

AGENDA

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

January 12, 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.

1. CALL TO ORDER *CHAIRMAN BECK*
2. APPROVAL OF AGENDA OF BUSINESS MEETING
OF JANUARY 12, 2015 *CHAIRMAN BECK*
3. APPROVAL OF MINUTES OF THE BUSINESS MEETING
OF DECEMBER 15, 2014 (Tab 1) *CHAIRMAN BECK*
4. GENERAL ANNOUNCEMENTS *MR. CANNON*
5. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) *MR. SMITH*
6. DEPARTMENT DIRECTORS' REPORTS *MS. COPELAND*
 - Administration – Financial Report (Tab 3) *MS. OSBORNE*
 - Human Resources (Tab 4) *MS. HARTMAN*
 - Information Services (Tab 5) *MR. DUFFIELD*
 - Insurance & Medical Services (Tab 6) *MS. SPANN*
 - Claims (Tab 7) *MS. BRACY*
 - Judicial (Tab 8)
7. EXECUTIVE DIRECTOR'S REPORT (Tab 9) *MR. CANNON*
8. OLD BUSINESS *CHAIRMAN BECK*
 - A. MSPM Fee Schedule (Tab 10) Mr. Cannon
9. NEW BUSINESS *CHAIRMAN BECK*
 - A. SC Vocational Rehabilitation Department (Tab 11) Chuck Hamden, Counselor, SCVRD
10. ADJOURNMENT *CHAIRMAN BECK*

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THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

Monday, December 15, 2014

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, December 15, 2014 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.

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

AGENDA

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

APPROVAL OF MINUTES – BUSINESS MEETING OF NOVEMBER 17, 2014

Commissioner Campbell moved that the minutes of the Business Meeting of November 17, 2014 be approved. Commissioner Taylor seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

Mr. Cannon announced the Agency's holiday luncheon is today at noon.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by W.C. Smith, Self-Insurance Director. Twenty-five (25) prospective members of two (2) funds were presented to the Commission for approval. The applications were:

Palmetto Timber Fund
D&A Logging

SC Home Builders SIF

Advanced Maytag Plus of Anderson, LLC
A&G Masonry, Inc.
All Star Masonry and Construction
Artisan Custom Woodworking Inc.
At Your Service Carpentry & Plumbing, LLC
Brian Stone dba Stone's Pest Services
Caroline, Inc.
Culbertson Construction, LLC
Davison Associates, Inc.
DC Thomas
DL Avant & Sons, Inc.
Gerard Sherman dba Sherman Painting
Home Turf Landscaping, LLC
Joe Hines
Lowcountry Artisan builders, LLC
Luke Deak
Mackcrete, Inc.
Michael Byrd
Myrtle East construction, LLC
Red Elm Residential & Landscapes
Rod's Painting, LLC
Topline Builders, LLC
Trisquare Construction, LLC c/o Anthony Boling
Whiteside Residential Services, 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 Barden 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 November 30, 2014. The benchmark for November is 41.67%. The Commission's revenues are at 34.01%, and expenses are at 43%. Ms. Copeland said she will prepare an analysis of revenues and expenditures at the end of December. Chairman Beck said he expects a detailed explanation of the report.

Human Resources Department

Alicia Osborne presented the Human Resources report for the period of November 1 through November 30, 2014. Ms. Osborne pointed out the following highlights from the report:

- Reviewed SCEIS reports to ensure all staff information is up to date.
- Assisted employees with pending Open Enrollment in PEBA Electronic Benefits System including open enrollment for life insurance benefits.

Information Technology Department

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

- January 1, 2015 is the deadline for mandatory uploads for pre-hearing briefs, APAs and exhibits.
- Public launch date for SROI is March 31, 2015.
- IT will review the Security/DIS Policies with Commissioners on Monday, January 12, 2015. Security Policy Implementation plans are due to Division of Information Security on January 31, 2015.

Insurance & Medical Services Department

Grant Duffield presented the Insurance & Medical Services Department's report. In November, the Lapse in Coverage Notification program registered 16 new policies and issued two Lapse in Coverage Notifications. Mr. Duffield reported the Compliance Division continues to find substantially greater compliance among employers in the State, which contributes to a fiscal year to date revenue trend of 52% of prior fiscal year.

Claims Department

Sonji Spann presented the Claims Department's report. For the month of November, the Claims Department closed 1,973 individual case files. The fine revenue received in November was \$44,750. Claims Examiners reviewed 905 individual case files. Ms. Spann said the Claims Examiners continue to focus on educating and providing guidance to the stakeholders and claims examiners on how to properly complete workers' compensation forms, as well as encourage submission of claims forms via email.

Judicial Department

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

- 64 regulatory mediations scheduled
- 18 requested mediations
- 59 matters resolved in mediation with the receipt of Forms 70
- Addressed 222 informal conference cases
- 100 Single Commissioner Hearings conducted
- 15 cases appealed to Full Commission

Ms. Bracy said the new Form 31 hearing notices for February will be processed by the end of this week. No appellate hearings will be scheduled in January 2015. February appellate hearings will be scheduled the afternoon of February 23, all day February 24, and the morning of February 25.

EXECUTIVE DIRECTOR'S REPORT

Gary Cannon, Executive Director, presented his report which was also submitted to the Commission in written form. He noted an addition to his report under Meetings/Activities. On December 5, 2014, he met with consultants retained by Budget and Control Board concerning the evaluation of the State's office locations and Agency Policy Interviews. Mr. Cannon pointed out the following highlights from his report:

FY 2013-14 Accountability Report

The FY 2013-14 Accountability Report was submitted to the Office of State Budget on November 24, 2014 and is posted on the Commission's website.

Narcotics Use Advisory Committee (NUAC)

The NUAC met on Thursday, November 20, 2014. The Committee was briefed on the findings and recommendations of the Governor's Prescription Drug Abuse Prevention Council.

OLD BUSINESS

There was no old business.

NEW BUSINESS

A. 2015 Average Weekly Wage

Mr. Cannon reported the Department of Employment Workforce has released a new average weekly wage in South Carolina for the period of July 1, 2013 through June 30, 2014 of \$766.05. According to §42-1-50; §42-9-10; and §42-9-20, the maximum weekly compensation rate for injuries arising on and after January 1, 2015 shall be \$766.05. The request for approval was submitted in the form of an Order. All Commissioners signed the order.

B. SCWCC 2013-2014 Annual Report

Mr. Cannon reviewed the Annual Report for FY 2013-2014. The report contains highlights of the key activities and accomplishments of the Commission for the 12-month period ending June 30, 2014.

ADJOURNMENT

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

The December 15, 2014 meeting of the South Carolina Workers' Compensation Commission adjourned at 10:57 a.m.

Reported January 12, 2015
Kim Ballentine, Office of the Executive Director

INTEROFFICE MEMORANDUM

TO: GARY CANNON, EXECUTIVE DIRECTOR
FROM: SHERRY COPELAND, DIRECTOR OF ADMINISTRATION
SUBJECT: FINANCIAL REPORT PERIOD ENDING DECEMBER 31, 2014
DATE: 1/8/2015

The Summary of Revenues and Expenditures for the period ending December 31, 2014, is attached.

- December is the 6th Fiscal Month of Fiscal Year 2015.
- The benchmark for December is 50.00%. The Commission's revenues are at 39.96% and expenses are at 50%.
- There were 88 payments made to vendors, travelers, and other State Agencies
- All data processing services was transferred from each department into Administration. IT funding will be in a separate Cost Center in Fiscal year 2016.
- Assisted completing travel documents in MYSCEMPLOYEE for 11 employees
- The following is a summary of each department expenditure benchmarks:

General Fund: Total expenditures are at 49.2%.

Earmark Fund:

Commissioners –

- Total expenditures are at 49% of budget.

Administration –

- Overall the expenditures are 52% of budget.

Claims –

- Expenditures are at 45% of budget.

Insurance & Medical –

- Total expenditures are at 55% of budget

Judicial –

- Total expenditures are at 43% of budget.

Activity Report from the Procurement Office:

	MTD	YTD
SCEIS Shopping Carts	3	68
Vendors Contacted for Price Quotes	12	101
Visa Procurement Card Orders Placed	9	77
SC Dept of Corrections Orders Placed	0	5
State lease vehicles traded	0	4
State Leased Vehicles taken for Service	2	6
GAAP packages completed	0	8

Mail Room Activity:

	MTD	YTD
Files Copied for Outside Parties	241	1,405

State of South Carolina

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www.wcc.sc.gov

Workers' Compensation Commission

TO: Gary Cannon

FROM: Sherry Copeland

DATE: January 8, 2015

RE: Expenditure and Revenue Analysis for the period July 1, 2014 to December 31, 2014

Attached is the Expenditure and Revenue Analysis for December 31, 2014. The Commissioner's Revenues are at 39.96% and Expenditures are at 50.2%. Benchmark for December at the 6th month mark is 50%.

General Fund

The General Appropriation Budget for 2014-15 is \$1,909,261. The projected expenditures are \$20,143 over budget due to a terminal leave payout but should balance out due to the carry forward money of \$15,141.00. Judicial has a position that has transferred to the Earmarked Budget. I am working on that issue now.

Earmarked Fund

The Earmarked Budget is at 50.2% of budget. The General Assembly authorized the Commission to spend \$3.3 in Earmarked Funds in FY2014-15. The actual expenditures are forecasted to be \$3.3. If the Commission incurs a deficit at the end of the fiscal year, Section 42-5-190 has been amended to allow the Commission to retain in every fiscal year the greater of 50% or two million two hundred thousand dollars of the maintenance tax revenues (self-insurance) and use the funds to pay the salaries and expenses of the Commission.

Revenue

The agency is seeing declining revenue due to 3 years of intensive effort to bring employers in compliance with the Workers' Compensation Act. The Commission is seeing increased employer compliance. Revenues are at 39.96%, a 10.04% decrease from the benchmark.

EARMARKED	Budgeted	Received	
	Revenues	thru	% Received
		12/31/2014	
Training Conference Registration Fee	5,000	-	0.00%
Sale of Publication and Brochures	8,000	2,400	30.00%
Workers' Comp Award Review Fee	73,000	21,450	29.38%
Sale of Photocopies	88,000	36,515	41.49%
Workers' Compensation Filing Violation Fee	1,660,000	620,799	37.40%
Sale of Listings and Labels	25,000	10,035	40.14%
Workers' Comp Hearing Fee	562,000	276,141	49.14%
Earmarked Funds - Original Authorization	2,421,000	967,341	39.96%

- The training conference fee is at 0% due to no training sessions held.
- The sale of publications and Brochures is at 30%, budgeted at \$8,000 in anticipation of fee schedule completion.
- Workers Comp Award Hearing Review Fee is at 29.38%. This \$150 is charged by the Commission for the review of cases by the full Commission.
- Sale of photocopies are at 41.49%. This fee is the cost of receiving information from a Commission file and is a minimum charge of \$20.00 per request. Copies in excess of 20 per request are charged an additional \$.50 per copy.
- The major decline is in the Workers' Compensation Filing Violation Penalty Fee. This fee includes forms from Claims, Judicial, Commissioners and Coverage and Compliance. The majority of the decline is with the compliance fees. These fees are specifically coded in Progress as XCLM, XESC and XWCC. I will address each of these specifically.

XCLM: When a claim is submitted to the Commission by an injured worker, and no insurance coverage is immediately identified for the employer named in the claim, and Xfile is created for investigation.

XESC: Every quarter, the Compliance Division receives an “employer” data file from the Department of Employment and Workforce(formerly known the Employment Security Commission). This data file includes all employers within the state that report a total employee staff of between 4 and 30 (+/-). This list of employers is matched against the NCCI (the clearinghouse organization that tracks all insurance policies in place in South Carolina) list of currently active workers ‘compensation insurance policies in place in SC. When there is a DEW reported employer that doesn’t appear to have an active workers ‘compensation policy reported by NCCI, an XESC file is created to investigate the coverage.

XWCC: Very rarely an individual will contact the Commission to report that an employer in SC is operating without proper workers ‘compensation insurance coverage. In these cases, an XWCC file may be created to investigate coverage.

<u>Fiscal</u>	<u>Year 14</u>	<u>Number</u>	<u>Assessed</u>	<u>Number</u>	<u>Waived</u>	<u>Paid</u>
XCLM	39		\$ 328,942	61	\$352,989	\$53,066
XESC	69		\$1,278,980	109	\$1,280,838	\$170,937
XWCC	1		5,980	1	480	750
Total	109		\$161,3902	171	\$1,634,308	\$224,753

If you look at the numbers, you can see the discrepancy. Under the XCLM account 39 accounts totaling \$328, 942 were assessed and 61 accounts totaling \$352,289 were waived. The XESC account 69 accounts totaling \$1,278,980 were assessed and 109 accounts totaling 1,280,838 were waived.

Last year, revenue was close to the benchmark of 48.05%. If you compare these numbers, there is a decline of \$162,327 in this account.

- The sale of listing and labels are at 40.14%. This account consists of selling updated listing of attorney’s (names, addresses, and firms) to insurance carriers and attorneys. Also the coverage and compliance department sells updated listing of self-insurers.

Even though there were reports that forecasted the decline, the budgeted revenues did not reflect this decline. The budgeted amounts for revenue were the same in fiscal year 14-15 as there were in 13-14.

South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures
2014-15 Budget
December 31, 2014

	Budget	FY To Date	Benchmark	50.00%
STATE APPROPRIATIONS				
Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,412,465	\$ 716,698	\$ 695,767	50.7%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	496,796	221,722	275,074	44.6%
Total	\$ 1,909,261	\$ 938,421	\$ 970,840	49.2%
Carry Forward Money 6100.00	\$ 15,141		\$ 15,141	

OTHER APPROPRIATIONS

EARMARKED	Budgeted Revenues	Received thru 12/31/2014	% Received
Training Conference Registration Fee	\$ 5,000	\$ -	0.00%
Sale of Publication and Brochures	8,000	2,400	30.00%
Workers' Comp Award Review Fee	73,000	21,450	29.38%
Sale of Photocopies	88,000	36,515	41.49%
Workers' Compensation Filing Violation Fee	1,660,000	620,799	37.40%
Sale of Listings and Labels	25,000	10,035	40.14%
Workers' Comp Hearing Fee	562,000	276,141	49.14%
Earmarked Funds - Original Authorization	\$ 2,421,000	\$ 967,341	39.96%
Increase Authorization	951,066		
	-		
Total Earmarked Revenues + Fund Balance	\$ 3,372,066		

SELF INSURANCE	Collected Revenue	Transferred to State Fund	Balance to WCC Fund Balance
Self Insurance	\$ 2,482,954	\$ -	\$ 2,482,954

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,544,527	\$ 762,370	\$ 782,157	49.4%
Taxable Subsistence	50,000	36,149	13,851	72.3%
Other Operating Expenses	1,224,669	611,862	612,807	50.0%
Employer Contribution	552,870	282,368	270,502	51.1%
Total Earmarked	\$ 3,372,066	\$ 1,692,749	\$ 1,679,317	50.2%

TOTAL OTHER APPROPRIATIONS	\$ 3,372,066	\$ 1,692,749	\$ 1,679,317	50.2%
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South Carolina Workers' Compensation Commission
2014 - 2015 Budget
December 31, 2014

Consolidated

	Original Budget	Budget Amendments	Amended Budget	Expended December	Year to Date	%	Encumb	Balance
Commissioners								
Salaries	\$ 1,153,234	\$ 30,102	\$ 1,183,336	\$ 96,345	\$ 625,368	53%	\$ -	\$ 557,968
Other Operating Expenditures								
Total Contractual Services	200,094	(34,000)	166,094	12,307	65,625	40%	-	100,469
Total Supplies & Materials	12,120	-	12,120	1,116	5,784	48%	-	6,336
Total Fixed Charges	159,405	(143,000)	16,405	34	9,870	60%	-	6,895
Total Travel	57,600	-	57,600	8,934	31,820	55%	-	28,187
Total Other Operating Exp	429,219	(177,000)	252,219	22,391	113,099	45%	-	141,887
Total Commissioners	\$ 1,582,453	\$ (146,898)	\$ 1,435,555	\$ 118,736	\$ 738,467	51%	\$ -	\$ 699,855
Administration								
Salaries	\$ 640,790	\$ 2,862	\$ 643,652	\$ 39,467	\$ 303,642	47%	\$ -	\$ 342,306
Other Operating Expenditures								
Total Contractual Services	154,772	152,022	306,794	3,041	145,029	47%	-	161,765
Total Supplies & Materials	33,134	-	33,134	2,852	12,460	38%	-	20,851
Total Fixed Charges	131,740	335,300	467,040	38,571	286,223	61%	-	189,609
Total Travel	20,000	-	20,000	1,436	10,662	53%	-	9,964
Total Equipment	-	-	-	-	-	0%	-	-
Total Other Operating Exp	339,646	487,322	826,968	45,900	454,374	55%	-	382,188
Total Administration	\$ 980,436	\$ 490,184	\$ 1,470,620	\$ 85,367	\$ 758,016	52%	\$ -	\$ 724,494
Claims								
Salaries	\$ 428,856	\$ -	\$ 428,856	\$ 33,523	\$ 202,147	47%	\$ -	\$ 226,709
Other Operating Expenditures								
Total Contractual Services	40,570	(33,050)	7,520	254	1,522	20%	-	5,998
Total Supplies & Materials	24,600	-	24,600	1,479	5,109	21%	-	19,491
Total Fixed Charges	82,234	(75,000)	7,234	108	2,655	37%	-	4,579
Total Travel	100	-	100	492	1,055	1055%	-	(955)
Total Other Operating Exp	147,504	(108,050)	39,454	2,332	10,342	26%	-	29,112
Total Claims	\$ 576,360	\$ (108,050)	\$ 468,310	\$ 35,855	\$ 212,489	45%	\$ -	\$ 255,821
Insurance and Medical Services								
Salaries	\$ 421,909	\$ 522	\$ 422,431	\$ 38,528	\$ 249,406	59%	\$ -	\$ 173,025
Other Operating Expenditures								
Total Contractual Services	98,898	(55,000)	43,898	4,708	17,621	40%	-	26,277
Total Supplies & Materials	20,800	-	20,800	1,321	4,477	22%	-	16,323
Total Fixed Charges	63,090	(52,000)	11,090	36	3,056	28%	-	8,034
Total Travel	1,350	-	1,350	-	880	65%	-	642
Total Other Operating Exp	184,138	(107,000)	77,138	6,065	26,034	34%	-	51,276
Total Insurance and Medical Services	\$ 606,047	\$ (106,478)	\$ 499,569	\$ 44,593	\$ 275,440	55%	\$ -	\$ 224,301
Judicial								
Salaries	\$ 328,143	\$ 574	\$ 328,717	\$ 24,398	\$ 134,653	41%	\$ -	\$ 194,064
Other Operating Expenditures								
Total Contractual Services	35,522	(29,972)	5,550	160	1,049	19%	-	4,501
Total Supplies & Materials	12,650	-	12,650	944	4,354	34%	-	8,296
Total Fixed Charges	70,545	(65,300)	5,245	39	2,190	42%	-	3,055
Total Travel	5,445	-	5,445	-	419	8%	-	5,026
Total Other Operating Exp	124,162	(95,272)	28,890	1,143	8,013	28%	-	20,877
Total Judicial	\$ 452,305	\$ (94,698)	\$ 357,607	\$ 25,541	\$ 142,667	40%	\$ -	\$ 214,940
Totals By Departments								
Department Totals								
Commissioners	\$ 1,582,453	\$ (146,898)	\$ 1,435,555	\$ 118,736	\$ 738,467	51%	\$ -	\$ 699,855
Administration	980,436	490,184	1,470,620	85,367	758,016	52%	-	724,494
Claims	576,360	(108,050)	468,310	35,855	212,489	45%	-	255,821
Insurance & Medical	606,047	(106,478)	499,569	44,593	275,440	55%	-	224,301
Judicial	452,305	(94,698)	357,607	25,541	142,667	40%	-	214,940
Total Departmental Expend	\$ 4,197,601	\$ 34,060	\$ 4,231,661	\$ 310,092	\$ 2,127,079	50%	\$ -	\$ 2,119,411
Employer Contributions	1,033,476	16,190	1,049,666	59,407	504,091	48%	-	545,575
Total General & Earmarked Funds	\$ 5,231,077	\$ 50,250	\$ 5,281,327	\$ 369,499	\$ 2,631,170	50%	\$ -	\$ 2,664,986

South Carolina Workers' Compensation Commission
2014-15 Budget
December 31, 2014

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Expended December	Year to Date	%	Encumb	Balance
Commissioners								
Salaries								
Taxable Subsistence	\$ 50,000	\$ -	\$ 50,000	\$ 1,159	\$ 36,149	72%	\$ -	\$ 13,851
Total Salaries	50,000	-	50,000	1,159	36,149	72%	-	13,851
Other Operating Expenditures								
Contractual Services								
Copying Equipment Service	1,300	-	1,300	-	-	0%	-	1,300
Data Processing Services	34,000	(34,000)	-	-	-	0%	-	-
Freight Express Delivery	100	-	100	-	-	0%	-	100
Telephone	3,500	-	3,500	333	2,052	59%	-	1,448
Cellular Phone Service	11,500	-	11,500	824	4,577	40%	-	6,923
Legal Services/Attorney Fees	149,494	-	149,494	11,150	58,280	39%	-	91,214
Other Professional Services	200	-	200	-	716	358%	-	(516)
Total Contractual Services	200,094	(34,000)	166,094	12,307	65,625	40%	-	100,469
Supplies & Materials								
Office Supplies	2,900	-	2,900	547	4,179	144%	-	(1,279)
Copying Equipment	2,300	-	2,300	-	-	0%	-	2,300
Printing	1,800	-	1,800	-	107	6%	-	1,693
Data Processing Supplies	50	-	50	37	184	368%	-	(134)
Postage	4,800	-	4,800	533	1,294	27%	-	3,506
Maint/Janitorial Supplies	150	-	150	-	-	0%	-	150
Motor Vehicle Supp/Gasoline	50	-	50	-	20	40%	-	30
Other Supplies	70	-	70	-	-	0%	-	70
Total Supplies & Materials	12,120	-	12,120	1,116	5,784	48%	-	6,336
Fixed Charges								
Rental-Cont Rent Payment	1,000	-	1,000	34	205	21%	-	795
Rent-Non State Owned Property	143,000	(143,000)	Transferred to	-	-	0%	-	-
Rent-other	-	-	-	-	360	-	-	-
Insurance-Workers Comp	13,806	-	13,806	-	8,642	63%	-	5,164
Insurance-Unemployment	1,169	-	1,169	-	193	17%	-	976
Dues & Memberships	430	-	430	-	470	109%	-	(40)
Total Fixed Charges	159,405	(143,000)	16,405	34	9,870	60%	-	6,895
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	200	-	200	50	500	250%	-	(300)
In State - Auto Mileage	18,000	-	18,000	4,198	10,947	61%	-	7,053
In State - Subsistence Allowance	9,000	-	9,000	1,290	2,709	30%	-	6,291
Air line ticket	-	-	-	-	385	-	-	-
In State Lodging	-	-	-	-	795	-	-	-
Out State - Meals	100	-	100	-	88	88%	-	12
Out State - Auto Mileage	300	-	300	-	-	0%	-	300
Out of State Registration Fees	-	-	-	-	1,227	-	-	-
Leased Car	30,000	-	30,000	3,396	15,169	51%	-	14,831
Total Travel	57,600	-	57,600	8,934	31,820	55%	-	28,187
Total Other Operating Expenditures	429,219	(177,000)	252,219	22,391	113,099	45%	-	141,887
Total Commissioners	\$ 479,219	\$ (177,000)	\$ 302,219	\$ 23,550	\$ 149,248	49%	\$ -	\$ 152,971

South Carolina Workers' Compensation Commission
2014-15 Budget
December 31, 2014

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Expended December	Year to Date	%	Encumb	Balance
Administration								
Salaries								
Classified Positions	\$ 462,641	\$ -	\$ 462,641	\$ 20,142	\$ 185,538	40%	\$ -	\$ 277,103
Temporary Employees	35,004	-	35,004	6,980	42,803	122%	-	(7,799)
Ot and Shift Different	-	-	-	175	2,296	-	-	-
Bonus pay	-	-	-	-	-	-	-	-
Terminal Leave	-	-	-	-	-	0%	-	-
Total Salaries	497,645	-	497,645	27,297	230,637	46%	-	269,304
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	7,139	-	7,139	-	-	0%	-	7,139
Copying Equipment Service	3,000	-	3,000	-	-	0%	-	3,000
Print/Bind/Advertisement	3,000	-	3,000	-	-	0%	-	3,000
Print Pub Annual Reports	100	-	100	-	-	0%	-	100
Data Processing Services	103,563	152,022	255,585	2,086	137,532	54%	-	118,053
Freight Express Delivery	1,800	-	1,800	-	-	0%	-	1,800
Telephone	7,060	-	7,060	333	3,755	53%	-	3,305
Cellular Phone Service	5,000	-	5,000	595	2,740	55%	-	2,260
Education & Training Services	5,000	-	5,000	-	-	0%	-	5,000
Attorney Fees	10,000	-	10,000	-	63	1%	-	9,938
General Repair	1,500	-	1,500	-	-	0%	-	1,500
Audit Acct Finance	110	-	110	-	111	101%	-	(1)
Catered Meals	4,000	-	4,000	-	-	0%	-	4,000
Other Professional Services	1,500	-	1,500	-	216	14%	-	1,284
Other Contractual Services	2,000	-	2,000	27	613	31%	-	1,387
Total Contractual Services	154,772	152,022	306,794	3,041	145,029	47%	-	161,765
Supplies & Materials								
Office Supplies	9,500	-	9,500	1,102	8,269	87%	-	1,231
Copying Equipment Supplies	4,434	-	4,434	-	-	0%	-	4,434
Printing	3,500	-	3,500	-	168	5%	-	3,332
Data Processing Supplies	2,300	-	2,300	1,031	1,256	55%	-	1,044
Postage	8,000	-	8,000	718	2,590	32%	-	5,410
Maint./Janitorial Supplies	1,000	-	1,000	-	-	0%	-	1,000
Fees & Fines	1,800	-	1,800	-	-	0%	-	1,800
Gasoline/ Motor Vehicle Supply	100	-	100	-	-	0%	-	100
Employee Recog Award	1,500	-	1,500	-	120	0%	-	1,500
Other Supplies	1,000	-	1,000	-	57	0%	-	1,000
Total Supplies & Materials	33,134	-	33,134	2,852	12,460	38%	-	20,851
Fixed Charges								
Rental Cont Rent Payment	6,000	-	6,000	923	2,888	48%	-	3,112
Rent Non State Owned Property	95,000	335,300	430,300	36,807	260,992	61%	-	169,308
Rent-Other	11,000	-	11,000	788	4,677	43%	-	6,323
Rental -Data processing equip	-	-	-	53	8,792	-	-	-
Insurance Workers Comp	7,490	-	7,490	-	2,812	38%	-	4,678
Insurance Unemployment	750	-	750	-	296	39%	-	454
Dues and Memberships	5,000	-	5,000	-	4,021	80%	-	979
Sales Tax Paid	6,500	-	6,500	-	1,744	27%	-	4,756
Total Fixed Charges	131,740	335,300	467,040	38,571	286,223	61%	-	189,609
Travel (Includes Leased Car)								
In State - Meals Non/ Reportable	1,000	-	1,000	105	1,061	106%	-	(61)
In State Air transportation	-	-	-	246	626	-	-	-
In State-Auto Miles	1,000	-	1,000	123	1,256	126%	-	(256)
In State - Lodging	1,000	-	1,000	-	2,020	202%	-	(1,020)
In State - Registration Fees	2,000	-	2,000	-	1,010	51%	-	990
Leased Car	15,000	-	15,000	962	4,689	31%	-	10,311
Total Travel	20,000	-	20,000	1,436	10,662	53%	-	9,964
Equipment								
Equipment Data Processing- PC's	-	-	-	-	-	0%	-	-
Total Equipment	-	-	-	-	-	0%	-	-
Total Other Operating Expenditures	339,646	487,322	826,968	45,900	454,374	55%	-	382,188
Total Administration	\$ 837,291	\$ 487,322	\$ 1,324,613	\$ 73,197	\$ 685,011	52%	\$ -	\$ 651,493

South Carolina Workers' Compensation Commission
2014-15 Budget
December 31, 2014

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Expended December	Year to Date	%	Encumb	Balance
Claims								
Salaries								
Classified Positions	\$ 331,158	\$ -	\$ 331,158	\$ 27,149	\$ 159,635	48%	\$ -	\$ 171,523
Temporary Positions	20,475	-	20,475	-	4,262	21%	-	16,213
Terminal Leave	-	-	-	-	-	0%	-	-
Total Salaries	351,633	-	351,633	27,149	163,897	47%	-	187,736
Other Operating Expenditures								
Contractual Services								
Copying Equipment Service	1,800	-	1,800	-	-	0%	-	1,800
Data Processing Services	33,050	(33,050)	-	-	-	0%	-	-
Telephone	4,000	-	4,000	254	1,522	38%	-	2,478
Cellular Phone Service	1,720	-	1,720	-	-	0%	-	1,720
Total Contractual Services	40,570	(33,050)	7,520	254	1,522	20%	-	5,998
Supplies & Materials								
Office Supplies	2,000	-	2,000	332	1,425	71%	-	575
Copying Equipment	2,535	-	2,535	-	-	0%	-	2,535
Printing	2,430	-	2,430	-	85	3%	-	2,345
Data Processing Supplies	3,035	-	3,035	-	-	0%	-	3,035
Postage	14,000	-	14,000	1,147	3,599	26%	-	10,401
Maint./Janitorial Supplies	500	-	500	-	-	0%	-	500
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	24,600	-	24,600	1,479	5,109	21%	-	19,491
Fixed Charges								
Rental - Cont Rent Payment	2,500	-	2,500	108	850	34%	-	1,650
Rent - Non State Owned Property	75,000	(75,000)	Transferred to Administration	-	-	100%	-	-
Insurance Workers Comp	2,800	-	2,800	-	1,522	54%	-	1,278
Insurance - Unemployment	134	-	134	-	283	211%	-	(149)
Equipment - Copying	800	-	800	-	-	0%	-	800
Equipment Maintenance	1,000	-	1,000	-	-	0%	-	1,000
Total Fixed Charges	82,234	(75,000)	7,234	108	2,655	37%	-	4,579
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	50	-	50	14	53	106%	-	(3)
In State - Lodging	-	-	-	199	199	0%	-	(199)
In State - Auto Mileage	-	-	-	279	466	0%	-	(466)
In-State Registration	-	-	-	-	337	0%	-	(337)
Reportable Meals	50	-	50	-	-	0%	-	50
Total Travel	100	-	100	492	1,055	1055%	-	(955)
Total Other Operating Expenditures	147,504	(108,050)	39,454	2,332	10,342	26%	-	29,112
Total Claims	\$ 499,137	\$ (108,050)	\$ 391,087	\$ 29,481	\$ 174,239	45%	\$ -	\$ 216,848

South Carolina Workers' Compensation Commission
2014-15 Budget
December 31, 2014

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Expended December	Year to Date	%	Encumb	Balance
Insurance and Medical Services								
Salaries								
Classified Positions	395,799	-	395,799	36,308	227,626	58%	-	168,173
Temporary Employees	-	-	-	-	3,264	0%	-	(3,264)
Terminal Leave	0	-	0	0	5,200	0%	-	(5,200)
Total Salaries	395,799	-	395,799	36,308	236,090	60%	-	159,709
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	100	-	100	-	-	0%	-	100
Copying Equipment Service	100	-	100	17	51	51%	-	49
Data Processing Services	55,000	(55,000)	-	-	-	0%	-	-
Telephone	2,300	-	2,300	270	1,578	69%	-	722
Cell Phone	1,000	-	1,000	91	453	45%	-	547
Catered Meals	1,600	-	1,600	-	-	0%	-	1,600
Other Professional Services	38,298	-	38,298	4,330	14,828	39%	-	23,470
Other Contractual Services	500	-	500	-	711	142%	-	(211)
Total Contractual Services	98,898	(55,000)	43,898	4,708	17,621	40%	-	26,277
Supplies & Materials								
Office Supplies	9,000	-	9,000	580	2,304	26%	-	6,696
Copying Equipment	2,500	-	2,500	-	-	0%	-	2,500
Printing	2,500	-	2,500	-	186	7%	-	2,314
Data Processing Supplies	500	-	500	39	195	39%	-	305
Postage	5,000	-	5,000	701	1,792	36%	-	3,208
Maintenance/Janitorial Supplies	150	-	150	-	-	0%	-	150
Building Materials	1,000	-	1,000	-	-	0%	-	1,000
Fees & Fines	50	-	50	-	-	0%	-	50
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	20,800	-	20,800	1,321	4,477	22%	-	16,323
Fixed Charges								
Rental-Cont Rent Payment	2,500	-	2,500	36	218	9%	-	2,282
Rent- Non State Owned Property	52,000	(52,000)	-	Transferred to Administration	-	100%	-	-
Rent-Other	2,000	-	2,000	-	240	12%	-	1,760
Insurance-workers comp	2,500	-	2,500	-	1,731	69%	-	769
Insurance-unemployment	148	-	148	-	283	191%	-	(135)
Equipment Maintenance	942	-	942	-	-	0%	-	942
Sales Tax Paid	3,000	-	3,000	-	584	19%	-	2,416
Total Fixed Charges	63,090	(52,000)	11,090	36	3,056	28%	-	8,034
Travel (Includes Leased Car)								
In State - Meals (Non Reportable)	400	-	400	-	45	11%	-	355
In State Registration	100	-	100	-	467	467%	-	(367)
Miles	-	-	-	-	172	-	-	172
Reportable Meals	150	-	150	-	-	0%	-	150
In State - Lodging	700	-	700	-	196	28%	-	504
Total Travel	1,350	-	1,350	-	880	65%	-	642
Total Other Operating Expenditures	184,138	(107,000)	77,138	6,065	26,034	34%	-	51,276
Total Insurance and Medical Services	\$ 579,937	\$ (107,000)	\$ 472,937	\$ 42,373	\$ 262,124	55%	\$ -	\$ 210,985

South Carolina Workers' Compensation Commission
2014-15 Budget
December 31, 2014

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Expended December	Year to Date	%	Encumb	Balance
Judicial								
Salaries								
Classified Positions	\$ 299,450	\$ -	\$ 299,450	\$ 24,398	\$ 131,746	44%	\$ -	\$ 167,704
Temporary Employees	0	-	0	0	0	0%	-	-
Total Salaries	299,450	-	299,450	24,398	131,746	44%	-	167,704
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
Data Processing Services	29,972	(29,972)	-	-	-	0%	-	-
Telephone	2,500	-	2,500	160	1,049	42%	-	1,451
Cellular Phone Service	1,120	-	1,120	-	-	0%	-	1,120
Other Professional Services	200	-	200	-	-	0%	-	200
Total Contractual Services	35,522	(29,972)	5,550	160	1,049	19%	-	4,501
Supplies & Materials								
Office Supplies	2,000	-	2,000	332	2,054	103%	-	(54)
Copying Equipment Supplies	2,500	-	2,500	-	-	0%	-	2,500
Printing	2,000	-	2,000	-	76	4%	-	1,924
Data Processing Supplies	2,500	-	2,500	36	218	9%	-	2,282
Postage	3,380	-	3,380	576	2,006	59%	-	1,374
Maintenance/Janitorial Supplies	150	-	150	-	-	0%	-	150
Promotional Supplies	20	-	20	-	-	0%	-	20
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	12,650	-	12,650	944	4,354	34%	-	8,296
Fixed Charges								
Rental-Cont Rent Payment	3,000	-	3,000	39	196	7%	-	2,805
Rent-Non State Owned Property	65,300	(65,300)	Transferred to Administration	-	-	100%	-	-
Rent-Other	125	-	125	-	240	192%	-	(115)
Insurance Workers Comp	2,000	-	2,000	-	1,523	76%	-	477
Insurance-unemployment	120	-	120	-	232	193%	-	(112)
Total Fixed Charges	70,545	(65,300)	5,245	39	2,190	42%	-	3,055
Travel (Includes Leased Car)								
In State - Meals / Non-Reportable	450	-	450	-	26	6%	-	424
Reportable Meals	770	-	770	-	-	0%	-	770
In State - Lodging	2,200	-	2,200	-	393	18%	-	1,807
In State - Auto Mileage	1,800	-	1,800	-	-	0%	-	1,800
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	-	419	8%	-	5,026
Total Other Operating Expenditures	124,162	(95,272)	28,890	1,143	8,013	28%	-	20,877
Total Judicial	\$ 423,612	\$ (95,272)	\$ 328,340	\$ 25,541	\$ 139,759	43%	\$ -	\$ 188,581
Earmarked Funds								
Department Totals								
Commissioners	\$ 479,219	\$ (177,000)	\$ 302,219	\$ 23,550	\$ 149,248	49%	\$ -	\$ 152,971
Administration	837,291	487,322	1,324,613	73,197	685,011	52%	-	924,572
Claims	499,137	(108,050)	391,087	29,481	174,239	45%	-	216,848
Insurance & Medical	579,937	(107,000)	472,937	42,373	262,124	55%	-	407,618
Judicial	423,612	(95,272)	328,340	25,541	139,759	43%	-	188,581
Total Departmental Expend	\$ 2,819,196	\$ -	\$ 2,819,196	\$ 194,142	\$ 1,410,381	50%	\$ -	\$ 1,890,590
Employer Contributions	552,870	-	552,870	24,733	282,368	51%	-	270,502
Total Earmarked Funds	\$ 3,372,066	\$ -	\$ 3,372,066	\$ 218,875	\$ 1,692,749	50%	\$ -	\$ 2,161,092
Capital / Computer Project Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -

MEMORANDUM

Date: December 9, 2014

TO: Mr. Gary Cannon
Executive Director

FROM: Alicia Osborne
Human Resources

SUBJECT: Human Resources Report Period of December 1, 2014 - December 31, 2014

Below is a summary of the Human Resources activity for the period of December 1 – December 31, 2014.

Employee Relations (ER)

- One employee relations issue was addressed during the activity period
 - Provided counseling sessions for the issues that were brought to my attention, spoke with the supervisor or department director. Monitoring situation with supervisor. No further action at this time.
- Two ongoing workers' compensation injuries are being monitored
 - Initial and follow up appointments have been submitted.
- EPMS
 - Reviewed incoming EPMS
 - Continued to provide assistance and clarification as needed
 - Planning Stages requested of all supervisors and department heads with a deadline of January 9, 2015

Departures

- Calandra Sorrells left on December 16, 2014
 - Relocating out of state

Recruitment and Selection

- Department of Administration: Records Analyst I
 - 66 applicants
 - 4 selected to be interviewed
 - 3 persons presented themselves to be interviewed; 1 no show (December 22nd)
 - Panel included Sherry Copeland, Sallie Wider, and Alicia Osborne

Benefits

- FMLA
 - Updated reports and cleared outstanding claims from 2011, 2012, 2014
 - Discussed FMLA concerns with two employees
 - Monitored ongoing employees in FMLA status ensuring leave was applied correctly
- Open Enrollment
 - Life Insurance
 - Same-Sex Marriage Enrollment

- Retirement
 - Reviewed retirement options with three employees
 - Processed Final Payroll Certification for retired employees
 - Coordinating with CG's Office for payroll records of former employees
 - Requested access to HRIS from SCEIS

State Human Resources Department (HRD)

- Reached out to HRD for more training with NeoGov and guidance with ER

Fiscal Department (Sherry Copeland)

- Approved approximately 88 SCEIS financial transactions
 - Within the SCEIS system approved deposits, purchase orders, invoices, and travel requests submitted by the Fiscal Manager

Reports

- Ran SCEIS Deductions Not Taken / Arrears report
 - Report is clear
- Continue to monitor and correct Missing Time and Time Collision reports
 - Working with staff to ensure accurate leave balances
 - Ensuring all working time and leave has been entered
 - Continue to correct outstanding leave/working time from 2011 to present (requires collaboration with SCEIS)
 - Approving leave as requested
- Ran Leave Pool Report
 - Transferred excess leave for five employees

Events

- Holiday Luncheon
 - Coordinated AA, Executive Staff, and HR holiday gathering for agency
 - Coordinated Holiday luncheon for all staff (assistance from Social Committee and other helpers)

Miscellaneous

- Monitoring status of temps for ACA Reporting
- Attended Facilitation Training (December 9th)
- Webinar: Introduction to the ACA (PEBA training) (December 11th)
- Assisted with All Employee Meeting (December 5th)
- Coordinating with Claims for Vocational Rehabilitation visit for ergonomic evaluation



Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director
From: Betsy Hartman
IT Director
Date: January 5, 2015
Subject: IT Department December 2014 Full Commission Report

IT Department Activities for the Month of December 2014

- Production issues
 - EDI RIs3 FROI
 - Processing error research and resolution based on email questions from TPA's and Carriers.
 - Progress
 - Duane finished the code changes for the Form 31 processing. Moved to Production.
 - Duane researched and resolved report inconsistencies with Progress reporting based on input from Claims and Coverage staff.
 - Mario Glisson had problems balancing deposits due to keying issues which required Duane's assistance in clearing up the imbalances.
 - Duane has been researching inconsistencies in Daily Deposit reports. A pattern was found and he developing a new report program to correct the issues.
 - All code that is modified and tested is done in development. Once it has been debugged and is ready for production, Duane does a deployment so that the staff will use the new code the following day. This requires after hours work and a push of new code before staff arrives in the mornings.
 - Duane created Ad Hoc reports on Hearing Site usage for research by judicial request by Gary Cannon.
 - 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.
 - Amanda had several conference calls and webinars with both DTO and Keymark on troubleshooting the watermark script that adds the time date stamp to documents as they are stored into OnBase. Due to the issues, the script has been disabled. We can still determine the time and date the document was uploaded but it will not print on the document until the issue is resolved. Appears to be a configuration issue within OnBase.
 - The Form 31 Appeal Notice required workflow changes to accommodate the processing while preserving the existing Appeal Notice concurrently. This was handled by Amanda.

- Security changes in OnBase were made to allow Appeals staff to parse back-scanned documents into more specific document types. This is to allow for easier retrieval and review by the Commissioners for Appealed cases review.
 - General
 - eCase
 - Amanda covered registration questions while the department experts were out for the holidays. With upload, there are more registration issues since the upload requires the eCase user to be linked to the case.
- Desktop support
 - Four phone failures occurred. Help Desk ticket put into Spirit. Monitoring issues.
 - Multiple Password Resets were performed by Brian and Betsy to assist staff and Commissioners.
 - Two viruses were detected on staff equipment. This required Brian the wipe and rebuild one laptop and one workstation per the policy and procedures for security issues detected by the DIS monitoring of SCWCC infrastructure.
 - Five printers required attention by Brian to resolve printing issues.
 - Brian assisted three eCase users to link to attorneys.
 - Brian is working on the procedures for the Asset security policy which includes a full inventory. Monitors were given asset tags to better track inventory.
 - Two monitors were replaced for staff members. All new monitors have been assigned to users. Monitors that remain as spares are approximately 8-10 years old and will only be used temporarily if there is a need.
 - Brian assisted Judicial in copying a large CD for a pro se claimant copy request.
 - Brian created copies of the MSPM CD for IMS.
 - Brian assisted Alicia Osborn in setting up voice mail and fax email box.
 - Brian had to remove Google Chrome from several staff PC's as it causes issues and allows for adware to be installed on devices.
 - Brian is reviewing policies for the windows 7 image. This is to make restoring workstations and laptops after wiping easier and faster. This also allows for standardization of what is on staff equipment.
- ELT projects
 - Upload project
 - Amanda and Betsy meet weekly with AA's and Appeals staff to continue training on upload document processing and to help debug any end user issues
 - SROI Project
 - The public launch date is **March 31, 2015**.
 - Team meeting weekly on Wednesday at 11 AM.
 - Edit matrix version 1 was completed. Given to Amanda to review and add both SROI and FROI edits to one document
 - Have test partner lined up
 - IT Security / DIS Policies Gap Analysis and Implementation plans to close the gaps were completed for all 13 policies.
- DTO meetings
 - Still waiting on DTO to approve the new language requested by Commissioner Wilkerson and Keith Roberts.

Professional Development/Training attended in December 2014

- IT Training Center Business Advisory Council – Vocational Rehabilitation – Betsy Hartman

State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Grant Duffield
IMS Director

Date: 7 – Jan – 2015

Subj: Insurance and Medical Services Department
December 2014 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. 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. Preparing for staffing transition.3. Lapse in Coverage |
| Medical Services | <ol style="list-style-type: none">1. Finalizing draft MSPM revision.2. Continue work with MedAssets to improve Medical Bill reviews. |
| IMS Administration: | <ol style="list-style-type: none">1. Completing EPMS process.2. Working with Division Mgrs to provide cross coordination of mgmt. functions.3. Working on agency Restructuring Report.4. Working with Executive Team concerning strategic planning and future needs forecasting. |

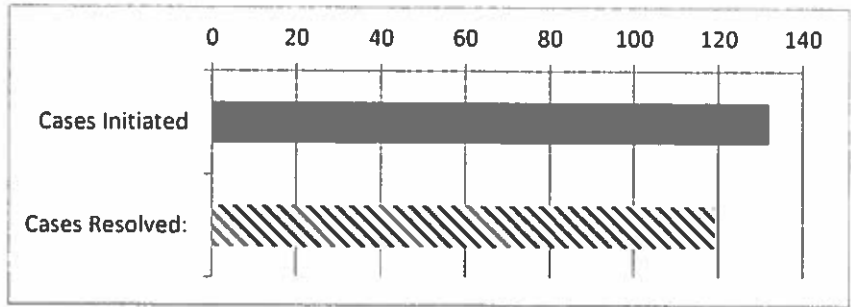
Mr. Cannon, while this summary is in no way all-inclusive, it may serve to assist you and our Commissioners in understanding the key initiatives underway in the IMS Department and provide measures by which the Department's effectiveness can be gauged. IMS welcomes any guidance that you and/or our Commissioners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

IMS COMPLIANCE DIVISION

December 2014

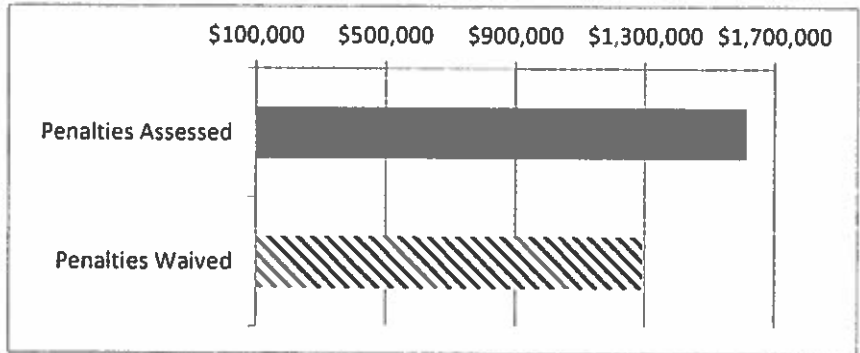
Employers Obtaining Coverage

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 119 employers in South Carolina to come into compliance with the Act. In so doing, approximately 1,107 previously uninsured workers are now properly covered.

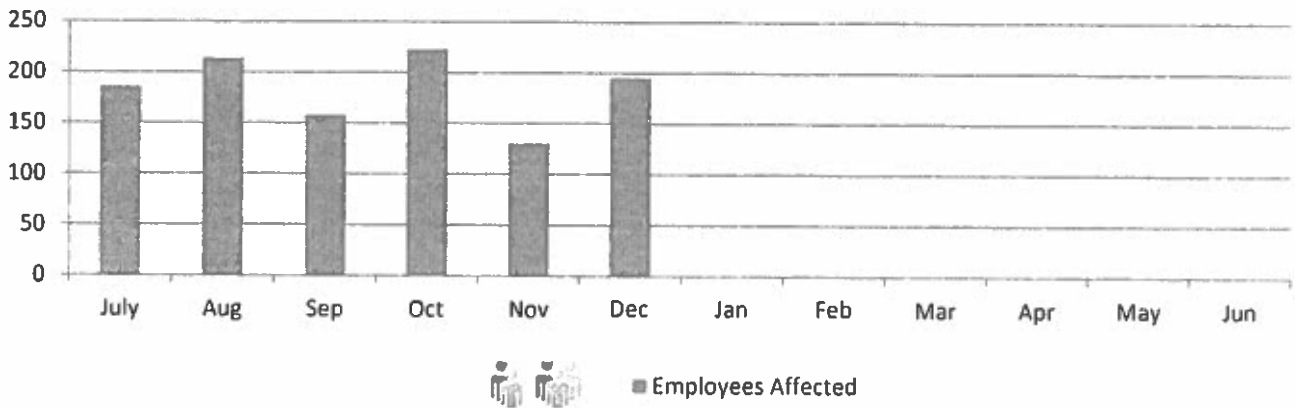
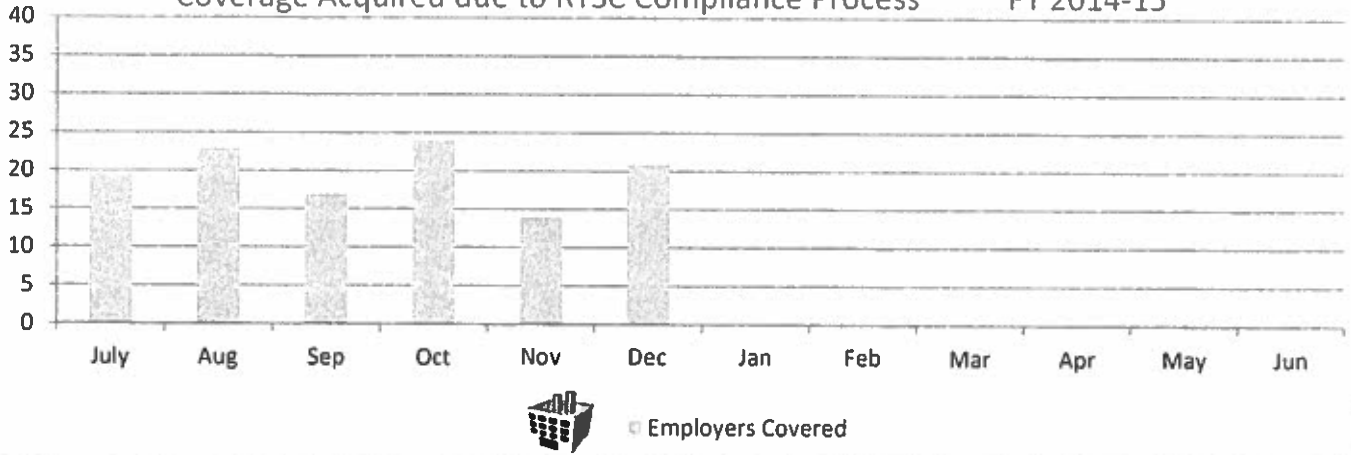


Penalties Waived

Although the Division has assessed 1.6 million dollars in fines, over 80% of those fines (\$1.3m) 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:

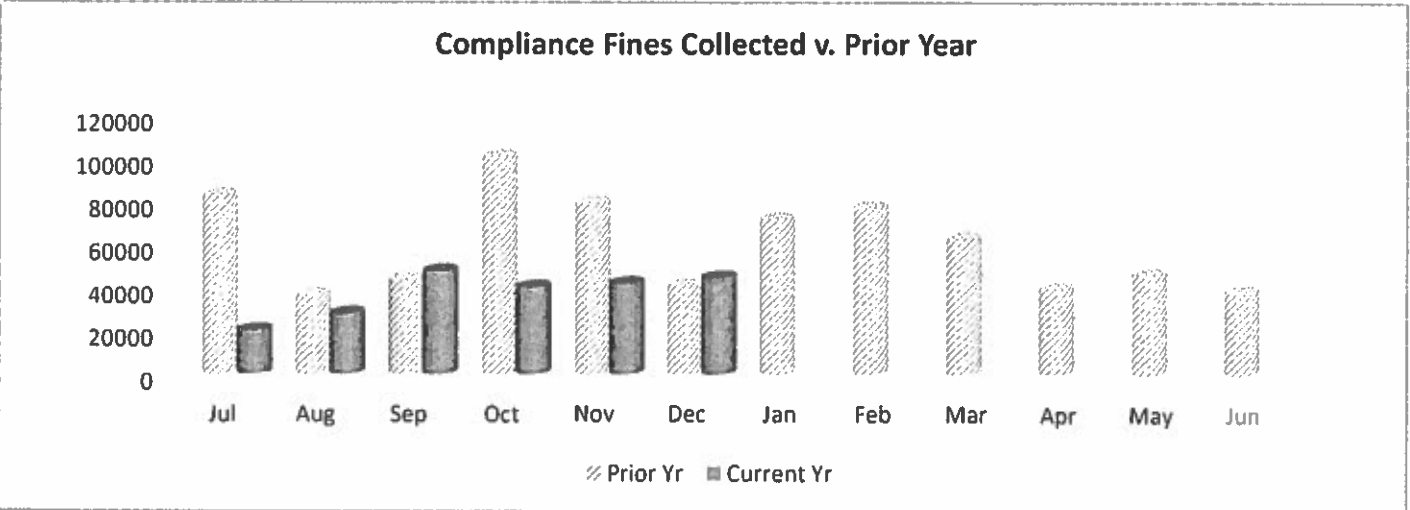
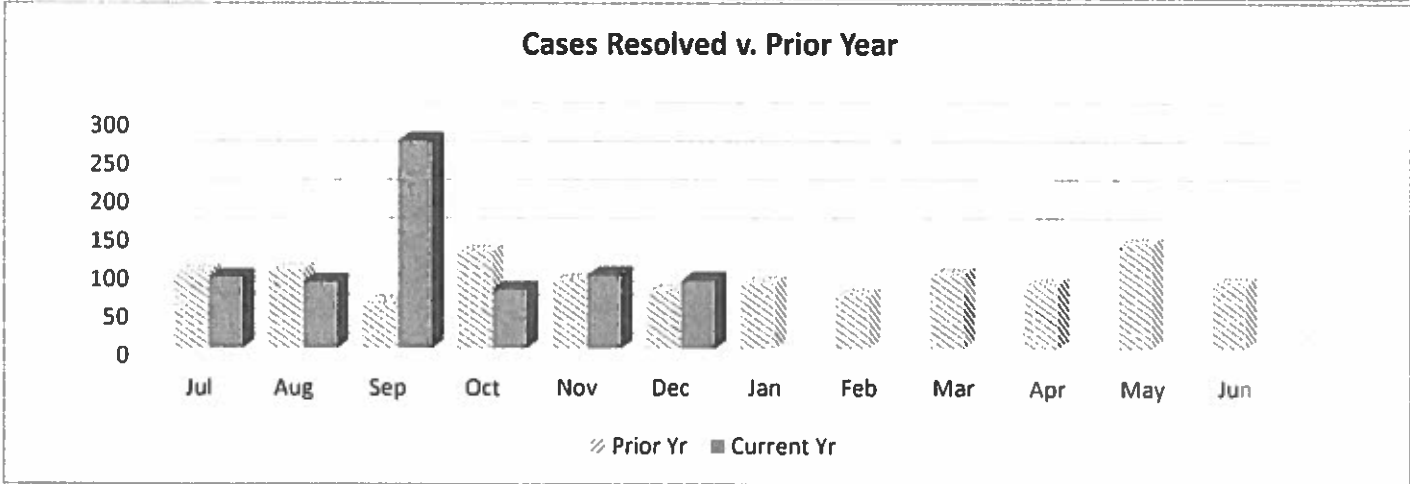
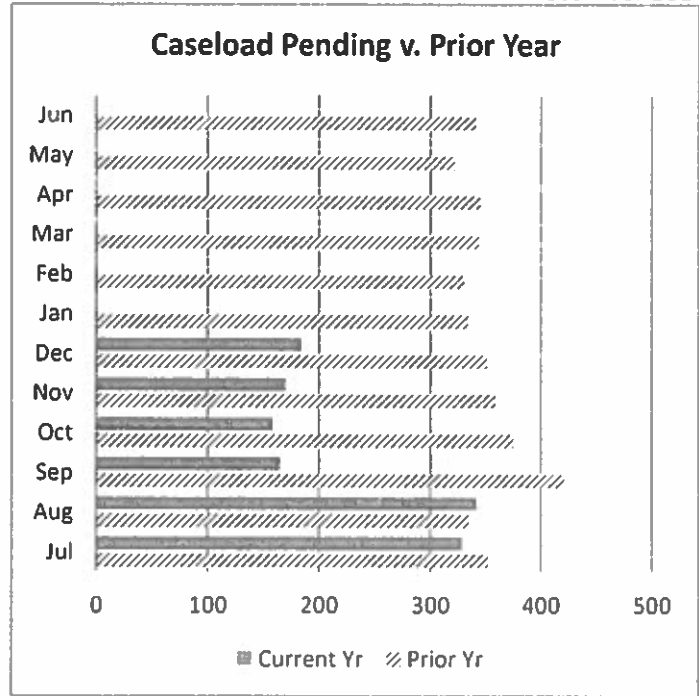
The Compliance Division closed December 2014 with 184 cases active, compared to an active caseload of 351 at the close of December 2013.

Cases Resolved:

Due to the decrease in carry-over, greater effort is focused on case resolution. For the month of December 2014, Compliance Division staff closed-out 89 cases.

Compliance Fines:

In December 2014, the Compliance Division collected \$45,057 in fines and penalties. Year to Date, the Compliance Division has collected \$224,753 in fines which represents 31% 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 58% of prior year.



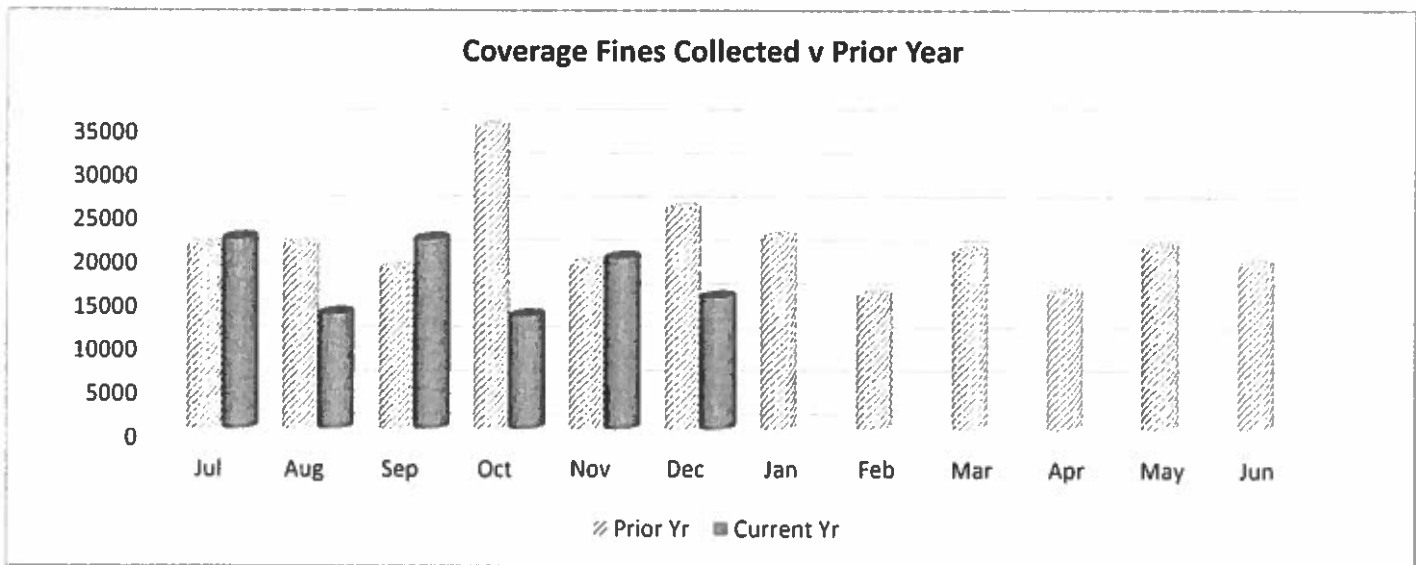
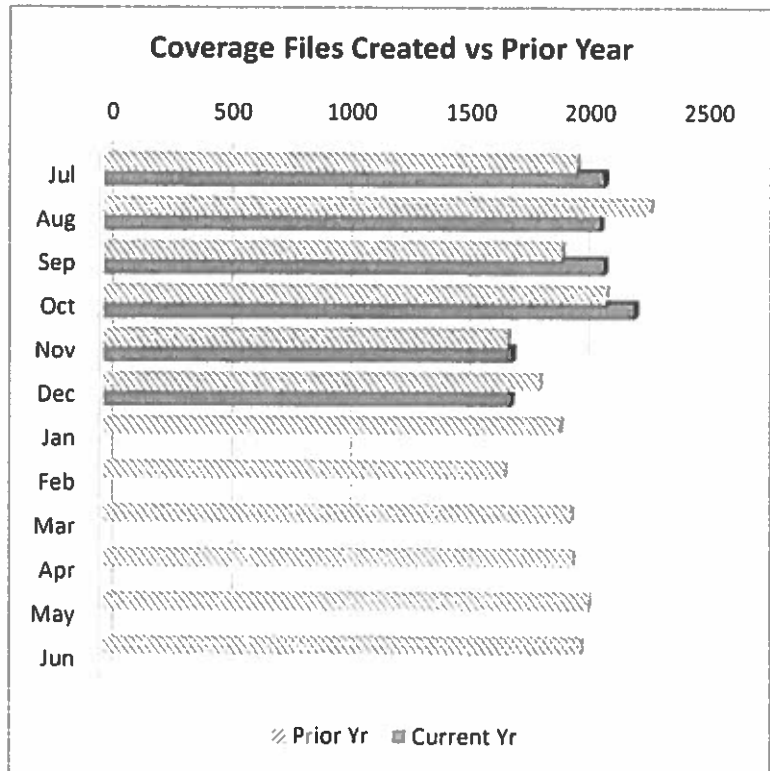
WCC Claim Files:

In December 2014, the Coverage Division recieved a total of 1,707 WCC Claim files. Of these, 1,430 were created through proper carrier filing of a 12A, and 264 generated as a result of a Form 50 claim filing. Year to Date, 11,919 Claim files have been created which is 51% of claim file volume prior year (23,369).

Coverage Fines:

The Coverage Division collected \$15,150 in fine revenue in December 2014, as compared to \$25,300 in Coverage fines/penalties accrued during December 2013. Year on Year, Coverage fines are at 41% of collections for prior year.

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



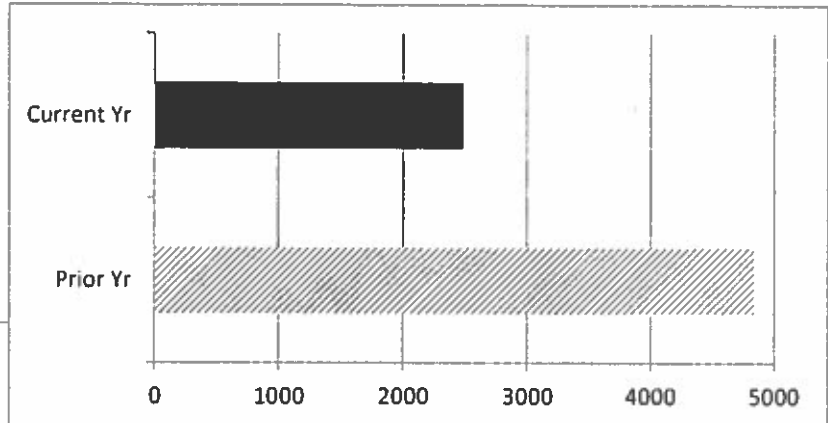
IMS SELF INSURANCE DIVISION

December 2014

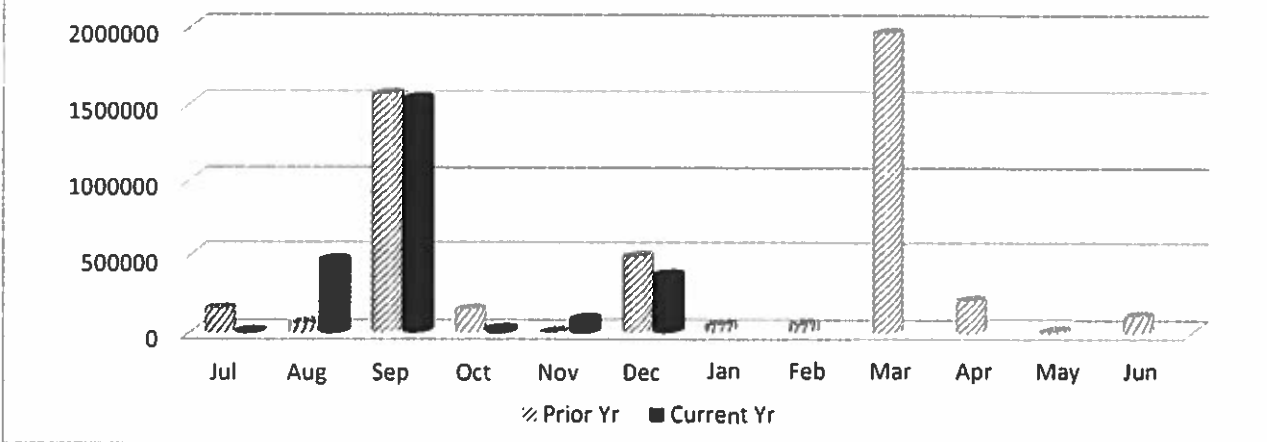
During the month of December 2014, the Self Insurance Division:

- * collected \$369,833 in self-insurance tax.
- * added 25 new self-insurers.
- * conducted 3 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 102% of prior year and 25 Self Insurance audits have been completed.



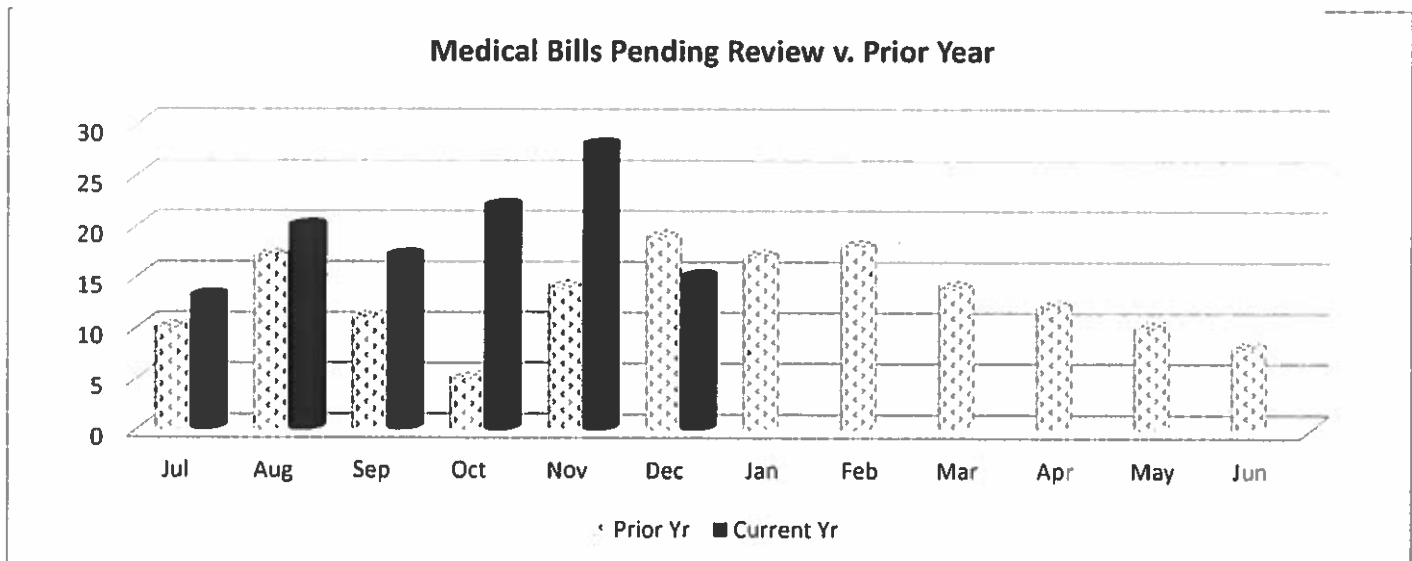
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In December 2014, the Medical Services Division began the month with 28 bills pending review, received an additional 14 bills for review, conducted 27 bill reviews and ended the month with 15 bills pending.

Medical Bills Pending Review v. Prior Year

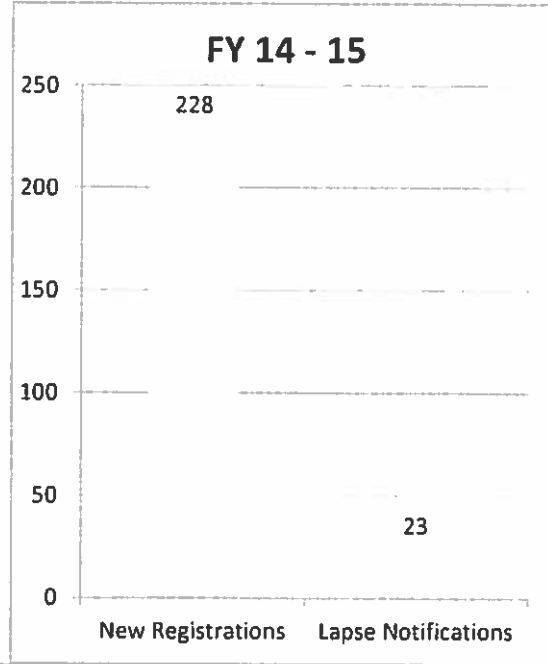


Lapse In Coverage Notification

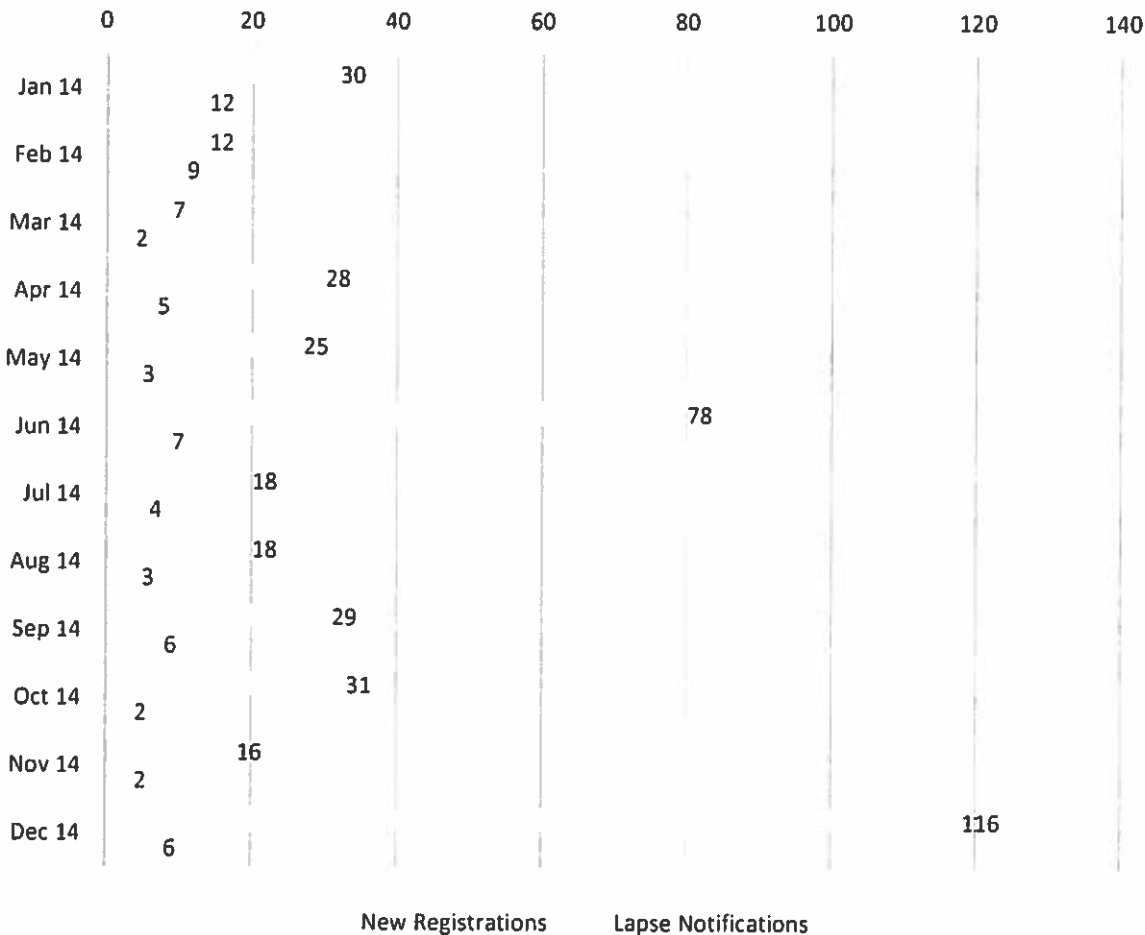
Title 42 holds that entities engaging a subcontractor for services may be held liable occupational injuries or death sustained by employees of the subcontractor if the subcontractor fails to maintain workers' compensation insurance. In collaboration with the SC Homebuilders Association, the SCWCC has 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 December 2014, the LIC program registered 116 new policies to be tracked and issued 6 Lapse in Coverage notifications.

DECEMBER 2014



Lapse In Coverage Program Data (12 mo)



State of South Carolina



Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director

From: Sonji Spann
Claims Director

Date: January 5, 2015

Subj: Claims Department
December 2014 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 December 2014, the Claims Department has:

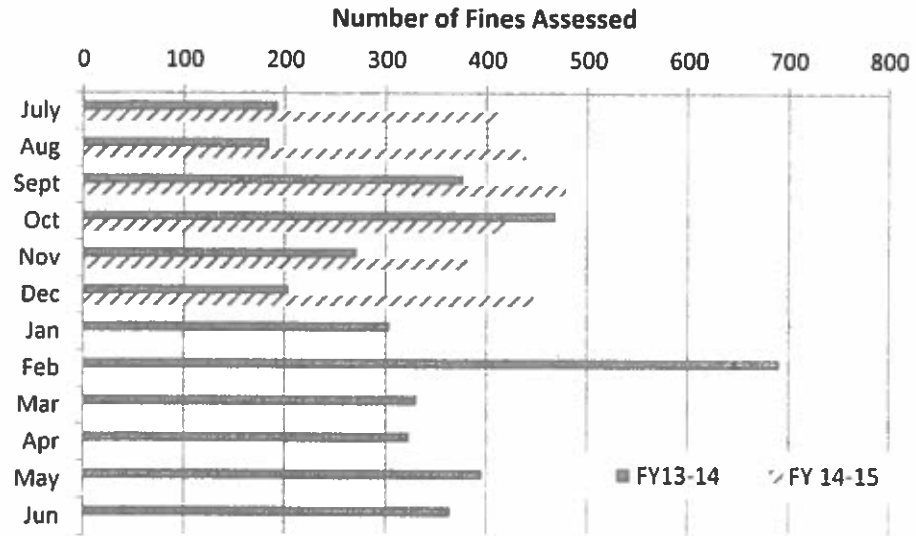
1. Closed 2167 individual case files.
 - Closed 1973 (11/2014) Closed 1967 (12/2013)
2. Collected \$49,900 in fine revenue.
 - Collected 44,750 (11/2014) Collected 50,900 (12/2013)
3. The examiners reviewed 667 individual case files.
 - Reviewed 905 (11/2014) Reviewed 211 (12/2013)
4. Total Fines 446
 - Total Fines 381 (11/2014) Total Fines 204 (12/2013)
5. Form 18 Fines 377
 - Form 18 Fines 336 (11/2014) Form 18 Fines 143 (12/2013)
6. Total Forms Processed 11,345
 - Total Forms Processed 10,204 (11/2014) Forms Processed 11,411 (12/2013)
7. On-site Training: How to Complete WCC Forms at United Heartland/ Charlotte – 8 participants.
8. Examiners are focusing on educating the stakeholders and strongly encouraging stakeholders to email forms.

Five Year Claims Fine Collection History													
FY 2011-2012, 2012-2013, 2013-2014 and 2014-2015													
		July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
2011-2012		111,875	103,800	83,300	81,300	85,100	110,700	126,700	120,225	116,915	100,200	61,050	90,450
2012-2013		80,825	69,100	57,075	91,925	64,825	65,950	60,550	79,875	67,000	56,650	47,550	48,500
2013-2014		42,350	21,900	35,050	110,350	57,425	50,900	27,000	38,550	73,100	45,350	52,550	31,200
2014-2015		43,300	42,100	51,650	55,100	44,750	49,900						

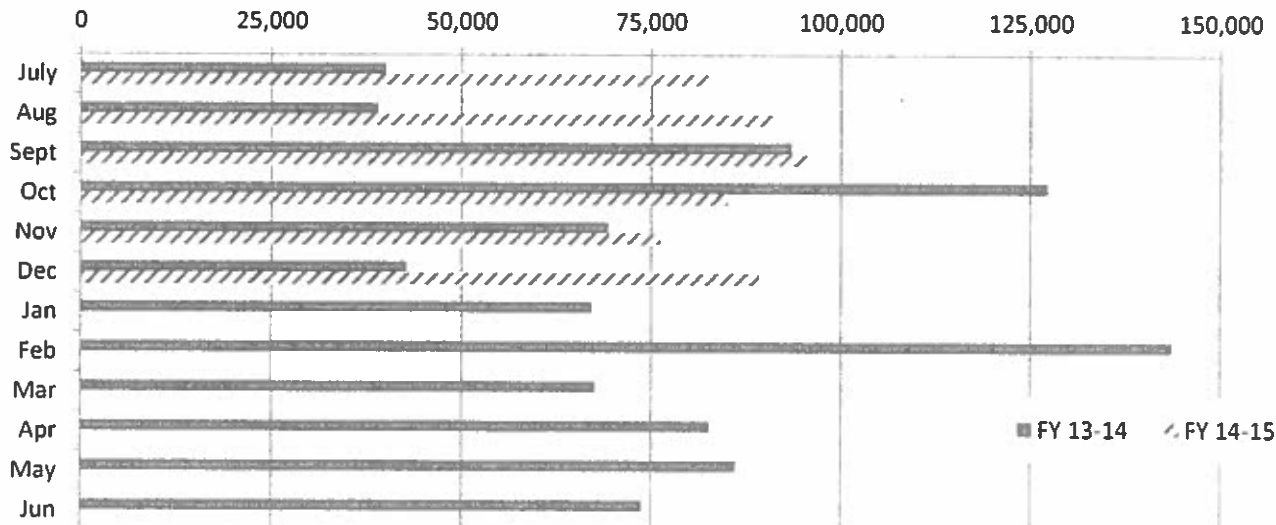
CLAIMS DEPARTMENT - Fine Activity Report December 2014

The number of fines assessed by the Claims Department increased in number to 446 from 381 in December. The number of Claims fines paid increased from 234 in November to 245 in December.

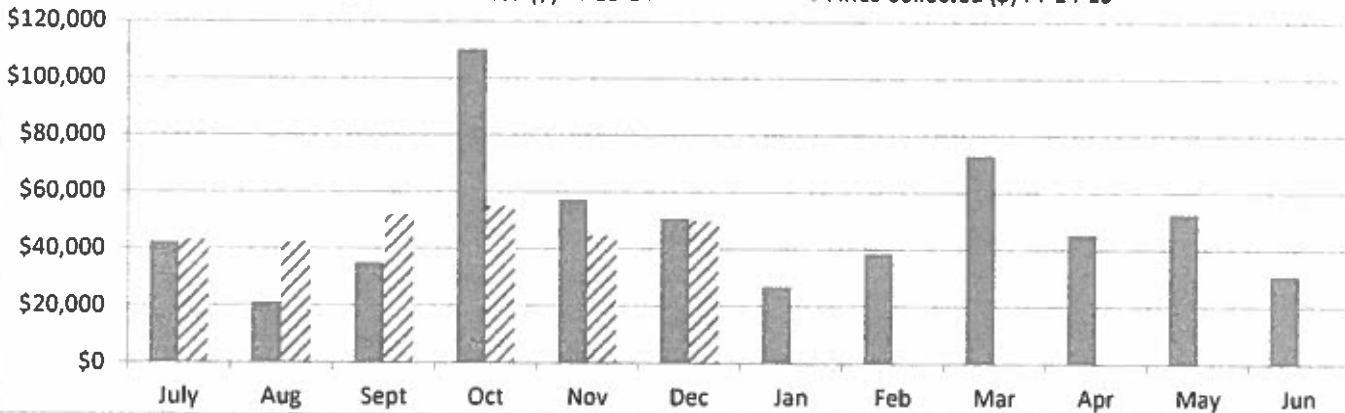
Total fine dollars assessed in December was \$89,200 an increase over prior month \$76,200. Fine revenue received in December was \$49,900 an increase over prior month \$44,750.



Net Fines Assessed (\$)



Fines Collected (\$)



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	0
Feb	691	0
Mar	331	0
Apr	324	0
May	396	0
Jun	364	0
Total	4,110	2,577
Mo Avg	343	430

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	0
Feb	175	0
Mar	336	0
Apr	219	0
May	214	0
Jun	130	0
Total	2,642	1,395
Mo Avg	220	233

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	0
Feb	143,600	0
Mar	67,600	0
Apr	82,700	0
May	86,200	0
Jun	73,750	0
Total	932,900	520,200
Mo Avg	77,742	86,700

Fines Collected (\$)

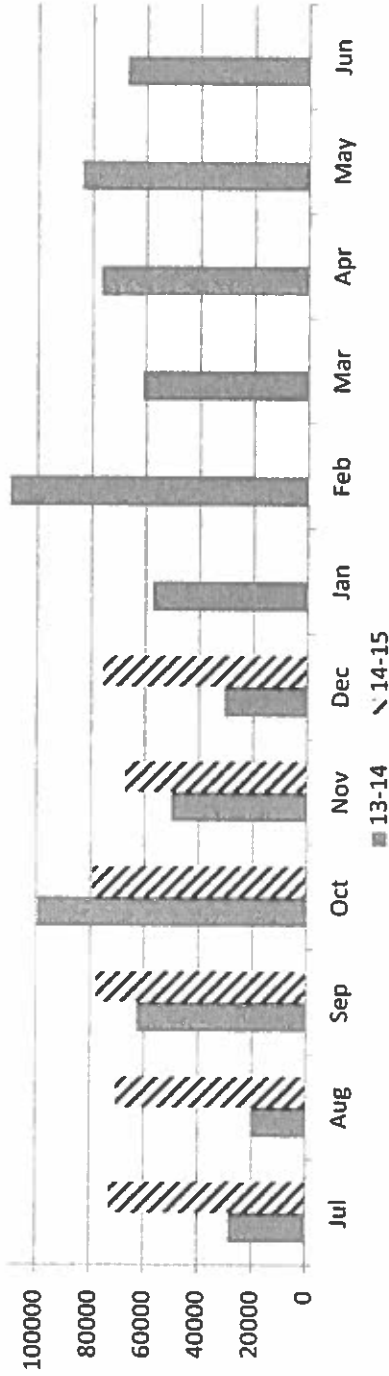
	FY 13-14	FY 14-15
July	\$42,350	43,300
Aug	\$21,200	42,100
Sept	\$35,050	51,650
Oct	\$110,350	55,100
Nov	\$57,425	44,750
Dec	\$50,900	49,900
Jan	\$27,000	0
Feb	\$38,550	0
Mar	\$73,100	0
Apr	\$45,350	0
May	\$52,550	0
Jun	\$31,200	0
Total	585,025	286,800
Mo Avg	48,752	47,800

*after reductions and rescinded

FORM 18 FINE ASSESSMENTS

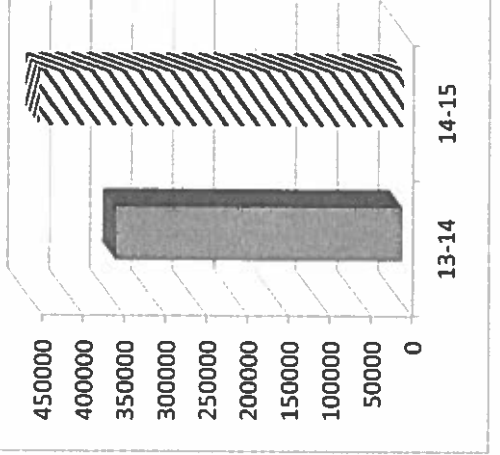
Consistent with overall Commission strategy, the Claims Department works with our Carrier partners to develop approaches that result in increased compliance levels and reduced Fine related costs to businesses in South Carolina.

A key "success measure" of this effort is the Form 18 Fine Assessment report. For the month of December 2014, this has resulted in an increase in Form 18 Fine Assessments to \$75,400 as compared to November 2014 of \$67,200. The actual number of fines assessed increased to 377 in December 2014.



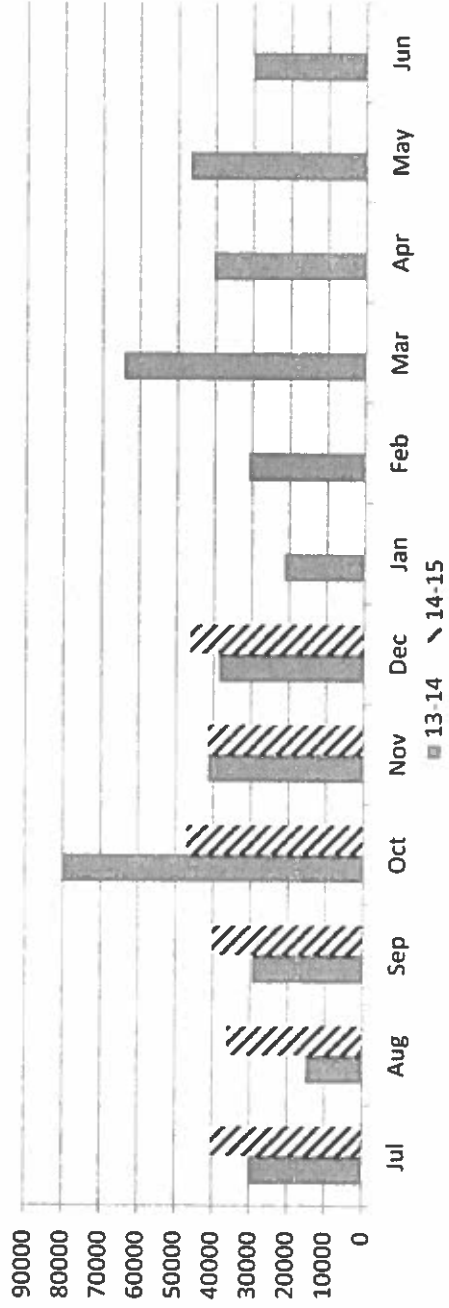
FORM 18 FINE ASSESSMENTS YTD

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



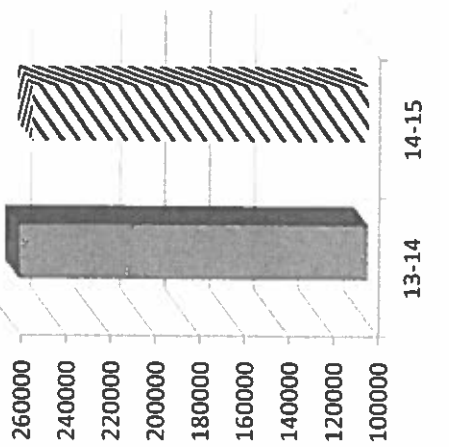
FORM 18 FINE COLLECTION

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



FORM 18 FINE 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

January 7, 2015

To: Gary M. Cannon
Executive Director

From: Amy A. Bracy
Judicial Director

RE: **Monthly Judicial Report for December 2014**

Please be advised of the following:

There were seventy-seven (77) regulatory mediations scheduled and fifteen (15) requested mediations. The Judicial Department was notified of seventy-six (76) matters resolved in mediation, with the receipt of Forms 70.

The Informal Conference system has addressed one hundred eighty (180) cases during the last month.

There were eighty-eight (88) Single Commissioner Hearings conducted during the past month and there were eight (8) cases appealed to the Full Commission during the past month.

The Judicial Department processed seven hundred twelve (712) additional pleadings after comparing the number of pleadings processed by the Judicial Department for the period July-December 2013 to the same period this fiscal year

The number of regulatory mediations is two hundred nine (209) less this year when compared to the same six month period during 2013. The number of mediations resolving claims is higher by one hundred ninety-nine (199). However, this number may be impacted by the internal changes for better improved reporting of the Form 70.

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							3613
Defense Response to Pleadings	522	526	459	488	423	462							2880
Defense Pleadings	284	277	282	267	266	259							1635
Motions	127	100	110	117	82	96							632
Form 30	35	47	15	22	19	23							161
FC Hearings Held	10	15	15	15	15	8							78
FC Orders Served	26	6	21	16	7	8							84
Single Comm. Hearings Held	105	65	157	108	100	88							623
Single Comm. Orders Served	159	77	86	87	92	84							585
Consent Orders	205	219	246	270	207	185							1332
Administrative Orders	62	67	64	49	41	47							330

Informal Conferences and Mediations

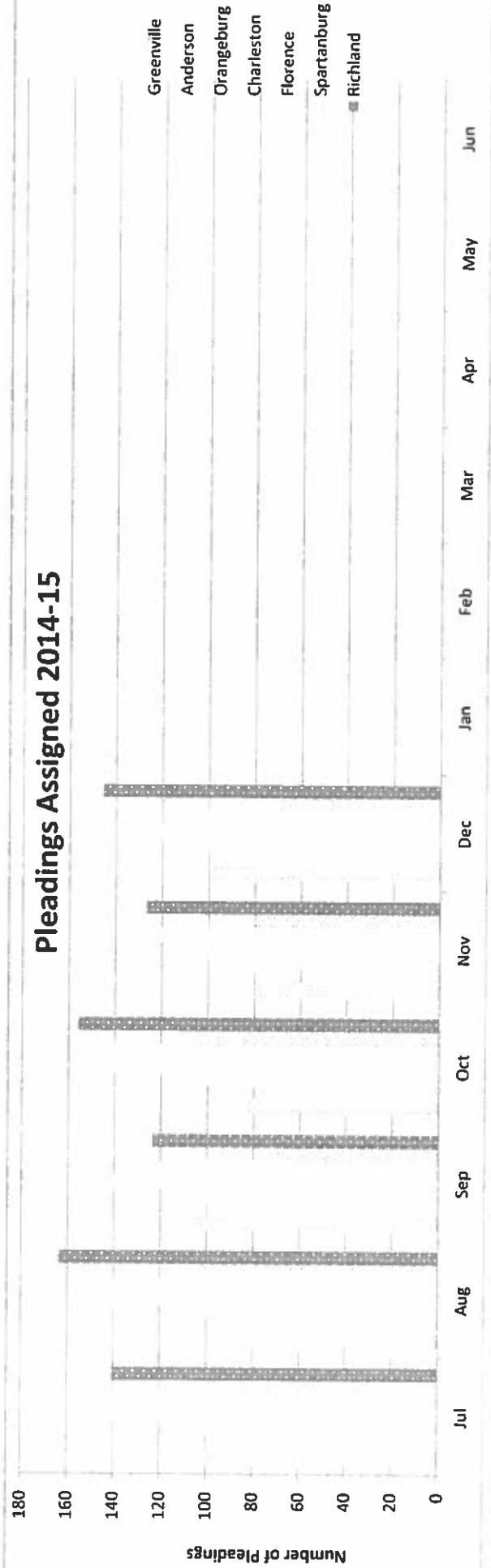
Statistics For Fiscal Year 2014-2015

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Clincher Conference Requested	88	104	116	145	107	116							676
Informal Conference Requested	375	393	400	380	347	304							2199
Informal Conference Conducted	100	508	294	258	222	180							1562
Regulatory Mediations	109	134	105	73	64	77							562
Requested Mediations	27	25	33	17	18	15							135
Ordered Mediations	0	7	0	0	2	0							9
Mediation Resolved	94	73	62	77	59	76							441
Mediation Impasse	28	30	11	29	20	10							128
Mediation Held; Issues Pending	0	0	0	0	3	2							5
Claim Settled Prior to Mediation	27	24	23	25	15	15							129
Mediation Not Complete in 60 days	4	15	5	10	5	5							44

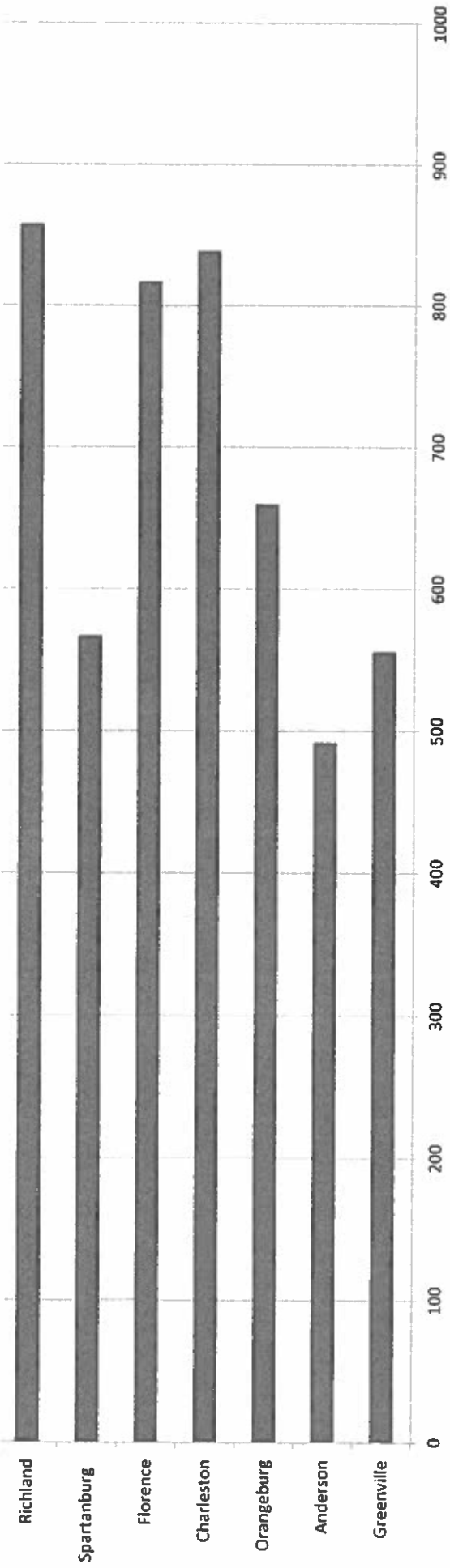
Pleadings Assigned

	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	14-15
	Jul	103	119	94	92	96	89	119	121	124	140	164	160	140	145	117	140	116	111	99	141	135
Aug	86	121	133	96	71	100	120	121	126	153	170	176	153	146	131	153	104	119	149	164	141	215
Sep	105	102	95	84	80	100	105	97	101	155	163	144	126	146	137	101	70	90	107	124	132	144
Oct	83	124	118	78	84	97	115	128	120	143	170	188	146	146	159	138	112	106	115	156	160	146
Nov	80	115	111	56	67	99	93	115	125	115	163	153	135	135	115	139	80	79	106	127	112	138
Dec	99	78	74	86	93	80	108	102	142	133	123	126	119	108	108	118	85	95	116	146	113	108
Jan		92	111		56	106		100	118		151	193			95	128		88	121		119	141
Feb		93	106		98	98		98	115		157	165			146	114		93	89		106	133
Mar		101	104		76	90		107	107		121	134			130	143		91	121		128	160
Apr		98	122		69	73		100	107		144	155			141	108		101	103		150	162
May		88	67		97	67		124	78		169	134			121	80		100	102		153	107
Jun		81	98		79	80		95	121		148	163			110	121		79	110		123	144
Totals	556	1212	1233	492	966	1079	660	1308	1384	839	1843	1891	817	1510	1483	567	1152	1338	858	1572	1771	

Pleadings Assigned 2014-15



District



Year to Date by District

160

140

120

100

80

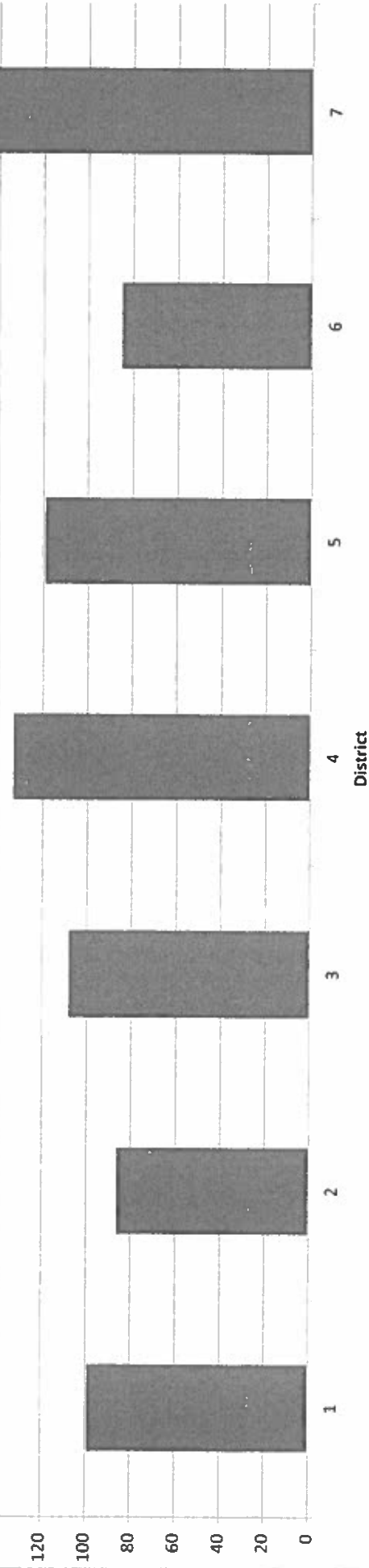
60

40

20

0

Pleadings Assigned - December 2014



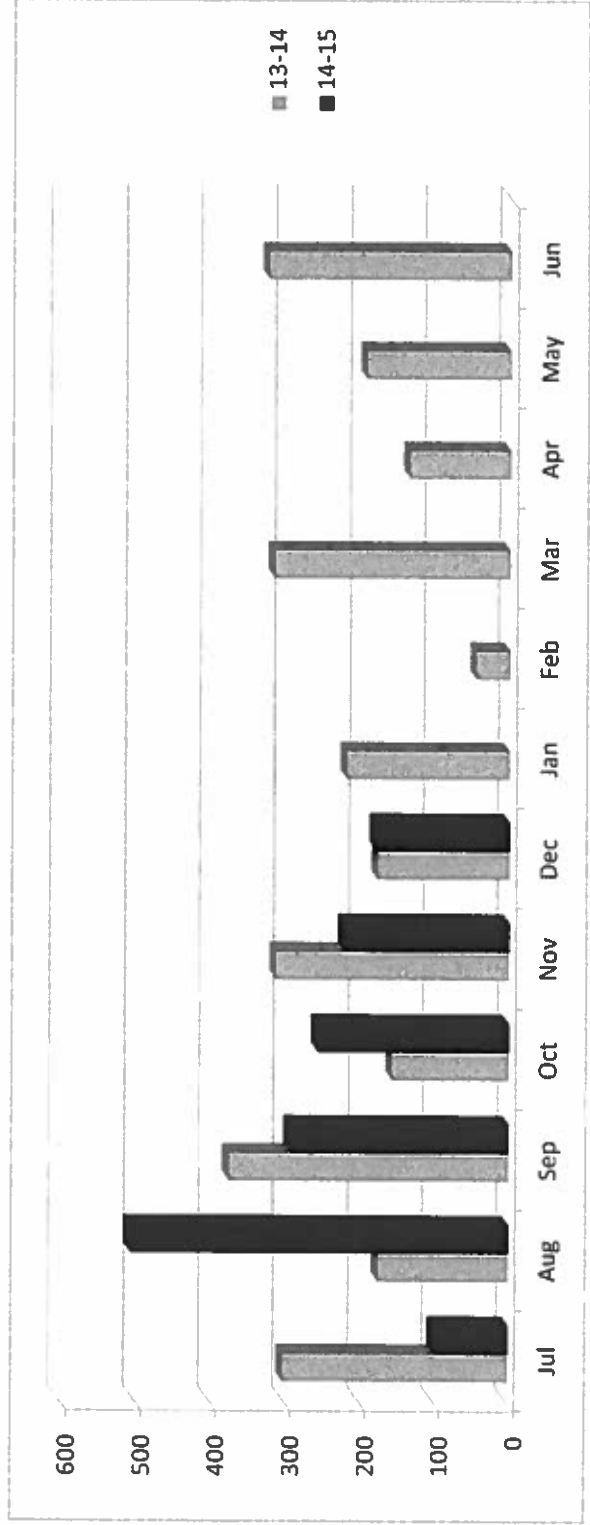
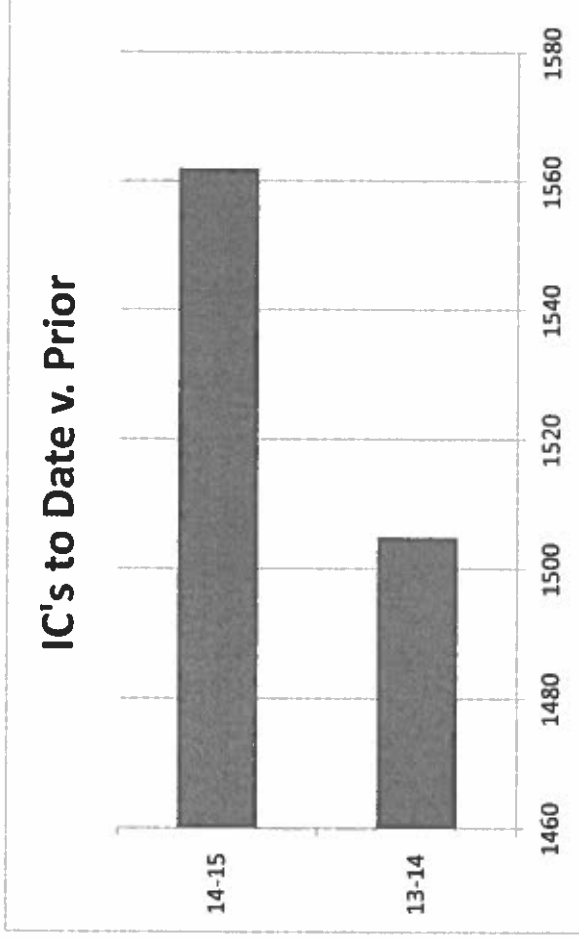
District

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		0.0%
Feb	46		0.0%
Mar	317		0.0%
Apr	136		0.0%
May	195		0.0%
Jun	326		0.0%
Total	2745	1562	

Y-T-D
 13-14 14-15
 1505 1562 103.8%

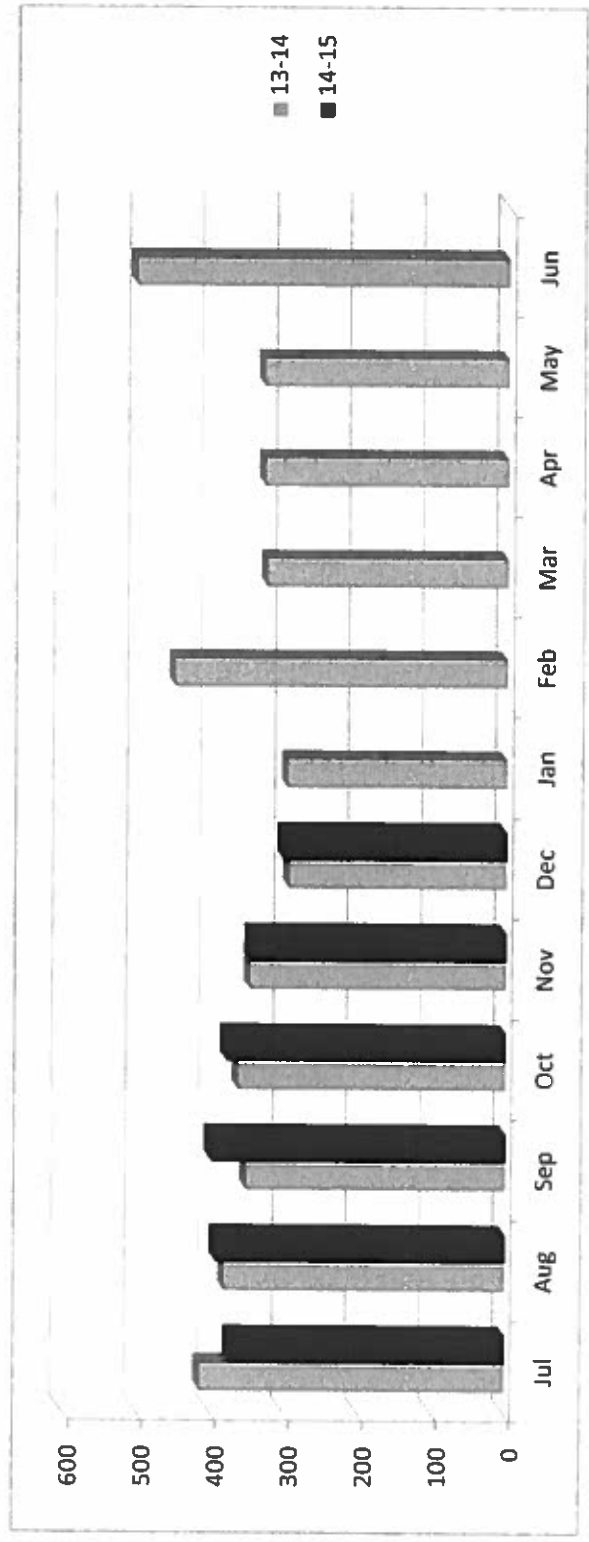
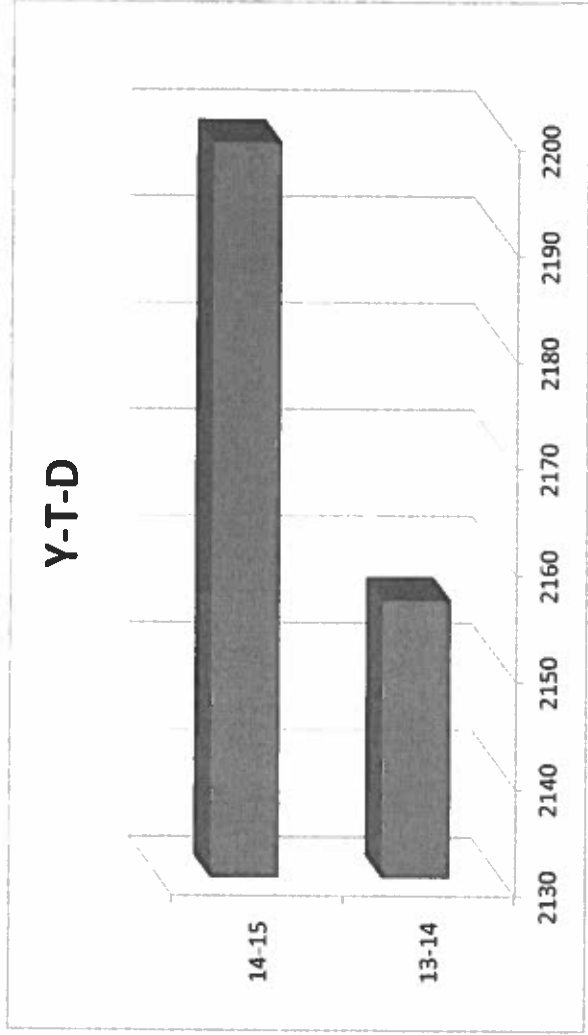
IC's to Date v. Prior



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	
Feb	452	
Mar	328	
Apr	331	
May	332	
Jun	506	
Total	4404	2199

Y-T-D
 13-14 2156 14-15 2199 1.019944



State of South Carolina

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Workers' Compensation Commission

Executive Director's Report Gary M. Cannon

January 8, 2015

Director Activities

- Completed annual evaluations and planning meetings with department heads
- 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 presentation for IWAA Paralegals and Legal Assistants meeting
- Assisted Director of Administration with financial analysis and monthly report

Personnel Changes

Recruiting has begun to fill the Records Analyst position in the File Room. Three candidates were interviewed on December 22, 2014. Ms. Peggy Hatfield was selected for the position. January 12, 2015 is her first day of employment. Ms. Hatfield was previously employed by the Second Injury Fund.

2015 Mileage Reimbursement Rate

The Office of Comptroller General gave notice the 2015 standard business mileage rate established by the Internal Revenue Service to be 57.5 cents per mile. Regulation 67-1601 A (1) provides the expenses incurred for travel to receive medical attention which shall be reimbursed to the claimant are mileage to and from a place of medical attention which is more than five miles away from home in accordance with the amount allowed state employees for mileage. Therefore, effective January 1, 2015, the new mileage reimbursement rate to and from a place of medical attention is 57.5 cents per mile. Notice is posted on the Commission's website and was emailed to the Commission's distribution list on January 8, 2015.

As a reminder, reimbursement rate is less 4 cents per mile than the standard business mileage rate when an employee chooses to use his or her personal vehicle when a motor pool vehicle is reasonably available. Accordingly, effective January 1, 2015, this reimbursement rate is 53.5 cents per mile.

R67-1605 Lump Sum Payment Net Present Value Tables

Pursuant to R67-1605 the Net Present Value (NPV) tables are calculated at the yield-to-maturity rate of the Five Year U. S. Treasury Note reported by the Federal Reserve on the

first business day following January 1. The regulation further states the discount rate shall not exceed six percent or be less than two percent.

The Five Year Treasury published by the Federal Reserve on January 2, 2015 was 1.61%. (Source: <http://www.federalreserve.gov/releases/h15/data.htm>, Table "Treasury Constant Maturities"). Therefore, the present value tables published by the Commission for the year 2015 shall be discounted at the same rate as was used in 2014: two percent (2%) for weeks zero through 100 and at two percent (2%) for weeks 101 through 500, the same discount rate used in 2014.

Constituent /Public Information Services

For the period December 11 through January 6, 2015 the Executive Director's Office and the General Counsel's office had 402 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 December 11 through January 6, 2015, we added two individuals to the Commission's stakeholder distribution list. A total of 510 individuals currently receive notifications from the Commission.

Narcotics Use Advisory Committee

Chairman Davis is planning to conduct the next meeting to discuss recommendations during the last two weeks of February.

State of South Carolina

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Workers' Compensation Commission

TO: Workers' Compensation Commissioners

FROM: Gary M. Cannon

DATE: January 8, 2015

**RE: Medical Services Provider Manual
(Physicians Fee Schedule)**

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. Staff has received the draft report of this study and will present the findings to the Commission at the meeting on January 12. Following our meeting on January 12, staff intends to forward a pre-final draft of the study and findings to the Commission for review.



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: January 12, 2015
RE: UPDATE: SCVRD/WCC Referral Program

Gary,

Coordination between SCVRD and WCC continues to complete the transition to utilizing the WCC-SCVRD Portal for claimant outreach across the State of South Carolina.

In speaking with Jim Williams, SCVRD Client Services, below are the next steps towards implementation:

During the month of January 2015, letters for potential clients will be mailed to residents of Richland County to determine if they are interested in learning more about the SCVRD programs that are available.

In February 2015, letters to the rest of the State will be mailed to potential clients and Counselors in each Area office will be assigned duties to work with these potential clients.

SCVRD Client Services will be responsible for the initial tracking of these letters and updating the Portal with the number of responses received

Once the mass mailing is complete and the portal is updated, potential clients will then be contacted by SCVRD area offices (by county of residence) to see if they have an interest in SCVRD services. The portal at that time will be managed at the Area-office level.

Part of this continued outreach within SCVRD will be training of Area Supervisors and Area Client Services Managers in order for the Area leadership to then train local staff. This training will be coordinated through the SCVRD Client Services group and the Area Development Directors.