

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

January 11, 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.

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|-----|--|--|
| 1. | CALL TO ORDER | <i>CHAIRMAN BECK</i> |
| 2. | APPROVAL OF AGENDA OF BUSINESS MEETING OF JANUARY 11, 2016 | <i>CHAIRMAN BECK</i> |
| 3. | APPROVAL OF MINUTES OF THE BUSINESS MEETING OF DECEMBER 14, 2015 (Tab 1) | <i>CHAIRMAN BECK</i> |
| 4. | GENERAL ANNOUNCEMENTS | <i>MR. CANNON</i> |
| 5. | APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) | <i>MR. SMITH</i> |
| 6. | DEPARTMENT DIRECTORS' REPORTS
Human Resources (Tab 3)
Information Services (Tab 4)
Insurance, Medical & Administrative Services (Tab 5 & 6)
Claims (Tab 7)
Judicial (Tab 8) | <i>MS. OSBORNE
MS. SPRANG
MR. DUFFIELD
MS. SPANN
MS. BRACY</i> |
| 7. | EXECUTIVE DIRECTOR'S REPORT (Tab 9) | <i>MR. CANNON</i> |
| 8. | OLD BUSINESS | <i>CHAIRMAN BECK</i> |
| 9. | NEW BUSINESS | <i>CHAIRMAN BECK</i> |
| 10. | ADJOURNMENT | <i>CHAIRMAN BECK</i> |

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7	Claims
8	Judicial
9	Executive Director's Report

THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

Monday, December 14, 2015

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, December 14, 2015, at 10:30 a.m. The meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act. The following Commissioners were present:

T. SCOTT BECK, CHAIRMAN
SUSAN S. BARDEN, VICE CHAIR
R. MICHAEL CAMPBELL, II, COMMISSIONER
MELODY L. JAMES, COMMISSIONER
GENE MCCASKILL, COMMISSIONER
AISHA TAYLOR, COMMISSIONER
AVERY B. WILKERSON, JR., COMMISSIONER

Present also were: Gary 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; Sonji Spann, Claims Director; and Sandee Sprang, IT Director. Clara Smith, Injured Workers' Advocates, was also present.

Chairman Beck called the meeting to order at 10:30 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 NOVEMBER 16, 2015

Commissioner Barden moved that the minutes of the Business Meeting of November 16, 2015 be approved. Commissioner Campbell 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

On behalf of W.C. Smith, Self-Insurance Director, Self-insurance applications were presented by Grant Duffield, Director of Insurance, Medical and Administrative Services. Twenty-two (22) prospective members of two (2) funds were presented to the Commission for approval. The applications were:

SC Home Builders SIF

ASM Masonry, LLC

B Manning Construction, LLC

Carolina Real Estate Developers, LLC

Cross Roads Restoration & Construction, LLC
David Neil Chandler
Davis Drywall, LLC
Forza Construction, LLC
Gene Farmer DBA E&E Landscaping
Gustavodelos Reyes – D.L. Reyes Framing Construction, LLC
Hometeam Construction, Inc.
Iron Construction of the LowCountry, LLC
J's Landscaping and Lawn Maintenance
JDI Heating & Air, LLC
JP Smith Builders, LLC
Kathy Sturkie dba MKS Construction
Mustard Seed Group of the Carolinas, LLC
Oscar Marines DBA First class Masonry
SCD Constructors, Inc.
Tobanche Masonry
Upstate Garage Door, Inc.
William J. Hagedorn DBA WJH Carpentry

SC Municipal Self Insurance Trust

Town of Williamston

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 Taylor 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 November 7, 2015 through December 4, 2015. Ms. Osborne reported she is working on closing 2016 open enrollment changes; working with the Department of Motor Vehicles to renew commissioners' specialty license plates; and has begun reviewing administrative policies and procedures for possible updates.

Information Technology Department

Sandee Sprang presented the Information Services Department's report. Ms. Sprang reported that efforts continue with DTO to upgrade Progress software and coordinate the OnBase 13 upgrade. IT received several requests in November for new reports which required significant effort and time from the IT staff. Desktop Support addressed problems related to passwords, VPN access, and hardware and printer issues.

Insurance, Medical & Administrative Services Department

Grant Duffield presented the Insurance, Medical & Administrative Services Department's report.

Commissioner Barden stepped out of the meeting at 10:34 a.m.

Mr. Duffield pointed out the following highlights from the report:

- The Lapse in Coverage Notification program registered 19 new registrants and issued 14 notices of potential lapse in coverage.
- He worked with the Executive Director in completing a lease analysis and justifications.
- Year to date, the Compliance Division has compelled 155 employers in South Carolina to come into compliance with the Act.
- The Compliance Division has assessed \$3.4 million in fines of which 68%, or \$2.3 million, have been waived or rescinded as employers have either obtained coverage or were found not to be subject to the Act.
- Year to date the Compliance Division has collected 53% compared to prior year total.
- The Coverage Division's year to date claim files created is 44% of claim file volume for prior year.
- Year to date Self-Insurance tax revenue is trending at 98% of prior year.

Mr. Duffield presented the Summary of Revenues and Expenditures for the period ended November 30, 2015. He reported the total agency spending is at 43.5% of budget; benchmark is 41.7%.

Claims Department

Sonji Spann presented the Claims Department's report.

Ms. Spann reported the following for the month of November 2015:

- Closed 2,069 individual case files
- Received \$34,200 in fine revenue
- Claims examiners reviewed 462 individual case files
- 268 fines assessed
- 263 Form 18 fines assessed
- 11,600 forms processed
- 824 Form 18s processed through SROI
- 1,223 Form 18s received via Email
- 2,303 forms received via USPS

Commissioner Barden returned to the meeting at 10:38 a.m.

Ms. Spann gave an update on the 1200 project (a special project on properly scanning and indexing 1,200 open files in the File Room). One examiner reviewed a total of 81 files in November.

Judicial Department

Amy Bracy presented the Judicial Department's report. She reported the following for the month of November 2015:

- 103 Single Commissioner Hearings conducted
- 14 Full Commission Hearings conducted
- 298 informal conference cases
- 56 regulatory mediations scheduled
- 23 requested mediations
- 56 matters resolved in mediation with the receipt of Forms 70

EXECUTIVE DIRECTOR'S REPORT

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

Narcotics Use Ad Hoc Advisory Committee (NUAC)

Mr. Cannon announced that the NUAC will meet on Thursday, December 17, 2015, to review and discuss proposed recommendations.

Office Lease Agreement

Mr. Cannon reported the Division of General Services recommended accepting the lease proposal from the Commission's current landlord. The proposal will be presented for review and approval by the State Fiscal Accountability Authority on Tuesday, December 15, 2015.

International Association of Industrial Accident Boards and Committees (IAIABC)

Mr. Cannon reported that he participated in the IAIABC Board meeting on December 7-9, 2015. The Board agreed to fund a consultant to do research and analysis on the Opt-Out bills currently pending in South Carolina and Tennessee.

OLD BUSINESS

There was no old business.

NEW BUSINESS

A. 2016 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, 2014 through June 30, 2015 of \$784.03. 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, 2016 shall be \$784.03.

Motion to Adopt the 2016 Average Weekly Wage

Commissioner McCaskill moved to adopt the 2016 maximum weekly compensation rate of \$784.03, which was duly seconded. The vote was taken, and the motion was adopted. Accordingly, accidents that occur on or after January 1, 2016, the maximum weekly compensation rate will be \$784.03. The request for approval was submitted in the form of an Order. Each Commissioner signed the order.

B. Administrative Procedures Policy – Family Medical Leave

Ms. Osborne presented a summary of the substantive changes proposed to update the Family Medical Leave Act (FMLA) section of the Employee Leave Programs policy and presented a recommendation to approve effective December 18, 2015.

Motion to Approve Administrative Procedures Policy – Family Medical Leave

Commissioner Taylor made the motion to approve the recommendation as presented. Commissioner Campbell seconded the motion. The motion was approved.

EXECUTIVE SESSION

Commissioner McCaskill moved to adjourn into Executive Session to receive a legal briefing from the staff's General Counsel. Commissioner Wilkerson seconded the motion. The Commission adjourned into Executive Session at 10:46 a.m.

[EXECUTIVE SESSION]

At 11:19 a.m., Commissioner McCaskill made a motion to arise from Executive Session. Commissioner James seconded the motion, and the motion carried. Commissioner Barden was not present. Upon arising from Executive Session, Chairman Beck stated there was discussion with no action taken.

ADJOURNMENT

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

The December 14, 2015 meeting of the South Carolina Workers' Compensation Commission adjourned at 11:19 a.m.

Reported January 11, 2016
Kim Ballentine
Office of the Executive Director

MEMORANDUM

Date: January 6, 2016

TO: Mr. Gary Cannon
Executive Director

FROM: Alicia Osborne
Human Resources

SUBJECT: Human Resources Report Period of December 4, 2015 to January 6, 2016

Below is a summary of the Human Resources activity for the period of December 4, 2015 to January 6, 2016

Employee Relations (ER)

- Ongoing Workers' Compensation Injuries
 - Four active claims
 - No activity to report on any of the four active cases
- FMLA
 - Two new requests
 - Pending review of recertification for active intermittent FMLA case

Benefits

- Consulted with staff members regarding insurance/flexible spending/retirement end of year closeout
- Request for Review submitted to PEBA
- One Change in Status submitted to PEBA

Fiscal Responsibilities (w/ Fiscal Technician II)

- Approved SCEIS financial transactions as needed

Policy Updates

- EPMS
 - Posted to O: drive and requested written acknowledgement from all staff
- Employee Leave Programs Policy
 - Updated FMLA portion of policy, submitted to Commission for final approval
 - Approved effective December 18, 2015
 - Posted to O: drive and requested written acknowledgement from all staff

Reports

- Ran SCEIS Deductions Not Taken / Arrears report
 - Report is clear
- Ran SCEIS Wage Type Report
 - No discrepancies unaccounted for
- Time Administration
 - Ran Conflicting Time Report;
 - Submitted time collisions to SCEIS for deletion; addressed two collisions in house
 - Unapproved Leave Report
 - Notified staff of pending leave that needed to be approved

- Approved leave for supervisors that requested approval
- Missing Time Report
 - Notified four supervisors and seven staff members of missing time
 - Keyed time when necessary, ensured all other time was keyed
- Approved Leave as requested by Commissioners

SCEIS

- Made corrections to workflow in SCEIS for travel approval
- Attended Training on December 15, 2015 – Business Objects and Business Warehouse 2nd day training
- Worked on leave balances for end of year
 - Notified staff of leave pool transfer availability
 - Addressed leave pool and balance concerns with staff

Training

- Cyber Security Training
 - Pending due to continued issues at DTO
- Drivers' training course pending
 - Seeking training for Fall of 2016

Miscellaneous

- Meeting(s) attended onsite
 - Executive Staff – January 5, 2016
- DMV Commissioner Plate
 - Submitted and received acknowledgement of list for 2016
- Joined Small Agency HR Group via DSHR
 - First meeting : January 6, 2016



Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director
From: Sandee Sprang, IT Director
Date: January 6, 2016
Subject: IT Department December 2015 Full Commission Report

This report summarizes the accomplishments and initiatives for the IT department during December 2015. 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 projects 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 our effort with DTO to upgrade Progress software and virtualize our servers. We are still testing the development system environment and are working to resolve the increased response time (decreased performance) of the virtual configuration.

OnBase

Amanda continues to work with DTO to coordinate the upgrade of our imaging system, OnBase to version 13. Since DTO has had significant issues with the automated deployment of the new software, we will be proceeding with a manual rollout.

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 December, we finalized the US Department of Labor report regarding Savannah River Site injuries, documented requirements for new Judicial Activity Aging Report, reviewed options for Debt Collection Reports with IMAS, and provided several ad hoc reports requested by staff

Systems Support

We had no unplanned system downtime during December.

Desktop Support

The desktop support issues for the month were typical. Brian addressed problems related to passwords, VPN access, scanner, printers and other hardware. Additionally he provided user assistance for OnBase, eCase and secure email.

II. Projects, Enhancements and Development

eCase

The modernization of the eCase web portal system continues and development is approximately 70% complete.

Security Training

The SANS training system deployment was rescheduled for January based on system issues at DTO.

ePay and View

The preliminary design of the ePay and View enhancements to the eCase portal continues. During December, as part of determining the full scope of the project, all revenue streams were documented.

Cell Phone Upgrades

The new cell phones were activated and configured bringing the agency into compliance

Hardware Upgrades

DTO fumbled the implementation of the switches scheduled for December and it has been tentatively rescheduled for January 29th.

Video Conference

The initial test with CourtCall was successful; a more comprehensive test is scheduled in March.

III. Trainings and Meetings

Sandee attended the SCWCEA Academy training on December 11th.

We are continuing to meet and collaborate with DTO on retaining a contract Security person to assist with the work required to meet the July 1st deadline.

State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Grant Duffield
IMAS Director

Date: 6 – Jan – 2016

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

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

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

Compliance Division	<ol style="list-style-type: none">1. Reviewing revenue metrics / projections.2. Working w IT to review debt collection process.
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: 13 new registrants; 9 notifications sent3. Modifying workflows given recent staff vacancies / illnesses.
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. Working with MedAssets and IT to improve Medical Bill reviews.
Administrative Svcs	<ol style="list-style-type: none">1. File indexing process underway2. Revised purchasing processes / roles for audit standard.
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. Preparing for Budget Hearings.

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.

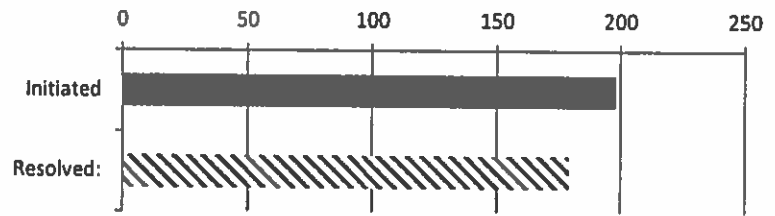
Employers Obtaining Coverage

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 179 employers in South Carolina to come into compliance with the Act. In so doing, approximately 1,665 previously uninsured workers are now properly covered.

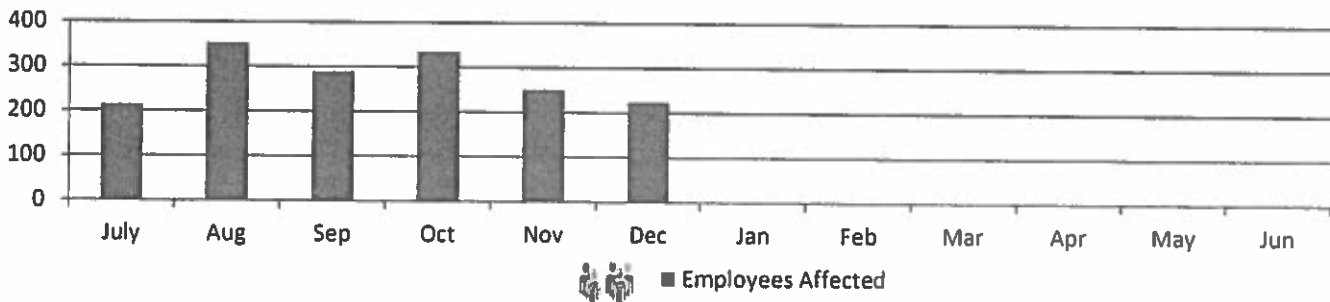
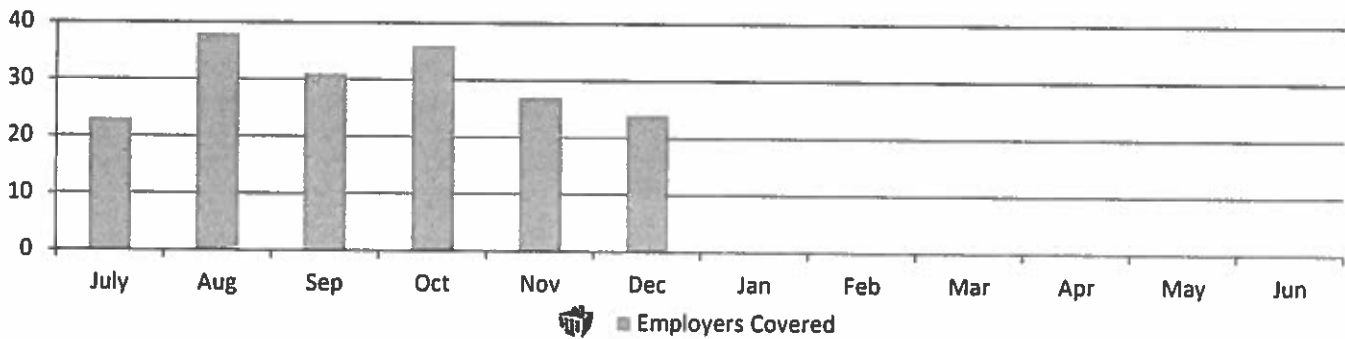
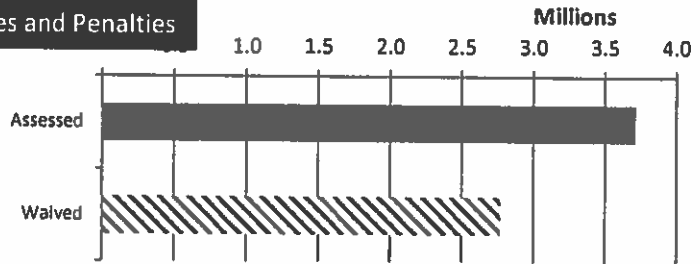
Penalties Waived

Although the Division has assessed \$ 3.4m in fines, 74% of those fines (\$2.7m) have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

RTSC Cases



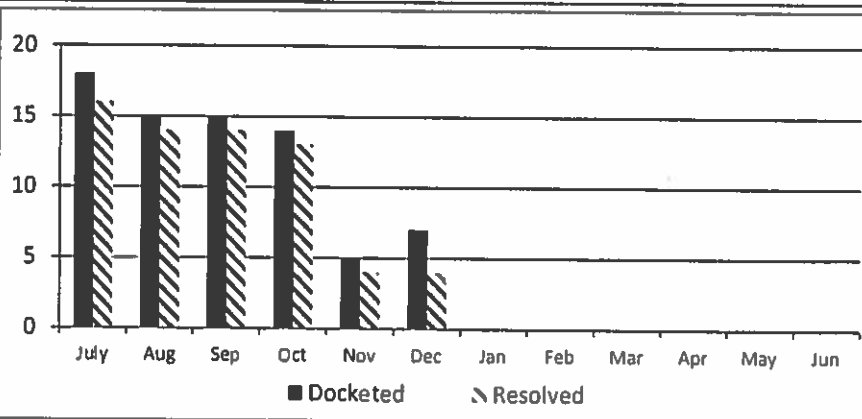
Fines and Penalties



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 November 2015, 5 carrier RTSC cases were docketed; 4 cases were resolved and \$5,959 was recovered.

Year to date, 74 carrier RTSC cases have been docketed, 65 cases have been resolved and \$71,084 has been recovered.



Carryover Caseload:

The Compliance Division closed December 2015 with 384 cases active, compared to an active caseload of 170 at the close of December 2014.

Cases Resolved:

For the month of December 2015, Compliance Division staff closed-out 120 cases.

Compliance Fines:

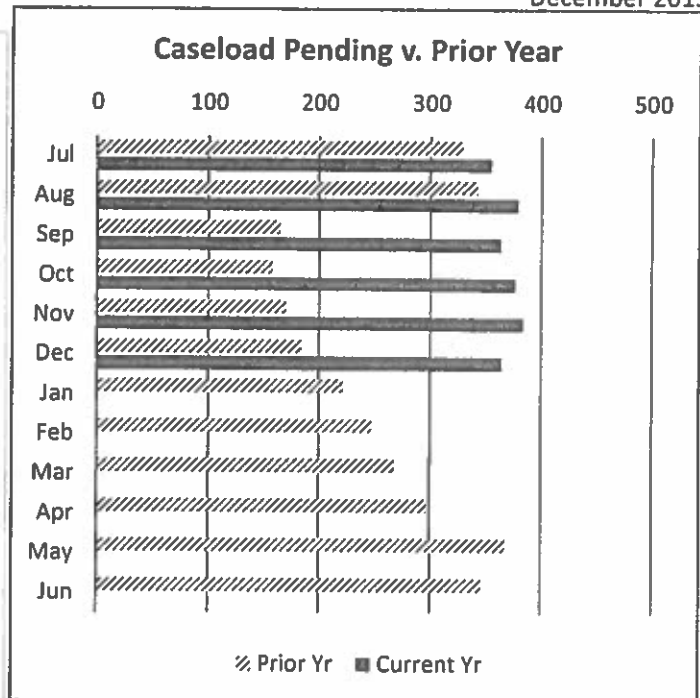
In December 2015, the Compliance Division collected \$68,755 in fines and penalties. Year to Date, the Compliance Division has collected \$478,775 in fines.

Year to Date vs Prior Year Total (906,833): 60%.

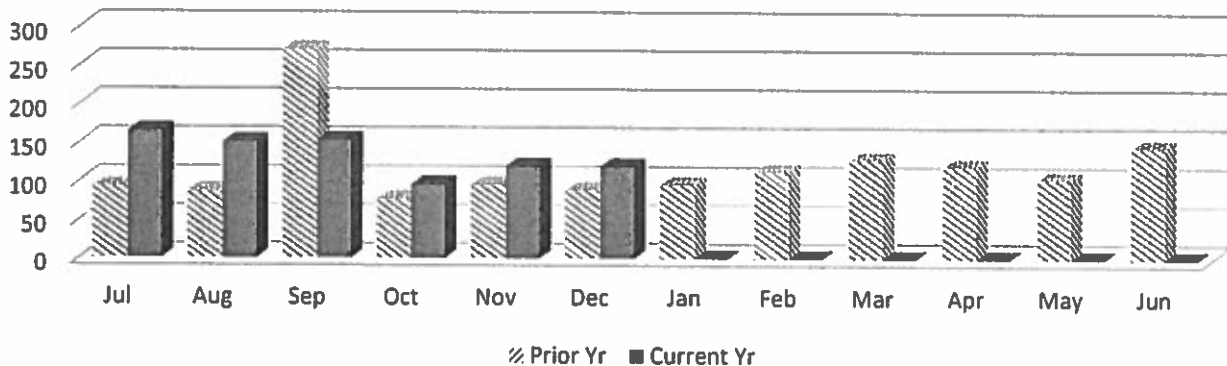
Dec 2015 vs. Dec 2014: 148%

YTD 2015 (July - Dec) vs YTD 2014: 245%

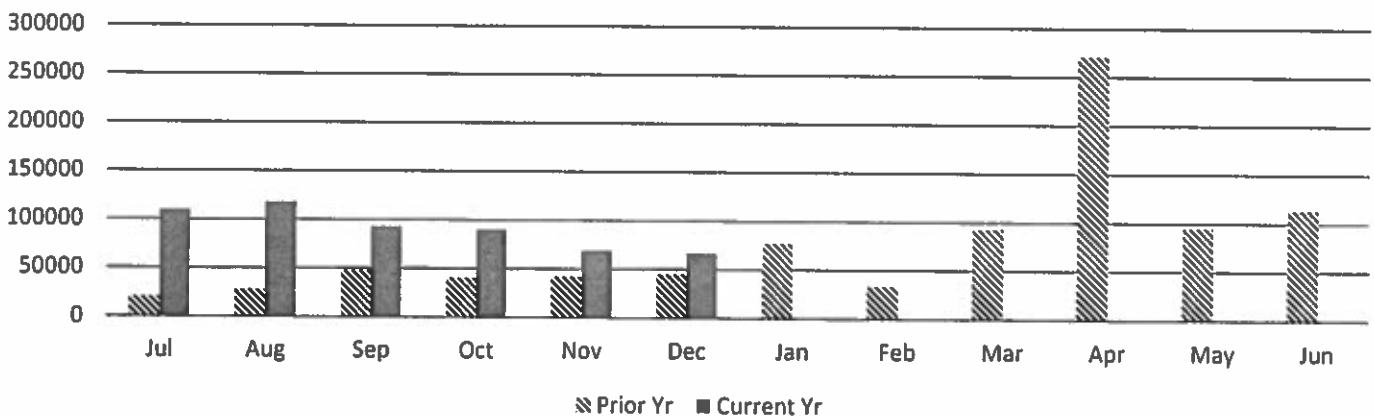
Current Year End trend is 120% of 2014-2015.



Cases Resolved v. Prior Year



Compliance Fines Collected v. Prior Year



IMS COVERAGE DIVISION

December 2015

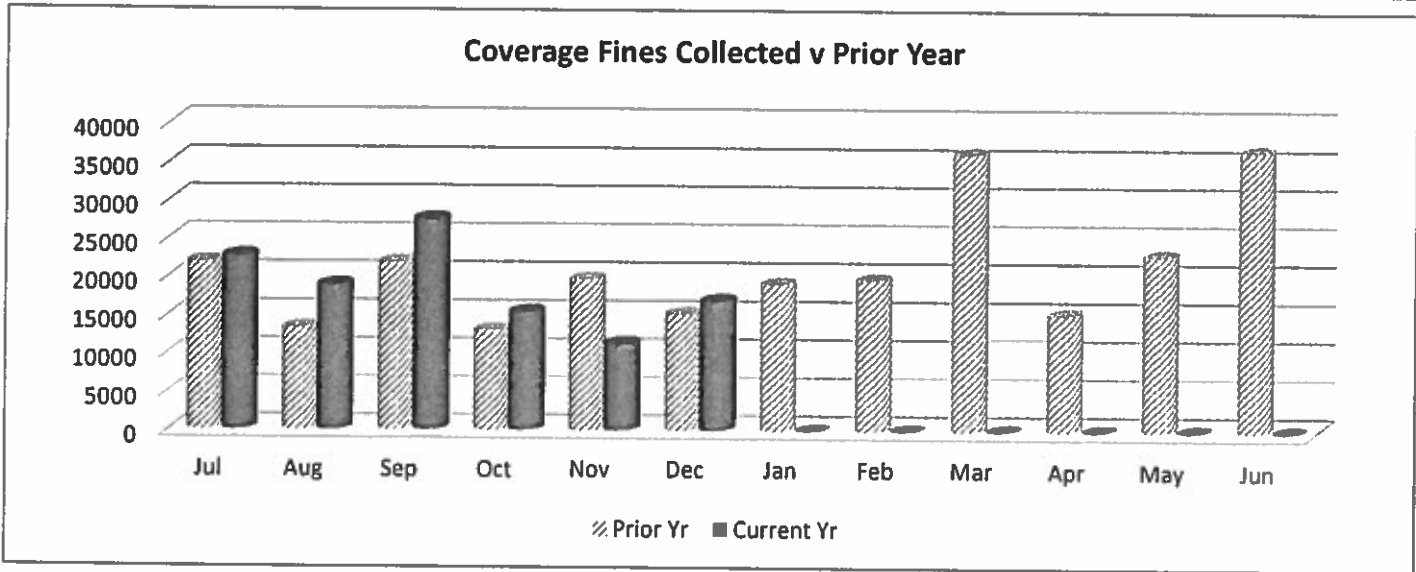
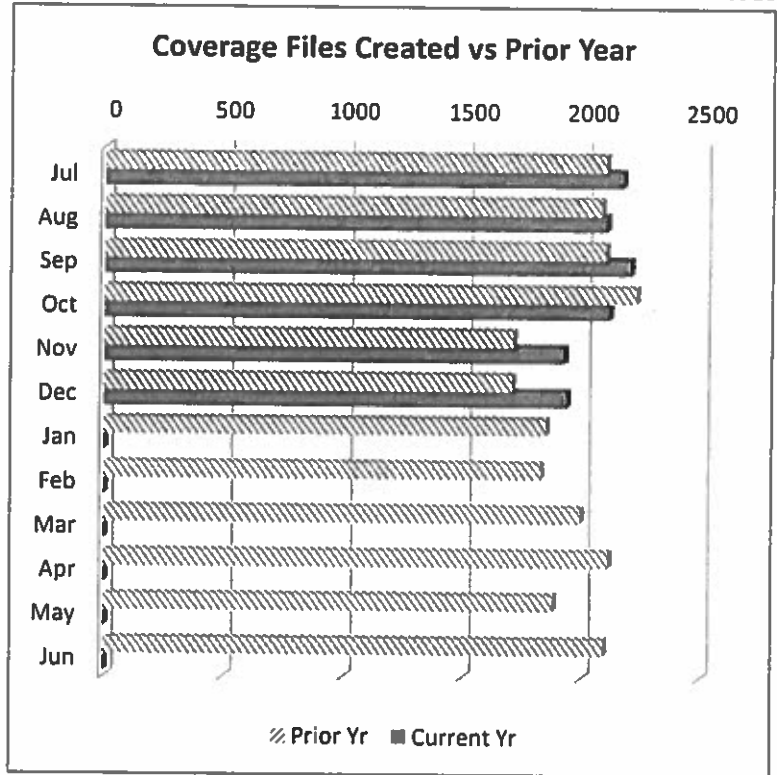
WCC Claim Files:

In December 2015, the Coverage Division recieved a total of 1,939 WCC Claim files. Of these, 1,680 were created through proper carrier filing of a 12A, and 259 were generated as a result of a Form 50 claim filing. Year to Date, 12,452 Claim files have been created which is 52% of claim file volume prior year (23,682).

Coverage Fines:

The Coverage Division collected \$16,900 in fine revenue in December 2015, as compared to \$15,150 in Coverage fines/penalties accrued during December 2014. Year on Year, Coverage fines are at 44% of collections for prior year.

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



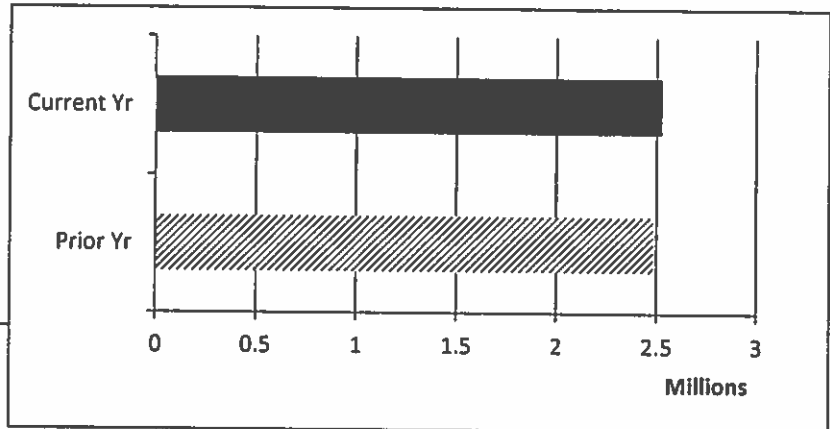
IMS SELF INSURANCE DIVISION

December 2015

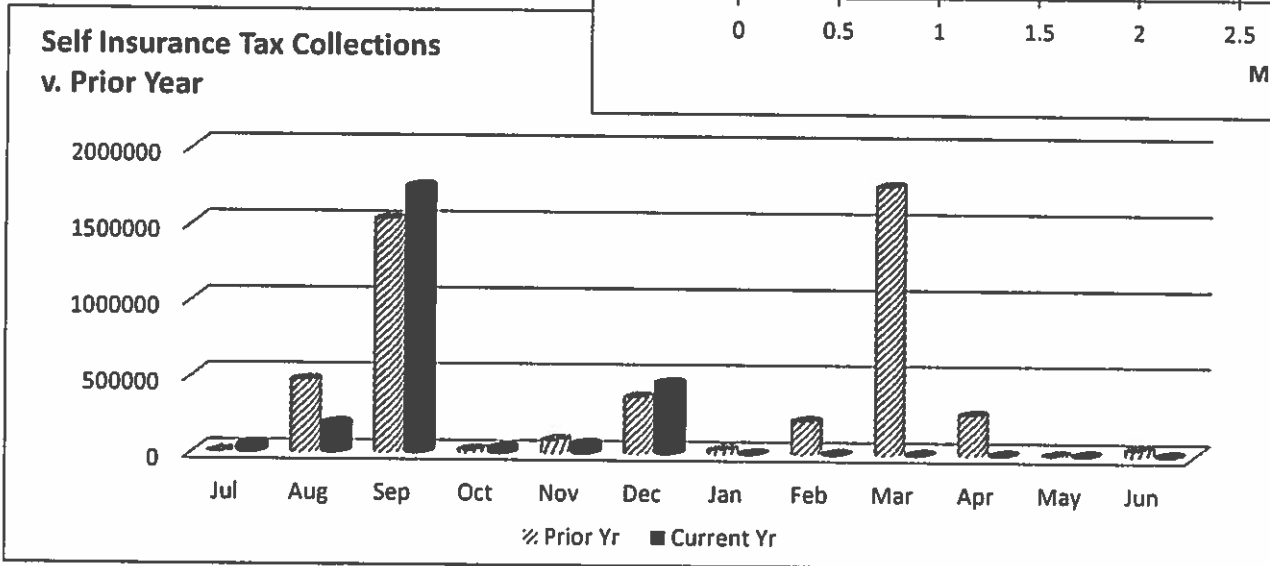
During the month of December 2015, the Self Insurance Division:

- * collected \$461,268 in self-insurance tax.
- * added 22 new self-insurers.
- * conducted 3 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 102% of prior year and 23 Self Insurance audits have been completed.



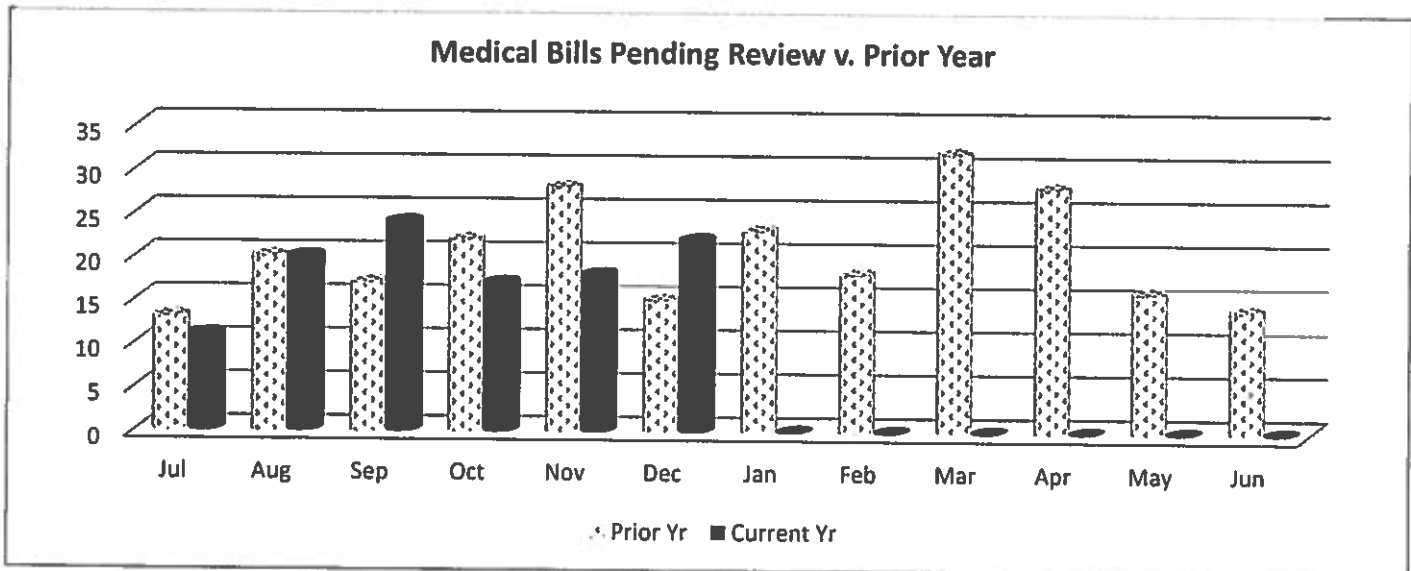
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In December 2015, the Medical Services Division began the month with 18 bills pending review, received an additional 16 bills for review, conducted 12 bill reviews and ended the month with 22 bills pending.

Medical Bills Pending Review v. Prior Year



South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures 2015-16 Budget
December 2015 - Period 6

Expenditures

Bench:	50.0%	Annual		Annual	Dec	Year to Date	Budget	Nov	Annual
		Budget	Amend	Final	Spend	Spend	Remaining	Spend %	Spend %
Commissioners									
Personnel GA		1,133,336	19,314	1,152,650	100,283	604,448			
Personnel EM		-		-		-			
Ttl Pers		1,133,336	19,314	1,152,650	100,283	604,448	548,202	9%	52%
Expense GA		-		-		-			
Expense EM		285,700		285,700	25,066	129,942			
Ttl Expense		285,700		285,700	25,066	129,942	155,758	9%	45%
Total Comm		\$ 1,419,036		\$ 1,438,350	\$ 125,349	\$ 734,390	\$ 703,960	9%	51%

Administration

Personnel GA		146,007	800	146,807		65,379			
Personnel EM		608,119	19,973	626,092	34,619	211,008			
Ttl Pers		752,126		752,126	34,619	276,387	475,739	5%	37%
Expense GA		75,000		75,000		75,000			
Expense EM		1,000,649		1,000,649	112,737	566,517			
Ttl Expense		1,075,649		1,075,649	112,737	641,517	434,132	10%	60%
Total Admin		\$ 1,827,775		\$ 1,827,775	\$ 147,356	\$ 917,904	\$ 909,871	8%	50%

Claims

Personnel GA		77,223	800	78,023	6,375	39,050			
Personnel EM		272,010	5,600	277,610	25,999	164,532			
Ttl Pers		349,233		349,233	32,374	203,582	145,651	9%	58%
Expense GA				-		-			
Expense EM		19,700		19,700	1,401	9,623			
Ttl Expense		19,700		19,700	1,401	9,623	10,077	7%	49%
Total Claims		\$ 368,933		\$ 368,933	\$ 33,775	\$ 213,205	\$ 155,728	9%	58%

IMS

Personnel GA		26,632	800	27,432	2,219	14,116			
Personnel EM		467,881	7,200	475,081	42,650	270,443			
Ttl Pers		494,513		494,513	44,869	284,559	209,954	9%	58%
Expense GA				-		-			
Expense EM		54,500		54,500	4,313	44,791			
Ttl Expense		54,500		54,500	4,313	44,791	9,709	8%	82%
Total IMS		\$ 549,013		\$ 549,013	\$ 49,182	\$ 329,350	\$ 219,663	9%	60%

Judicial

Personnel GA		29,267		29,267		-			
Personnel EM		292,779	6,400	299,179	27,358	170,546			
Ttl Pers		322,046		322,046	27,358	170,546	151,500	8%	53%
Expense GA				-		-			
Expense EM		12,800		12,800	1,025	6,965			
Ttl Expense		12,800		12,800	1,025	6,965	5,835	8%	54%
Total Judicial		\$ 334,846		\$ 334,846	\$ 28,383	\$ 177,511	\$ 157,335	8%	53%

Employer Contribution

GA		496,796	11,891	508,687	35,975	257,286			
EM		559,928	7,920	567,848	45,534	296,052			
Ttl Fringe		\$ 1,056,724		\$ 1,076,535	81,509	\$ 553,338	\$ 523,197	8%	51%

Total Agency

Ttl GA		1,984,261	33,605	2,017,866	144,852	1,055,279	962,587	7%	52%
Ttl EM		3,572,066	47,093	3,619,159	320,702	1,870,419	1,748,740	9%	52%
GF Carry Fwd		-	15,226	15,226		-	15,226	0%	0%
Total Agency		\$ 5,556,327	\$ 95,924	\$ 5,652,251	\$ 465,554	\$ 2,925,698	\$ 2,726,553	8%	51.8%

Summary of Fiscal Activity - December 2015

As of the close of December 2015, the Commission's overall fiscal performance vs budget is as follows:

Total Expenses Incurred: 51.8% of budget
 Gen Appropriation Received: 52.3% of budget
 Earmarked Revenue Received: 52.6% of budget
 Draw on Fund Balance: 49.8% of budget
 (benchmark 50%)

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 December 2015, the Commission's operational funding of \$465,554 was received as follows:

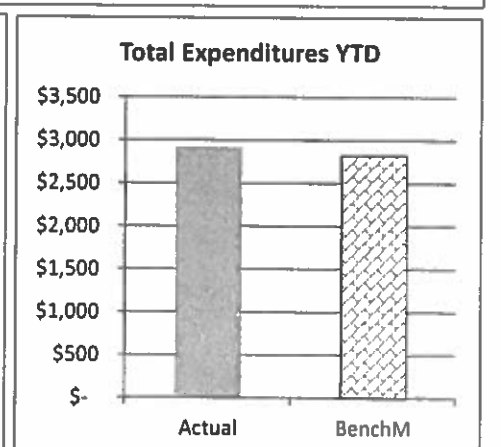
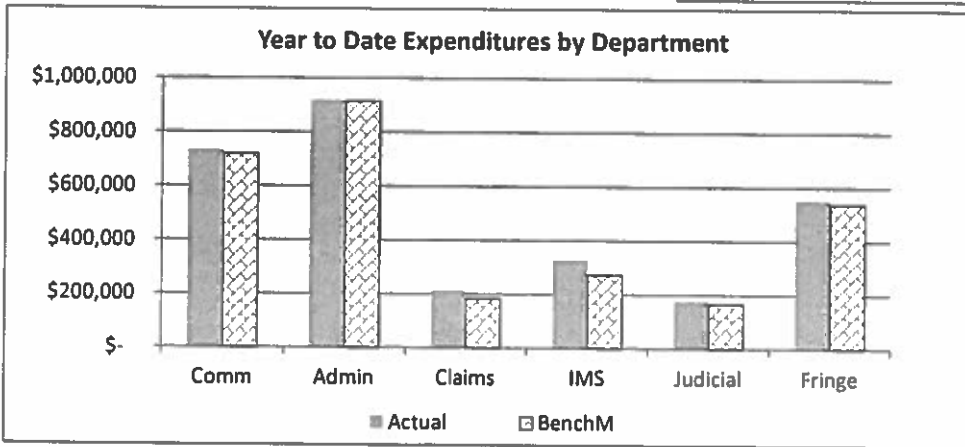
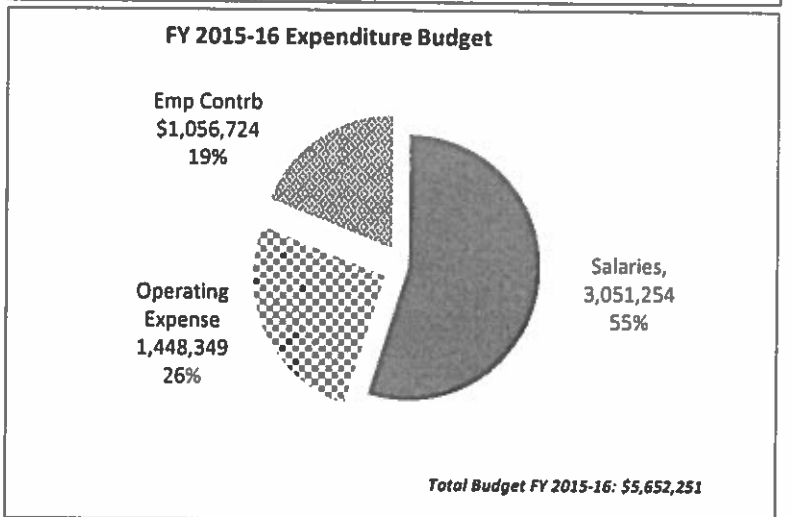
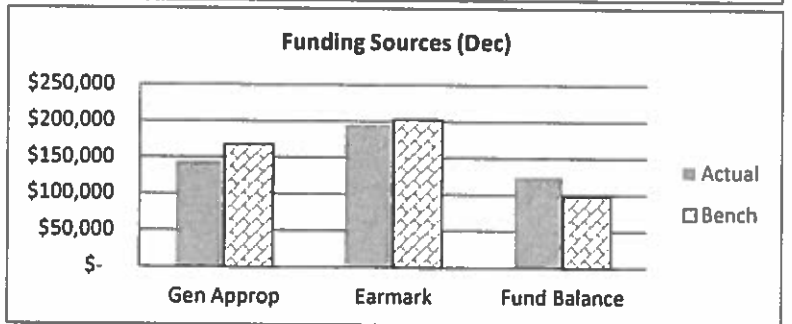
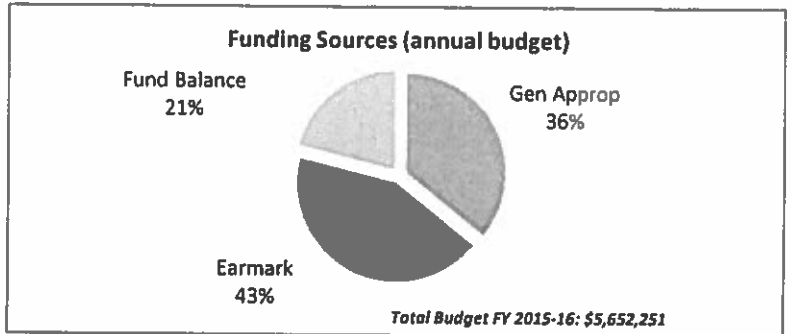
General Fund Appropriation: \$ 144,852
 Earmarked Funds: \$ 196,144
 Fund Balance: \$ 124,558

Self Insurance Tax Received:
 December 2015: \$ 461,268
 FY15-16 (YTD): \$ 2,522,267

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 December 2015: \$465,554.
 Commissioners: \$ 125,349
 Administration: \$ 147,356
 Claims: \$ 33,775
 Judicial: \$ 28,383
 IMAS: \$ 49,182



**South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures 2015-16 Budget
December 2015 - Period 6**

Funding and Appropriations

Period 6

	Annual Budget	Amend	Annual Final	Dec Received	Year to Date Received	Budget Remaining	Dec Rcvd %	Annual Rcvd %
General Fund Approp	\$ 1,984,261	\$ 33,605	\$ 2,017,866	\$ 144,852	\$ 1,055,279	962,587	7.2%	52.3%

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	3450	\$ 15,450	57,550		
Sale of Photocopies	88,000		\$ 88,000	6021	\$ 34,377	53,623		
WC Violation Fee	1,660,000		\$ 1,660,000	134186	\$ 927,961	732,039		
Listings and Labels	25,000		\$ 25,000	1140	\$ 9,415	15,585		
WC Hearing Fee	562,000		\$ 562,000	50250	\$ 263,924	298,076		
Parking	5,900		\$ 5,900	500	\$ 2,780	3,120		
Other	2000		\$ 2,000	597	\$ 19,726	(17,726)		
TU Earmarked Funds	\$ 2,428,900		\$ 2,428,900	\$ 196,144	\$ 1,277,243	\$ 1,151,657	8.1%	52.6%

**Appro EM Fund Balance
GF Carry Forward**

\$ 1,143,166	\$ 47,093	\$ 1,190,259	\$ 124,558	\$ 593,176	597,083
	\$ 15,226	\$ 15,226		\$ -	15,226

Total Funding:

\$ 5,556,327	\$ 95,924	\$ 5,652,251	\$ 465,554	\$ 2,925,698	\$ 2,726,553
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Workers' Compensation Commission

MEMORANDUM

To: Gary Cannon, Executive Director

From: Sonji Spann, Claims Director

Date: January 6, 2016

Re: Claims Department –January 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:

	Dec 2015	Nov 2015	Dec 2014
Individual Case Files Closed	2022	2069	1967
Fine Revenue Collected	\$39,800	\$34,200	\$50,900
# of individual case files reviewed by examiners	831	462	211
Total Fines	330	268	446
Form 18 Fines	310	263	377
Total Forms Processed	11,862	11,600	11,411
SROI	1055	824	
Email 18's	1584	1223	1778
USPS	2062	2303	2629

SPECIAL PROJECT (1200 OPEN)

	Dec 2015	Nov 2015	Oct. 2015
Individual Case Files Closed	240	249	220
# of individual case files reviewed by examiner	627	280	52
Total Fines	10	6	5

The Claims Department continues their efforts to educate the stakeholders: Training 12/9 @ Sedgwick on How to Complete WCC Forms: 13 adjusters/ supervisors and 6 on conference call

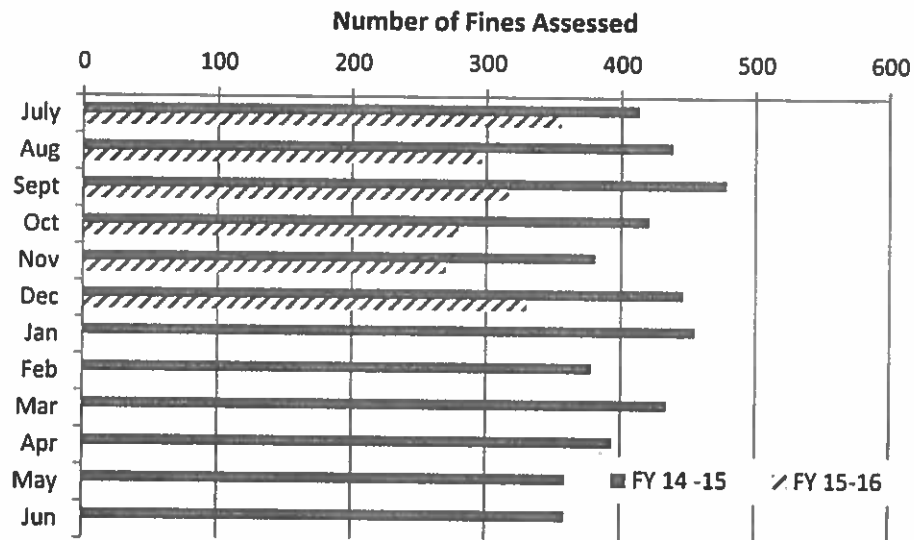
The 1200 Project: DiAnn has reviewed 242 (84 in Dec) of the 1200 Open files. As she separates the documents, she is reviewing for compliance and closure.

		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						

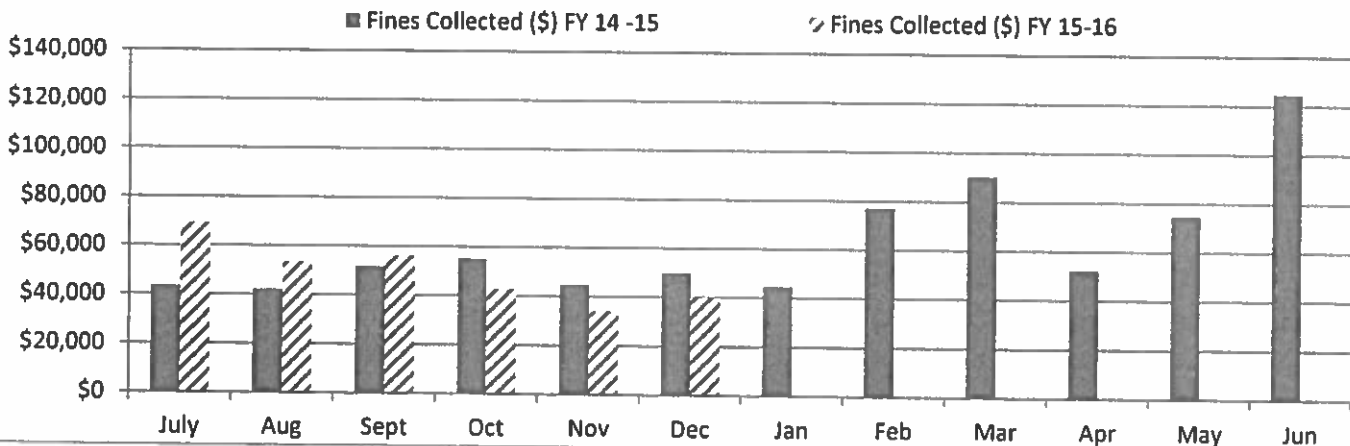
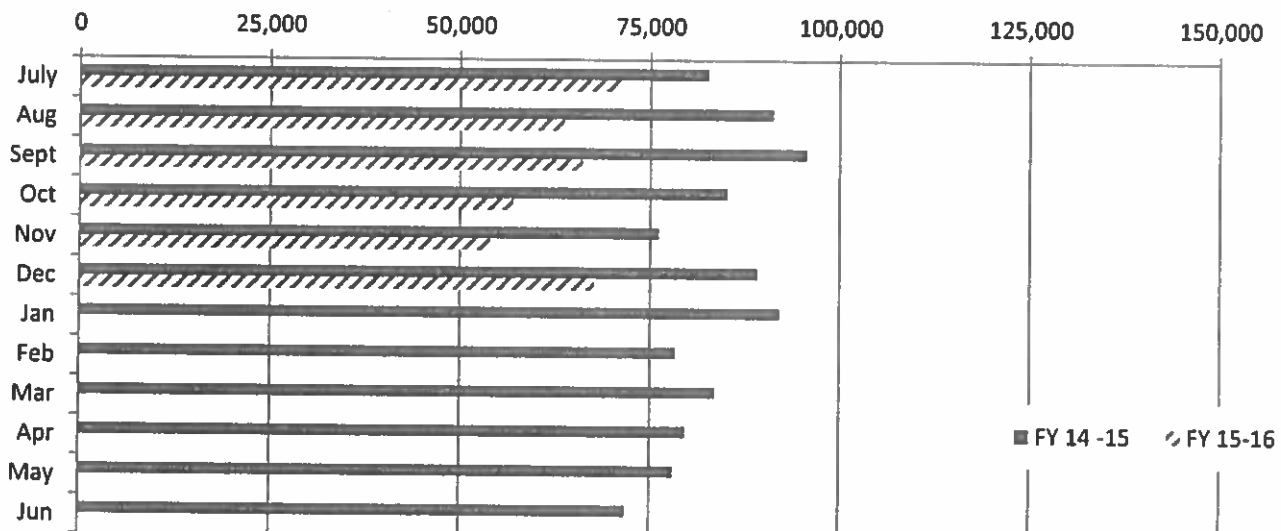
CLAIMS DEPARTMENT - Fine Activity Report December 2015

The number of fines assessed by the Claims Department increased in number to 330 from 270 in December. The number of Claims fines paid increased from 168 in November to 195 in December.

Total fine dollars assessed in December was \$67,600 an increase over prior month \$54,000. Fine revenue received in December was \$39,800 an increase over prior month \$34,200.



Net Fines Assessed (\$)



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	0
Feb	378	0
Mar	434	0
Apr	394	0
May	390	0
Jun	359	0
Total	4,987	1,846
Mo Avg	416	308

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	0
Feb	368	0
Mar	423	0
Apr	234	0
May	363	0
Jun	604	0
Total	3,611	1,438
Mo Avg	301	240

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	0
Feb	78,400	0
Mar	83,600	0
Apr	79,700	0
May	78,100	0
Jun	71,800	0
Total	1,003,900	200,650
Mo Avg	83,658	33,442

Fines Collected (\$)

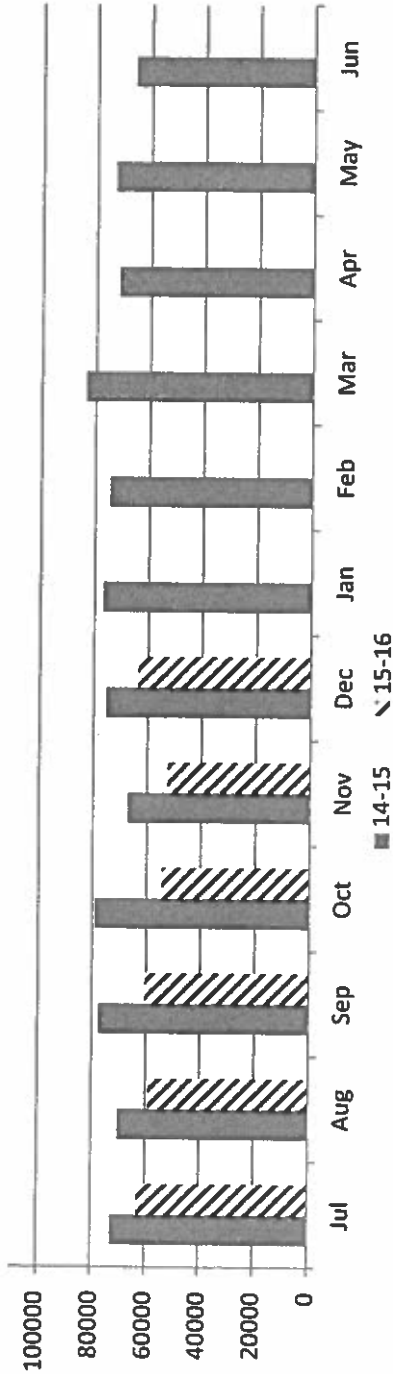
	FY 14 -15	FY 15-16
July	\$43,300	69,250
Aug	\$42,100	53,350
Sept	\$51,650	56,200
Oct	\$55,100	42,800
Nov	\$44,750	34,200
Dec	\$49,900	39,800
Jan	\$44,700	0
Feb	\$77,100	0
Mar	\$90,200	0
Apr	\$52,250	0
May	\$74,750	0
Jun	\$124,800	0
Total	750,600	295,600
Mo Avg	62,550	49,267

*after reductions and rescinded

FORM 18 FINE ASSESSMENTS

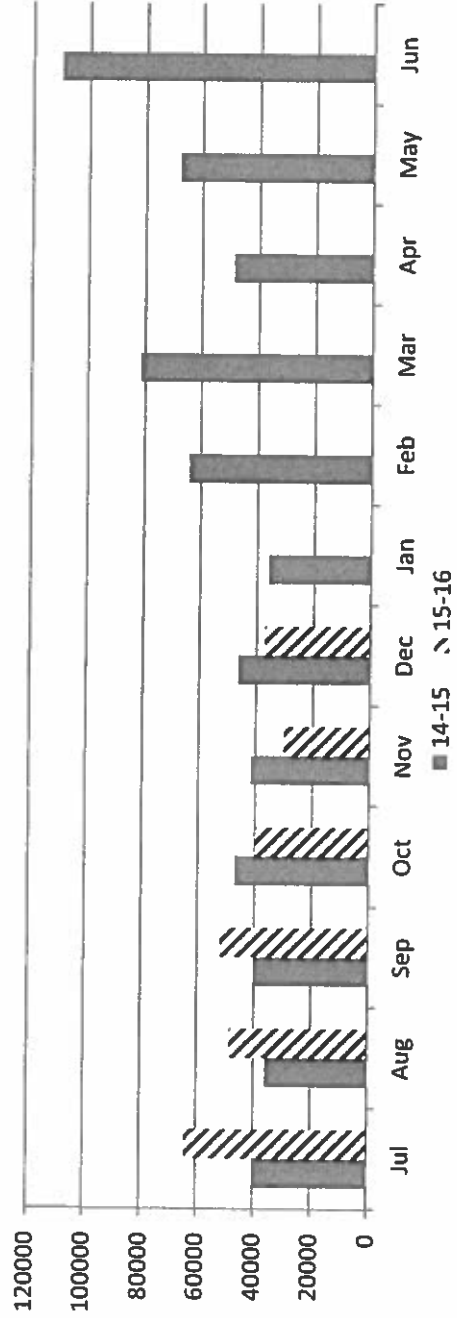
Consistent with overall Commission strategy, the Claims Department works with our Carrier partners to develop approaches that result in increased compliance levels and reduced Fine related costs to businesses in South Carolina.

A key "success measure" of this effort is the Form 18 Fine Assessment report. For the month of December 2015, this has resulted in an decrease in Form 18 Fine Assessments to \$63,600 as compared to November 2015 of \$52,600. The actual number of fines assessed increased from 263 to 310 in December 2015.



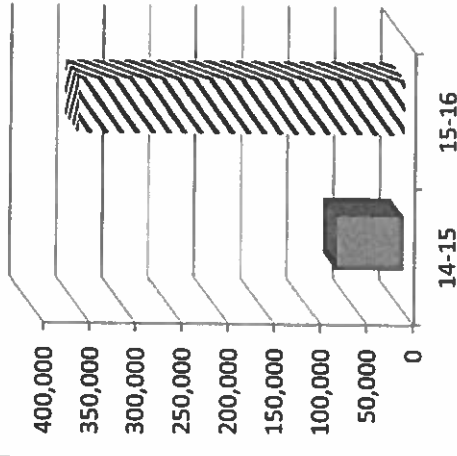
FORM 18 FINE COLLECTION

In December 2015, the Claims Department received payment on Form 18 Fines resulting in revenue of \$37,200.



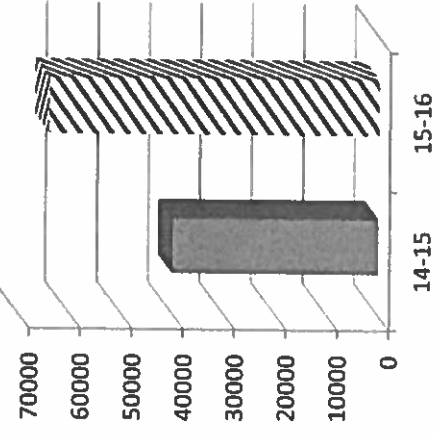
FORM 18 FINE ASSESSMENTS YTD

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.



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Workers' Compensation Commission

January 5, 2016

To: Gary M. Cannon
Executive Director

From: Amy A. Bracy
Judicial Director

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

There were one hundred twenty-two (122) Single Commissioner Hearings conducted during the past month, and there were eleven (11) Full Commission hearings held in December.

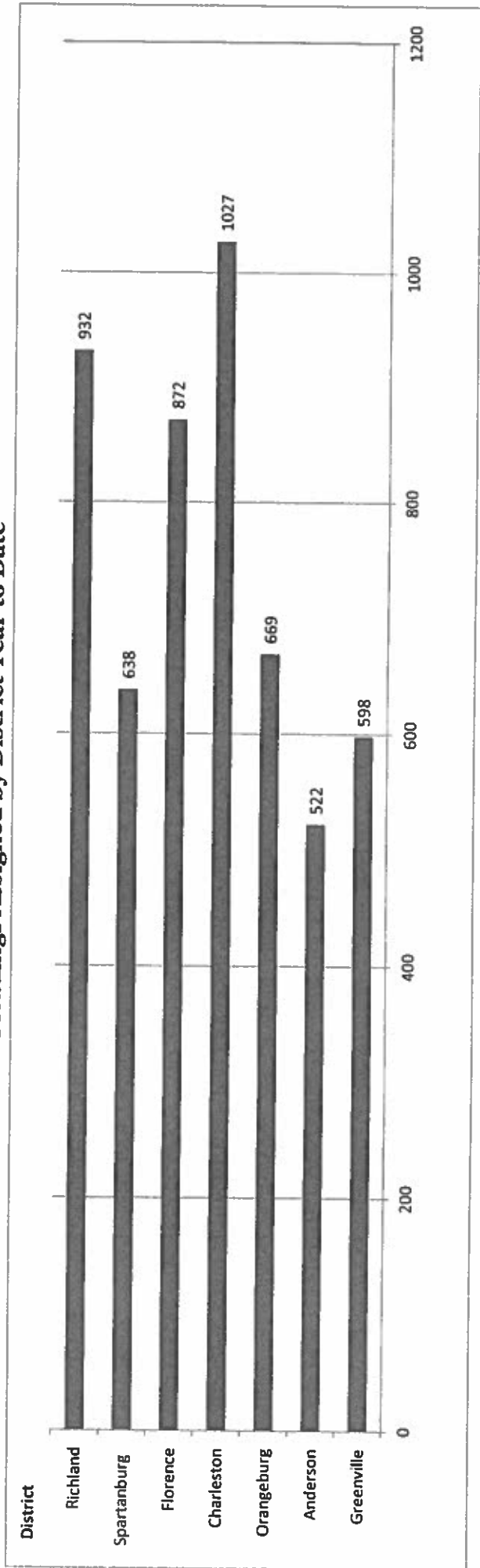
The Informal Conference system conducted two hundred one (201) hearings during the last month.

There were seventy-three (73) regulatory mediations scheduled and sixteen (16) requested mediations. The Judicial Department was notified of seventy-three (73) matters resolved in mediation, with the receipt of Forms 70.

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	181	140	164	144	145	117	130	116	111	166	141	135
Aug	110	86	121	76	96	71	109	120	121	171	153	170	122	146	131	122	104	119	138	164	141
Sep	102	105	102	88	84	80	132	105	97	198	155	163	154	126	137	110	70	90	167	124	132
Oct	106	83	124	101	78	84	119	115	128	172	143	170	146	146	159	96	112	106	170	156	160
Nov	72	80	115	62	56	67	88	93	115	145	115	163	133	135	115	81	80	79	129	127	112
Dec	101	99	78	105	86	93	103	108	102	160	133	123	148	119	108	99	85	95	162	146	113
Jan		109	92		80	56		120	100		163	151		158	95		108	88		174	119
Feb		98	93		86	98		92	98		141	157		110	146		111	93		114	106
Mar		112	101		91	76		132	107		156	121		118	130		122	91		140	128
Apr		99	98		87	69		97	100		165	144		120	141		88	101		149	150
May		101	88		73	97		105	124		158	169		140	121		101	100		158	153
Jun		89	81		66	79		102	95		143	148		147	110		117	79		139	123
Totals	598	1164	1212	522	975	966	669	1308	1308	1027	1765	1843	872	1610	1510	638	1214	1152	932	1732	1572

Pleadings Assigned by District Year to Date

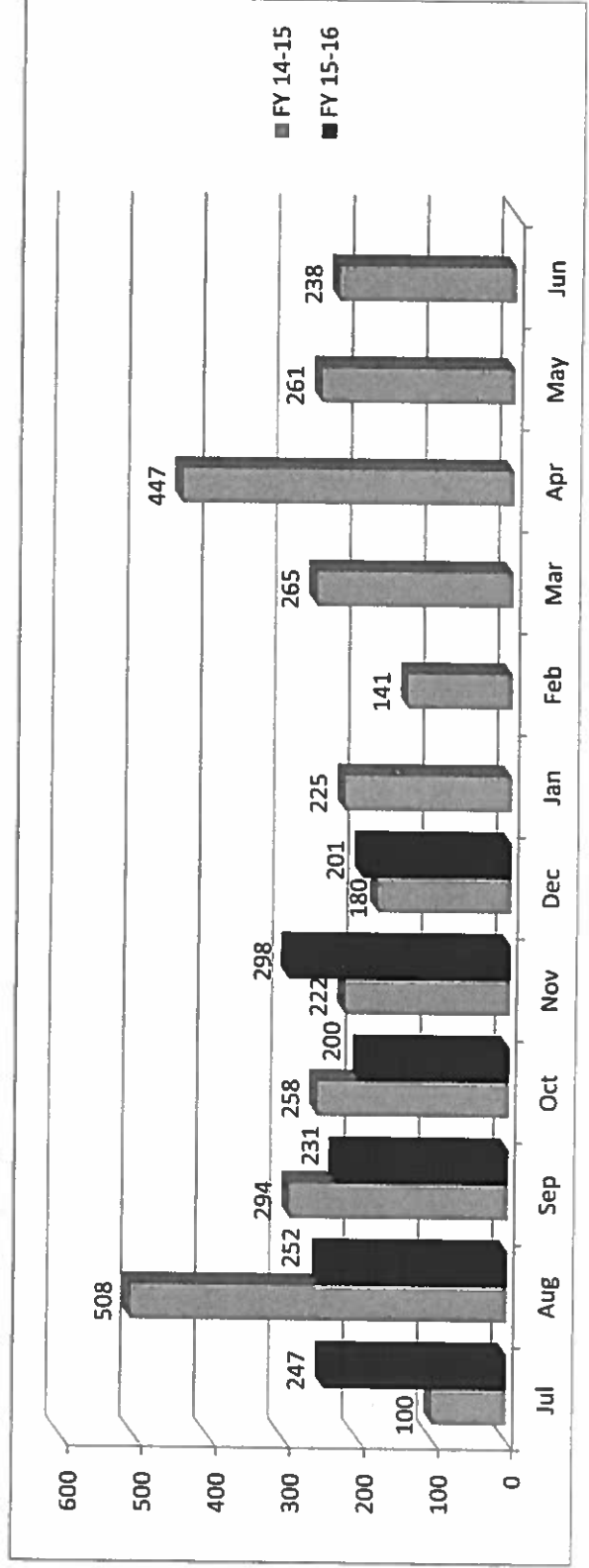
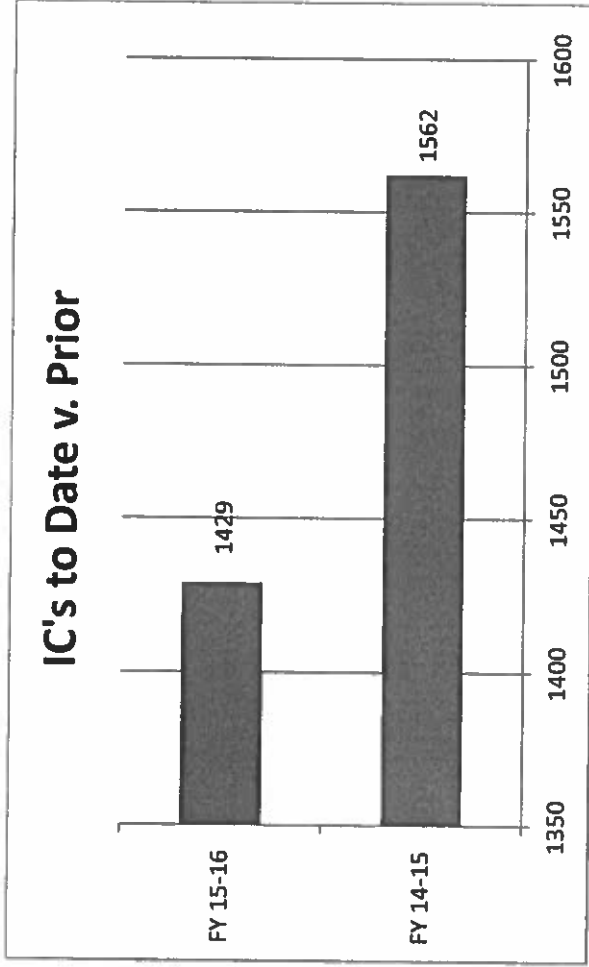


Informal Conf. Conducted

	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	
Feb	141	
Mar	265	
Apr	447	
May	261	
Jun	238	
Total	3139	1429

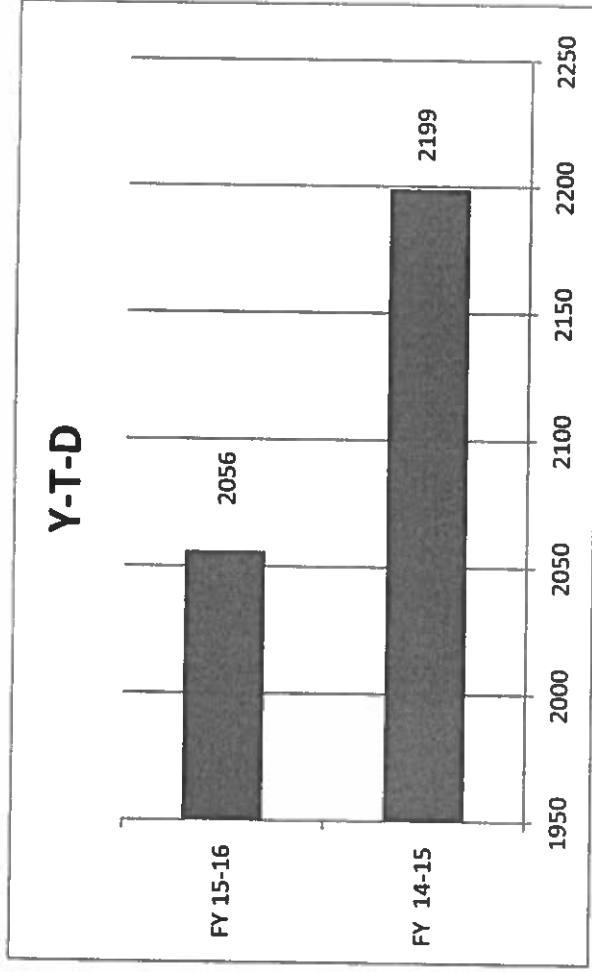
FY 14-15 **1562**
 FY 15-16 **1429**

Y-T-D

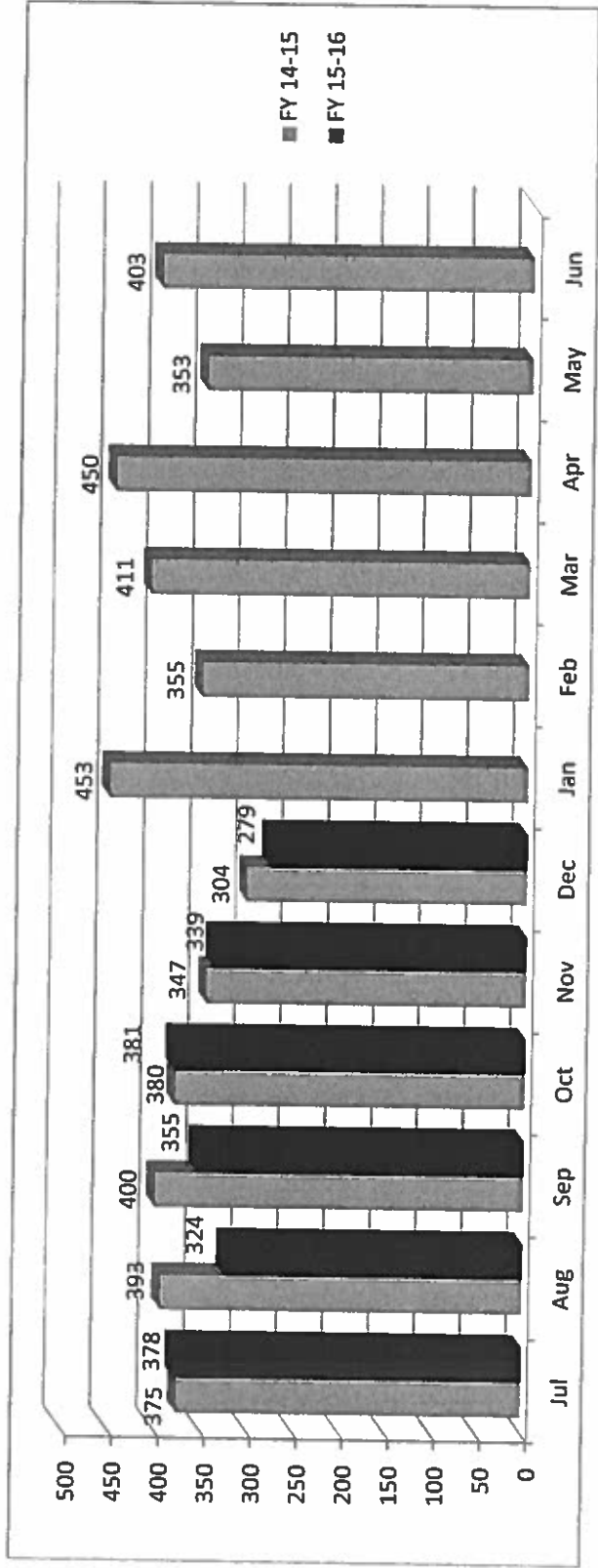


Informal Conf. Requested

	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	
Feb	355	
Mar	411	
Apr	450	
May	353	
Jun	403	
Total	4624	2056



Y-T-D	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	
Feb	355	
Mar	411	
Apr	450	
May	353	
Jun	403	
Total	2199	2056



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Workers' Compensation Commission

Executive Director's Report Gary M. Cannon

January 8, 2016

Narcotics Use Ad Hoc Advisory Committee

The Narcotics Use Ad Hoc Advisory Committee met on Thursday, December 17, 2015. The committee discussed the proposed recommendations. We anticipate the committee's recommendation to the Commission to be finalized within the next 60 days.

Office Lease Agreement

On December 15, 2015, the State Fiscal Accountability Authority reviewed the lease proposal and voted to carry the matter over to the meeting on January 26, 2016.

Proposed Amendments to Regulations

The Commissioners and department heads participated in a follow-up work session to and reviewed the proposed amendments to regulations on December 15.

Personnel

Law Clerk

Cameo Joseph law clerked during December to assist the legal staff with the review of cases and conduct legal research.

2016 Mileage Reimbursement Rate

The Office of Comptroller General gave notice the 2016 standard business mileage rate established by the Internal Revenue Service to be .54 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, 2016, the new mileage reimbursement rate to and from a place of medical attention is .54 cents per mile. Notice is posted on the Commission's website and was emailed to the Commission's distribution list on January 4, 2016.

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, 2016, this reimbursement rate is .50 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 4, 2016 was 1.7336%. (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 2015: two percent (2%) for weeks zero through 100 and at two percent (2%) for weeks 101 through 500, the same discount rate used in 2015. Notice is posted on the Commission's website and was emailed to the Commission's distribution list on January 7, 2016.

Meetings/Activities

The Executive Director participated in the following meetings/activities:

- January 7, 2016 – SC Chamber of Commerce, CJ Coalition on Workers' Compensation Issues Commission
- January 8-10, 2016 – Presented at the Injured Workers' Advocates Association Paralegal and Legal Assistant Seminar

Employee Meetings

The Executive Director met with the Executive Staff on January 5, 2016.

Constituent /Public Information Services

For the period December 10, 2015 through January 5, 2016 the Executive Director's Office and the General Counsel's office had 337 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 10, 2015 through January 6, 2016, we added three (3) individuals to the distribution list. A total of 583 individuals currently receive notifications from the Commission.

SC Vocational Rehabilitation Department (SCVRD)

SCVRD reported nine (9) referrals for the month of December, and 38 referrals year to date.