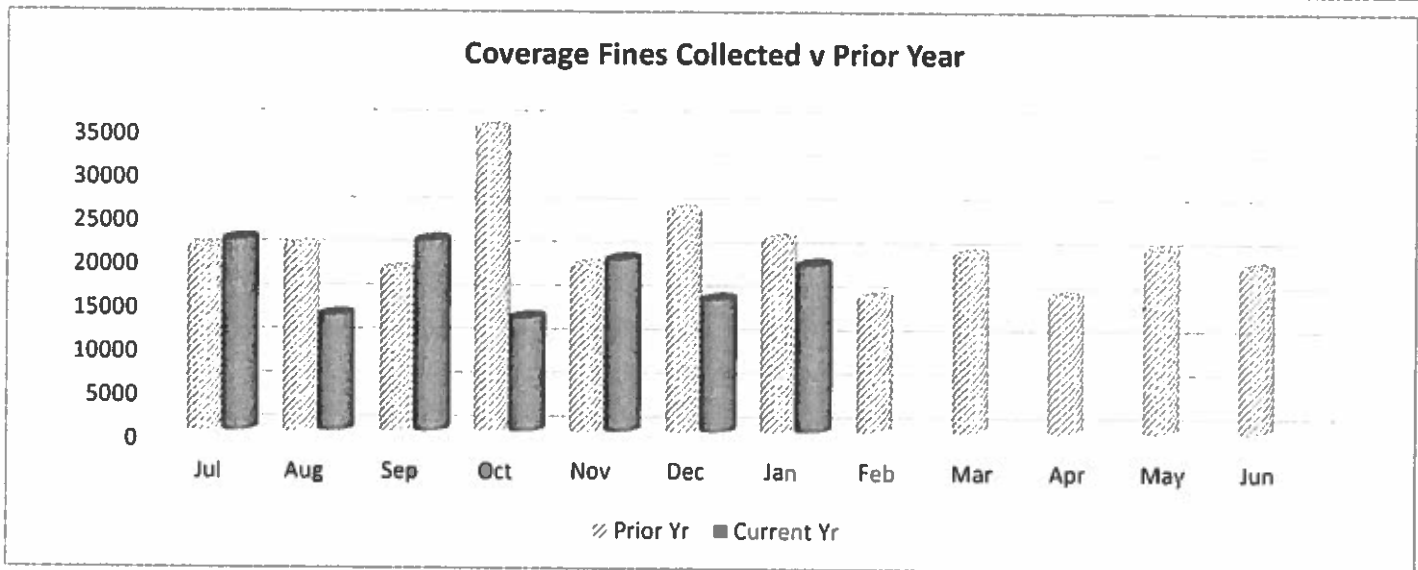
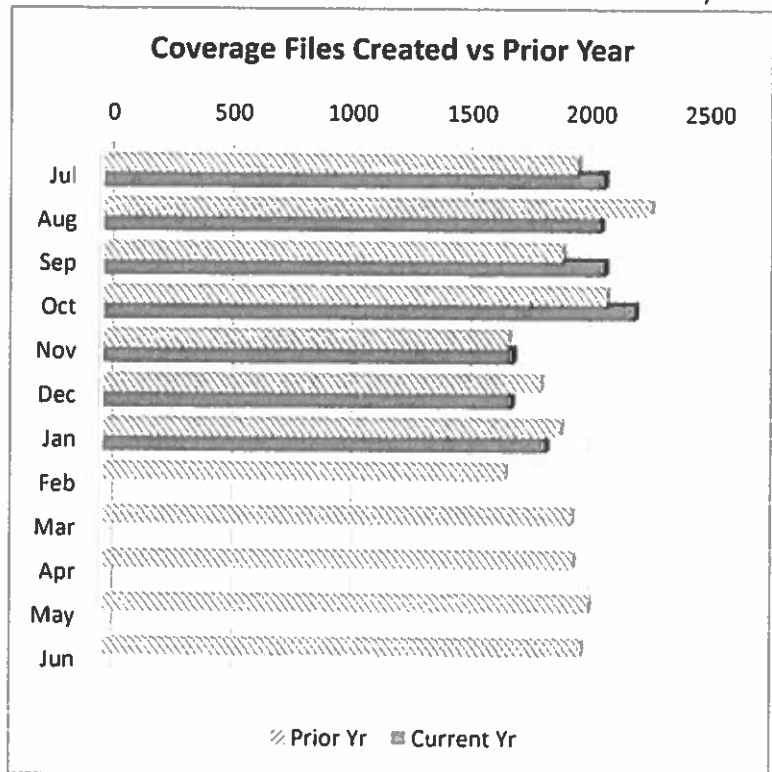
WCC Claim Files:

In January 2015, the Coverage Division received a total of 1,851 WCC Claim files. Of these, 1,567 were created through proper carrier filing of a 12A, and 284 generated as a result of a Form 50 claim filing. Year to Date, 13,769 Claim files have been created which is 59% of claim file volume prior year (23,369).

Coverage Fines:

The Coverage Division collected \$19,100 in fine revenue in January 2015, as compared to \$22,000 in Coverage fines/penalties accrued during January 2014. Year on Year, Coverage fines are at 49% of collections for prior year.

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

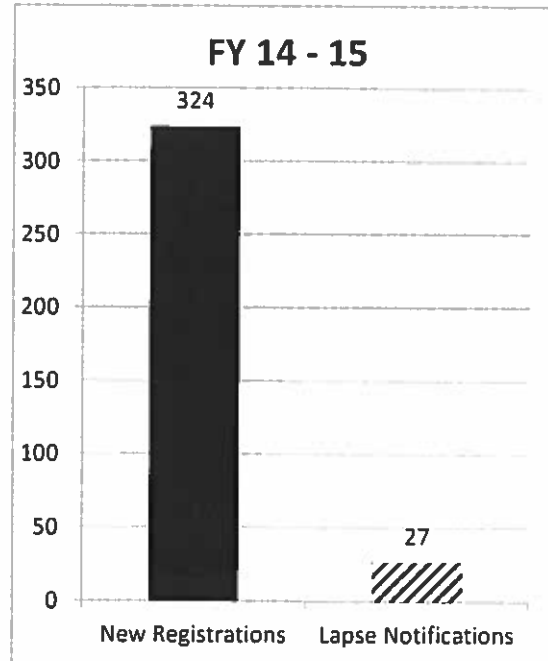


Lapse In Coverage Notification

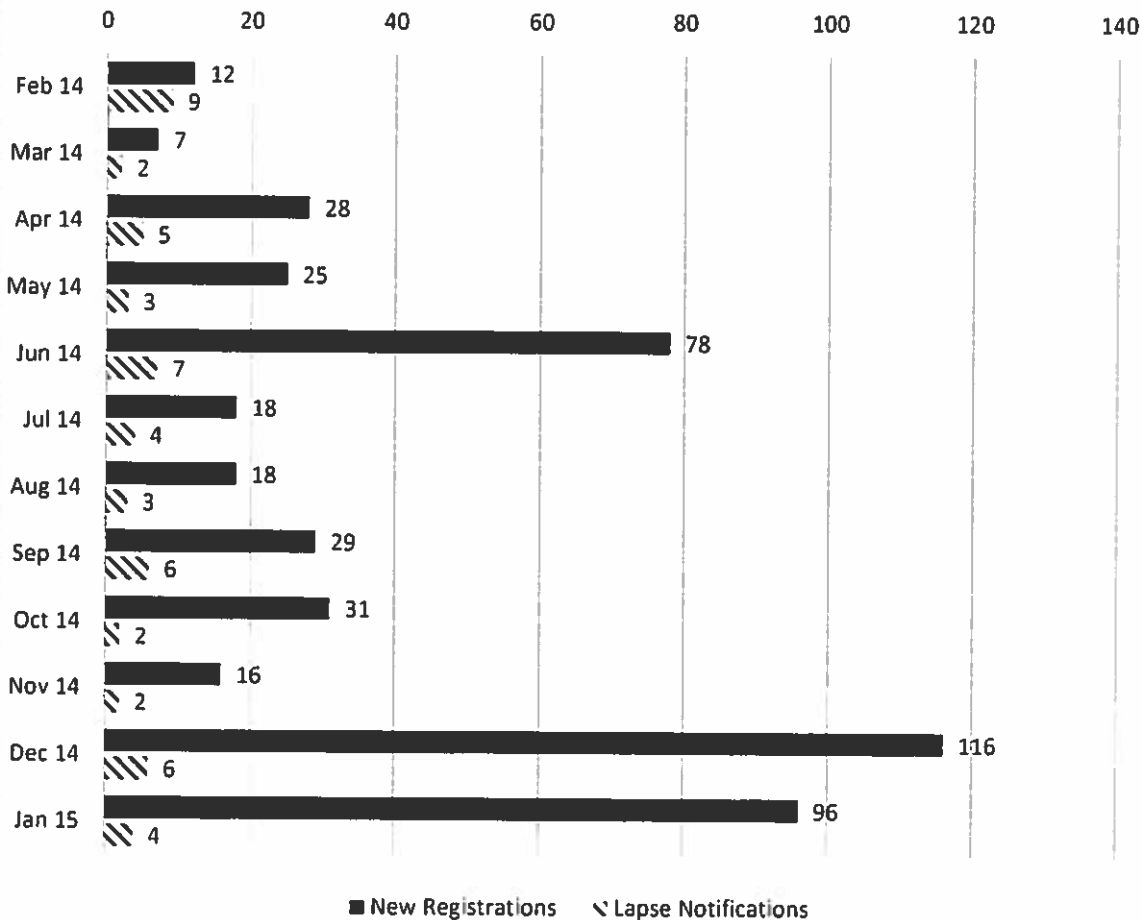
JANUARY 2015

Title 42 holds that entities engaging a subcontractor for services may be held liable occupational injuries or death sustained by employees of the subcontractor if the subcontractor fails to maintain workers' compensation insurance. In collaboration with the SC Homebuilders Association, the SCWCC has developed a web-based application that allows an "up stream" employer to receive notification if a subcontractor's workers' compensation policy lapses. This enables the up stream contractor to take actions to safeguard themselves against unforeseen workers' compensation claim losses.

In January 2015, the LIC program registered 96 new policies to be tracked and issued 4 Lapse in Coverage notifications.



Lapse In Coverage Program Data (12 mo)



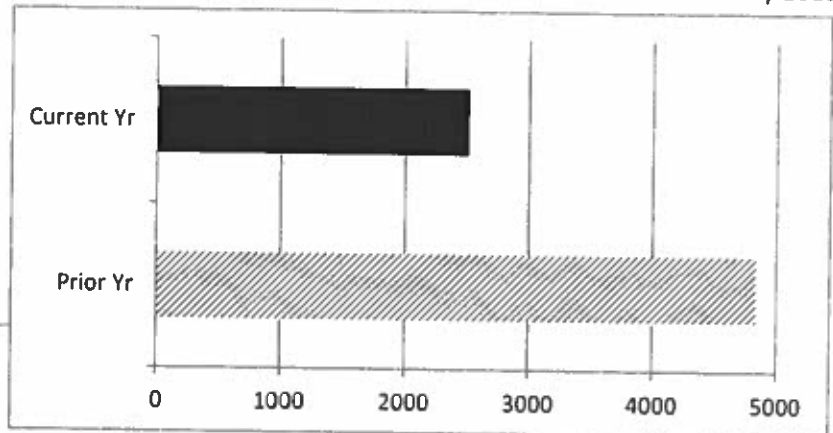
IMS SELF INSURANCE DIVISION

January 2015

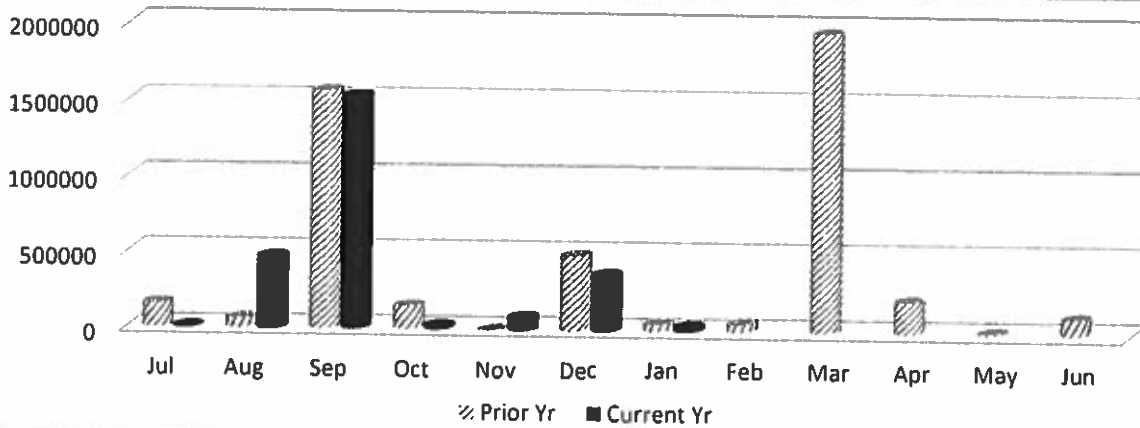
During the month of January 2015, the Self Insurance Division:

- * collected \$29,601 in self-insurance tax.
- * added 12 new self-insurers.
- * conducted 3 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 101% of prior year and 28 Self Insurance audits have been completed.



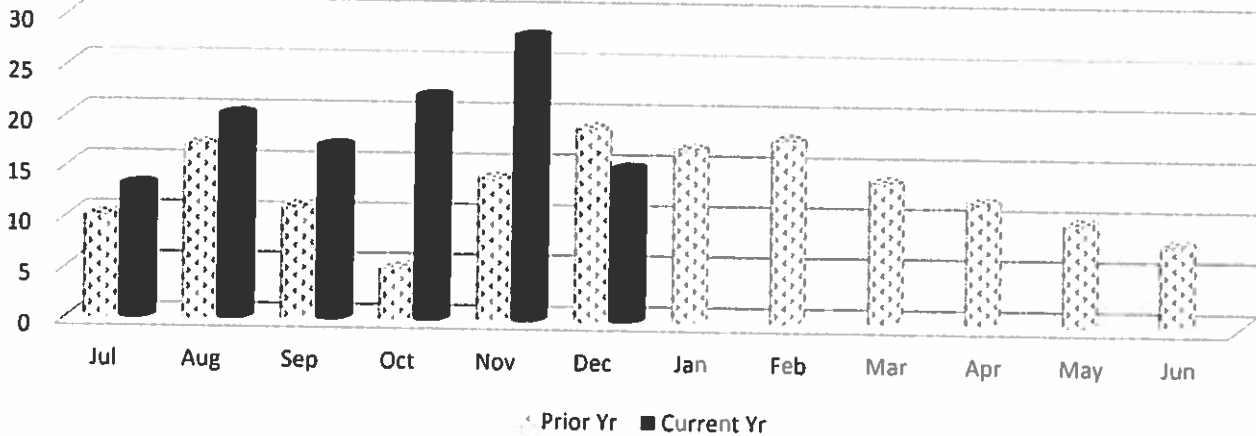
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In January 2015, the Medical Services Division began the month with 15 bills pending review, received an additional __ bills for review, conducted __ bill reviews and ended the month with __ bills pending.

Medical Bills Pending Review v. Prior Year



State of South Carolina



Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director

From: Sonji Spann
Claims Director

Date: February 1, 2015

Subj: Claims Department
January 2015 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 January 2015, the Claims Department has:

1. Closed 2326 individual case files.
 - Closed 2167 (12/2014) Closed 2235 (1/2014)
2. Collected \$44,700 in fine revenue.
 - Collected 49,900 (12/2014) Collected 27,000 (1/2014)
3. The examiners reviewed 1863 individual case files.
 - Reviewed 667 (12/2014) Reviewed 103 (1/2014)
4. Total Fines 455
 - Total Fines 446 (12/2014) Total Fines 304 (1/2014)
5. Form 18 Fines 377
 - Form 18 Fines 377 (12/2014) Form 18 Fines 264 (1/2014)
6. Total Forms Processed 11,956.00
 - Total Forms Processed 11,345 (12/2014) Forms Processed 12,059 (1/2014)

CLAIMS DEPARTMENT REPORT
STATISTICS FOR FISCAL YEAR 2014 -2015
 Prepared February 1

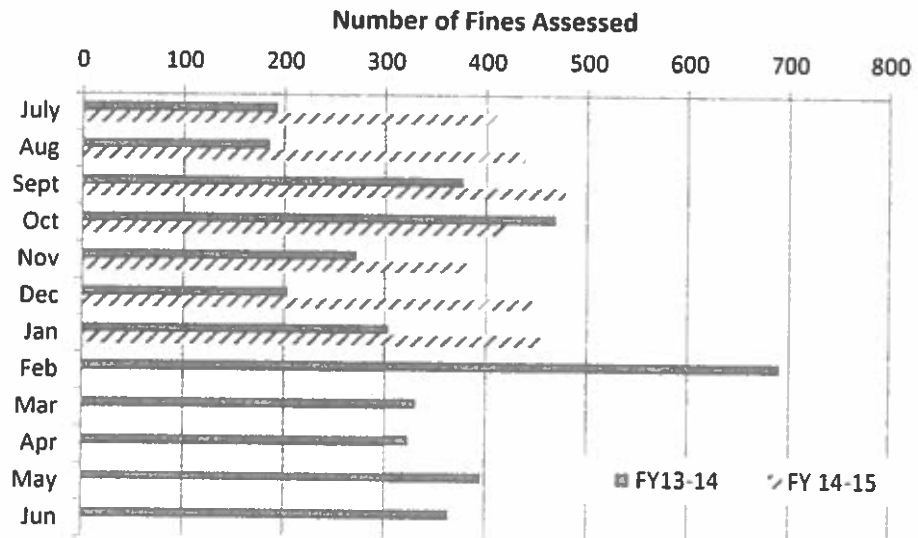
Fines per Form

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Assessed Form 15I	16	49	46	13	20	34	42						220
Assessed Form 15II	5	37	13	8	11	19	17						0
Assessed Form 15S	0	0	0	0	0	0	0						0
Assessed Form 17	2	8	23	1	6	12	14						66
Assessed Form 18	363	333	386	391	336	377	377						2563
Assessed Form 19	5	1	2	0	0	0	2						10
Assessed Denial Letter	10	6	5	4	6	2	1						34
Assessed Requests	12	4	3	4	2	2	2						29
Paid Form 15I	\$3,800	\$2,800	\$5,800	\$4,000	\$1,200	\$1,200	\$4,600						23400
Paid Form 15II	\$1,000	\$1,200	\$3,200	\$1,200	\$600	\$800	\$2,300						10300
Paid Form 15S	\$0	\$0	\$0	\$0	\$0	\$0	\$0						0
Paid Form 17	\$400	\$0	\$1,400	\$1,400	\$400	\$1,400	\$1,600						6600
Paid Form 18	\$72,800	\$36,000	\$40,000	\$47,000	\$41,500	\$46,300	\$36,000						319600
Paid Form 19	\$250	\$100	\$50	\$100	\$50	\$0.00	\$0.00						550
Paid Denial Letter	\$250	\$400	\$1,000	\$600	\$400	\$200.00	\$0.00						2850
Paid Request	\$2,400	\$1,600	\$200	\$800	\$600	\$0.00	200						5800

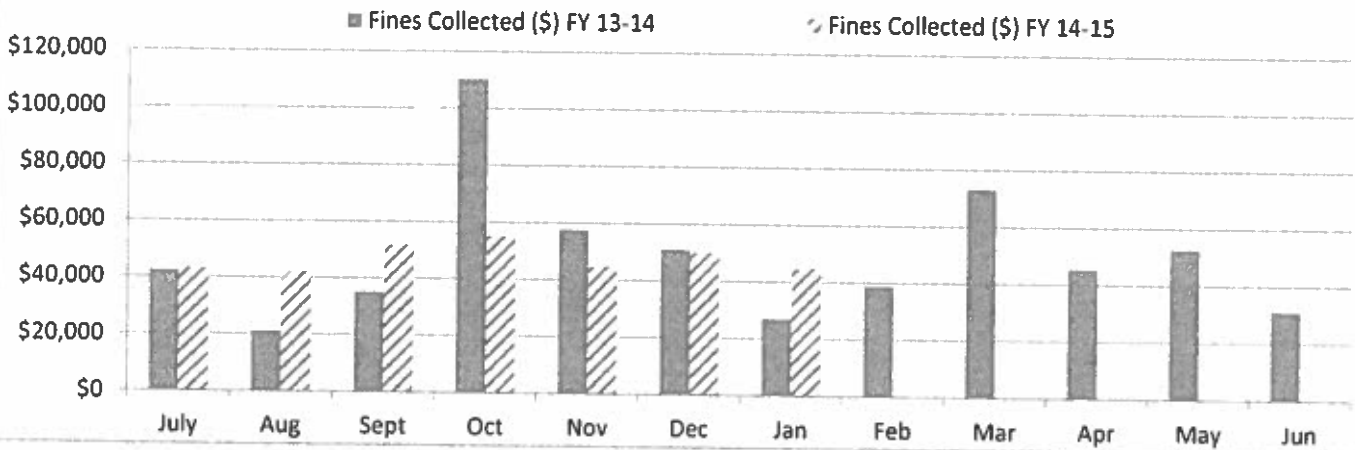
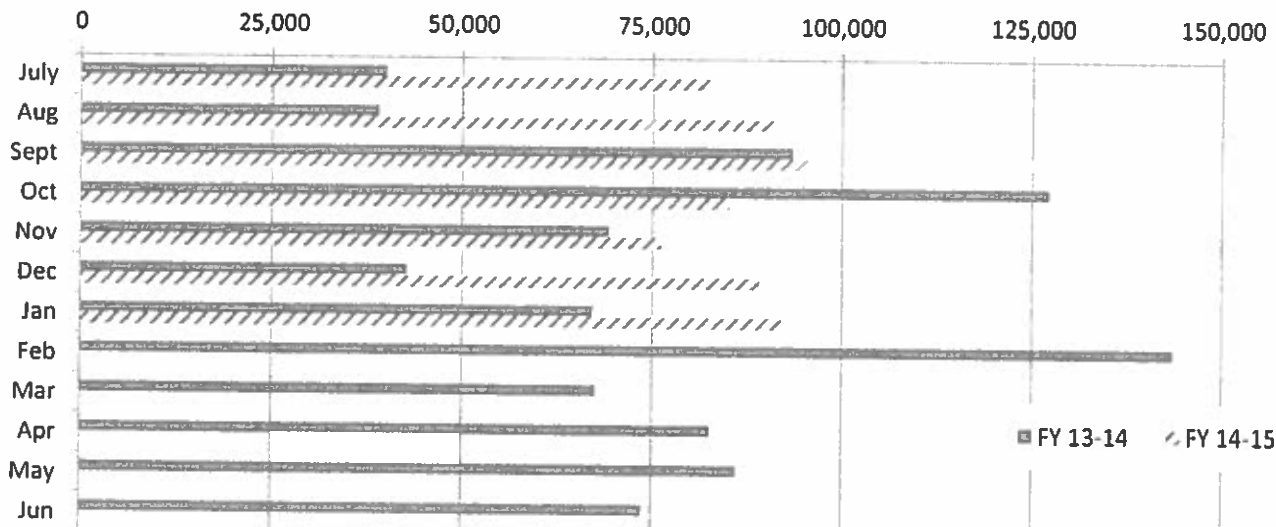
CLAIMS DEPARTMENT - Fine Activity Report January 2015

The number of fines assessed by the Claims Department increased in number to 455 from 446 in January. The number of Claims fines paid decreased from 245 in December to 224 in January.

Total fine dollars assessed in January was \$92,100 an increase over prior month \$89,200. Fine revenue received in January was \$44,700 a decrease over prior month \$49,900.



Net Fines Assessed (\$)



Claims Department - Fine Activity Report - January 2015

Fines Assessed (#)

	FY 13 -14	FY 14-15
July	193	413
Aug	185	438
Sept	377	478
Oct	469	421
Nov	272	381
Dec	204	446
Jan	304	455
Feb	691	0
Mar	331	0
Apr	324	0
May	396	0
Jun	364	0
Total	4,110	3,032
Mo Avg	343	433

Fines Received (#)

	FY 13-14	FY 14-15
July	162	198
Aug	190	205
Sept	174	254
Oct	459	259
Nov	242	234
Dec	203	245
Jan	138	224
Feb	175	0
Mar	336	0
Apr	219	0
May	214	0
Jun	130	0
Total	2,642	1,619
Mo Avg	220	231

Net Fines Assessed (\$)*

	FY 13-14	FY 14-15
July	40,000	82,650
Aug	39,000	91,250
Sept	93,500	95,700
Oct	127,250	85,200
Nov	69,350	76,200
Dec	42,750	89,200
Jan	67,200	92,100
Feb	143,600	0
Mar	67,600	0
Apr	82,700	0
May	86,200	0
Jun	73,750	0
Total	932,900	612,300
Mo Avg	77,742	87,471

Fines Collected (\$)

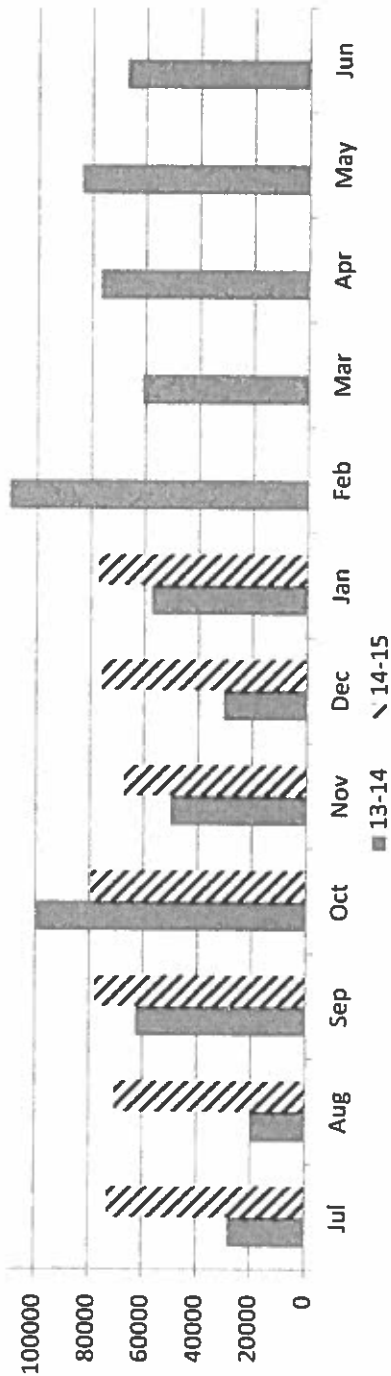
	FY 13-14	FY 14-15
July	\$42,350	43,300
Aug	\$21,200	42,100
Sept	\$35,050	51,650
Oct	\$110,350	55,100
Nov	\$57,425	44,750
Dec	\$50,900	49,900
Jan	\$27,000	44,700
Feb	\$38,550	0
Mar	\$73,100	0
Apr	\$45,350	0
May	\$52,550	0
Jun	\$31,200	0
Total	585,025	331,500
Mo Avg	48,752	47,357

*after reductions and rescinded

FORM 18 FINE ASSESSMENTS

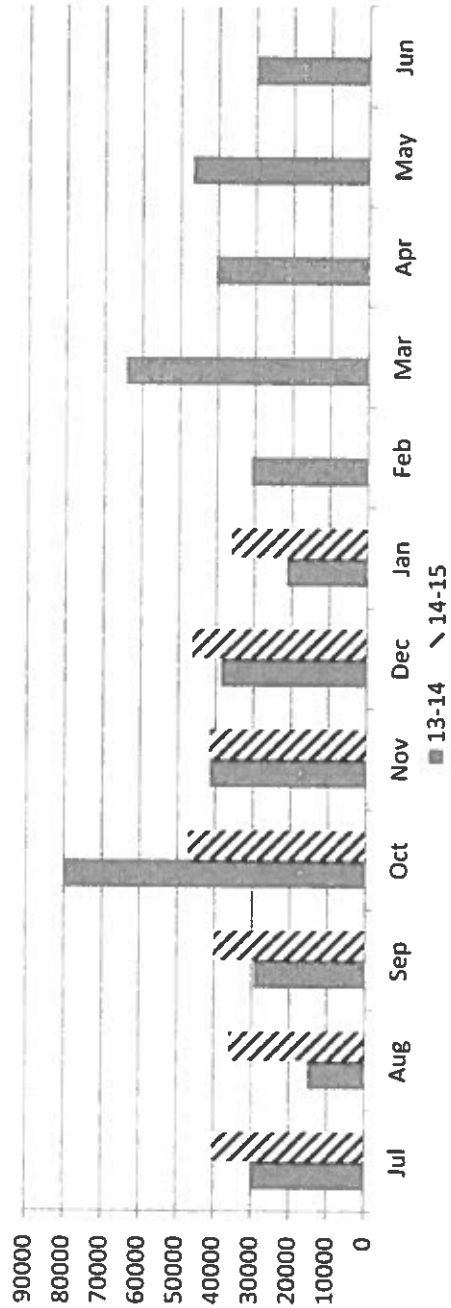
Consistent with overall Commission strategy, the Claims Department works with our Carrier partners to develop approaches that result in increased compliance levels and reduced Fine related costs to businesses in South Carolina.

A key "success measure" of this effort is the Form 18 Fine Assessment report. For the month of January 2015, this has resulted in an increase in Form 18 Fine Assessments to \$76,800 as compared to December 2014 of \$75,400. The actual number of fines assessed remained at 377 in January 2015.



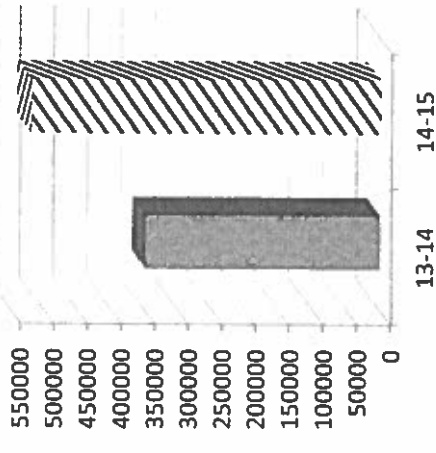
FORM 18 FINE COLLECTION

In December 2014, the Claims Department received payment on Form 18 Fines resulting in revenue of \$46,300.



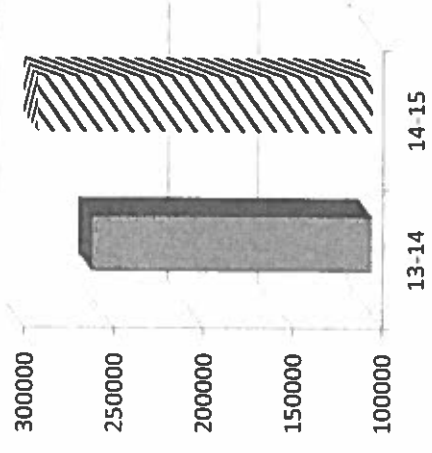
FORM 18 FINE ASSESSMENTS YTD

Form 18 Fine Assessment is trending at 115% of prior year assessments.



FORM 18 FINE REVENUE YTD

Form 18 Fine Revenue is trending at 93% of prior year collections.



State of South Carolina

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Workers' Compensation Commission

February 17, 2015

To: Gary M. Cannon
Executive Director

From: Amy A. Bracy
Judicial Director

RE: **Monthly Judicial Report for January 2015**

Please be advised of the following:

There were seventy-five (75) regulatory mediations scheduled and thirty-seven (37) requested mediations. The Judicial Department was notified of ninety-two (92) matters resolved in mediation, with the receipt of Forms 70.

The Informal Conference system has addressed two hundred twenty-five (225) cases during the last month.

There were ninety-five (95) Single Commissioner Hearings conducted during the past month and there were no Full Commission hearings held in January due to the new 31 process being implemented.

Judicial Department Report
Statistics For Fiscal Year 2014-2015

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Claimant Pleadings	650	603	596	679	520	565	557						4170
Defense Response to Pleadings	522	526	459	488	423	462	529						3409
Defense Pleadings	284	277	282	267	266	259	301						1936
Motions	127	100	110	117	82	96	92						724
Form 30	35	47	15	22	19	23	14						175
FC Hearings Held	10	15	15	15	15	8	0						78
FC Orders Served	26	6	21	16	7	8	17						101
Single Comm. Hearings Held	105	65	157	108	100	88	95						718
Single Comm. Orders Served	159	77	86	87	92	84	84						669
Consent Orders	205	219	246	270	207	185	311						1643
Administrative Orders	62	67	64	49	41	47	47						377

Informal Conferences and Mediations

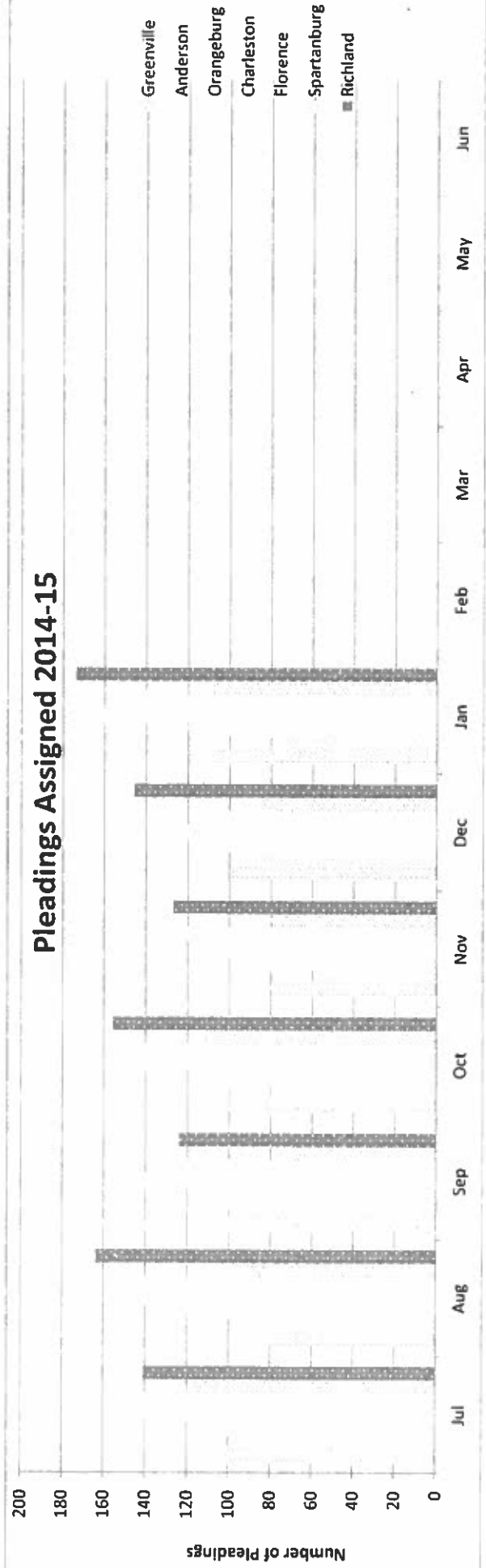
Statistics For Fiscal Year 2014-2015

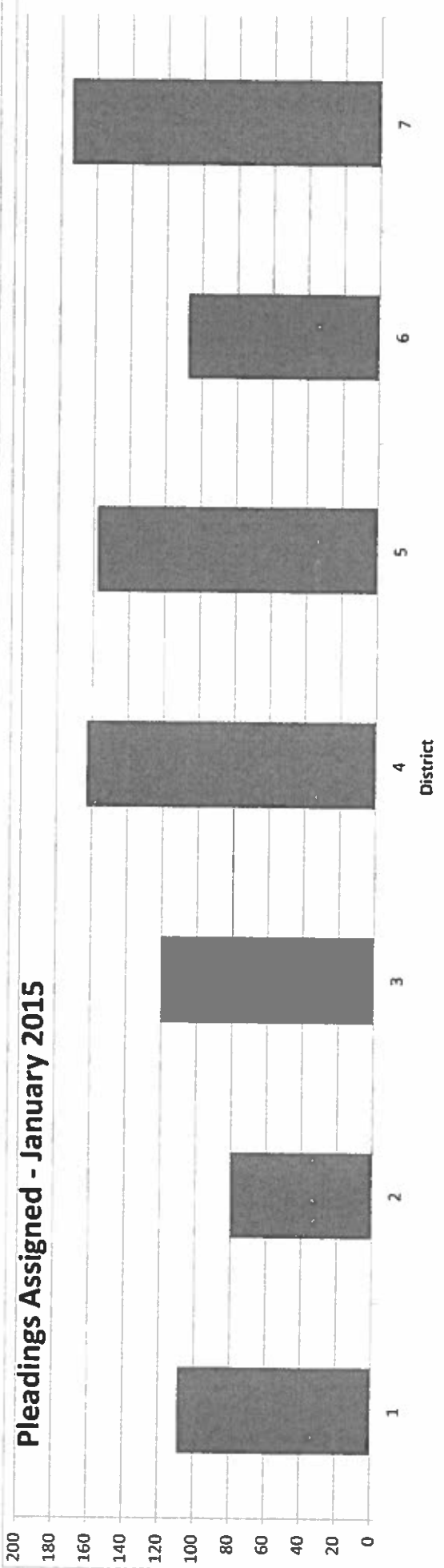
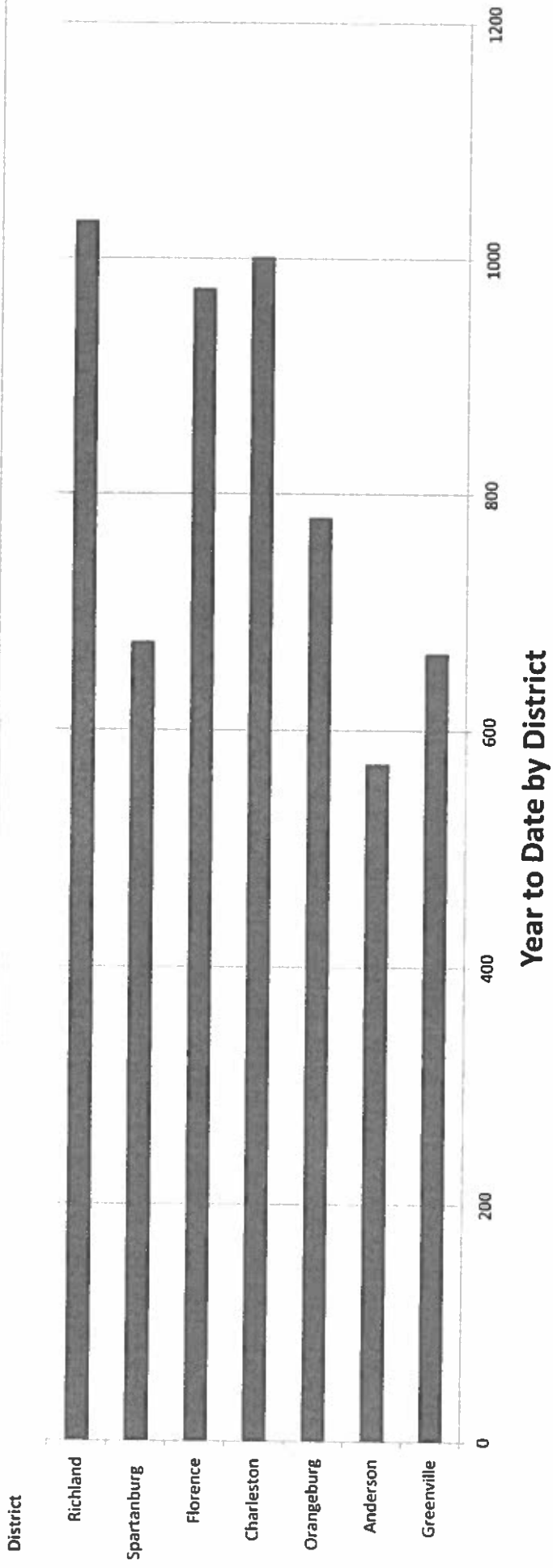
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Clincher Conference Requested	88	104	116	145	107	116	101						777
Informal Conference Requested	375	393	400	380	347	304	453						2652
Informal Conference Conducted	100	508	294	258	222	180	225						1787
Regulatory Mediations	109	134	105	73	64	77	75						637
Requested Mediations	27	25	33	17	18	15	37						172
Ordered Mediations	0	7	0	0	2	0	0						9
Mediation Resolved	94	73	62	77	59	76	92						533
Mediation Impasse	28	30	11	29	20	10	25						153
Mediation Held; Issues Pending	0	0	0	0	3	2	0						5
Claim Settled Prior to Mediation	27	24	23	25	15	15	22						151
Mediation Not Complete in 60 days	4	15	5	10	5	5	9						53

Pleadings Assigned

	District 1 Greenville			District 2 Anderson			District 3 Orangeburg			District 4 Charleston			District 5 Florence			District 6 Spartanburg			District 7 Richland		
	14-15	13-14	12-13	14-15	13-14	12-13	14-15	13-14	12-13	14-15	13-14	12-13	14-15	13-14	12-13	14-15	13-14	12-13	14-15	13-14	12-13
Jul	103	119	94	92	96	89	119	121	124	140	164	160	145	117	140	116	111	99	141	135	173
Aug	86	121	133	96	71	100	120	121	126	153	170	176	146	131	153	104	119	149	164	141	215
Sep	105	102	95	84	80	100	105	97	101	155	163	144	126	137	101	70	90	107	124	132	144
Oct	83	124	118	78	84	97	115	128	120	143	170	188	146	159	138	112	106	115	156	160	146
Nov	80	115	111	56	67	99	93	115	125	115	163	153	135	115	139	80	79	106	127	112	138
Dec	99	78	74	86	93	80	108	102	142	133	123	126	119	108	118	85	95	116	146	113	108
Jan	109	92	111	80	56	106	120	100	118	163	151	193	158	95	128	108	88	121	174	119	141
Feb		93	106		98	98		98	115		157	165			114		93	89		106	133
Mar		101	104		76	90		107	107		121	134			143		91	121		128	160
Apr		98	122		69	73		100	107		144	155			108		101	103		150	162
May		88	67		97	67		124	78		169	134			80		100	102		153	107
Jun		81	98		79	80		95	121		148	163			121		79	110		123	144
Totals	665	1212	1233	572	966	1079	780	1308	1384	1002	1843	1891	975	1510	1483	675	1152	1338	1032	1572	1771

Pleadings Assigned 2014-15





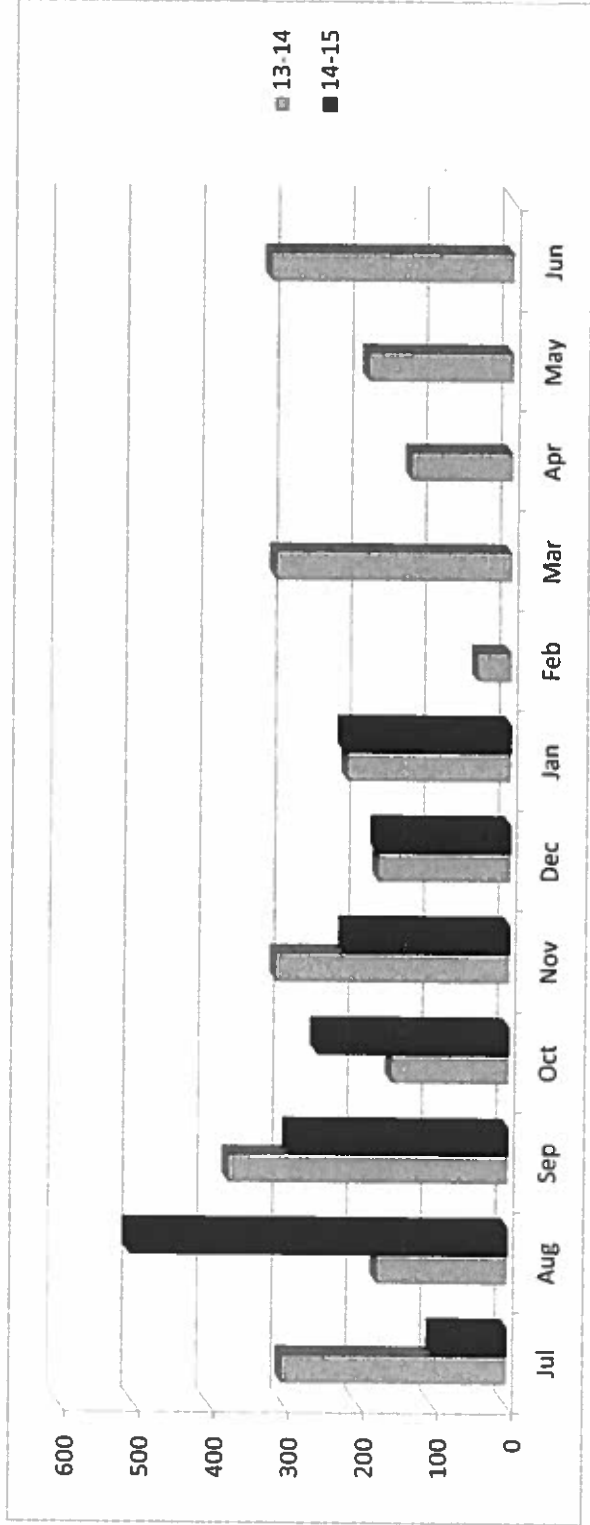
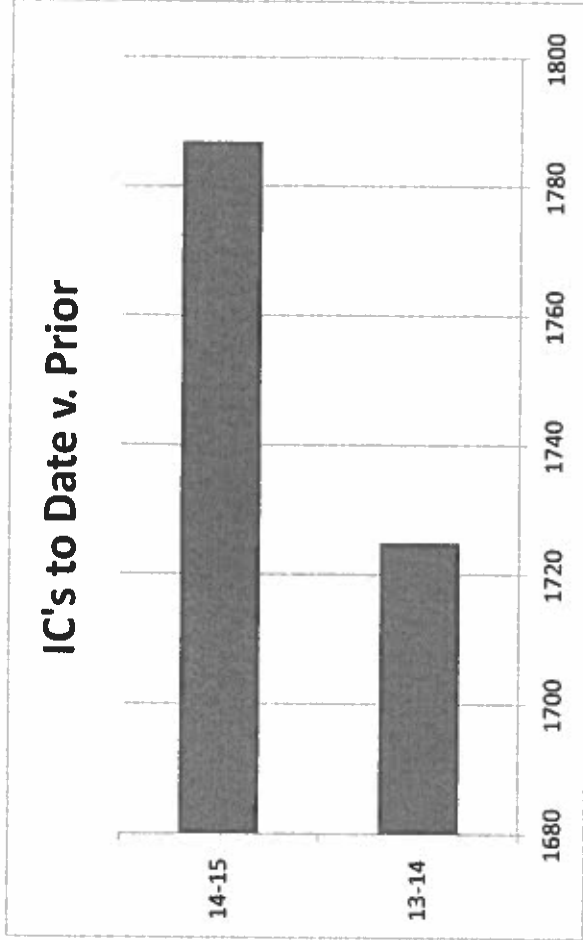
Informal Conf. Conducted

	13-14	14-15	
Jul	303	100	33.0%
Aug	176	508	288.6%
Sep	376	294	78.2%
Oct	158	258	163.3%
Nov	314	222	70.7%
Dec	178	180	101.1%
Jan	220	225	102.3%
Feb	46		0.0%
Mar	317		0.0%
Apr	136		0.0%
May	195		0.0%
Jun	326		0.0%
Total	2745	1787	

13-14 14-15
1725 1787 103.6%

Y-T-D

IC's to Date v. Prior

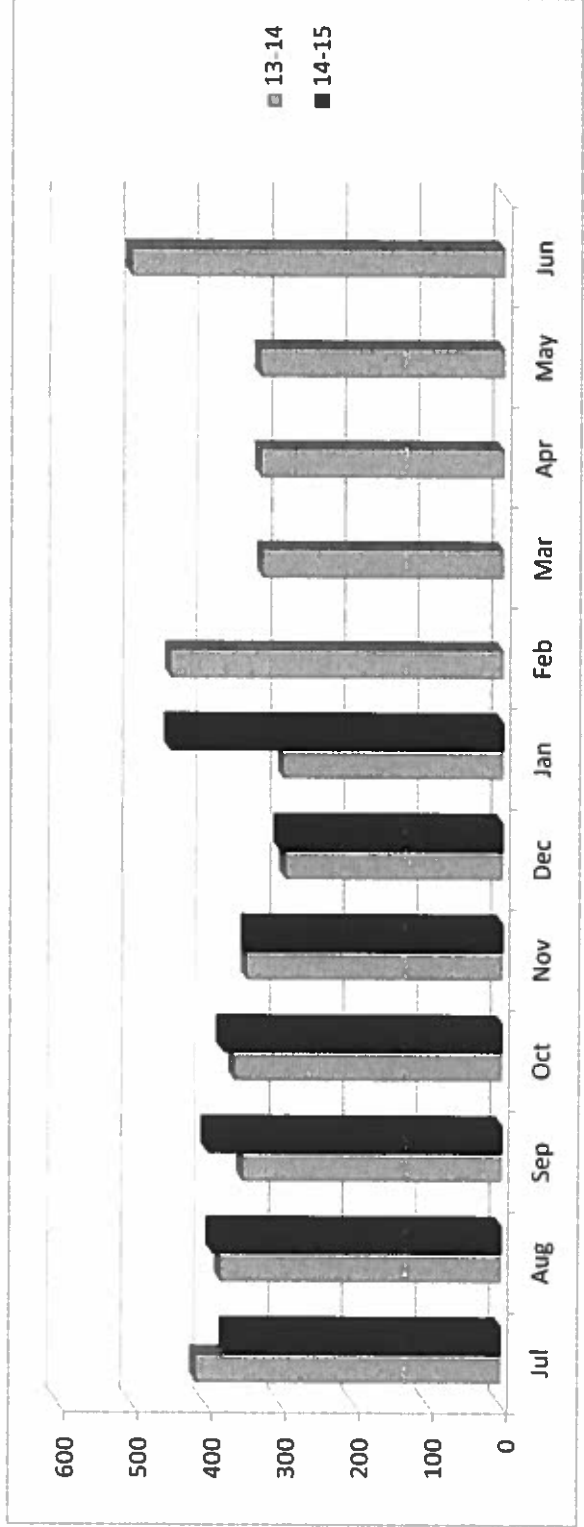
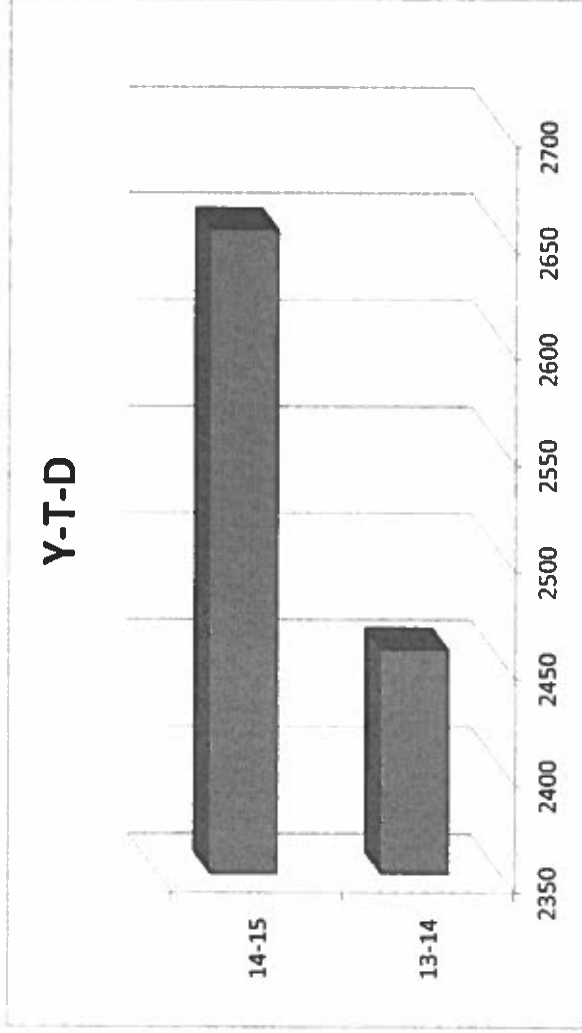


Informal Conf. Requested

	13-14	14-15
Jul	414	375
Aug	382	393
Sep	352	400
Oct	364	380
Nov	348	347
Dec	296	304
Jan	299	453
Feb	452	
Mar	328	
Apr	331	
May	332	
Jun	506	
Total	4404	2652

13-14 2455 14-15 2652 1.080244

Y-T-D



State of South Carolina

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Workers' Compensation Commission

Executive Director's Report Gary M. Cannon

February 19, 2015

FY 2015-16 Budget

The FY 2015-16 Budget was presented to the House Ways and Means Subcommittee on January 21. The budget will be presented to the Senate Transportation and Regulatory Committee on March 19, 2015.

Narcotics Use Ad Hoc Advisory Committee

The next meeting of the Narcotics Use Ad Hoc Advisory Committee is scheduled for Thursday, March 5, at 1:30 p.m. at the S.C. Pharmacy Association in Columbia.

Debit Card Advisory Committee

At the November 17, 2014 Business Meeting, the Commission approved creating an Ad Hoc Advisory Committee of stakeholders to study the issue of allowing carriers and employers to make indemnity payments by pre-paid debit card. Staff is developing a list of names of stakeholders as potential members of the committee.

Staff Re-Organization

Effective February 17, 2015, a re-organization of duties and responsibilities was implemented in order to maximize the efficiencies and effectiveness of internal operations. All functions assigned to the Administration Department were transferred to a new department, the Insurance, Medical and Administrative Services (IMAS) Department under the leadership of Grant Duffield. Due to a change in duties and responsibilities, the Accounting Fiscal/Manager I was reclassified to Fiscal Technician II.

Employee Meetings

An All Employee meeting was held on January 15. The Executive Director met with the Department Heads on January 16.

Other Meetings/Activities

The Executive Director participated in the following meetings/activities:

- Worked with IT Director on Information Security briefing to the Commission
- Worked with IMS Director on Medical Fee Schedule presentation to Commission
- Worked with Judicial Director and General Counsel on the Judicial Conference Agenda

- Prepared the FY 2015-16 budget for presentation to House Ways and Means Subcommittee
- Met with staff concerning outstanding fines and outstanding invoice reports
- On January 14, office walk-through with consultants on Real Estate Consulting and Strategic Planning Services Project

Constituent /Public Information Services

For the period January 7 through February 11, 2015 the Executive Director's Office and the General Counsel's office had 491 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 January 7, 2015 through February 11, 2015, we added eight individuals to the Commission's stakeholder distribution list. A total of 518 individuals currently receive notifications from the Commission.

SC Vocational Rehabilitation Department

As of the publication of this report, the monthly report from SCVRD was not available.

State of South Carolina

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Workers' Compensation Commission

February 19, 2015

To: Commissioners

From: Gary M. Cannon
Executive Director

A handwritten signature in blue ink, appearing to read "G. Cannon", written over the printed name of Gary M. Cannon.

RE: DTO Contract – Information Technology

In October 2014, the Commission postponed approving the Contract with the Division of Technology Operations (DTO) for information technology services to request additional information.

Attached is the letter from Keith Roberts to Keith Osman and his response, the proposed Agreement and Appendix A, a Cost Summary by major service area, and a cost comparison of the previous 2010 contract and actual billing for FY13-14 to the new contract.

The budget will be adjusted for the increase.

Staff is of the opinion that DTO has responded to our concerns and recommends approval of new contract.

State of South Carolina

J Keith Roberts
Attorney at Law
1333 Main Street, 5th Floor
P.O. Box 1715
Columbia, S.C. 29202-1715



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

Workers' Compensation Commission

November 24, 2014

Mr. Nathan Hogue, Customer Service Director
DTO
4430 Broad River Road
Columbia, SC 29212

Re: DTO Proposed Agreement for Services- SCWCC

Dear Mr. Hogue:

We have been very satisfied with the level of service we have been receiving from DTO, and I am very eager to have a new contract in place. I have discussed the terms of your proposed contract at length with the Commissioners, and overall they are very satisfied with the terms and pricing.

There are three concerns the Commissioners have regarding the timing of rate increases, inclusion of the addendums, and indemnification. In order to assuage their concerns, we are requesting that three provisions of the contract be modified as follows.

On page 4, under the section entitled "Price and Payment" we are requesting this clause be amended to read:

Price and Payment

"DTO may increase or decrease the rates set forth above during the thirty-day period immediately prior to the date of the automatic renewal of the contract, but DTO must give WCC written notice at least 60 days in advance of any rate increase."

On page 6, under the section entitled "Duties of DTO" we are requesting a paragraph "K." be added to read:

- K. "DTO Agrees to defend, indemnify, and hold harmless the Commission for any and all claims, demands, actions, or causes of action arising from negligent,

grossly negligent, reckless, and/or willful conduct on behalf of DTO, its officers, employees, agents or representatives.”

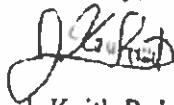
On page 10, we are requesting the addition of a clause stating:

“DTO is responsible for performing all line items in Addendum A at the cost so listed in the addendum.”

Please let us know if you will accept these proposed amendments. Thank you for your consideration, and do not hesitate to contact me if you have questions.

With warm regards,

Sincerely,

A handwritten signature in black ink, appearing to read "J. Keith Roberts". The signature is written in a cursive style with a large initial "J" and "K".

J. Keith Roberts, General Counsel
S.C. Workers' Compensation Commission

NIKKI HALEY, CHAIRMAN
GOVERNOR
CURTIS M. LOFTIS, JR.
STATE TREASURER
RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE
COMMITTEE
W. BRIAN WHITE
CHAIRMAN, HOUSE WAYS AND MEANS
COMMITTEE
MARCIA S. ADAMS
EXECUTIVE DIRECTOR

January 13, 2015

J. Keith Roberts
General Counsel
Workers' Compensation Commission
1333 Main Street, 5th Floor
Columbia, South Carolina 29202-1715

Dear Mr. Roberts:

The Division of Technology Operations welcomes the opportunity to serve the Workers' Compensation Commission's information technology needs. We, too, are anxious to effectuate the new Agreement with your organization. This document is in response to the three concerns the Commissioners have regarding rate increases and indemnification provision.

1. Price and Payment

You requested that we amend the "Price and Payment" language to read: "DTCO may increase or decrease the rates set forth above during the thirty-day period immediately prior to the date of the automatic renewal of the contract, but DTCO must give WCC written notice at least 60 days in advance of any rate increase."

We retained the original language proposed and included a statement indicating that costs provided are estimates and are dependent upon actual service usage and vendor charges. DTCO is in the process of reviewing its rates and must be in a position to recover its costs. While we do have contracts with our vendors, contract renewal dates are dependent on contract negotiation and acceptance timeframes. DTCO is sensitive to budgetary issues and will work with your staff to plan accordingly.

2. Indemnification

You requested that DTCO add "DTCO agrees to defend, indemnify, and hold harmless the Commission for any and all claims, demands, actions, or causes of action arising from negligent, grossly negligent, reckless, and/or willful conduct on behalf of DTCO, its officers, employees, agents or representatives."

DTCO is unable to add the requested language. The Office of the South Carolina Attorney General has repeatedly concluded that state agencies are without legal authority to inter into indemnification agreements. (See for example, <http://www.scag.gov/wp-content/uploads/2011/03/lawrence-p-l-os-9044-1-6-10-state-ports-authority-usace-project-partnership-agreement.pdf>; <http://www.scag.gov/wp-content/uploads/2011/03/04sept-29-Rush.pdf>).

In addition, the Attorney General's office has stated that an indemnity clause in any state agency's contract, whether with a private party or another state agency, violates state law. (<http://www.scag.gov/wp-content/uploads/2014/03/00147480.pdf>.)

3. Addendum Costs

A request was made that DTO add a clause stating "DTO is responsible for performing all line items in Addendum A at the cost so listed in the addendum."

DTO added a clause under Duties of DTO, B., that states the following:

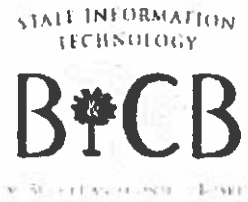
"B. DTO shall perform its duties and obligations under this Agreement as defined in the attachment. Costs provided are based on the estimated quantities; actual charges will be based on usage."

Thank you for the opportunity to meet the technology infrastructure needs. I look forward to working with you and your staff.

Sincerely,

Keith Osman
Chief Information Officer

cc: Betsy Hartman



**SOUTH CAROLINA BUDGET AND CONTROL BOARD
DIVISION OF TECHNOLOGY OPERATIONS**

AGREEMENT FOR SERVICES

SOUTH CAROLINA WORKERS COMPENSATION COMMISSION

AGREEMENT # WCC 02182015

AGREEMENT FOR SERVICES

BETWEEN

**SOUTH CAROLINA BUDGET AND CONTROL BOARD
DIVISION OF TECHNOLOGY OPERATIONS**

AND

SOUTH CAROLINA WORKERS COMPENSATION COMMISSION

FOR

INFORMATION TECHNOLOGY SERVICES

AGREEMENT # WCC 02182015

I. SERVICE OVERVIEW

The South Carolina Budget and Control Board's Division of Technology Operations (DTO) will provide the South Carolina Workers Compensation Commission (WCC) information technology services and support. Those services include, but are not limited to the following:

- Database hosting and consulting services
- Standard desktop support services
- Network services

A definition of these services is included in the attachment. As additional services and/or changes to existing services are requested, a statement of work will be prepared and approved by both DTO and WCC prior to service delivery.

II. AGREEMENT

This Agreement is entered into by and between the South Carolina Budget and Control Board, Division of State Information Technology (DTO) with its principal offices located at 4430 Broad River Road, Columbia, South Carolina 29210 and WCC with its principal offices located at 1333 Main Street, Suite 500, Columbia, South Carolina, 29201.

Term

This Agreement shall commence on the date of signature by both parties (or when service is activated). Acceptance of this Agreement shall remain in full force and effect continuously until June 30, 2015, and thereafter shall be automatically renewed for successive one-year terms unless written notice of expiration is delivered to the other party at least sixty (60) days prior to expiration of the contract term.

Termination

Either party may terminate this Agreement upon material breach by the other party of any one or more of the terms and conditions of this Agreement. The party so failing shall be notified in writing by the other party of the failure and unless a satisfactory resolution has been agreed upon in writing within sixty (60) days of said written notification, the non-breaching party may terminate this Agreement by so notifying the breaching party.

Price and Payment

DTO shall invoice WCC monthly and all invoices hereunder are due and payable within thirty (30) days of WCC's receipt of DTO's invoice in accordance with Section 11-35-45 of the Code of Laws of South Carolina.

DTO may increase or decrease the rates set forth above. DTO must give WCC written notice at least sixty (60) days in advance of any rate increase.

Based on quantities provided, an estimated cost for the above-referenced services is outlined in an attachment. As noted in this estimate, costs invoiced are totally dependent on actual usage and DTO vendor costs.

Confidentiality

DTO understands and acknowledges that the customer's data are proprietary. DTO shall protect such data and use reasonable care to prevent its unauthorized disclosure. DTO and customer understand and agree the determination whether to disclose customer's information in response to requests made pursuant to provisions of the SC Freedom of Information Act, Section 30-4-10 et seq., SC Code of Laws, 1976, as amended, is the responsibility of the customer, and the customer is solely responsible for such decision.

Warranties

DTO shall use reasonable care in processing WCC requests and in performing related services as set forth in this Agreement. DTO shall be responsible only to the extent of (a) correcting, at its expense, any non-conformity which is the sole fault of DTO and (b) reworking, at its expense, any request which may have been completed in error.

Limitation of Liability

Except as provided in the Warranties paragraph above, DTO shall not be liable for specific performance or for any direct, indirect, special or consequential damages such as, but not limited to, loss of anticipated revenues or other economic loss in connection with or arising out of the existence, the furnishing, or the customer's use of any services provided for in this Agreement.

The parties hereto agree that there are no understandings, agreements, representations or warranties, express or implied, including any regarding merchantability, fitness, or fitness for a particular purpose not specified herein respecting this Agreement, the services, or the equipment described herein or in any Exhibit made a part hereof. This Agreement states the entire obligation of DTO in connection with this transaction.

Force Majeure

DTO shall not be liable or deemed to be in default for any delay or failure in performance under this Agreement or interruption of service resulting, directly or indirectly, from acts of God, civil or military authority, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the reasonable control of DTO.

Duties of DTO

- A. DTO certifies that it complies with requirements of the South Carolina Drug Free Workplace Act, Sections 44-107-10, ET SEQ., S.C. Code ANN, (1976).
- B. DTO shall perform its duties and obligations under this Agreement as defined in the attachment. Costs provided are based on the estimated quantities; actual charges will be based on usage.
- C. In order to facilitate the services to be provided pursuant to this Agreement, DTO shall provide the necessary personnel, network infrastructure, telecommunications infrastructure, and data center infrastructure facilities.
- D. DTO shall maintain the physical security of the infrastructure systems and shall establish and maintain reasonable safeguards against the intrusion by unauthorized persons or destruction or loss of WCC's data in the possession of DTO.
- E. DTO will provide a 24 x 7 x 365 Service Center to serve as the single point of contact for all information technology service problems.
- F. DTO will provide a single point of contact to serve as a liaison between DTO and WCC to respond to any non-service outage related question.
- G. DTO will provide billing for services on a monthly basis.
- H. DTO will establish escalation procedures for services and problems.
- I. DTO will schedule and participate in an annual planning session to review planned Information Technology initiatives (new technology requirements, storage needs, growth anticipated, etc.) and to review this Agreement to determine the actual level of performance by DTO and to define any modifications needed to the Agreement.
- J. DTO will strive to meet or exceed each of the service levels established within this Agreement.

Duties of Customer

- A. WCC will provide a single point of contact for DTO.
- B. WCC shall promptly report all problems to DTO's Service Center to ensure proper reporting and performance.
- C. WCC shall reimburse DTO for the costs associated with providing information technology services as specified in this Agreement.
- D. WCC shall process invoices as described in Section II. PRICE of this Agreement.
- E. WCC may elect to participate in an annual session to define the needs of the agency, to review this Agreement to determine the actual level of performance by DTO, and to define any modifications needed to this Agreement.

Service Level Objectives

DTO Service Center tracking software will be used to collect and extract data by WCC for all problems submitted to DTO's Service Center. Therefore, all problems must be reported to DTO's Service Center to ensure proper reporting and performance measurement. The number of incidents and requests, the name of the requester, and the resolution time for all tickets will be tracked. The resolution/completion times will be measured from the time of receipt and entry into the tracking software until the time the problem/request has been resolved (completed). Details of any trouble ticket or summary reports will be available to WCC upon request.

Service Level Compliance

Each time DTO fails to meet a service level objective, DTO shall do the following:

- A. Use its best efforts to correct the problem and to begin meeting such service level as soon as practicable.
- B. Upon request, DTO will investigate the root cause(s) of the failure and deliver to WCC a written report identifying such root cause(s).

Change Advisory Board

All technical changes are discussed and approved at a weekly Change Advisory Board (CAB) meeting, typically held on Tuesdays at 11:00 a.m. All Requests for Change (RFC) must be submitted thirty (30) minutes prior to the CAB meeting each week. A schedule of these meetings will be provided upon request. Changes received after Tuesday at 11:00 a.m. will be considered urgent/emergency changes. An Emergency Change Board must be convened to approve urgent/emergency changes.

Agency requests for change should be submitted by Tuesday to DTO staff with the only rare exceptions being urgent/emergency requests that must be addressed immediately. After changes are approved on Tuesday at 11:00 a.m., a Forward Schedule of Changes is published for the coming week.

Review Schedule

This Service Level Agreement shall be reviewed by DTO and WCC at least annually. This review is to determine the actual level of performance by DTO and to define any modifications needed to the Agreement by WCC and/or DTO. The review times and dates are to be mutually agreed upon by both WCC and DTO.

III. ACCEPTANCE

Therefore, the signatories hereunder warrant and declare that they are duly authorized to execute this Agreement by virtue of their positions and title and are signing on behalf of their respective entity by virtue and strength thereof and that, furthermore, it is stipulated and agreed by the parties that this Agreement shall be binding upon their respective entity, officers, employees, agents, and their heirs, successors and assigns of each.

By signing this document, the South Carolina Workers Compensation Commission agrees to the project as described previously. This proposal is valid for sixty (60) calendar days. Upon acceptance, return a signed copy to Alyson Fletcher, Customer Service, Division of State Information Technology, 4430 Broad River Road, Columbia, South Carolina, 29210.

**DIVISION OF TECHNOLOGY
OPERATIONS**

**WORKERS COMPENSATION
COMMISSION**

BY: _____
(Authorized Signature)

BY: _____
(Authorized Signature)

Keith Osman

Gary Cannon

Chief Information Officer
(Title)

Executive Director
(Title)

(Date)

(Date)

Workers Compensation Commission Estimated Costs

SQL Database Hosting and Consulting		UNIT COST	QUANTITY	MONTHLY RECURRING COSTS	ANNUAL RECURRING COSTS	Notes
DESCRIPTION						
MS Server Management Prod and Dev Servers, WCCSQLPRD and WCCSQLDEV	\$482.00	2	\$964.00	\$11,568.00	The Division of Technology Operations (DTO) offers Server Management which includes: Installing and maintaining Virus Protection, 24 Hour Monitoring of system functions, and data storage utilization, Resolving system software and hardware problems, Performing system backups (See Backup rates), Retaining backup tapes in-house and off-site, Provide and support the storage area network if utilized by the specific server	
Server Hosting	\$32.00 per rack unit	4	\$128.00	\$1,536.00	DTO offers Server Hosting within a secure environment. The server racks meet DTO rack standards. The racks have front and rear combination locks. The racks will be supplied with redundant power. The racks are prewired and terminated and tested with connectivity of up to 4 ports per server. SAN connectivity is pre-terminated. These are shared racks and have KVM (keyboard / Video / Mouse) devices that require authentication and will only allow your servers to be managed.	
Idera SQL Backup License Maintenance for WCCSQLPRD and WCCSQLDEV	**\$199.00 per license	2		**\$398.00	The Division of Technology Operations Utilizes Idera SQL Safe software for Database backup and Recovery. This is the purchase cost for the Software.	
Idera SQLsafe Database Backup Software	\$995.00	2		**\$1,990.00 (one time cost)	The Division of Technology Operations Utilizes Idera SQL Safe software for Database backup and Recovery. This is the annual maintenance cost for the Software.	
HP Hardware Maintenance WCCSQLDEV		1		**\$1,182.00	This pass-through cost is the actual cost for Hardware maintenance supplied by HP.	
Wildcard Cert (wccprogress.sc.gov)		1		**\$350.00	This pass-through cost is the actual cost for the Symantec (Verisign) SSL wildcard certificate	
Microsoft SQL Maintenance 12 Cores		1		**\$14,689.66	This pass-through cost is the actual cost for Microsoft SQL licensing maintenance based on two servers with two processors with six cores each. If these specifications change, the costs will change also.	
Microsoft OS Maintenance		1		**\$403.00	This pass-through cost is the actual cost for Microsoft Operating System (OS) licensing maintenance based on two servers with two processors with six cores each. If these specifications change, the costs will change also.	
Microsoft Licensing for DEV environment	**\$23.93 per user	4		**\$95.72	This pass-through cost is the actual cost for Visual Studio Pro with MSDN licensing maintenance. This licensing allows you not to duplicate the OS and Database costs for the development server.	
Microsoft Remote Desktop CALS	**\$55.27 per CAL	2		**\$110.54	This pass-through cost is the actual cost for Microsoft Remote Desktop licensing maintenance. This licensing allows you access the two servers remotely.	
Disaster Recovery WCCSQLPRD (HP DL380G72 Processor 8 Core - 16 Cores total)		1	\$262.40	\$3,148.80	DTO is responsible for backups and restoration of the server. The customer is responsible for the application(s).	
Disaster Recovery WCCSQL 300 GB (\$0.21 per GB)	*\$0.21	*300	*\$63.00	*\$756.00	Storage	
SQL DBA Support			*\$75.00		Hourly DBA support as required.	
Backup per GB	*\$0.44	*224	*\$98.56	*\$1182.72	Rate associated with the back-ups of servers and data.	
Total			\$1,515.96	\$37,410.44		

*These charges are based on actual monthly usage.

**These estimated charges are pass-through charges and will be re-billed based on the actual cost from the vendor.

Imaging

DESCRIPTION	Unit Cost	Quantity	MONTHLY RECURRING COSTS	ANNUAL RECURRING COSTS	Notes
Non SCEIS Imaging		1	\$1,734.75	\$20,817.00	Non SCEIS Imaging is an Electronic Document Management Services (EDMS) and is offered as a hosting environment for South Carolina government agencies to implement document imaging and workflow. The hosting environment leverages and expands upon the central document management infrastructure that is in place for the SCEIS project. EDMS enables government agencies to extend their document imaging and workflow beyond the scope of SCEIS imaging.
COLD ERM Add on		1	\$515.17	\$6,182.04	COLD/ERM is an add on service for South Carolina government agencies that are currently under contract with DTO for EDMS and live SCEIS agencies. The hosting environment leverages and expands upon the central document management infrastructure that is in place for the SCEIS project. COLD/ERM enables government agencies to extend their document imaging and workflow beyond the scope of both SCEIS and the base EDMS service. The functionality that COLD/ERM provides is to capture reports in the imaging system instead of printing reports to paper, it also enables text fields in the reports to be used as keywords to search and retrieve reports.
OnBase Mobile App for Ipad		1	\$200.00	\$2,400.00	Allows for iPad access to Onbase imaging system. This is an add-on service to the Non SCEIS Imaging line of service
Centera For Imaging Storage for both onsite and offsite	*\$0.72 per G	*740 G	*\$532.80	*\$6,393.60	Centera Storage Service is a Storage Archival platform that allows us to store archived data for extended retention periods. The service can place different archival retention periods on customer data to meet the requirements of the customer, application, or regulatory statute. This storage is specific to Non SCEIS Imaging (EDMS). This storage is replicated to the DR facility.
Hyland Named User Client Maintenance	**115.68	55		**\$6,362.40	This pass-through cost is the actual cost for Hyland Named User Client licensing maintenance based on number of users listed. If these specifications change, the costs will change also.
Hyland Disconnected Scanning Maintenance	**\$385.60	4		**\$1,542.40	This pass-through cost is the actual cost for Hyland Disconnected Scanning licensing maintenance based on number of users listed. If these specifications change, the costs will change also.
Concurrent Client	**\$231.36	3		**\$694.08	This pass-through cost is the actual cost for Hyland view clients. The number listed is the number of concurrent clients that can be connected at one time utilizing this license
Concurrent Workflow	**\$424.16	2		**\$848.32	This pass-through cost is the actual cost for Hyland Concurrent Workflow licensing maintenance based on number of licensing listed. If these specifications change, the costs will change also.
API License/ 500 Query per hour block license	**\$1,928.00	1		**\$1,928.00	This pass-through cost is the actual cost for API License/ 500 Query per hour block license licensing maintenance based on number of hours listed. If these specifications change, the costs will change also.
PDF framework	**\$578.40	1		**\$578.40	This pass-through cost is the actual cost for PDF framework licensing maintenance based on number of licenses listed. If these specifications change, the costs will change also.
Total			\$2,982.72	\$47,746.24	

*These charges are based on actual monthly usage.

**These estimated charges are pass-through charges and will be re-billed based on the actual cost from the vendor.

Standard Desktop Support Services

DESCRIPTION	Unit Cost	Quantity	MONTHLY RECURRING COSTS	ANNUAL RECURRING COSTS	Notes
Standard Desktop Support	\$69.08	67	\$4,628.36	\$55,540.32	The Standard Desktop Support costs identified include the following services. File services - Access to DTO file servers to store agency and user data, Print services - Access to DTO network printing queues for network printers, Email services - Support and maintenance on DTO Email servers for email to internal employees, other State agencies and to the Internet. Once connected to the Internet, access to email from a browser on any workstation anywhere in the world via WebAccess, Antivirus Services - Scanning of all files prior to saving at the server. Scanning of email for viruses prior to entering the email system with McAfee Virus Scanning appliances. Scanning of all files prior to opening at the workstation, Anti-Spam Services - Scanning of all email for SPAM prior to entering the email system.
MS Office Software Assurance	\$126.17	67		**\$10,143.80	This pass-through cost is the actual cost for Microsoft Office (Desktop) licensing maintenance based on the number of users specified. If these specifications change, the costs will change also.
Desktop Support Remote or On-site technical support			*\$55.00		Hourly onsite support as needed.
Total			\$4,628.36	\$65,684.12	

*These charges are based on actual monthly usage.

**These estimated charges are pass-through charges and will be re-billed based on the actual cost from the vendor.

Network Services

DESCRIPTION	Unit Cost	Quantity	MONTHLY RECURRING COSTS	ANNUAL RECURRING COSTS	Notes
Firewall Protection - Medium	\$645.36	1	\$645.36	\$7,744.32	Medium Virtual Firewall Protection at DTO includes the following services: Security policies custom tailored to match the needs of the individual clients, access to four virtual connections, and a redundant automatic failover when necessary.
Data Center Network Ports Enterprise	\$16.00 per port	8	\$128.00	\$1,536.00	Data Center Network Ports Enterprise is the port access for servers and equipment located in the DTO Broad River Road Datacenter to connect to the network.
Internet 10Mbps	\$14.00	10	\$140.00	\$1,680.00	This internet service is to provide a 10 Mbps Connection to the outside internet and is provided for \$14 per Mbps by DTO
100MB Connection CWB, Fixed Mode	\$513.64	2	\$1,027.28	\$12,327.36	The 100MB Connection CWB, Fixed Mode is for 100 Mbps of MetroNet access. This provides the pipe that the internet connection rides on, as well as other services such as PMS and VOIP.
Router Maintenance and Management 24x7 Tier 2	\$154.00	4	\$1,848.00	\$22,176.00	The Router Maintenance and Management provides 24x7x4 router maintenance / support by DTO. This charge includes setup, configuration as well as equipment troubleshooting.
Wireless Access Point Maintenance and Management	\$154.00	1	\$154.00	\$1,848.00	The Wireless Access Point Maintenance and Management provides 24x7x4 router maintenance / support by DTO. This charge includes setup, configuration as well as equipment troubleshooting.
Total			\$3,942.64	\$47,311.68	

*These charges are based on actual monthly usage.

**These estimated charges are pass-through charges and will be re-billed based on the actual cost from the vendor.

Workers Compensation Commission
Cost Summary

DESCRIPTION	ESTIMATED ANNUAL COSTS
SQL Database Hosting and Consulting	\$37,410.44
Imaging	\$47,746.24
Standard Desktop Support	\$65,684.12
Network	\$47,311.68
Total	\$198,152.48

WCC / DSIT Contract Comparison 2010 to 2014

Line No.		Contract FY 09/10	Actual Billing FY13/14	Contract Proposal FY14/15	Difference + (-)	Comments
Progress - Server and backups						
1	MS Server Management Prod and Dev servers, WCCSQLPRD, WCCSQLDEV	\$5,784	\$11,568	\$11,568	\$ -	Increased to 2 servers Production and Development
2	Server Hosting - racks	\$384	\$768	\$1,536	\$ 768	Increased from 1 rack to 4 racks
3	WCCSQL Software Maintenance Unix	\$292	\$292		\$ (292)	changed to Idera
4	Idera SQL backup license Maintenance for WCCSQLPRD & WCCSQLDEV		\$0	\$398	\$ 398	New charge in FY14/15
5	Idera SQLsafe Database Backup Software		\$0	\$1,990	\$ 1,990	New charge in FY14/15 - One Time Cost
6	Hardware Maintenance HP Warrenty	\$1,168	\$0	\$1,182	\$ 1,182	Increase from Microsoft for licensing
7	Wildcard Cert		\$316	\$350	\$ 34	
8	MS SQL maintenance 2 processor	\$8,263	\$0	\$14,690	\$ 14,690	DTO incorrectly didn't bill us last FY. Added a 20% increase for the contract. Will be billed based on the vendor contract. May be lower or higher
9	MS OS Maintenance	\$403	\$0	\$403	\$ 403	DTO incorrectly didn't bill us.
10	Microsoft licensing for Development		\$0	\$96	\$ 96	To become compliant with microsoft licensing
11	Microsoft remote Desktop CALS		\$0	\$111	\$ 111	to allow staff to connect to server
12	Disaster Recovery for WCCSQL (HP DL380G72 Processor 8 Core - 16 Cores total)		\$0	\$3,149	\$ 3,149	New service needed to be compliant
13	WCCWSQL 300 GB (\$0.21 per GB)		\$0	\$756	\$ 756	data replication at Clemson for Disaster Recovery
14	Backup per GB		\$0	\$1,183	\$ 1,183	Rate Associated with the backups of servers and data and billed on actual usage.
15	Total	\$16,294	\$12,944	\$37,411	\$24,467	

16	Telecommunications Charges - Internet					
17	Firewall Protection	\$1,548	\$1,548	\$7,744	\$ 6,196	increase to medium firewall
18	Data Center Network Ports Enterprise	\$384	\$384	\$1,536	\$ 1,152	increased from 2 ports to 8 ports
19	Internet	\$960	\$1,680	\$1,680	\$ -	Increased from 2MB to 10 MB
20	100 Mb Connection CBW, Fixed mode	\$12,327	\$12,327	\$12,327	\$ 0	
21	Router maint/mgt 24x7 Tier 5	\$3,384	\$3,384	\$22,176	\$ 18,792	old router is past life - replacement router cost is higher due to larger router and more security.
22	Wireless Access Point Maintenance and Management 24X7 Tier 2			\$1,848	\$ 1,848	New charge
23	Virtual Private Network	\$168	\$168	\$0	\$ (168)	
24	Total	\$18,771	\$19,491	\$47,312	\$27,821	

25	OnBase					
26	Non SCEIS Imaging	\$20,817	\$20,817	\$20,817	\$ -	
27	Cold ERM Add on	\$6,192	\$6,182	\$6,182	\$ -	*typo in original contract
28	Onbase Mobile App		\$2,400	\$2,400	\$ -	
29	Centera for Imaging Storage for both onsite and offsite	\$0	\$0	\$6,394	\$ 6,394	Have not been charged for image storage in past years.

WCC / DSIT Contract Comparison 2010 to 2014

Line No.		Contract FY 09/10	Actual Billing FY13/14	Contract Proposal FY14/15	Difference + (-)	Comments
30	Named user client Maintenance	\$5,999	\$6,793	\$6,362	\$ (431)	
31	Disconnected Scanning	\$1,454	\$1,647	\$1,543	\$ (104)	
32	Concurrent Client Maintenance	\$545	\$741	\$694	\$ (47)	
33	Publishing Maintenance **	\$363.60	\$0	\$0	\$ -	Dropped
34	Export Maintenance **	\$909	\$0	\$0	\$ -	Dropped
35	Concurrent Workflow		\$0	\$848	\$ 848	Required for upload approved by FC
36	API Licens / 500 query per hour block license		\$0	\$1,928	\$ 1,928	Required for upload approved by FC
37	PDF frameword		\$0	\$578	\$ 578	Required for upload approved by FC
38	Total	\$36,281	\$38,579	\$47,746	\$9,167	

39 Infrastructure and PC Support						
40	Standard Desktop Support (67) - (actually infrastructure - includes network drives, internet connectivity, email and backup of data on network drives and email)	\$55,540	\$56,497	\$55,540	\$ (957)	
41	Software Assurance		\$8,474	\$10,144	\$ 1,670	Billed at \$127 per unit not \$85 as contracted. Vendor increase rate - may be an additional 20% higher in FY14/15 as DTO doesn't know until the renewal comes up
42	Total	\$55,540	\$64,971	\$65,684	\$713	

43	Total Fixed Cost Items	\$126,886	\$135,985	\$198,153	\$62,168	
44	Percent difference				45.72%	

45 Use or Utilization Charges						
46	Desktop support \$55 per hour as needed		\$270		\$ (270)	As needed - estimate same
47	Tivoli backups \$0.44 per GB utilization		\$210		\$ (210)	dropped
48	SQL DBA support \$75 per hour		\$0		\$ -	wasn't charged - estimate same
49	Language Line Peak \$2.20 - \$2.60		\$85		\$ (85)	As needed - estimate same
50	Language Line Non-Peak \$2.50 - \$4.50		\$0		\$ -	As needed - estimate same
51	Total	\$0	\$565	\$0	-\$565	

52	Total	\$126,886	\$136,550	\$198,153	\$61,603	
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State of South Carolina



Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive
Director

From: Grant Duffield
IMAS Director

Date: 18 – Feb – 2015

Subj: Proposed 2015 Medical Services Provider Manual

Medical service fees represent slightly less than 50% of the cost of Workers' Compensation benefits in South Carolina. The SCWCC regulates medical benefit costs through four separate medical fee reimbursement programs (fee schedules). The Commission's Medical Services Provider Manual represents the fee schedule that governs out-patient medical services for Workers' Compensation in SC. The current version of the MSPM was adopted by the Commission in 2010. Although the Commission's stated intent was to conduct annual reviews/revisions to the MSPM following 2010, changes within the legislative environment precluded the Commission from implementing such revisions.

In August of 2014, the Commission gave its approval to staff to conduct a MSPM revision study using the most recent medical cost data available. Attached, please find the summary findings of this study. Based on these findings, staff recommends that the Commission maintain the current fifty dollar (\$50) conversion factor and adopt the revisions to the Medical Services Provider Manual as described within the attached. By so doing, the MSPM will be updated to reflect current CPT coding standards and thus improve the Commission's service to injured workers and other stakeholders. Staff further recommends that the proposed revisions become effective May 1, 2015.



January 21, 2015

Grant W. Duffield
Insurance and Medical Services Director
South Carolina Workers' Compensation Commission

Dear Grant,

At the request of the State of South Carolina, Workers' Compensation Commission, OptumInsight performed an analysis to update and compare the current fee schedule to a proposed fee schedule using 2015 RBRVS and Optum Essential RBRVS gapfills. The National Council on Compensation Insurance, Inc. (NCCI) provided summary bill information for calendar year 2013 for the state of South Carolina for services corresponding to the current professional fee schedule. The NCCI data was used to determine the number of occurrences per procedure code to develop a fee schedule neutral conversion factor.

The following bullets outline several validation steps made with the NCCI data.

- Original data contained ~ 5 million occurrences (units) – (includes CPT, HCPCS and Anesthesia records)
- Anesthesia data contained ~ 1.9 million occurrences (units/minutes), this data has been separated from the other CPT and HCPCS codes
- Records that contained units or charges less than or equal to zero were excluded from the database
- Records containing modifiers that could duplicate occurrences were removed from the database (i.e., assistant surgeon modifiers 80-82, AS)
- Records with invalid procedure codes or modifiers were removed from the database
- Records with invalid or improper procedure code/modifier combinations were removed from the database

Project

Upon receipt and validation of the South Carolina Workers' Compensation NCCI data

1. Optum provided an analysis of the 2010 Medical Services Provider fee schedule to a proposed 2015 fee schedule using 2015 RBRVS and Optum's Essential RBRVS gapfills with a conversion factor \$50 and a +/- 9.5% increase or decrease cap on fee value changes.
2. Optum ran an analysis to calculate a conversion factor to meet cost neutrality goals. The analysis indicated that a fee schedule neutral conversion factor is \$50.2257.

3. Per direction of the state, Optum provided a pre-draft fee schedule of the data using the 2015 RBRVS, Optum Essential RBRVS gapfills and a conversion factor of \$50 with a cap of +/- 9.5% increase or decrease. Once the draft is approved, Optum will create a final fee schedule deliverable that will include: fees, professional and technical components, CMS follow-up days and CMS assistant surgery indicators.

Summary

CATEGORY	OCCURRENCES	TOTAL RV UNITS	CURRENT FS \$\$	PROPOSED FS \$\$ 50.00 CF w/ CAPS	% diff FS \$\$ Proposed FS \$\$
HCP	1,017,094	185,942	9,948,628	9,686,305	-2.64%
LAB	85,524	32,810	1,331,099	1,455,728	9.36%
MED	768,314	650,770	30,980,405	32,065,065	3.50%
RAD	80,709	127,612	7,837,331	7,318,644	-6.62%
SUR	65,863	525,100	26,803,384	26,484,210	-1.19%
E&M	235,137	551,899	27,273,950	27,593,939	1.17%
Grand Total	2,252,641	2,074,134	104,174,797	104,603,890	0.41%
Budget Neutral CF			50.2257		
Occurrences where RBRVS valued FS not (mostly new codes since 2010 ~ 400,000)					
Occurrences where FS valued and RBRVS not (mostly older codes or proc/modifier combination differences ~ 140,000)					

Based on the validated NCCI data, the fee schedule neutral conversion factor using 2015 RBRVS with Optum Essential RBRVS gapfills is \$50.2257. Using the occurrences, conversion factor of \$50, a cap on the current fee schedule of +/- 9.5% increase or decrease and comparing where the procedure code/modifiers exist in both the current and proposed fee schedule, the total dollars expended increases by .41% from the current fee schedule. Codes with fees that fell within the +/- 9.5% cap were updated accordingly per the 2015 relative value and \$50 conversion factor.

There are some occurrences and dollars from the NCCI data that consist of new codes since 2010 that will now be valued for 2015 by using the corresponding 2015 relative value and a \$50 conversion factor. Also, there were occurrences and dollars from the NCCI data that are no longer valid procedure codes.

Sincerely,

Carla Gee
VP – Workers’ Compensation Solutions

State of South Carolina



Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director

From: Grant Duffield
IMAS Director

Date: 17 – Feb - 2015

CC:

Subj: Outstanding Debt Analysis

Attached, please find a summary of debt currently outstanding to the Commission. The following information is provided to assist in the review of the attached summary data.

Background

At the January 12, 2015 Full Commission meeting, staff presented to the Commissioners an amended "Expenditure and Revenue Analysis for the period of July 1, 2014 to December 31, 2014" document. During the course of the presentation, staff advised the Commissioners that effort to collect the \$1.9 million in outstanding debt could affect the Commission's balance of revenue and expenditure. The Commission instructed staff to provide further analysis of the \$1.9 million debt owed to the agency.

Debt Analysis

(Please refer to the accompanying summary sheet)

Line A: The Commission's IT Department generated an "Open Invoice" spreadsheet that identified approximately 2,600 open invoices totaling \$1,946,154.48. (An "Open Invoice" is defined as an invoice created through Progress which has not been cancelled or marked as paid.) These invoices spanned a date range beginning July 1, 2007 and ending December 31, 2014.

Line A.1: Subtracted from Line A, are invoices dated October 3, 2014 to December 31, 2014 as invoiced amounts within this date range are considered to be a "current receivable" debt (\$509,772.93). They represent recently assessed fees or penalties and have a high likelihood of timely payment.

Line A.2: Also subtracted from Line A is debt that was assessed before January 1, 2013 and for which no debt collection had been initiated between January 1, 2013 and December 31, 2014 (\$108,558.24). Collection of such debt is prohibited by State Code [S.C. Code Ann. § 15-3-550(2) ("Within two years . . . an action upon a statute for a forfeiture or penalty to the State.")] This means that, if two years have passed since the assessment of a penalty or fine and no civil action has been instituted to collect it, the Commission no longer has legal authority to collect such fines or penalties, and they must be stricken from the Commission's outstanding accounts receivable].

Line B: Subtotal 1 (current debt) represents \$1,327,823.31 in open invoice debts to the Commission that are less than 24 months outstanding but greater than 90 days outstanding.

Line B.1: Subtracted from Line B are invoices representing fines that have been transmitted to SCDOR's GEAR process for collection (\$692,066.48). In these cases, the Commission has exhausted its internal debt collection procedures and has transmitted the debt to SCDOR's GEAR collection program; it is no longer "current debt outstanding".

Line B.2: Also subtracted from Line B is debt attributed to inactive or insolvent insurance carriers (\$11,243.63).

Line C: Subtotal 2 (current outstanding debt) represents \$624,513.20 in open invoice debts to the Commission that are less than 24 months outstanding, greater than 90 days outstanding, not transmitted to GEAR, and not attributed to insolvent/inactive carriers.

Line C.1: Subtracted from Line C are debts attributed to invoices that the Progress case files indicate are satisfied (\$259,870.00).

Line C.2: Also subtracted from Line C are debts currently being satisfied through commission approved installment payment agreements (\$91,807.50).

Line D: Subtotal 3 represents the Net Current Final debt owed to the Commission of \$272,835.00.

Net Current Final Debt

Carrier Forms Fine Debt

In the Fall of 2013, IMS implemented a broad scale collection effort involving outstanding carrier fines; an effort that was, by all measures, quite successful. Over the past 14 months, IT and IMAS staff have sought to address technical matters designed to improve the carrier fine collection process.

In January of this year, IT proposed a "work-around" solution for the Compliance Division's use in pursuing outstanding carrier fines. Using this solution, IMAS has begun collection efforts to recover the \$203,600 of Carrier Form Fines identified on the accompanying page. These fines represent both IMAS Coverage and Claims department fine invoices to be addressed and the collection of the same is highly probable.

All Other Outstanding Debt

Additionally, going forward, IMAS will work with the operating departments to pursue collection of the "Non Carrier Form Fines" debt owed to the Commission through the Rule to Show Cause process.

Future Debt Collection Efforts

Staff is finalizing a debt recovery policy designed to insure that on those occasions when a "Receivable" transitions past 90 days outstanding, the debt can be addressed immediately through the Commission's recovery practices. IMAS will serve as the Commission's coordinating agent for post-receivable debt recovery.

Outstanding Debt Analysis (February 2015)

Line	Category	
A	Total Outstanding 12.31.14 (FC report 1.12.15)	\$1,946,154.48
A.1	Receivable (less than 90 days)	-509,772.93
A.2	Uncollectable (statutory limit)	-108,558.24
B	Subtotal 1 (current debt)	\$1,327,823.31
B.1	Cases in GEAR	-692,066.48
B.2	Insolvent or Inactive Carrier	-11,243.63
C	Subtotal 2 (current outstanding debt)	\$624,513.20
C.1	Debt paid	-259,870.00
C.2	Installment agreements	-91,807.50
D	Subtotal 3 (net current final debt)	\$272,835.70



Net Current Final breakdown

Failure Appear/Respond	\$ 16,858.19
Copies/Other	\$ 8,684.50
Coverage	\$ 3,400.00
Carrier Form Fines	\$ 203,600.00
Judicial	\$ 2,814.86
Self Insurance	\$ 5,618.15
Compliance	\$ 31,860.00
	\$ 272,835.70

