

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

April 18, 2016 – 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 APRIL 18, 2016 *CHAIRMAN BECK*
3. APPROVAL OF MINUTES OF THE BUSINESS MEETING
OF MARCH 21, 2016 (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. OSBORNE*
 - Human Resources (Tab 3) *MS. SPRANG*
 - Information Services (Tab 4) *MR. DUFFIELD*
 - Insurance, Medical & Administrative Services (Tab 5 & 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*
9. NEW BUSINESS *CHAIRMAN BECK*
 - A. Voluntary Loss Cost Filing (Tab 10) *Ms. Amy Quinn*
State Relations Executive
Regulatory Services Division, NCCI
10. ADJOURNMENT *CHAIRMAN BECK*

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THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

Monday, March 21, 2016

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, March 21, 2016, 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 Cannon, Executive Director; Amy Bracy, Judicial Director; Wayne Ducote, Coverage & Compliance Director; Grant Duffield, Insurance, Medical & Administrative Services Director; Alicia Osborne, Human Resources Manager; Keith Roberts, Attorney; Marlene Johnson-Moore, Law Intern; W.C. Smith, Self-Insurance Director; Sonji Spann, Claims Director; Sandee Sprang, IT Director; and Amanda Underhill, Business Analyst. Clara Smith, Injured Workers' Advocates, was also present.

Chairman Beck called the meeting to order at 10:45 a.m.

AGENDA

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

APPROVAL OF MINUTES – BUSINESS MEETING OF FEBRUARY 22, 2016

Commissioner Barden moved that the minutes of the Business Meeting of February 22, 2016 be approved. Commissioner Campbell 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. Nineteen (19) prospective members of two (2) funds were presented to the Commission for approval. The applications were:

Palmetto Timber Fund
Black Land Timber, Inc.
LBL Trucking Inc.

SC Home Builders SIF

A-I Painting & Specialized Coatings
BJV Construction, LLC
Ceramic Creations, LLC
Charles O'Neil / Simple Home Services
Chuck Giannone dba Giannone Construction
Construction Consultants, LLC
Cram Electrical, Tom Cram dba
First Quality Framing, LLC
Jack Owens & Son, LLC
MCF Construction, Inc.
Morris White
Paul Johnson Interiors, LLC
Shondy Brake dba Prestige Masonry
Site Services of Greenville, LLC
Strout Concrete Construction, LLC
The Cabinet Market
Worthland Framing, 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.

Human Resources Department

Alicia Osborne presented the Human Resources report for the period of February 18 through March 16, 2016. Ms. Osborne reported the required SANS security training for all staff is progressing nicely. The Division of State Human Resources conducted an audit of Human Resource Files on March 3, 2016. She announced a workplace health screening is scheduled on March 22, 2016.

Information Technology Department

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

- IT continues to work with DTO to upgrade the hardware and software to a virtualized environment.
- During February, the majority of IT's efforts were focused on developing reports in preparation of data analysis for the Senate Oversight review.
- There were seven unplanned system outages in February, down from eleven in January.
- Deployment of the new iPads was completed.
- IT has completed the mapping of the electrical outlet and data port changes related to office renovations.

Commissioner McCaskill said he experienced some IT issues over the weekend, and thanked Ms. Sprang for being very responsive after hours to get the issues resolved.

Insurance, Medical & Administrative Services Department

Grant Duffield presented the Insurance, Medical & Administrative Services Department's report. In February, the Lapse in Coverage Notification program registered two new policies and no lapse in coverage notifications. The Compliance Division has assessed \$4.5 million in fines of which 76%, or \$3.4 million, have been waived or rescinded as employers have either obtained coverage or were found not to be subject to the Act. In February, the Compliance Division collected \$72,999 in fines and penalties. Year to date, the Compliance Division has collected \$689,686 in fines. Year to date vs prior year total (\$906,833) is 76%. The current year end trend is 114% of 2014-2015.

Mr. Duffield presented the Summary of Revenues and Expenditures for the period ended February 29, 2016. The benchmark for period ended February 2016 is 66.6%. Total expenditures are at 66% of budget.

Claims Department

Sonji Spann presented the Claims Department's report.

Ms. Spann reported the following for the month of February 2016:

- Closed 2,186 individual case files
- Received \$48,250 in fine revenue
- Claims examiners reviewed 1,978 individual case files
- 315 fines assessed
- 300 Form 18 fines assessed
- 12,026 forms processed
- 1,099 Form 18s processed through SROI
- 1,751 Form 18s received via Email
- 1,669 forms received via USPS

Judicial Department

Amy Bracy presented the Judicial Department's report. She reported the following for the month of February 2016:

- 105 Single Commissioner Hearings conducted
- 14 Full Commission Hearings conducted
- 246 informal conference cases
- 66 regulatory mediations scheduled
- 29 requested mediations
- 66 matters resolved in mediation with the receipt of Forms 70

Ms. Bracy said that Genia Hollmon and Kim Falls are working to develop a better process for requesting and scheduling hearing venues. They will meet with the Commissioners' administrative assistants to discuss options.

Ms. Bracy reported she worked with the IT staff qualifying data and assisting with the development of reports for the Senate Oversight review. She has identified areas that need improving and a business process developed that will be consistent with all users in the "Hearing to Order" process.

Ms. Bracy reported the S.C. Vocational Rehabilitation Department provided a list of potential locations with conference and meeting rooms that the Commission may use for hearings when scheduling permits.

EXECUTIVE DIRECTOR'S REPORT

Gary Cannon, Executive Director, presented his report which was also submitted to the Commission in written form. He commended Sandee Sprang and Amy Bracy for their efforts and commitment on developing reports for the Senate Oversight review. He said he is proud of the staff and is pleased with the quality of work that is being produced. He pointed out the following highlights from the report:

Senate Oversight Committee

A presentation to the Senate Oversight Subcommittee is scheduled for March 24, 2016.

FY 2016-17 Budget

The FY 2016-17 Budget was presented to the Senate Finance Transportation and Regulatory Subcommittee on March 17, 2016.

Financial Review & Forecast Work Session

Mr. Cannon announced the Financial Review and Forecast Work Session will be held today from 1:30 – 3:30 p.m. for Commissioners and Department Heads.

Office Renovations

Chairman Beck asked when the construction will begin on the office renovations. Mr. Cannon expects to receive a schedule from CBRE soon and will follow up.

SPECIAL RECOGNITION

Mr. Cannon recognized U.S. Air Force 2nd Lt. Marlene Johnson-Moore, Law Intern, and announced she was recognized by the General Assembly on March 8 for being awarded the 2015 South Carolina Air National Guard Company Grade Officer of the Year. After a round of applause, the Commissioners thanked her for her service.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

ADJOURNMENT

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

The March 21, 2016 meeting of the South Carolina Workers' Compensation Commission adjourned at 11:00 a.m.

Reported April 18, 2016
Kim Ballentine
Office of the Executive Director

MEMORANDUM

Date: April 13, 2016

TO: Mr. Gary Cannon
Executive Director

FROM: Alicia Osborne
Human Resources

SUBJECT: Human Resources Report Period of March 17 to April 13, 2016

Below is a summary of the Human Resources activity for the period of March 17 to April 13, 2016

Workers' Compensation

- Ongoing Workers' Compensation Injuries
 - Three open claims
 - (1) Work Place Accommodation

Employee Relations

- FMLA
 - Continued recertification in progress
- Meetings
 - Counseled (9) staff regarding concerns
 - Clarified policies and procedures

Benefits

- Change In Status processed
- Assisted with end of grace period for MoneyPlu\$ filing

Employee Appreciation

- Luncheon – May 16, 2016
- Employee of the Year Nominations Due – April 13, 2016

Fiscal Responsibilities

- Approved 13 SCEIS financial transaction
- Approved 18 expense reports

Departure(s)

- Voluntary Resignation - Grant Duffield
 - Effective May 20, 2016

Reports

- Ran SCEIS Deductions Not Taken / Arrears report
 - Notified staff of arrears/deductions not taken
- Ran SCEIS Wage Type Report
 - No discrepancies unaccounted for
- Time Administration
 - Unapproved Leave Report
 - Notified staff of pending leave that needed to be approved

- Approved leave for (4) supervisors that requested approval
- Missing Time Report
 - Notified three supervisors and five staff members of missing time
- Reviewed/updated reports as requested by the Executive Director
- EEOC Census Report and Updated Affirmative Action Plan
- Audited by DSHR

CBRE

- Notified CBRE of building concerns (2)

SCEIS

- Keyed (1) action items

Training

- Cyber Security Training Update
 - Completed - 82%
 - In Progress - 3%
 - Not Started - 14%

Miscellaneous

- Meeting(s)
 - (1) PEBA Perks
 - (2) Dept. of State Human Resources
 - (1) Financial Forecast Meeting
 - (1) EEO Training
 - (1) Social Committee
 - (1) United Way Awards – Bronze Award for 2015
- Completed Worksite Screening – Included SC Lottery Staff

State of South Carolina

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Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director
From: Sandee Sprang, IT Director
Date: April 13, 2016
Subject: IT Department March 2016 Full Commission Report

This report summarizes the activities and accomplishments of departmental projects and initiatives for the IT department during March 2016. The first section, "Systems Operation, Maintenance and Support", details the work related to keeping our current production systems up and running. The second section, "Projects, Enhancements and Development", highlights the activities related to new projects and tasks which bring added functionality to our systems. The last section documents the IT Department's "Training and Meeting" accomplishments.

I. Systems Operations, Maintenance and Support

Virtualization

Duane continues to lead the effort with DTO to upgrade our hardware and software to a virtualized environment. He accomplished several small milestones in this project last month even though the majority of his time was dedicated to supporting other priorities. These milestones include:

- 1) the identification of all traffic port numbers,
- 2) the resolution of the DSN (data source name) issue in the ODBS connections between servers, and
- 3) the collection and analysis of data mined from system logs to gather connection-related errors and information.

OnBase

As part of Amanda's work to identify the root cause of the exception errors in the Unity client, we discovered multiple network and PC configuration issues and are working with DTO to resolve. We also discovered other connectivity interruptions resulting in lost data packets that are contributing to the problem, as well as other performance problems, and are working on these as well.

EDI

Amanda and Duane worked with EDI trading partners to research and resolve EDI transactional data errors. They continue to work with the IAIABC EDI Claims Workgroup, reviewing and recommending standard changes.

Ad Hoc Reports

During March, the majority of our efforts were again focused on reporting. Much of our reporting development for the Senate Oversight Review was useful in defining and producing the reports and statistics requested by the Governor's Office. We continue to work on sustainable production reporting processes, improving the quality of the data through well-defined data entry processes, building consistency into the processes, and reducing errors which in turn yields highly accurate data and reports. Until these reports are moved into production, the IT department will provide these to the Judicial Director and AA's on a routine basis.

Systems Support

We had 1 unplanned system outage in March which is down from the 7 we had in March. This is a major success and reflects the accuracy of our configuration changes made during February and March. This one outage was the OnBase system and not our entire production environment.

Desktop Support

We have begun collecting and monitoring metrics related to our HelpDesk Support. We have classified requests in the following categories and will continue to refine this process as we strive to provide the best customer service to both our internal and external clients.

1. Password Assistance: 9 Helpdesk calls
2. Hardware Assistance: 24 Helpdesk calls
3. OnBase Errors: 41 Reported Issues
4. E-Case Support: 21 Helpdesk calls - External
5. Secure E-Mail: 5 Helpdesk calls – External

II. Projects, Enhancements and Development

eCase

The modernization of the eCase web portal system is still at 70% completion; the next phase of this project is dependent upon the establishment of a test environment in our virtualization project.

Office Renovations

The IT department completed the mapping of all the electrical outlet and data port changes related to the office renovations. We will have to terminate network access points in the space we are giving up, run new data and electrical outlets in the new offices, relocated wireless access points, and work to minimize the expense of these changes by relocating drops where the cable length is sufficient. The planning and coordination of this work will require significant effort through the duration of this project.

Hardware Upgrades

We have several hardware upgrade projects in process:

- 1) Our wireless network hardware is at the end of its useful life and will soon have to be replaced. The new devices have been selected and we will look to procure these as part of our renovation project.

- 2) We are continuing to meet with vendors on the State's VoIP telephone contract to determine which vendor can best meet our needs within our current budget.

Video Conferencing

This project is on our list of priorities and will gain momentum once the time-constrained priorities are completed.

III. Trainings and Meetings

The IT team is participating in the planning for the CAME workshop.

State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Grant Duffield
IMAS Director

Date: 14 – Apr – 2016

Subj: Insurance, Medical and Administrative Services Department
March 2016 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. Reviewing revenue metrics / projections.2. Working w IT to review debt collection process.3. Exploring additional stakeholder education opportunities
Coverage Division	<ol style="list-style-type: none">1. Working with staff to review workflow processes and explore opportunities to enhance service provision.2. Lapse in Coverage
Medical Services	<ol style="list-style-type: none">1. Recertification of Bill Review entities complete.2. Continue work on pharmaceutical payment disputes involving SAF.3. Reached resolution with MedAssets on outstanding software issues.
Administrative Svcs	<ol style="list-style-type: none">1. File back scan process underway.2. Assisted in presentation of Strategic Planning work session.3. Beginning preparations for annual audit.
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.3. Office move preparations.

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.

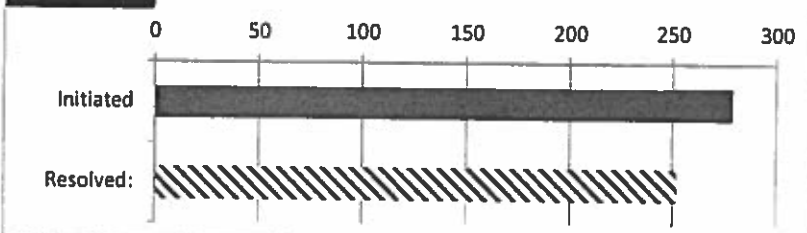
Employers Obtaining Coverage

The Compliance Division works with great diligence to help uninsured employers become compliant with the South Carolina Workers' Compensation Act. Year to date, the Compliance Division has compelled 252 employers in South Carolina to come into compliance with the Act. In so doing, approximately 2,344 previously uninsured workers are now properly covered.

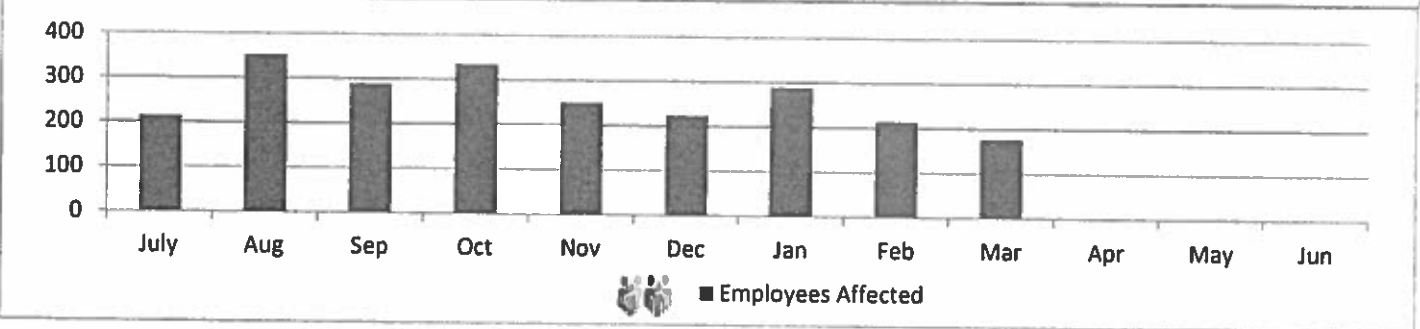
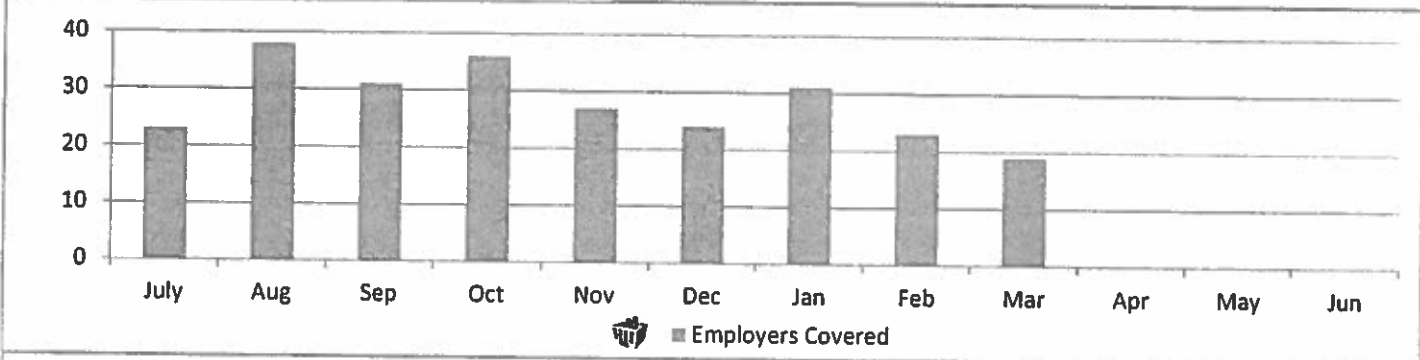
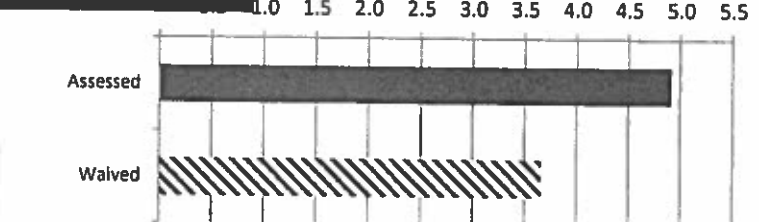
Penalties Waived

Although the Division has assessed \$ 4.9m in fines, 74% of those fines (\$3.6m) have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

RTSC Cases



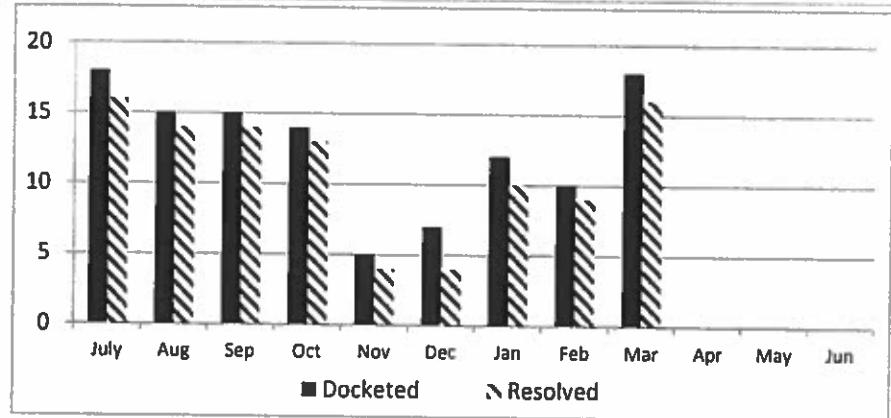
Fines and Penalties



Carrier Rule to Show Cause Hearings

The Compliance Division manages the Rule to Show Cause process involving the recovery of outstanding carrier fines and penalties. In the month of March 2016, 18 carrier RTSC cases were docketed; 16 cases were resolved and \$8,800 was recovered.

Year to date, 114 carrier RTSC cases have been docketed, 100 cases have resolved and \$162,712 has been recovered.



IMS COMPLIANCE DIVISION

March 2016

Carryover Caseload:

The Compliance Division closed March 2016 with 338 cases active, compared to an active caseload of 268 at the close of March 2015.

Cases Resolved:

For the month of March 2016, Compliance Division staff closed-out 149 cases.

Compliance Fines:

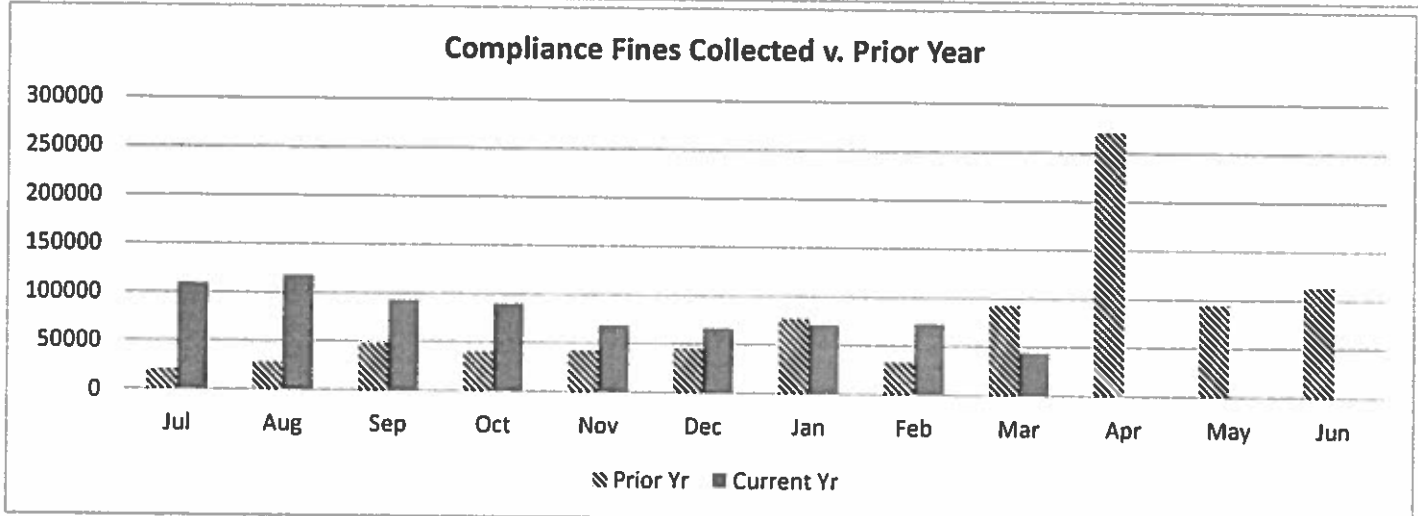
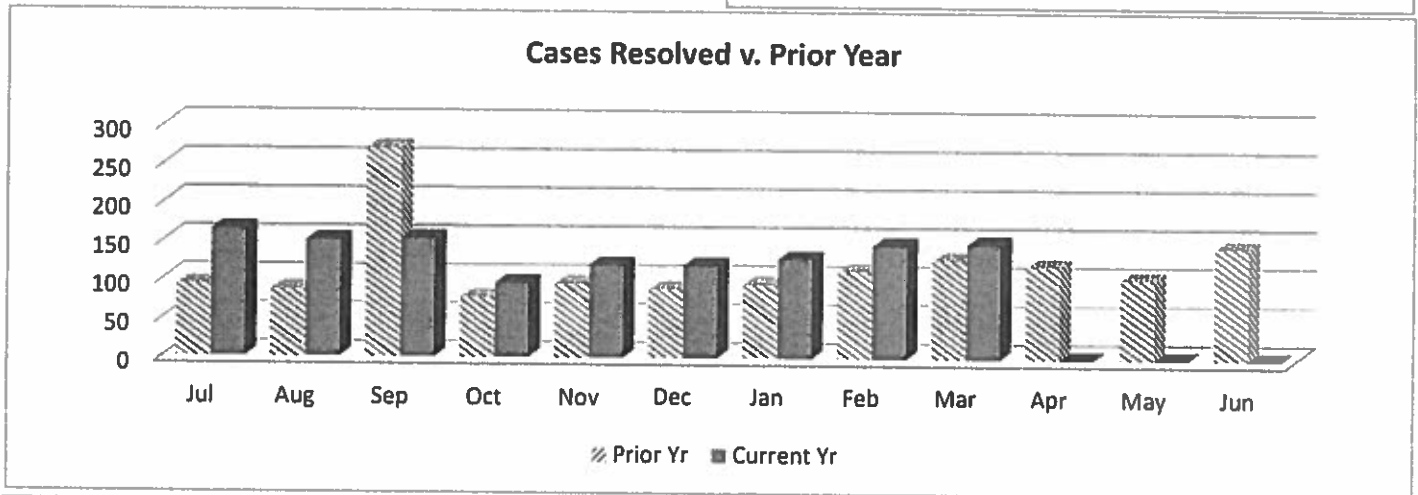
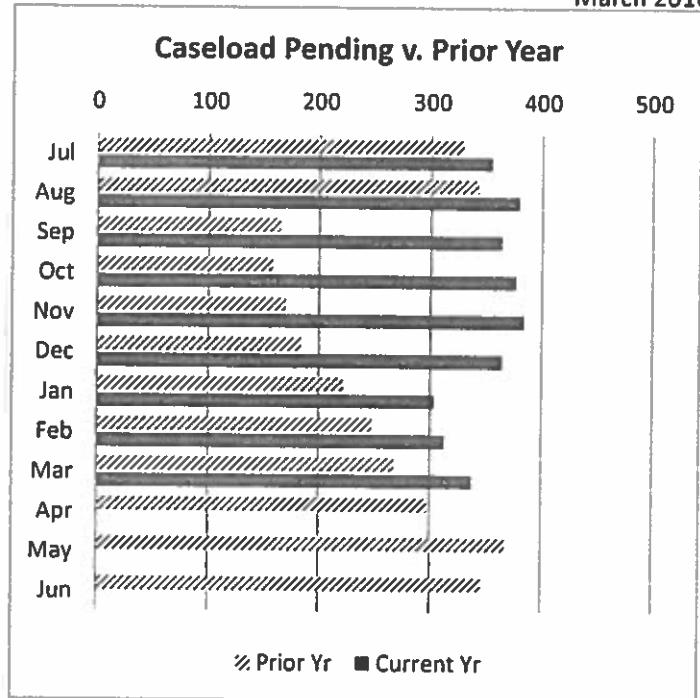
In March 2016, the Compliance Division collected \$43,748 in fines and penalties. Year to Date, the Compliance Division has collected \$733,434 in fines.

Year to Date vs Prior Year Total (906,833): 81%.

March 2016 vs. March 2015: 47%

Current Year End trend is 108% of 2014-2015.

YTD 2015-16 (July - Mar) vs YTD 2014-15: 194%



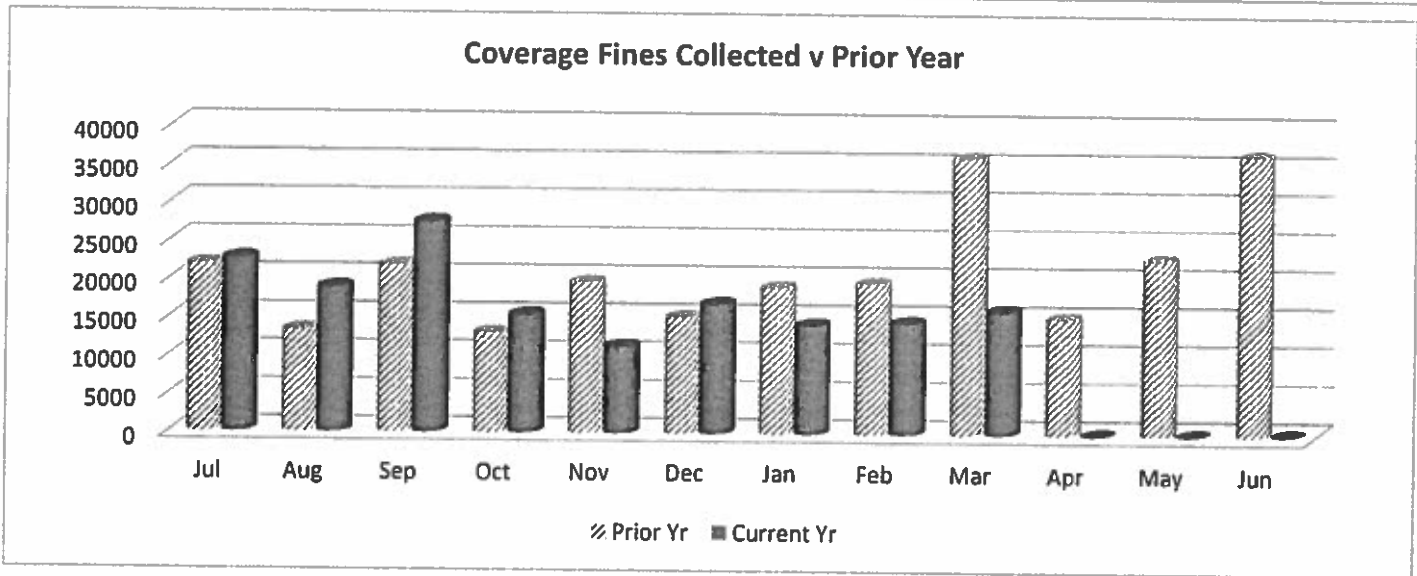
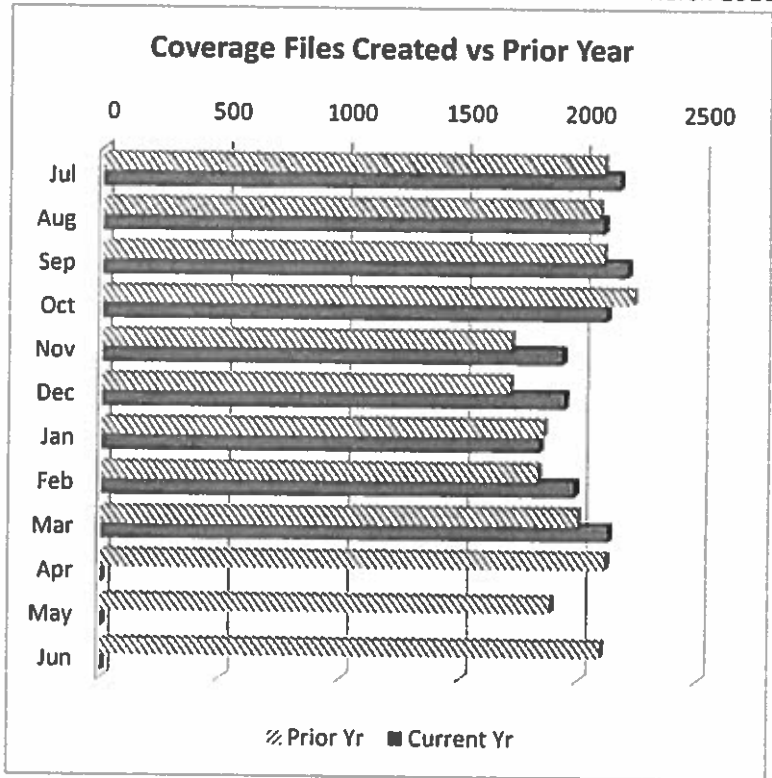
WCC Claim Files:

In March 2016, the Coverage Division received a total of 2,126 WCC Claim files. Of these, 1,825 were created through proper carrier filing of a 12A, and 301 were generated as a result of a Form 50 claim filing. Year to Date, 18,394 Claim files have been created which is 78% of claim file volume prior year (23,682).

Coverage Fines:

The Coverage Division collected \$16,100 in fine revenue in March 2016, as compared to \$36,200 in Coverage fines/penalties accrued during March 2015. Year on Year, Coverage fines are at 62% of collections for prior year.

Coverage Division fines represent 8% of the Commission's annual earmarked budget.



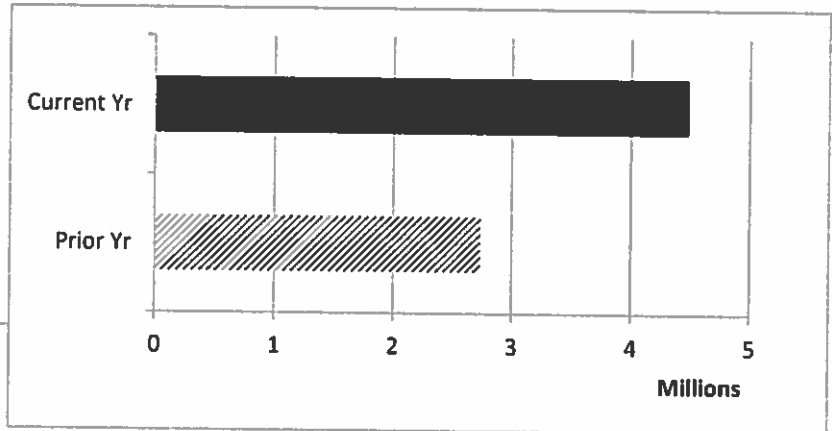
IMS SELF INSURANCE DIVISION

March 2016

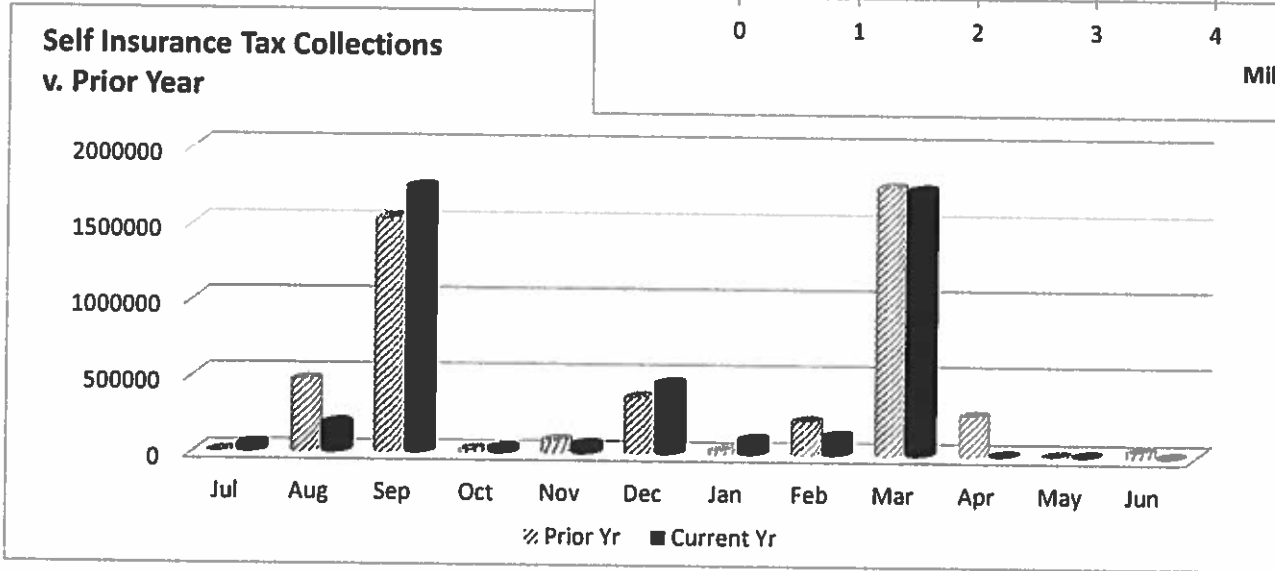
During the month of March 2016, the Self Insurance Division:

- * collected \$1,740,019 in self-insurance tax.
- * added 19 new self-insurers.
- * conducted 5 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 100% of prior year and 37 Self Insurance audits have been completed.



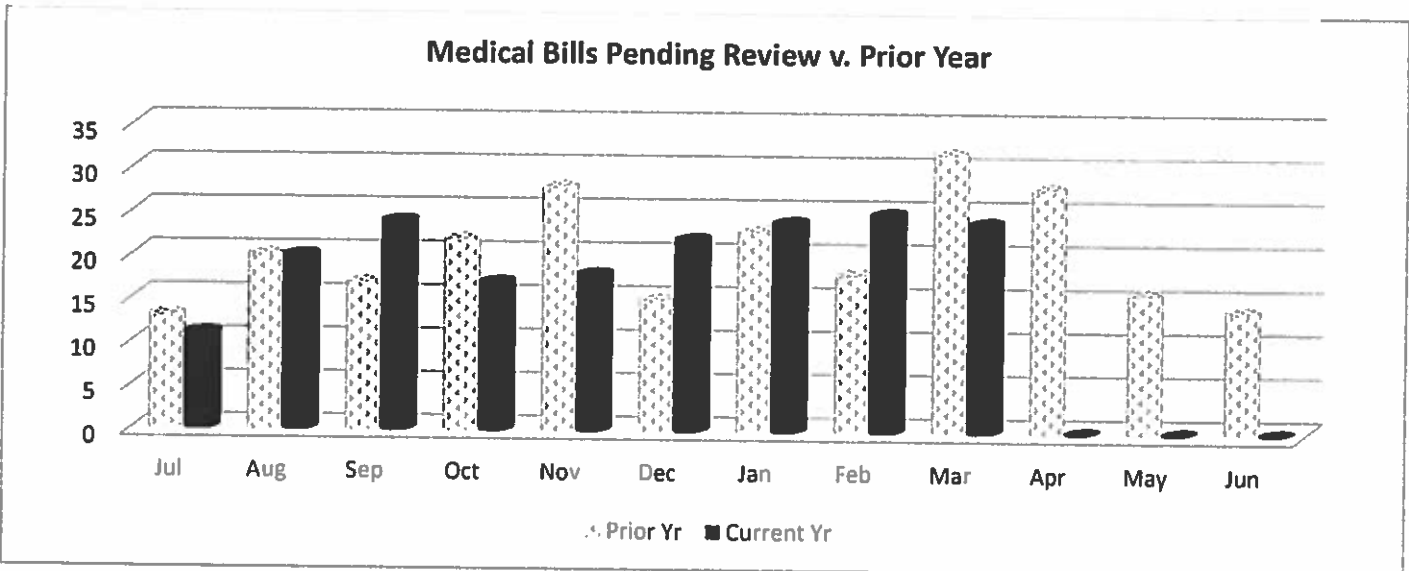
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In March 2016, the Medical Services Division began the month with 25 bills pending review, received an additional 25 bills for review, conducted 26 bill reviews and ended the month with 24 bills pending.

Medical Bills Pending Review v. Prior Year



South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures 2015-16 Budget
March 2016 - Period 9

Expenditures

Bench:	75.0%	Annual		Annual	Mar	Year to Date	Budget	Feb	Annual
		Budget	Amend	Final	Spend	Spend	Remaining	Spend %	Spend %
Commissioners									
Personnel GA		1,134,849	19,314	1,154,163	95,186	861,713			
Personnel EM		-	-	-	-	-			
Ttl Pers		1,134,849	19,314	1,154,163	95,186	861,713	292,450	8%	75%
GA - Expense		-	-	-	-	-			
EM - Exp Tax Subsist		55,000	-	55,000	3,925	45,635			
EM - Expense		230,700	-	230,700	15,469	205,485			
Ttl Expense		285,700	-	285,700	19,394	251,120	34,580	13%	88%
Total Comm		\$ 1,420,549		\$ 1,439,863	\$ 114,580	\$ 1,112,833	\$ 327,030	9%	77%

Administration

Personnel GA		146,007	1,600	147,607	12,756	116,403			
Personnel EM		606,119	19,973	626,092	34,000	313,858			
Ttl Pers		752,126		773,699	46,756	430,261	343,438	6%	56%
Expense GA		75,000	-	75,000	-	43,155			
Expense EM		1,000,649	-	1,000,649	151,585	805,655			
Ttl Expense		1,075,649	-	1,075,649	151,585	848,810	226,839	7%	79%
Total Admin		\$ 1,827,775		\$ 1,849,348	\$ 198,341	\$ 1,279,071	\$ 570,277	6%	69%

Claims

Personnel GA		77,223	800	78,023	6,375	58,175			
Personnel EM		272,010	5,600	277,610	25,105	241,296			
Ttl Pers		349,233		355,633	31,480	299,471	56,162	9%	84%
Expense GA		-	-	-	-	-			
Expense EM		19,700	-	19,700	73	13,858			
Ttl Expense		19,700	-	19,700	73	13,858	5,842	4%	70%
Total Claims		\$ 368,933		\$ 375,333	\$ 31,553	\$ 313,329	\$ 62,004	9%	83%

IMS

Personnel GA		26,632	800	27,432	2,219	20,773			
Personnel EM		467,881	7,200	475,081	41,551	397,477			
Ttl Pers		494,513		502,513	43,770	418,250	84,263	9%	83%
Expense GA		-	-	-	-	-			
Expense EM		54,500	-	54,500	2,153	52,034			
Ttl Expense		54,500	-	54,500	2,153	52,034	2,466	5%	95%
Total IMS		\$ 549,013		\$ 557,013	\$ 45,923	\$ 470,284	\$ 86,729	9%	84%

Judicial

Personnel GA		29,267	-	29,267	-	-			
Personnel EM		292,779	6,400	299,179	27,358	252,620			
Ttl Pers		322,046		328,446	27,358	252,620	75,826	8%	77%
Expense GA		-	-	-	-	-			
Expense EM		12,800	-	12,800	81	8,822			
Ttl Expense		12,800	-	12,800	81	8,822	3,978	2%	69%
Total Judicial		\$ 334,846		\$ 341,246	\$ 27,439	\$ 261,442	\$ 79,804	8%	77%

Employer Contribution

GA		496,796	24,805	521,601	37,272	332,207			
EM		559,928	7,920	567,848	45,926	434,998			
Ttl Fringe		\$ 1,056,724		\$ 1,089,449	83,198	\$ 767,205	\$ 322,244	8%	70%

Total Agency

Ttl GA		1,985,774	47,319	2,033,093	153,808	1,432,426	600,667	10%	70%
Ttl EM		3,572,066	47,093	3,619,159	347,226	2,726,103	893,056	7%	75%
GF Carry Fwd		-	-	-	-	-	-	0%	0%
Total Agency		\$ 5,557,840	\$ 94,412	\$ 5,652,252	\$ 501,034	\$ 4,158,529	\$ 1,493,723	8%	73.6%

Summary of Fiscal Activity - March 2016

As of the close of March 2016, the Commission's overall fiscal performance vs budget is as follows:

Total Expenses Incurred: 73.6% of budget
 Gen Appropriation Received: 70.5% of budget
 Earmarked Revenue Earned: 78.0% of budget
 Draw on Fund Balance: 73.7% of budget
 (benchmark 75.0%)

Operational Funding

The Workers' Compensation Commission derives its operational funding from three sources: General Fund Appropriation; Earmarked Funds (earned revenue); and Appropriated Fund Balance. The Commission's Fund Balance is supported by the retention of the greater of one-half of Self Insurance Tax receipts or \$2.4m.

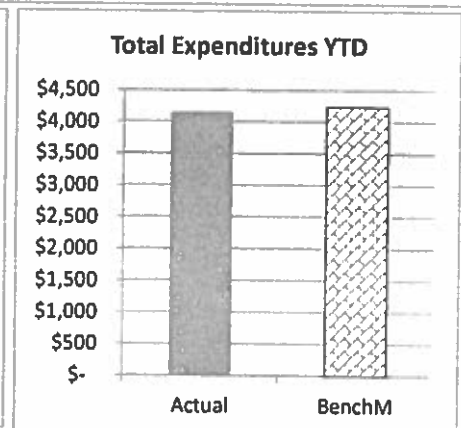
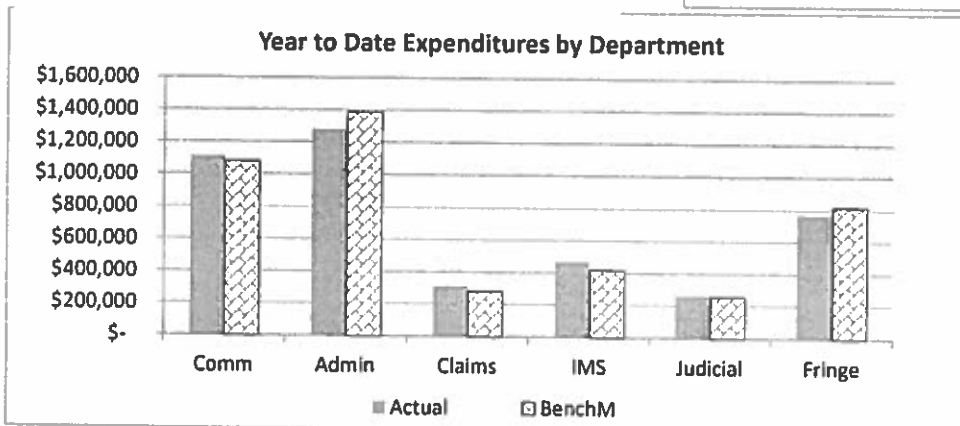
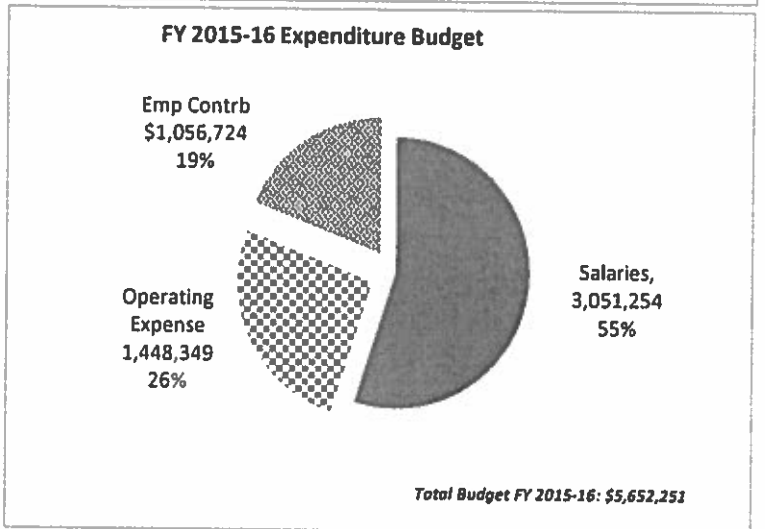
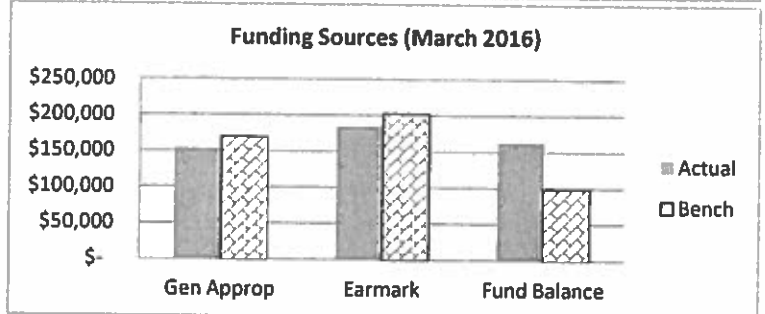
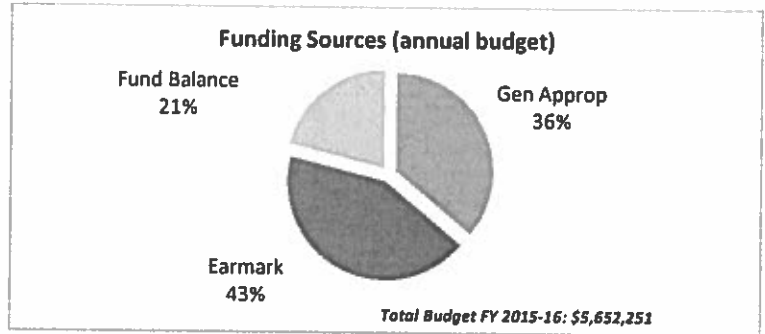
For March 2016, the Commission's operational funding of \$422,335 was received as follows:

General Fund Appropriation: \$ 153,808
 Earmarked Funds: \$ 184,816
 Fund Balance: \$ 162,410
 Self Insurance Tax Received:
 March 2016: \$ 1,747,445
 FY15-16 (YTD): \$ 4,489,214

Operational Expenditures

The Workers' Compensation Commission has budgeted expenditures for FY 2015-16 in the amount of \$5,652,251, of which 74% is personnel related.

Total expenditures for March 2016: \$501,034.
 Commissioners: \$ 114,580
 Administration: \$ 198,341
 Claims: \$ 31,553
 Judicial: \$ 27,439
 IMAS: \$ 45,923
 Fringe: \$ 83,198



South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures 2015-16 Budget
March 2016 - Period 9

Funding and Appropriations

Period 9

	Annual Budget	Amend	Annual Final	Mar Received	Year to Date Received	Budget Remaining	Jan Rcvd %	Annual Rcvd %
General Fund Approp	\$ 1,985,774	\$ 47,319	\$ 2,033,093	\$ 153,808	\$ 1,432,426	600,667	9.7%	70.5%

Earmarked Funds

Training Reg Fee	5,000		\$ 5,000		\$ 810	4,190		
Sale of Publications	8,000		\$ 8,000		\$ 2,800	5,200		
Award Review Fee	73,000		\$ 73,000	4050	\$ 27,000	46,000		
Sale of Photocopies	88,000		\$ 88,000	6765	\$ 55,443	32,557		
WC Violation Fee	1,660,000		\$ 1,660,000	116971	\$ 1,344,019	315,981		
Listings and Labels	25,000		\$ 25,000	1540	\$ 12,695	12,305		
WC Hearing Fee	562,000		\$ 562,000	54675	\$ 425,149	136,851		
Parking	5,900		\$ 5,900	500	\$ 4,280	1,620		
Other	2000		\$ 2,000	315	\$ 22,202	(20,202)		
Ttl Earmarked Funds	\$ 2,428,900		\$ 2,428,900	\$ 184,816	\$ 1,894,398	\$ 534,502	9.5%	78.0%

Appro EM Fund Balance
 GF Carry Forward

\$ 1,143,166	\$ 47,093	\$ 1,190,259	\$ 162,410	\$ 877,340	312,919
\$ -	\$ -	\$ -	\$ -	\$ -	-
\$ 5,557,840	\$ 94,412	\$ 5,652,252		\$ 4,204,164	\$ 1,448,088

Total Funding:

State of South Carolina

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



TEL: (803) 737-5700
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Workers' Compensation Commission

MEMORANDUM

To: Gary Cannon, Executive Director
From: Sonji Spann, Claims Director
Date: April 12, 2016
Re: Claims Department –April 2016 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:

	March 2016	Feb 2016	March 2015
Individual Case Files Closed	2,594	2,186	2468
Fine Revenue Collected	\$55,400	\$48,250	\$90,200
# of individual case files reviewed by examiners	3126	1978	2163
Total Fines	322	315	434
Form 18 Fines	302	300	418
Total Forms Processed	14,275	12,026	14,271
SROI	1176	1099	
Email 18's	1889	1751	1930
USPS	2236	1669	1254

- Claims continue to review files for compliance and closure
- Claims continue to educate the stakeholders: Conversations and have provided the following with the information on How to File WCC Forms:
Eric Rowell-Arrow Point Capital, Buffy Herron –Broadspire, Susan Yeager –Healthsmart, Will Harbison –Auto Owners, Carolyn Oban – Great West Casualty, Loraine Campbell - GBTPA

	Five Year Claims Fine Collection History											
	FY 2011-2012, 2012-2013, 2013-2014, 2014-2015 and 2015-2016											
	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	44,700	77,100	90,200	52,250	74,750	124,800
2015-2016	69,250	53,350	56,200	42,800	34,200	39,800	41,400	48,250	55,400			

CLAIMS DEPARTMENT REPORT													
STATISTICS FOR FISCAL YEAR 2015-2016													
Prepared April 1, 2016													
I. Claims Services Division	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Forms 15-I	1,186	1,208	1,273	1,219	1,152	1,156	1,086	1,154	1,400				10,834
Forms 15-II/Forms 17	903	931	981	977	804	790	867	815	1,059				8,127
Forms 16 for PP/Disf	239	250	241	222	278	229	250	228	254				2,191
Forms 18	4,632	4,648	4,971	4,848	4,350	4,701	4,468	4,629	5,301				42,548
Forms 20	839	723	935	862	754	768	766	854	895				7,396
Form 50 Claims Only	299	310	288	286	273	245	301	359	305				2,666
Form 61	711	734	693	731	751	763	764	743	827				6,717
Letters of Rep	222	198	240	205	184	202	221	238	191				1,901
Clinchers	810	812	801	739	889	903	841	747	809				7,351
Third Party Settlements	32	36	35	28	26	25	22	18	23				245
SSA Requests for Info	90	98	56	79	70	58	54	55	85				645
Cases Closed	2,358	2,355	2,613	2,028	2,069	2,022	2,198	2,186	2,594				20,423
Cases Reviewed	845	703	907	240	462	831	1,330	1,978	3126				10,422
Total	13,166	13,006	14,034	12,464	12,062	12,693	13,168	14,004	16,869	0	0	0	121,466

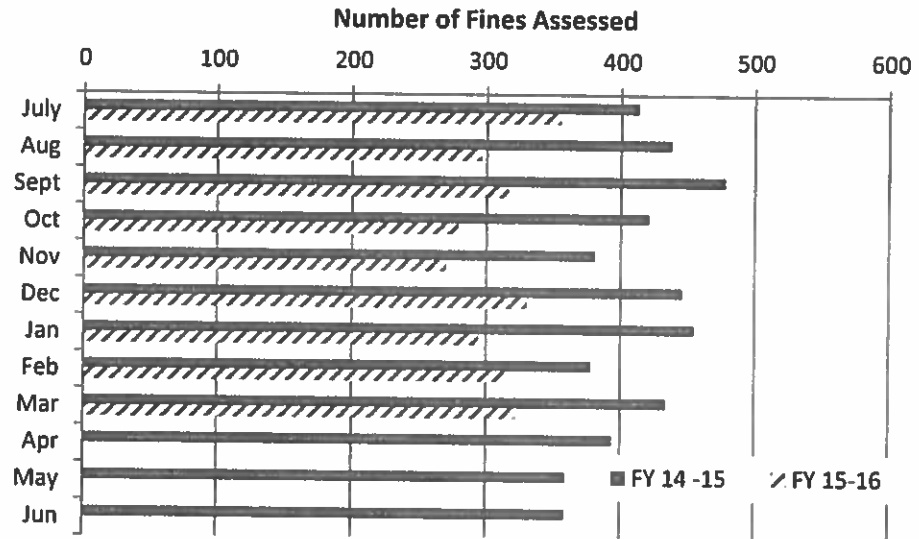
CLAIMS DEPARTMENT REPORT													
STATISTICS FOR FISCAL YEAR 2015 - 2016													
Prepared April 1, 20													
Fines per Form	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Assessed Form 15I	15	5	14	4	3	4	13	7	4				69
Assessed Form 15II	11	3	4	4	4	0	5	9	2	2			14
Assessed Form 15S	1	0	0	0	0	0	0	0	0	0			1
Assessed Form 17	1	4	5	1	2	2	2	1	1	1			18
Assessed Form 18	315	273	288	266	263	310	266	300	302				2583
Assessed Form 19	0	0	0	0	0	0	0	0	0	0			0
Assessed Denial Letter	9	8	4	4	4	5	3	3	0	0			36
Assessed Requests	3	3	1	0	2	4	2	2	13				30
Paid Form 15I	\$2,600	\$2,000	\$1,400	\$1,000	\$1,400	800.00	\$200	\$2,200	\$1,400				\$ 13,000
Paid Form 15II	\$800	\$600	\$800	\$1,200	\$800	\$200	\$600	\$1,600	\$400				\$ 7,000
Paid Form 15S	\$0	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$ 200
Paid Form 17	\$200	\$200	\$1,000	\$200	\$200	\$200	\$200	\$0	\$200				\$ 2,400
Paid Form 18	\$64,850	\$48,550	\$52,000	\$39,900	\$30,200	\$37,200	\$40,400	\$43,800	\$52,000				\$ 408,900
Paid Form 19	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	\$50	\$0.00				\$ -
Paid Denial Letter	\$200	\$800	\$800	\$500	\$1,200	\$800.00	\$0.00	\$600	\$200				\$ 5,100
Paid Request	\$600	\$1,000	\$200	\$0	\$400	\$600.00	\$0.00	\$0.00	\$1,200				\$ 4,000

CLAIMS DEPARTMENT REPORT													
STATISTICS FOR FISCAL YEAR 2015 - 2016													
Prepared April 1, 2016													
II. Total Fines Assessed by Claims Department													
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
# Assessed	355	296	316	279	270	330	294	315	322				2,777
# Rescinded	37	28	35	32	24	12	17	17	28				230
# Reduced	1	0	0	0	0	1	0	0	1				3
# Paid	341	260	271	203	168	195	205	241	273				2,157
# Outstanding*	922	930	940	984	1,062	1,185	1,257	1,314	1335				9,929
Total Amt. Assessed	\$71,050	\$63,600	\$66,000	\$57,000	\$54,000	\$67,600	\$59,400	\$63,000	\$79,200				580,850
Total Amt. Rescinded	\$7,400	\$7,200	\$7,000	\$6,400	\$4,800	\$2,300	\$3,400	\$3,400	\$11,200				53,100
Total Amt. Reduced	\$100	\$0	\$0	\$0	\$0	\$100	\$0	\$0	\$500				700
Net Assessed													
Total Amt. Paid	\$69,250	\$53,350	\$56,200	\$42,800	\$34,200	\$39,800	\$41,400	\$48,250	\$55,400				440,650
Total Outstanding*	\$181,050	\$184,100	\$186,900	\$194,700	\$209,700	\$235,100	\$249,700	\$261,050	\$273,150				261,050

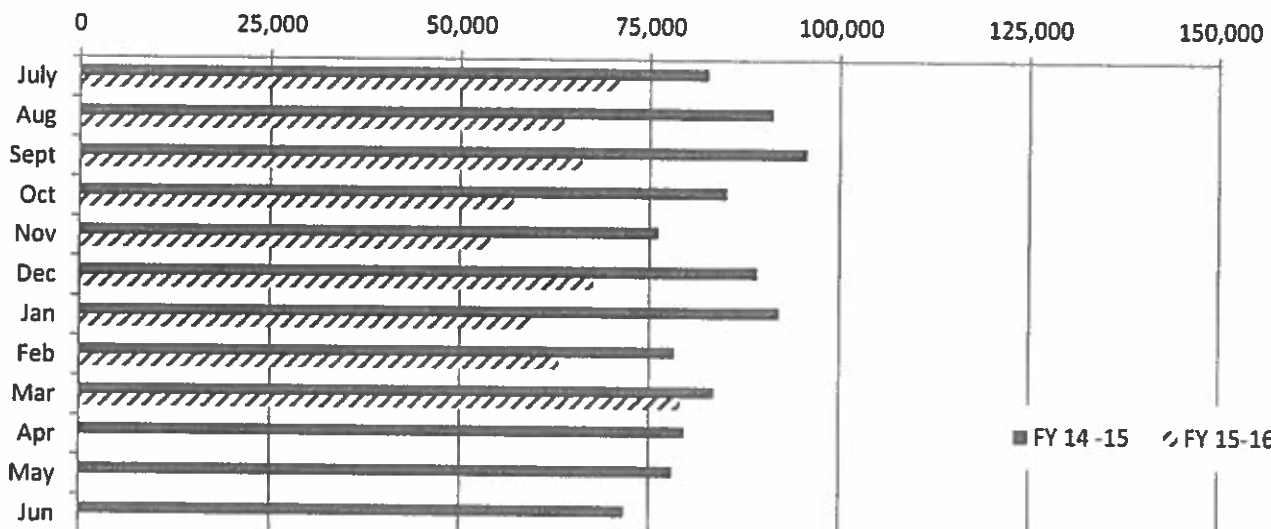
CLAIMS DEPARTMENT - Fine Activity Report March 2016

The number of fines assessed by the Claims Department increased in number to 322 from 315 in March. The number of Claims fines paid increased from 241 in February to 273 in March.

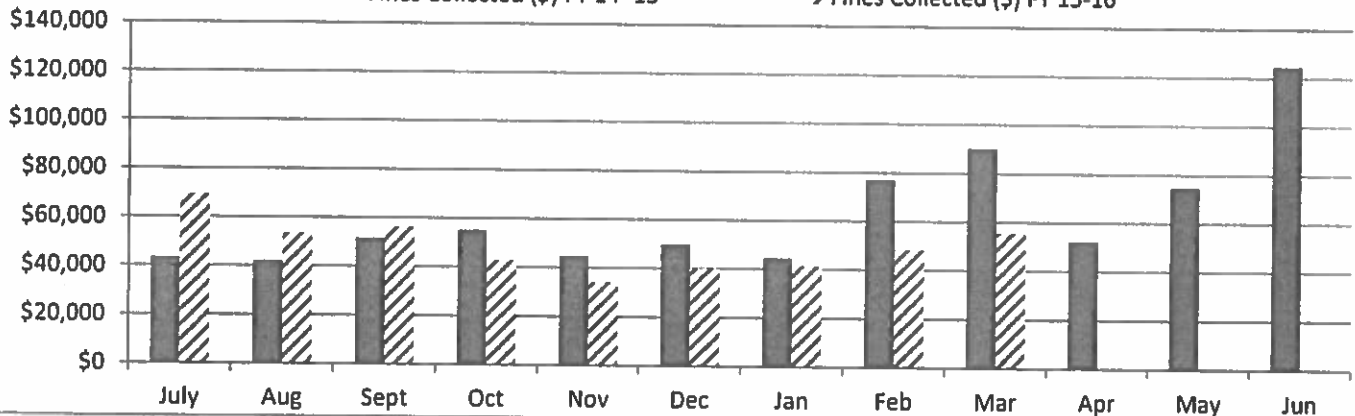
Total fine dollars assessed in March was \$79,200 an increase over prior month \$63,000. Fine revenue received in March was \$55,400 an increase over prior month \$48,250.



Net Fines Assessed (\$)



■ Fines Collected (\$) FY 14-15 ▨ Fines Collected (\$) FY 15-16



Claims Department - Fine Activity Report

Fines Assessed (#)

	FY 14 -15	FY 15-16
July	413	355
Aug	438	296
Sept	478	316
Oct	421	279
Nov	381	270
Dec	446	330
Jan	455	294
Feb	378	315
Mar	434	322
Apr	394	0
May	390	0
Jun	359	0
Total	4,987	2,777
Mo Avg	416	307

Fines Received (#)

	FY 14-15	FY 15-16
July	198	341
Aug	205	260
Sept	254	271
Oct	259	203
Nov	234	168
Dec	245	195
Jan	224	205
Feb	368	241
Mar	423	273
Apr	234	0
May	363	0
Jun	604	0
Total	3,611	2,157
Mo Avg	301	235

Net Fines Assessed (\$)*

	FY 14 -15	FY 15-16
July	82,650	71,050
Aug	91,250	63,600
Sept	95,700	66,000
Oct	85,200	57,000
Nov	76,200	54,000
Dec	89,200	67,600
Jan	92,100	59,400
Feb	78,400	63,000
Mar	83,600	79,200
Apr	79,700	0
May	78,100	0
Jun	71,800	0
Total	1,003,900	501,650
Mo Avg	83,658	62,706

Fines Collected (\$)

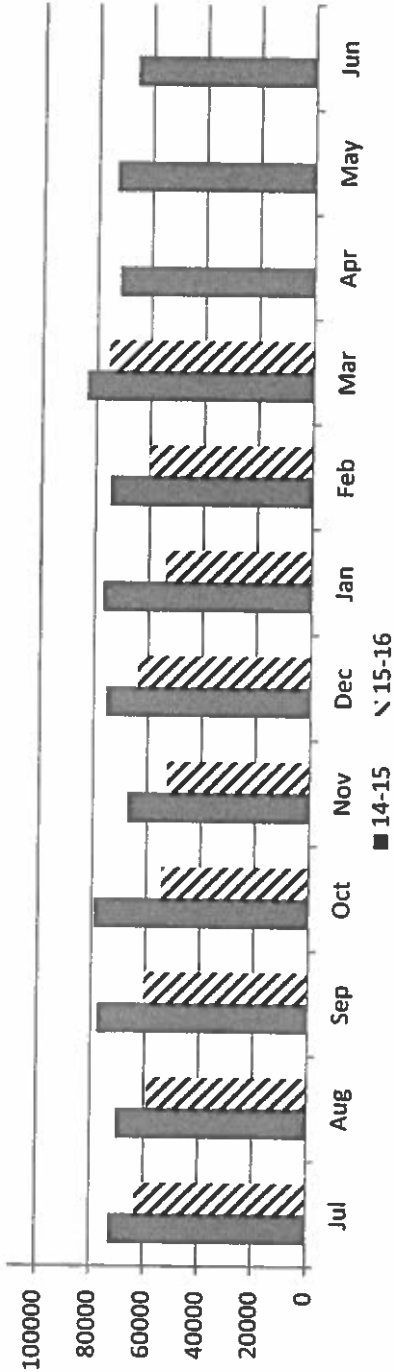
	FY 14 -15	FY 15-16
July	\$43,300	69,250
Aug	\$42,100	53,350
Sept	\$51,650	56,200
Oct	\$55,100	42,800
Nov	\$44,750	34,200
Dec	\$49,900	39,800
Jan	\$44,700	41,400
Feb	\$77,100	48,250
Mar	\$90,200	55,400
Apr	\$52,250	0
May	\$74,750	0
Jun	\$124,800	0
Total	750,600	440,650
Mo Avg	62,550	48,156

*after reductions and rescinded

FORM 18 FINE ASSESSMENTS

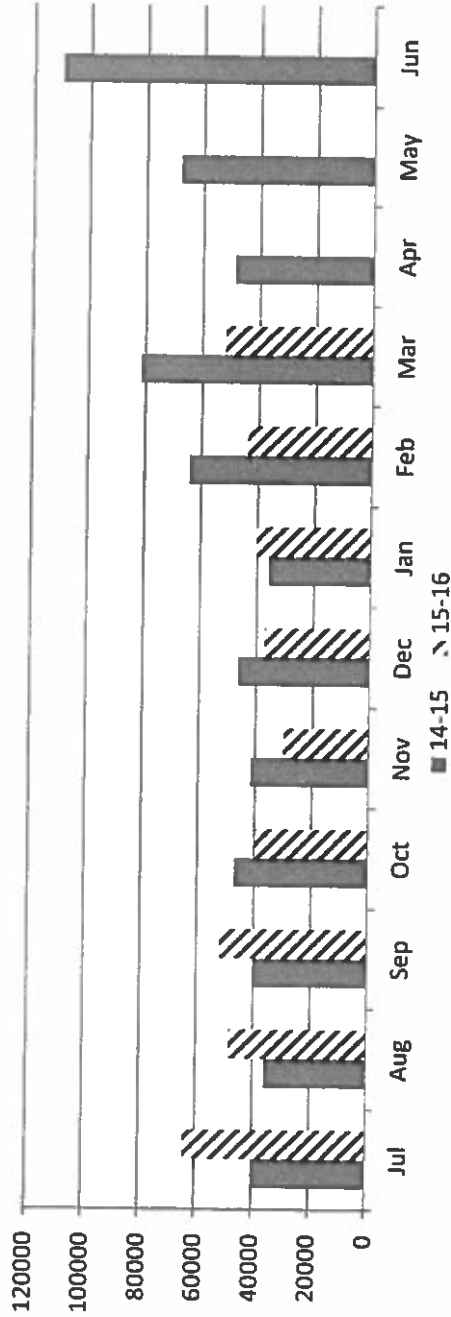
Consistent with overall Commission strategy, the Claims Department works with our Carrier partners to develop approaches that result in increased compliance levels and reduced Fine related costs to businesses in South Carolina.

A key "success measure" of this effort is the Form 18 Fine Assessment report. For the month of March 2016, this has resulted in an increase in Form 18 Fine Assessments to \$75,200 as compared to February 2016 of \$60,000. The actual number of fines assessed increased from 300 to 302 in March 2016.



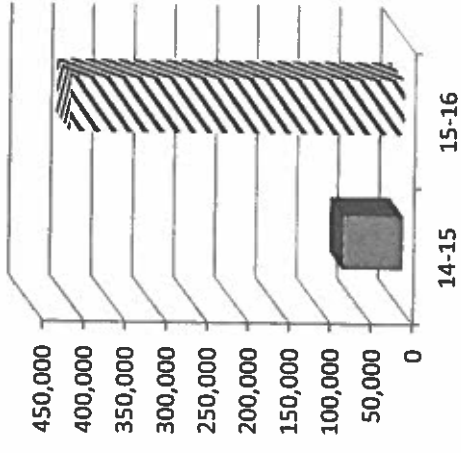
FORM 18 FINE COLLECTION

In March 2016, the Claims Department received payment on Form 18 Fines resulting in revenue of \$52,000.



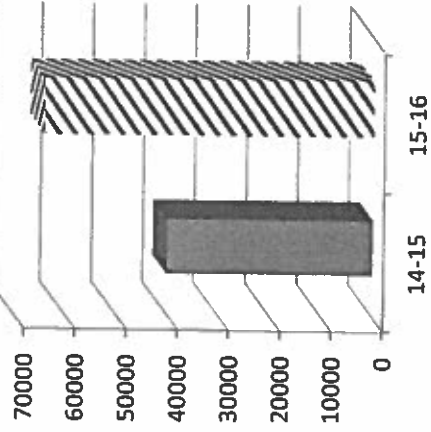
FORM 18 FINE ASSESSMENTS YTD

Form 18 Fine Assessment is trending at 86% of prior year assessments.



FORM 18 FINE REVENUE YTD

Form 18 Fine Revenue is trending at 160% of prior year collections.



State of South Carolina

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Workers' Compensation Commission

April 13, 2016

To: Gary M. Cannon
Executive Director

From: Amy A. Bracy
Judicial Director

RE: **Monthly Judicial Report for March 2016**

There were ninety-two (92) Single Commissioner Hearings conducted during the past month, and there were ten (10) Full Commission hearings held in March.

The Informal Conference system conducted one hundred eighty-six (186) hearings during the last month.

There were eighty (80) regulatory mediations scheduled and twenty-three (23) requested mediations. The Judicial Department was notified of sixty-three (63) matters resolved in mediation, with the receipt of Forms 70.

As I reported last month, much of my time has been spent with IT qualifying data and assisting with the development of reports for the Senate Oversight Review. I met with all of the AAs to discuss business processes that will help us achieve consistency among all users in the "Hearing to Order" process. We are planning to meet again on Wednesday, April 20th to finalize what that process will be.

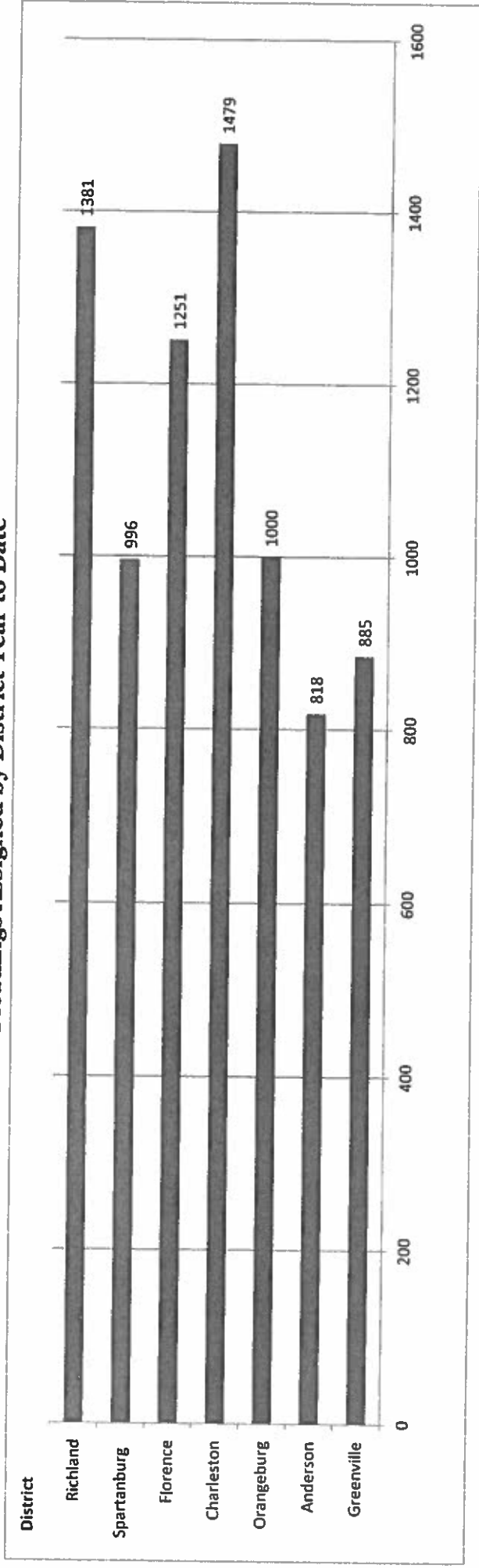
**Judicial Department Statistical Report
Statistics For Fiscal Year 2015-2016**

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Totals YTD 2015-2016	Totals YTD 2014-2015
Claimant Pleadings	623	693	628	665	459	622	627	593	682				5,592	5,388
Defense Response to Pleadings	561	522	569	580	431	537	468	439	564				4,671	4,332
Defense Pleadings	267	313	293	302	222	282	253	303	373				2,608	2,540
Motions	141	134	142	124	102	98	111	110	126				1,088	947
Form 30	30	24	19	11	19	24	11	35	27				200	210
FC Hearings Held	16	5	16	10	14	11	11	14	10				107	117
FC Orders Served	11	7	20	11	10	14	12	20	12				117	123
Single Comm. Hearings Held	109	91	118	104	103	122	99	105	92				943	881
Single Comm. Orders Served	95	85	103	78	90	99	109	112	100				871	866
Consent Orders	280	222	297	279	296	260	306	322	270				2,532	2,180
Administrative Orders	85	43	61	50	52	51	43	73	72				530	491
Clincher Conference Requested	105	99	104	108	111	100	81	120	98				926	1,026
Informal Conference Requested	378	324	355	381	339	279	386	406	387				3,235	3,418
Informal Conference Conducted	247	252	231	200	298	201	197	246	186				2,058	2,193
Regulatory Mediations	81	66	81	79	56	73	95	66	80				677	810
Requested Mediations	45	23	33	22	23	16	30	29	23				244	200
Ordered Mediations	0	4	4	1	0	3	3	1	1				17	9
Mediation Resolved	46	59	70	44	56	73	45	66	63				522	626
Mediation Impasse	28	23	34	10	12	25	16	19	19				186	207
Mediation Held; Issues Pending	0	0	0	2	0	0	0	0	1				3	5
Claim Settled Prior to Mediation	14	11	25	13	17	8	35	8	17				148	178
Mediation Not Complete in 60 days	14	5	16	9	7	1	16	6	2				76	76

Pleadings Assigned - Three Year Comparison by Month

	District 1 Greenville			District 2 Anderson			District 3 Orangeburg			District 4 Charleston			District 5 Florence			District 6 Spartanburg			District 7 Richland			
	15-16	14-15	13-14	15-16	14-15	13-14	15-16	14-15	13-14	15-16	14-15	13-14	15-16	14-15	13-14	15-16	14-15	13-14	15-16	14-15	13-14	
Jul	107	103	119	90	92	96	118	119	121	109	109	121	181	140	164	144	145	117	130	116	111	166
Aug	110	86	121	76	96	71	109	120	121	171	153	170	171	153	170	122	146	131	122	104	119	138
Sep	102	105	102	88	84	80	132	105	97	198	155	163	154	126	137	154	126	137	110	70	90	167
Oct	106	83	124	101	78	84	119	115	128	172	143	170	171	146	159	171	146	159	96	112	106	170
Nov	72	80	115	62	56	67	88	93	115	145	115	163	133	135	115	81	80	79	81	80	79	129
Dec	101	99	78	105	86	93	103	108	102	160	133	123	148	119	108	99	85	95	99	85	95	162
Jan	75	109	92	84	80	56	113	120	100	113	163	151	110	158	95	97	108	88	97	108	88	158
Feb	90	98	93	88	86	98	84	92	98	125	141	157	129	110	146	144	111	146	144	111	93	117
Mar	122	112	101	124	91	76	134	132	107	214	156	121	140	118	130	117	122	130	117	122	91	174
Apr		99	98		87	69		97	100		165	144		120	141		88			88	101	
May		101	88		73	97		105	124		158	169		140	121		101			101	100	
Jun		89	81		66	79		102	95		143	148		147	110		117			117	79	
Totals	885	1164	1212	818	975	966	1000	1308	1308	1479	1765	1843	1251	1610	1510	996	1214	1152	1381	1732	1572	

Pleadings Assigned by District Year to Date

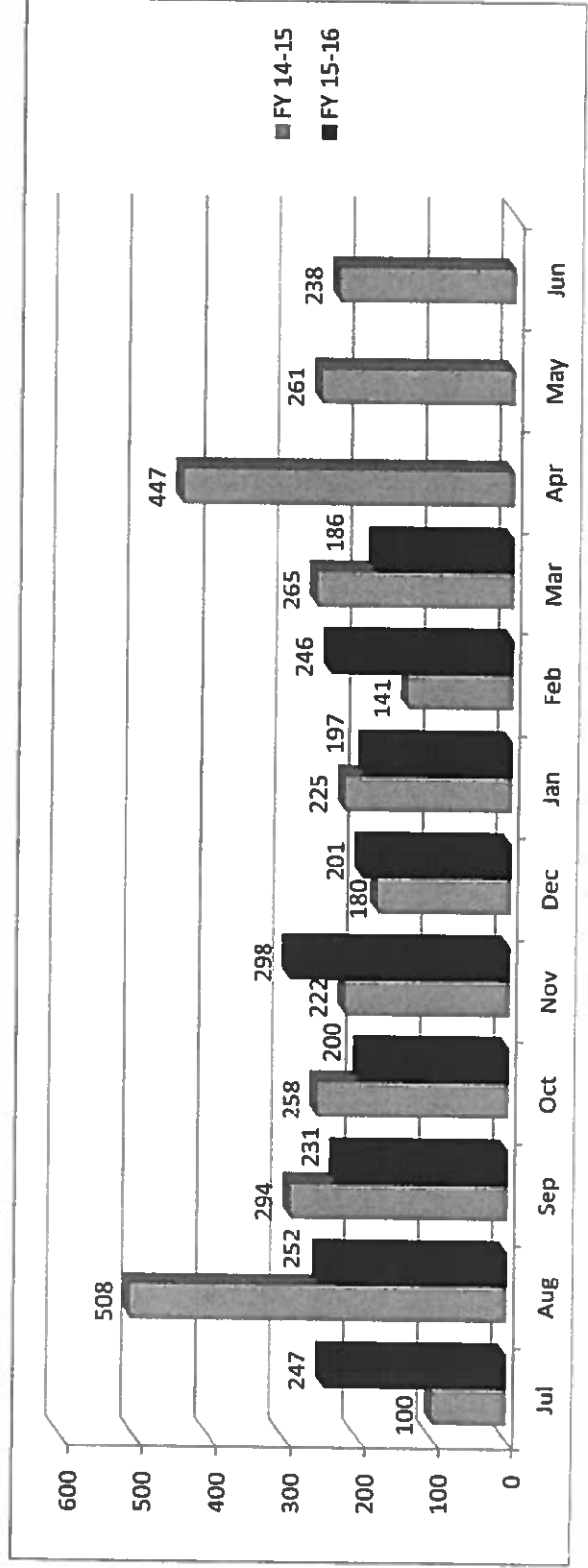
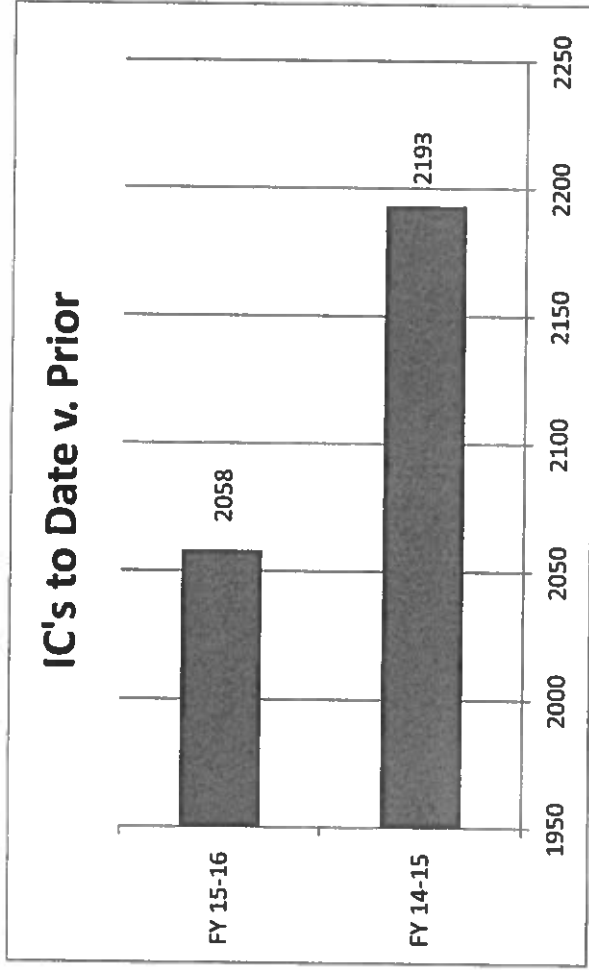


Informal Conf. Conducted

	FY 14-15	FY 15-16
Jul	100	247
Aug	508	252
Sep	294	231
Oct	258	200
Nov	222	298
Dec	180	201
Jan	225	197
Feb	141	246
Mar	265	186
Apr	447	186
May	261	
Jun	238	
Total	3139	2058

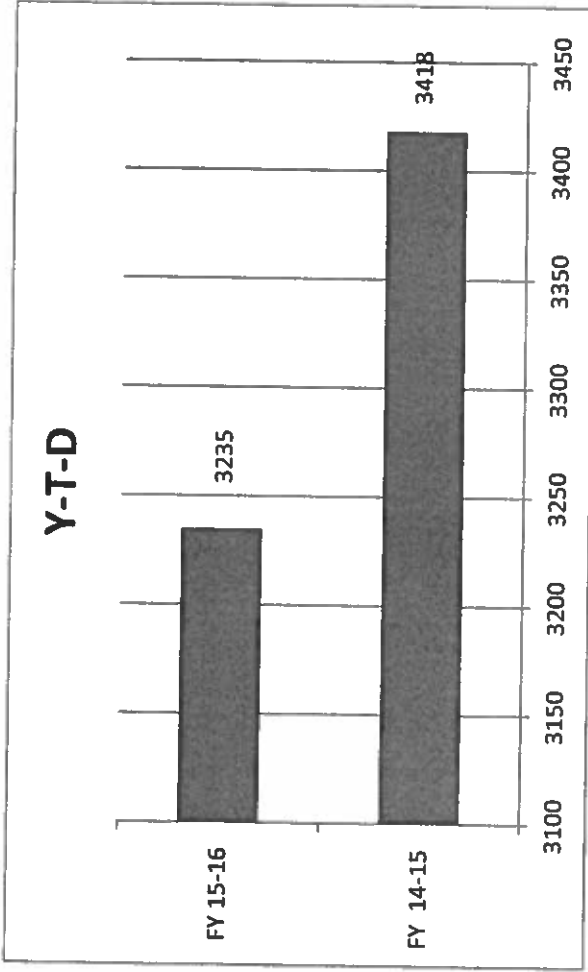
FY 14-15 2193
FY 15-16 2058

Y-T-D



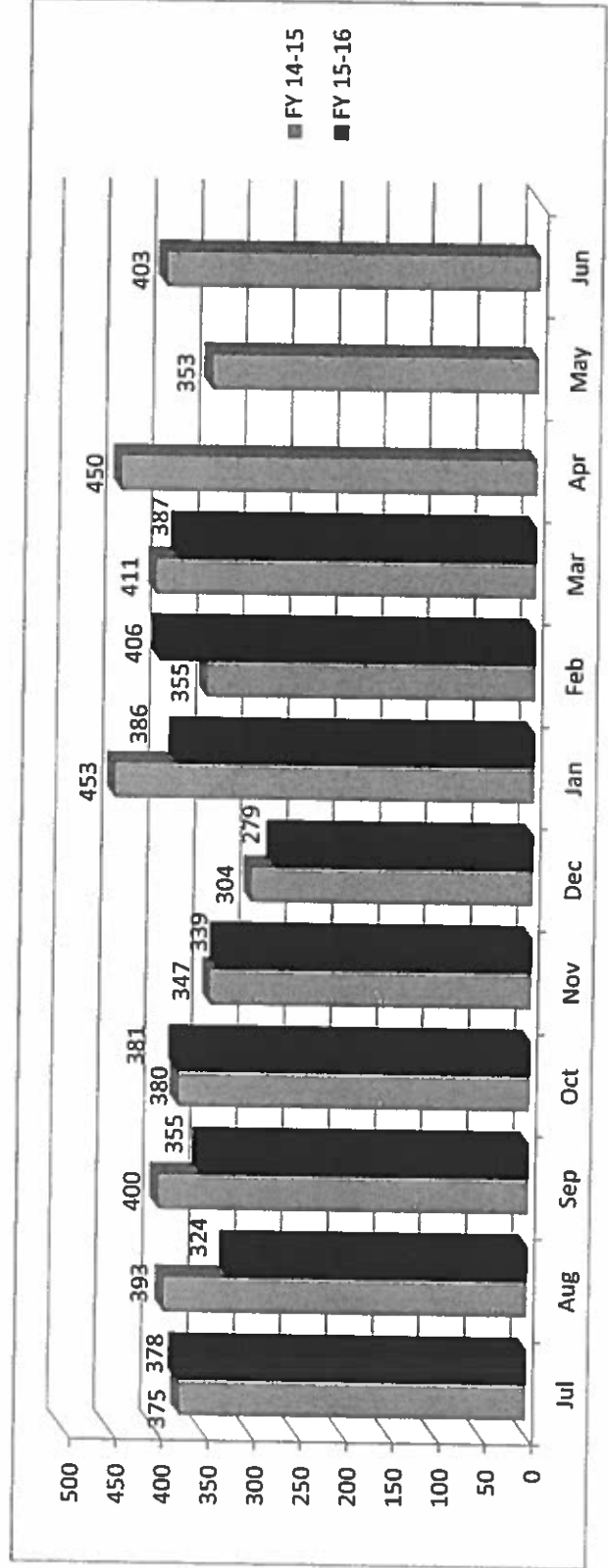
Informal Conf. Requested

	FY 14-15	FY 15-16
Jul	375	378
Aug	393	324
Sep	400	355
Oct	380	381
Nov	347	339
Dec	304	279
Jan	453	386
Feb	355	406
Mar	411	387
Apr	450	
May	353	
Jun	403	
Total	4624	3235



Informal Conf. Requested

	FY 14-15	FY 15-16
Total	3418	3235



State of South Carolina

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Workers' Compensation Commission

Executive Director's Report Gary M. Cannon

April 13, 2016

Senate Oversight Committee

A presentation was made to the Senate Oversight Subcommittee on March 24. The presentation included general data about the Commission's mission, goals and objectives and basic data and activities at the Commission. We are awaiting further contact from the Committee for completion of the report.

Proposed Regulations Work Session

The work session to review the proposed regulations scheduled on April 19 has been postponed to Tuesday, May 17, 2016, beginning at 1:30 p.m. The work session will take place in the Commissioners' Conference Room. A draft document will be provided to the Commissioners by May 3.

Office Renovations

CBRE reports the final changes to the construction plans are being completed by the architect. They are awaiting approval of the building permit by the City of Columbia. No start date has been announced.

United Way of the Midlands

On April 5, 2016, the Commission was awarded the United Way of the Midlands Bronze Award for charitable giving in 2015.

Claims Administration Workshop

Registration opens this week for the Claims Administration Workshop scheduled for Friday, May 20, 2016, from 9:00 a.m. until 3:30 p.m. at the S.C. Department of Archives and History. The workshop will provide an overview of the South Carolina workers' compensation system and a comprehensive explanation of the Commission's claims processing and judicial proceedings requirements through a case study approach. The agenda will include a time for participants to have open discussion with Chairman Beck and his administrative assistant.

Meetings/Activities

The Executive Director participated in the following meetings/activities:

- March 23 – Attended subcommittee meeting of the Senate Judiciary
- March 24 – Attended presentation to Senate Oversight Subcommittee
- April 5 – Attended Senate Judiciary Meeting
- April 12 – Met with a representative with McWaters regarding office renovation

South Carolina Public Servant Day

The Governor has proclaimed May 1-7, 2016 as South Carolina Public Servant Recognition Week, and May 4, 2016, as South Carolina Public Servant Recognition Day.

Personnel

On Tuesday, April 12, Grant Duffield, Director of IMAS, tendered his resignation from the Commission to accept a position as Executive Director of the city of Charlottesville Redevelopment and House Authority in Charlottesville, VA. May 20 will be his last day working with the Commission.

Employee Meetings

An All Employee meeting is scheduled for Thursday, April 21. The Employee Appreciation Luncheon is scheduled for Monday, May 16, at noon.

Constituent /Public Information Services

For the period March 16, 2016 through April 13, 2016 the Executive Director's Office and the General Counsel's office had 392 contacts with various system constituents and stakeholders. The contacts included telephone communications; electronic and personal contacts with claimants or constituents, state agencies, federal agencies, attorneys, service providers, business partners; and letters with congressional offices.

SCWCC Stakeholder Electronic Distribution List

For the period March 16, 2016 through April 13, 2016, we added seven individuals to the distribution list. A total of 616 individuals currently receive notifications from the Commission.

SC Vocational Rehabilitation Department (SCVRD)

SCVRD reported six referrals for the month of March, and 62 referrals year to date.

NCCI Proposes Change in Workers Compensation Loss Costs in South Carolina

On February 16, 2016, the National Council on Compensation Insurance (NCCI) delivered a workers compensation loss cost filing to the South Carolina Department of Insurance. Based upon its review of the most recently available data, NCCI has proposed an overall average workers compensation voluntary loss cost level change of +4.1% to become effective September 1, 2016.

Voluntary Loss Cost Filing Components	Impact
Change in Experience and Trend	+3.7%
Change in Benefits	+0.6%
Change in Loss-based Expenses	-0.2%
Overall Average Voluntary Loss Cost Level Change	+4.1%

Here are some key observations:

- The filing is based on premium and loss experience for policy years 2012 and 2013. Experience for policy year 2013 is less favorable than that for policy year 2012.
- The observed trend in South Carolina claim frequency has been relatively flat over the most recent eight years.
- While South Carolina's indemnity loss ratios have remained relatively stable in recent years, the medical loss ratios have exhibited more year-to-year volatility over time.

If approved as filed, the overall average loss cost level changes by industry group would be as follows:

Industry Group	Average Change
Manufacturing	+6.2%
Contracting	+5.2%
Office and Clerical	+0.7%
Goods and Services	+2.5%
Miscellaneous	+4.9%
Overall	+4.1%