

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

July 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 JULY 18, 2016 *CHAIRMAN BECK*
3. APPROVAL OF MINUTES OF THE BUSINESS MEETING OF JUNE 20, 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. UNDERHILL*
 - Information Services (Tab 4) *MR. DUCOTE*
 - Insurance and Medical Services (Tab 5) *MS. SPANN*
 - Claims (Tab 6) *MS. BRACY*
 - Judicial (Tab 7)
7. EXECUTIVE DIRECTOR'S REPORT (Tab 8) *MR. CANNON*
 - Administration – Financial Report (Tab 9) *Mr. Cannon*
8. OLD BUSINESS *CHAIRMAN BECK*
9. NEW BUSINESS *CHAIRMAN BECK*
 - A. 2016 Medical Services Provider Manual Fee Schedule (Tab 10) *Mr. Cannon*
10. ADJOURNMENT *CHAIRMAN BECK*

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9	Summary of Revenues and Expenditures
10	2016 Medical Services Provider Manual Fee Schedule

THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

Monday, June 20, 2016

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, June 20, 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
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; Wayne Ducote, Insurance and Medical Services Director; Alicia Osborne, Human Resources Manager; Keith Roberts, Attorney; Marlene Johnson-Moore, Law Intern; W.C. Smith, Self-Insurance Director; Sandee Sprang, IT Director; Amanda Underhill, Business Analyst; Quintina Smith, Fiscal Technician II; and Libby Crawford, Administrative Specialist, IMS Department. Marti Bluestein, Injured Workers' Advocates, was also present.

Just prior to the Call to Order, Commissioner James stepped out of the Hearing Room. Chairman Beck called the meeting to order at 10:59 a.m. He noted Commissioner Barden was not present due to a family medical emergency.

AGENDA

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

APPROVAL OF MINUTES – BUSINESS MEETING OF MAY 16, 2016

Commissioner Taylor moved that the minutes of the Business Meeting of May 16, 2016 be approved. Commissioner Wilkerson seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

Gary Cannon, Executive Director, welcomed Wayne Ducote as the new Director of Insurance and Medical Services.

Commissioner James joined the meeting at 11:00 a.m.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by W.C. Smith, Self-Insurance Director. Fourteen (14) prospective members of two (2) funds were presented to the Commission for approval. The applications were:

Palmetto Timber Fund

Carolina Wood, LLC
F.G. O’Neal Jr. Company, Inc.

SC Home Builders SIF

Bill’s Services
Blackhawk Landscaping, LLC
Cannon Contracting, LLC
Cicco Construction
JH Painting, LLC
Juergen Dell dba Juergen Dell Builders
Lenwood Morris
Palmetto Construction & Custom Homes, LLC
Piedmont Builders, Inc.
Schaeffer Properties, LLC
Shane Nichols dba S&S Plumbing
Ted E. Bear, 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 Taylor seconded the motion. The motion was unanimously approved.

Request of Richland County School District One to Self-Insure

Mr. Smith presented a request from Richland County School District One to self-insure.

Mr. Smith presented a recommendation that Richland County School District One be granted the privilege of self-insuring its workers’ compensation liabilities contingent on the following:

1. Richland County School District One secure specific excess insurance coverage with an initial retention of not more than \$1 million with a statutory limit of liability; and
2. As required by the South Carolina workers’ Compensation Commission Regulation 67-1516 (B) (C) assurance must be provided that provisions shall be made for the payment of all awards available under the Act. As proof, the Richland County School District one will each year provide the Commission’s Self-Insurance Division a copy of its annual budget or financial report or a letter of understanding signed by each members of its Board.

Motion to approve Richland County School District One to Self-Insure

Commissioner Wilkerson made the motion to approve Richland County School District One to self-insure. Commissioner McCaskill seconded the motion. Following discussion, the vote was taken, and the motion was 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 May 12 through June 15, 2016. Ms. Osborne announced the following employees tendered their resignations: Grant Duffield, IMAS Director, effective May 20; Breanne Jolly, Administrative Assistant, IMAS, effective June 24; and Marlene Johnson-Moore, Law Clerk, effective July 1. She introduced Libby Crawford who began her work as Administrative Specialist II in the Coverage & Compliance division on June 13, 2016.

Information Technology Department

Sandee Sprang presented the Information Services Department's report. Ms. Sprang said the Virtualization Project continues to make good progress as well as the eCase web portal upgrade, and should be complete in July. IT continues work with EDI trading partners to research and resolve transactional data errors.

Ms. Sprang reported the progress reports for the Governor's Office will be generated on a scheduled semi-annual basis.

Insurance and Medical Services Department

Wayne Ducote presented the Insurance and Medical Services Department's report. Mr. Ducote thanked the Commission for the opportunity to serve as the new IMS Director.

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

- Year to date, the Compliance Division has compelled 298 employers to come into compliance with the Act. Although the division has assessed \$5.8 million in fines, 75% of those fines, or \$4.3 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 resolved \$174,991 in outstanding carrier fines.
- In May, the Compliance Division collected \$52,148 in fines and penalties and year to date collected \$849,020 in fines. The current year-end trend is 102% of FY 2015.
- In May the Coverage Division created 2,065 claim files. Year to date, 22,459 claim files have been created which is 95% of claim file volume prior year.
- The Coverage Division collected 418,400 in fine revenue in May. Coverage fines are at 76% of collections for prior year.
- In May, the Self Insurance Division collected \$159,483 in self-insurance tax. The total self-insurance tax collections for FY 2016 is approximately \$72,000 more over FY 2015.
- The Medical Services Division has begun the process of reviewing and updating the Medical Services Provider Manual.

Claims Department

On behalf of Sonji Spann, Gary Cannon presented the Claims Department's report.

Mr. Cannon reported the following for the month of May 2016:

- Closed 2,249 individual case files
- Received \$53,800 in fine revenue

Mr. Cannon noted the fine revenue is down from previous year due to the electronic submission of the Form 18.

- Claims examiners reviewed 2,955 individual case files
- 316 fines assessed
- 250 Form 18 fines assessed

- 12,544 forms processed
- 1,237 Form 18s processed through SROI
- 1,846 Form 18s received via Email
- 1,571 forms received via USPS

Judicial Department

On behalf of Amy Bracy, Gary Cannon presented the Judicial Department's report. He reported the following for the month of May 2016:

- 101 Single Commissioner Hearings conducted
- 10 Full Commission Hearings conducted
- 225 informal conference cases
- 60 regulatory mediations scheduled
- 27 requested mediations
- 59 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:

Commissioner Reappointment

Mr. Cannon announced the Senate confirmed the reappointment of Commissioner Beck as Chairman for a term beginning June 30, 2016 through June 30, 2018.

FY 2016-17 Budget

Mr. Cannon reported the Budget Conference Committee approved the Commission's budget request for FY 16-17, less \$21,000 for the part-time temporary law clerks. He announced the General Assembly approved a 3.25% increase in salary for state employees and a .5% increase for the employee and employer contributions for State Retirement.

Office Renovations

Mr. Cannon announced Phase I of the office renovations are near completion. Phase II construction began June 14. The projected completion date is August 18.

Claims Administration Workshop

Mr. Cannon commended staff for a great job with the Claims Administration Workshop held on May 20, 2016. He reported a total of 116 stakeholders and 16 staff members participated.

ADMINISTRATION – FINANCIAL REPORT

Mr. Cannon announced that Administration Services is now assigned to the Executive Director. He presented the Summary of Revenues and Expenditures for the period ending May 31, 2016. The benchmark for May is 91.6%. The Commission's overall expenses are at 88%. The general appropriations received for May is at 85.6% of budget and the earmarked revenue earned is 92.1%.

Commissioner McCaskill expressed appreciation to Chairman Beck for the leadership he provides as Commission Chairman. The other Commissioners concurred.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

The Commissioners expressed appreciation to Marlene Johnson-Moore for her service and contributions that she has given to the Agency and wished her well in her new endeavors.

ADJOURNMENT

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

The June 20, 2016 meeting of the South Carolina Workers' Compensation Commission adjourned at 11:19 a.m.

Reported July 20, 2016
Kim Ballentine
Office of the Executive Director

MEMORANDUM

Date: July 13, 2016

TO: Mr. Gary Cannon
Executive Director

FROM: Alicia Osborne
Human Resources

SUBJECT: Human Resources Report Period of June 16 through July 13, 2016

Below is a summary of the Human Resources activity for the period of June 16 through July 13, 2016.

Workers' Compensation

- Ongoing Workers' Compensation Injuries
 - Three open claims

Employee Relations

- Meetings
 - Counseled (14) staff regarding concerns
 - Clarified policies and procedures as needed
- Talent Search
 - Posted one job
 - Fiscal Technician II
 - 25 applicants
 - 5 interviewed

Separations

- Executive Director's Office
 - Quintina Smith – July 4, 2016
 - Brian Myers – June 30, 2016
 - Marlene Johnson-Moore – July 1, 2016

Renovations

- Phase 3 – Currently under construction
- Phase 4 – Next move in planning stages

Fiscal Responsibilities

- 23 approvals – Financial documents; expense reports
- 16 deposits - AR
- 24 of invoices paid - AP
- Three (3) IDT transactions
- FY 2017 - budget transfer (pushed down)
- FY2016 - assist with closing package
- FY2016 - report assistance

Reports

- Ran SCEIS Deductions Not Taken / Arrears report
 - Notified staff of arrears/deductions not taken

- Ran SCEIS Wage Type Report
 - Minor discrepancies due to exiting staff
- Time Administration
 - Unapproved Leave Report
 - Notified staff of pending leave that needed to be approved
 - Approved leave for (5) supervisors that requested approval
 - Missing Time Report
 - Notified two (2) supervisors of missing time
 - Notified five (5) staff members of missing time
- Reviewed/updated reports as requested by the Executive Director

CBRE

- Notified CBRE of building concerns (2)

SCEIS

- Keyed (5) action items

Training

- Cyber Security Training Update
 - Completed – 93%
 - Not Started – 7% (Employees notified of training)

Miscellaneous

- Meeting(s)
 - (2) Building Renovations
 - Training – SCEIS AP/AR/IDT/Deposits/Budget transfers
- Continue with planning, coordinating, and overseeing office renovations
- United Way planning



Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director
From: Amanda Underhill on behalf of Sandee Sprang, IT Director
Date: July 13, 2016
Subject: IT Department June 2016 Full Commission Report

This report summarizes the activities and accomplishments of departmental projects and initiatives for the IT department during June 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. Major milestones accomplished last month include:

- 1) Identified and entered configuration information for Deployment of Thin Client (Progress) to local computers, and
- 2) Ran multiple tests on Deployment Process.
- 3) Began testing Voc. Rehab portal

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.

Reporting

Amanda compiled data reports which will be used to compile Fiscal Year End statistics for the Annual and Accountability Reports. Data will be reviewed and verified in the coming month.

Systems Support

Duane researched and corrected data errors related to case parties, hearing notices, bank deposit records, and invoices. Duane also discontinued automatic printing of a report no longer needed in hard copy.

Business Process Review

IT staff are consistently working with various departments to ensure that our changes in business process and procedure are supported by our data systems.

Desktop Support

Our HelpDesk support calls consisted of the following types of requests:

*Number of requests unavailable since Brian's departure

1. Password Assistance
2. Hardware Assistance
3. OnBase Errors
4. E-Case Support
5. Secure E-Mail Support
6. Printing Issues
7. Network Connectivity Issues

II. Projects, Enhancements and Development

eCase

The eCase web portal upgrade is in the testing phase. Amanda created 23 Use Cases, which are the different scenarios used for evaluating the accuracy and functionality of the new system. To date, we have reported 63 issues in total, 60 of which have been resolved. Duane made several changes and created additional test data to assist Progress Developers in expediting issue resolution. We are approximately 84% complete.

Office Renovations

The IT department spent a large portion of time working on the office renovation project. This month, significant effort was spent relocating the IT Computer print and copy equipment; and managing installation of new data cabling.

Hardware Upgrades

We have several hardware upgrade projects in process:

- 1) Our wireless network hardware quotes have been requested. We are hoping 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. In August, we will have a demo of a different system for users to evaluate.

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 and members of Executive staff met with NTT Data, Inc. regarding legacy modernization. NTT Data has worked with a number of other State agencies to update data systems utilizing modern technology. We look forward to their recommendations as our Progress system is approaching 10 years of age.

Amanda and Duane also met with DTO Desktop Support management team to coordinate support level since Brian's departure.

State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Wayne Ducote, Jr.
IMS Director

Date: 13-Jul-16

Subj: Insurance and Medical Services Department
June 2016 Full Commission Report

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

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

- | | |
|---------------------|---|
| Compliance Division | <ol style="list-style-type: none">1. Reviewing revenue metrics / projections.2. Working with staff to review workflow processes and additional training opportunities. |
| Coverage Division | <ol style="list-style-type: none">1. Working with staff to review workflow processes and explore opportunities to enhance service provision. |
| Medical Services | <ol style="list-style-type: none">1. Continue work on pharmaceutical payment disputes involving SAF.2. In the final stages of the review and update of the Medical Services provider Manual. |

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

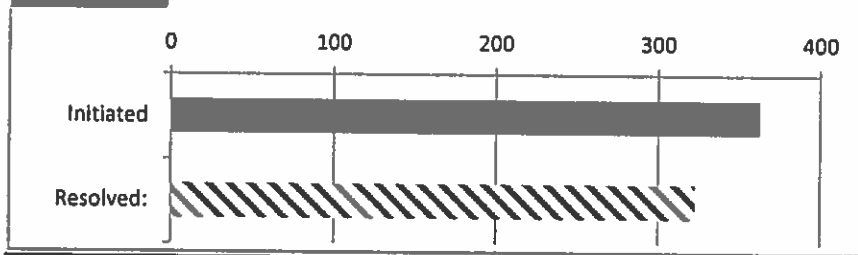
Employers Obtaining Coverage

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 323 employers in South Carolina to come into compliance with the Act. In so doing, approximately 3,000 previously uninsured workers are now properly covered.

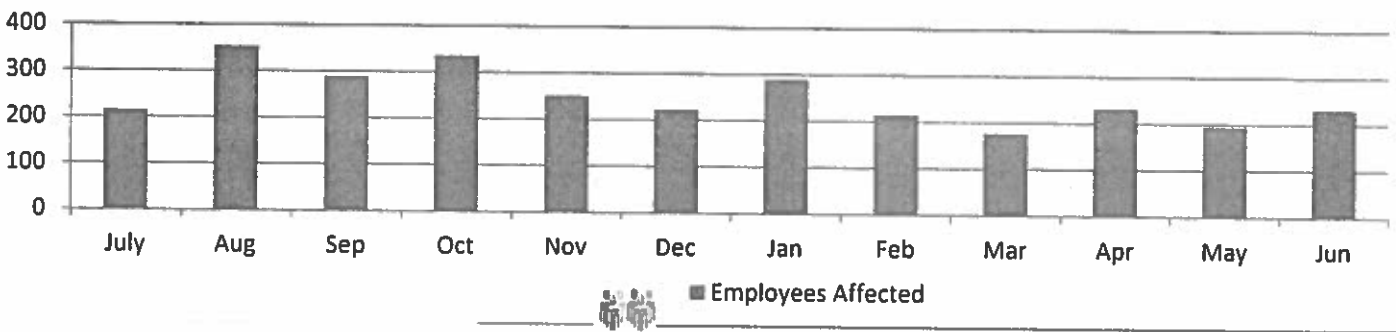
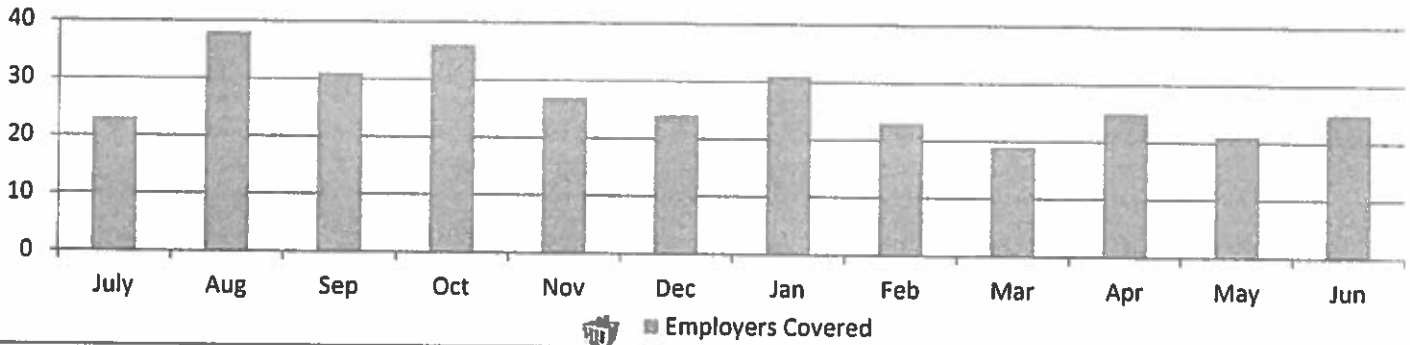
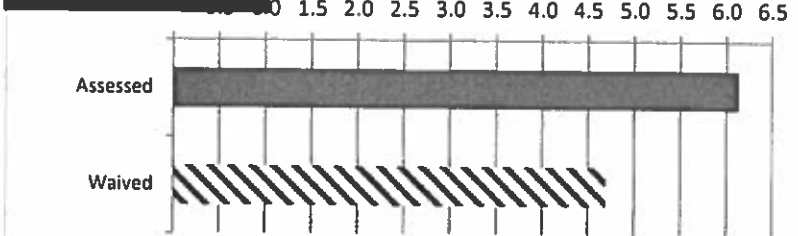
Penalties Waived

Although the Division has assessed \$ 6.1m in fines, 77% of those fines (\$4.6m) have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

RTSC Cases



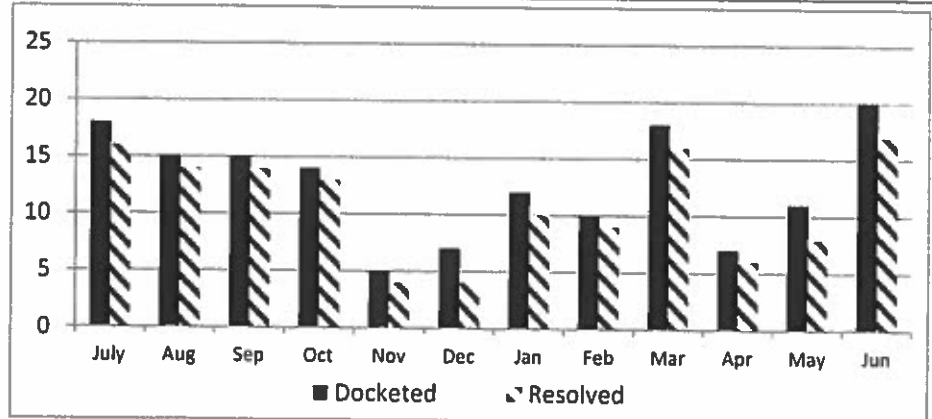
Fines and Penalties



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 June 2016, 20 carrier RTSC cases were docketed; 17 cases were resolved and \$8,768 was recovered.

Year to date, 152 carrier RTSC cases have been docketed, 131 cases have resolved and \$183,759 has been recovered.



Carryover Caseload:

The Compliance Division closed June 2016 with 263 cases active, compared to an active caseload of 346 at the close of June 2015.

Cases Resolved:

For the month of June 2016, Compliance Division staff closed-out 84 cases.

Compliance Fines:

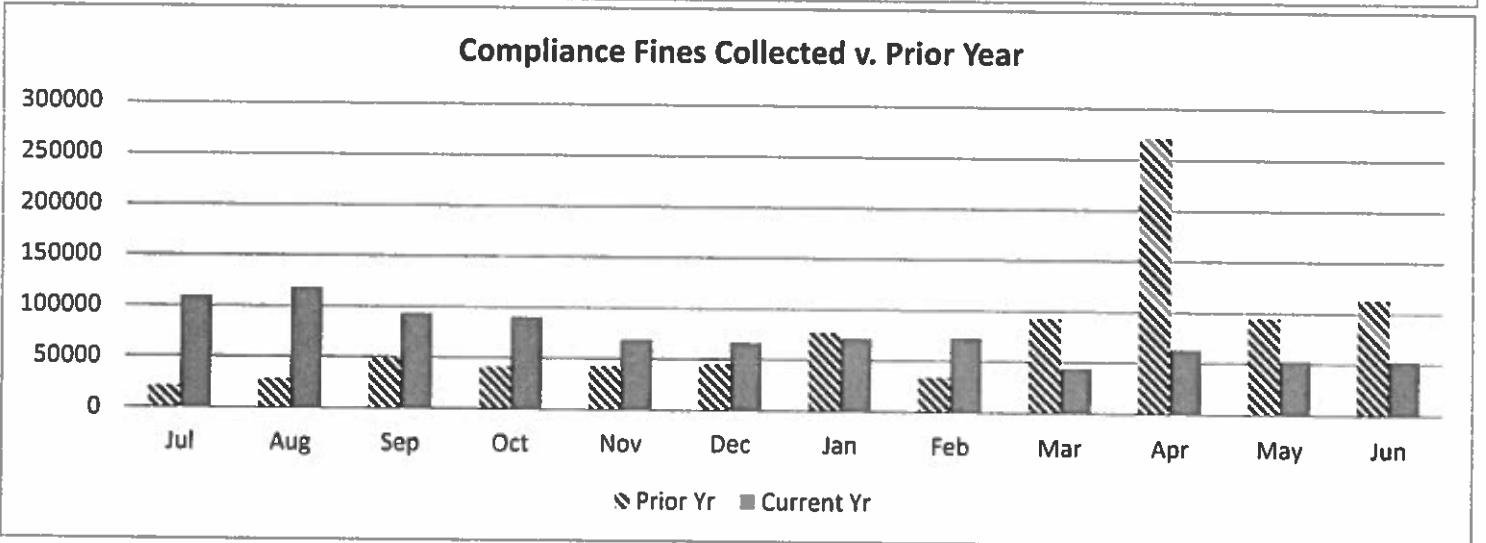
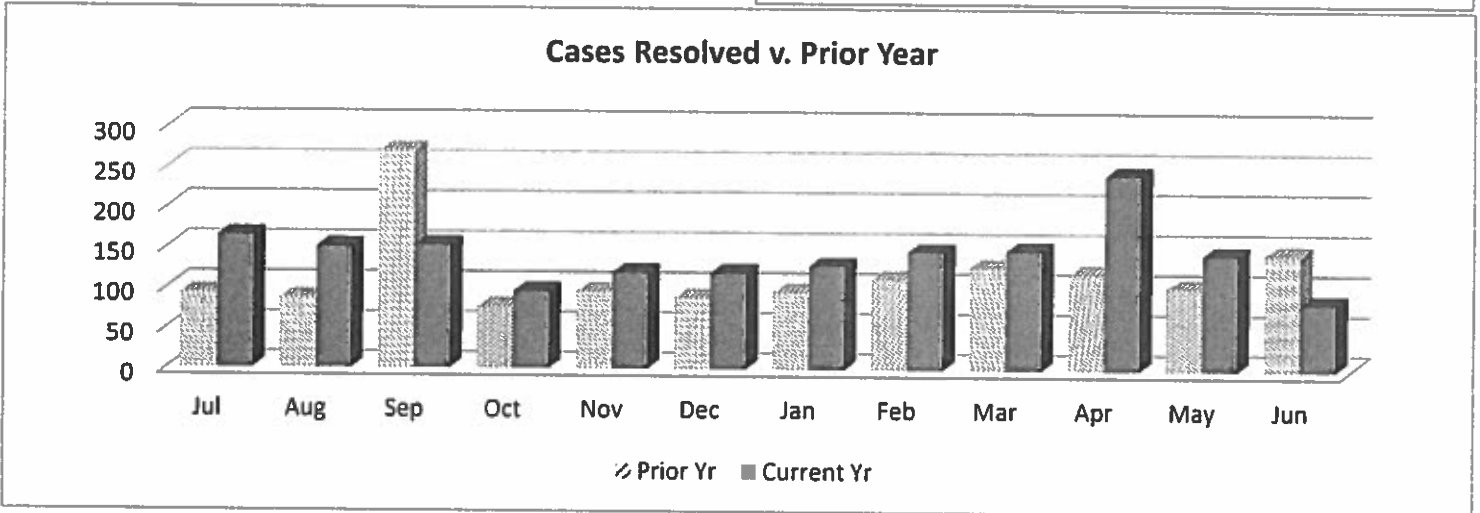
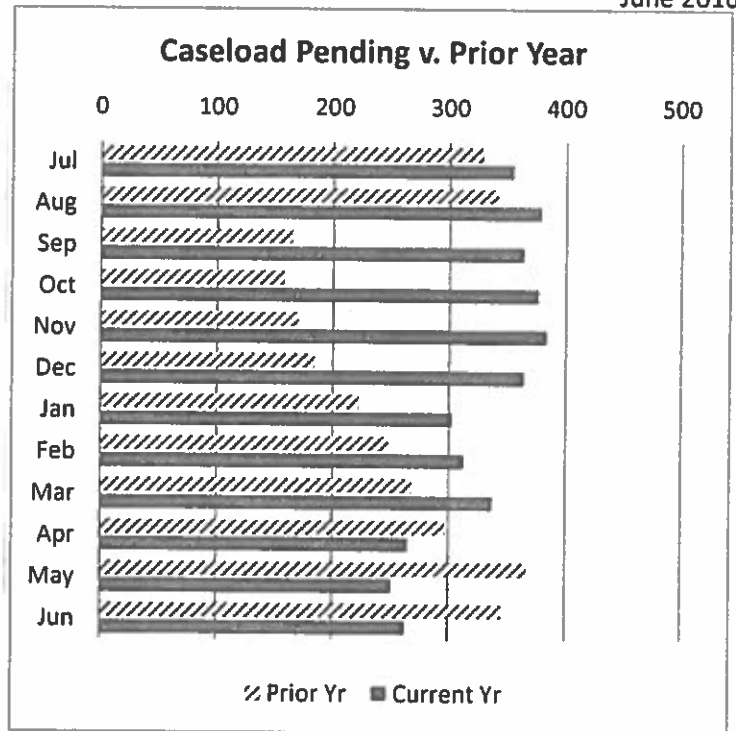
In June 2016, the Compliance Division collected \$53,108 in fines and penalties. Year to Date, the Compliance Division has collected \$902,128 in fines.

Year to Date vs Prior Year Total (906,833): 99%.

June 2016 vs. June 2015: 47%

Current Year End trend is 99% of 2014-2015.

YTD 2015-16 (July - May) vs YTD 2014-15: 99%



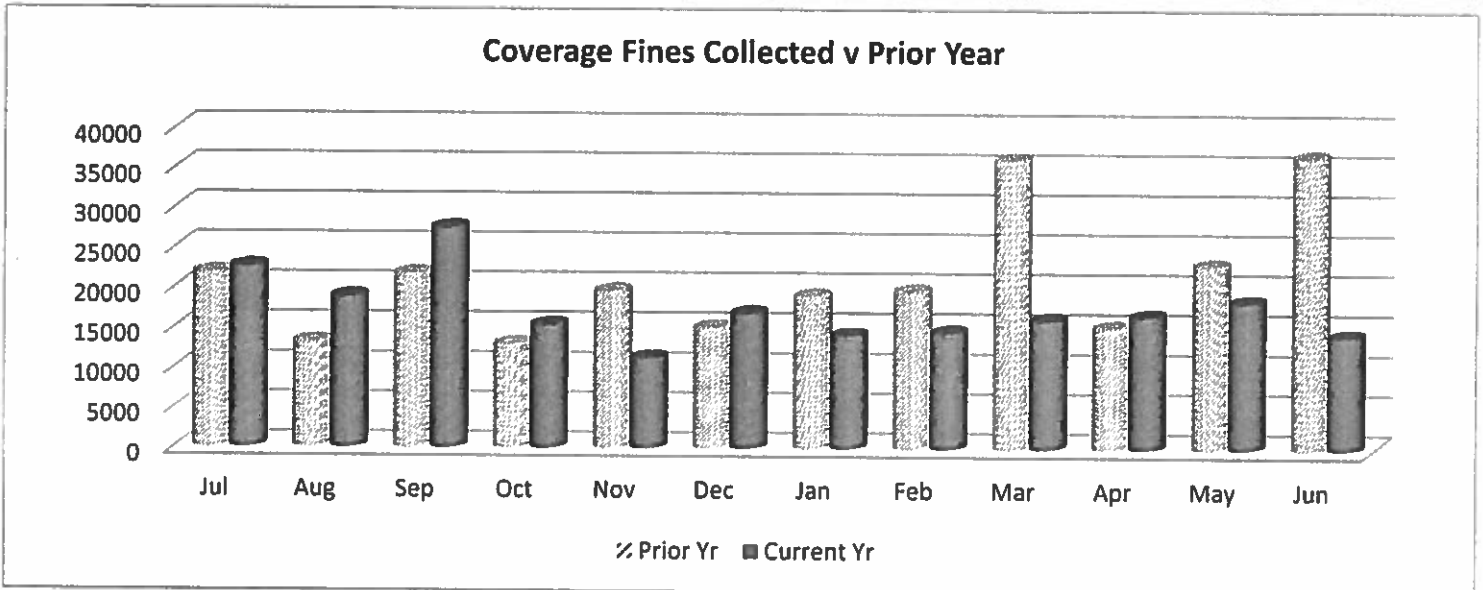
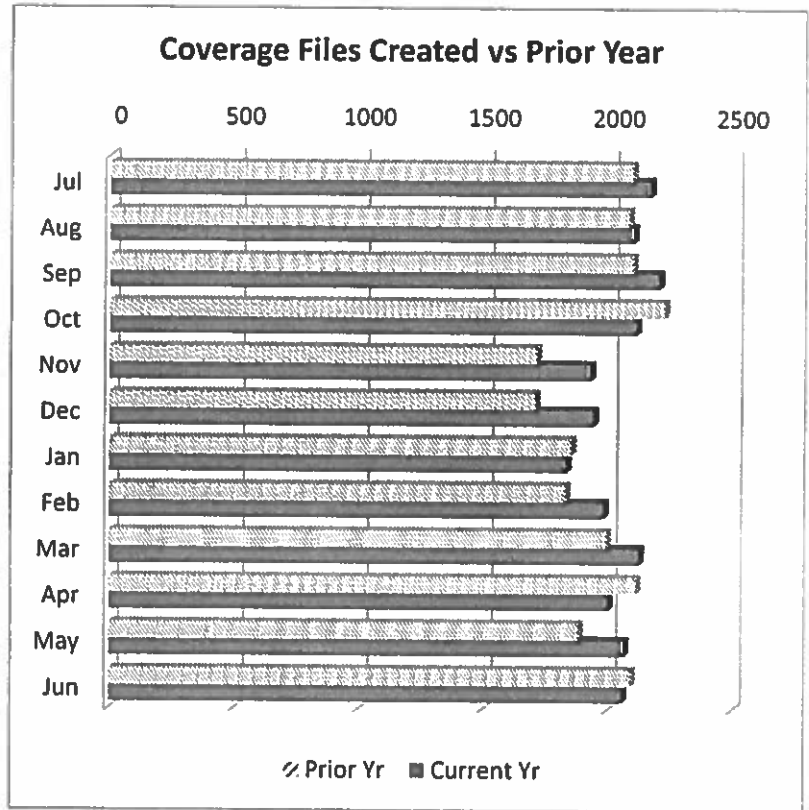
WCC Claim Files:

In June 2016, the Coverage Division received a total of 2,057 WCC Claim files. Of these, 1,753 were created through proper carrier filing of a 12A, and 304 were generated as a result of a Form 50 claim filing. Year to Date, 24,516 Claim files have been created which is 104% of claim file volume prior year (23,682).

Coverage Fines:

The Coverage Division collected \$14,200 in fine revenue in June 2016, as compared to \$36,650 in Coverage fines/penalties accrued during June 2015. Year on Year, Coverage fines are at 81% of collections for prior year.

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



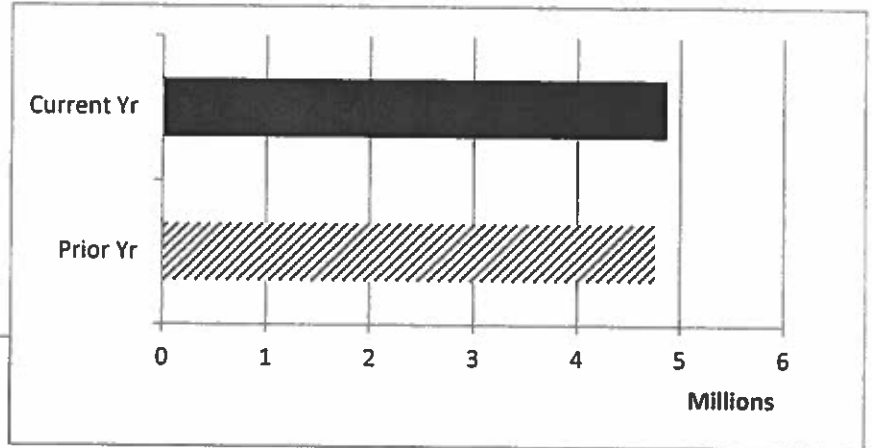
IMS SELF INSURANCE DIVISION

June 2016

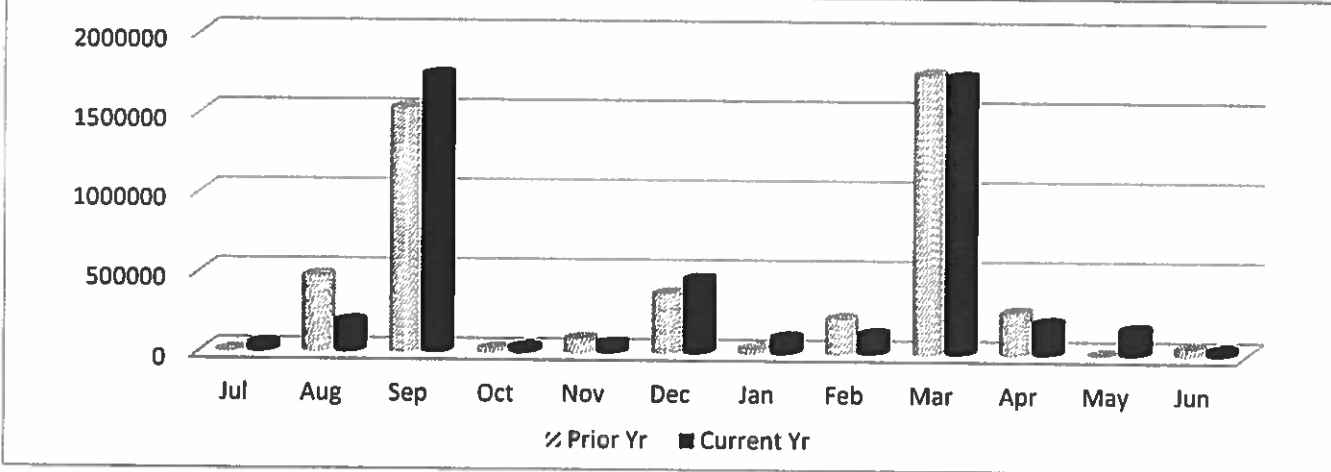
During the month of June 2016, the Self Insurance Division:

- * collected \$31,107 in self-insurance tax.
- * added 14 new self-insurers.
- * conducted 3 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 101% of prior year and 50 Self Insurance audits have been completed.



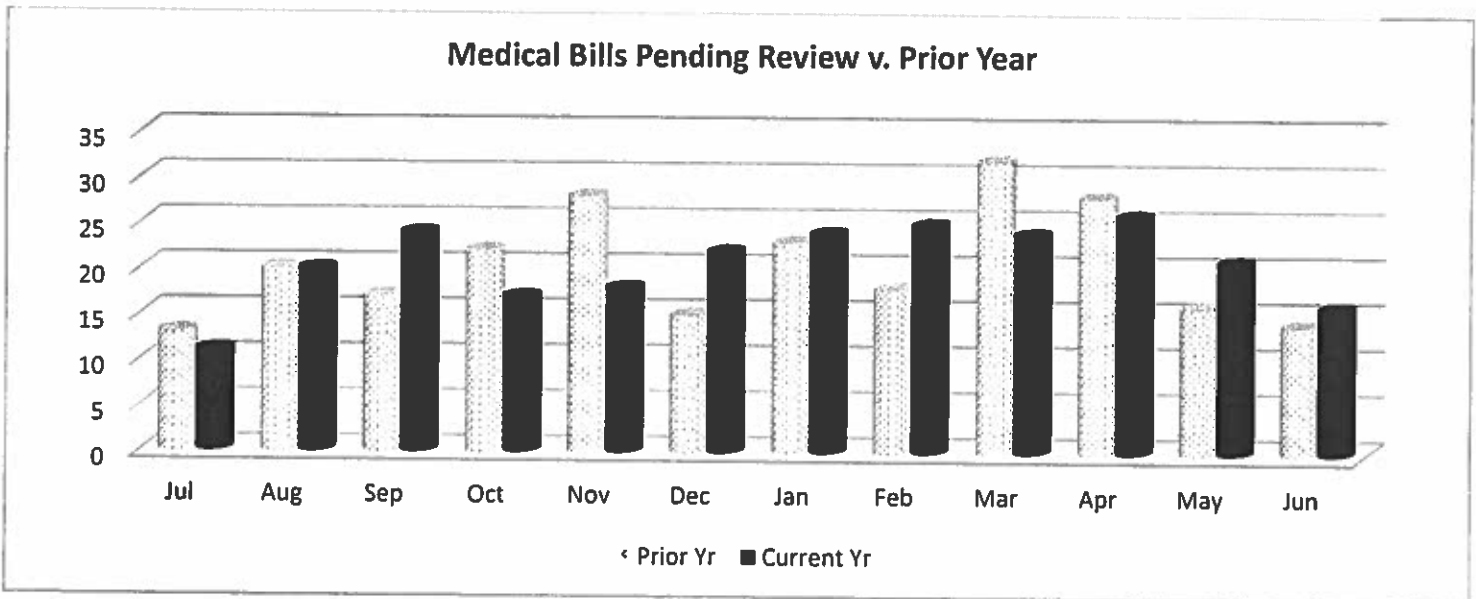
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In June 2016, the Medical Services Division began the month with 21 bills pending review, received an additional 14 bills for review, conducted 19 bill reviews and ended the month with 16 bills pending.

Medical Bills Pending Review v. Prior Year



State of South Carolina

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Workers' Compensation Commission

MEMORANDUM

To: Gary Cannon, Executive Director

From: Sonji Spann, Claims Director

Date: July 11, 2016

Re: Claims Department –July 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:

	June 2016	May 2016	June 2015
Individual Case Files Closed	2,343	2,249	2742
Fine Revenue Collected	\$49,400	\$53,800	\$124,800
# of individual case files reviewed by examiners	2,784	2955	1461
Total Fines	244	316	359
Form 18 Fines	191	250	330
Total Forms Processed	11,908	12,544	13,000
SROI	1092	1237	336
Email 18's	1593	1846	1796
USPS	1651	1571	2622
Form 61	811	835	778

- Claims continue to review files for compliance and closure (this has caused an increase in manual fines)
- Claims continue to educate the stakeholders

	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	55,700	53,800	49,400

CLAIMS DEPARTMENT REPORT													
STATISTICS FOR FISCAL YEAR 2015-2016													
Prepared July 5, 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	1,257	1,295	1,123	14,509
Forms 15-II/Forms 17	903	931	981	977	804	790	867	815	1,059	1,039	963	914	11,043
Forms 16 for PP/Disf	239	250	241	222	278	229	250	228	254	213	277	220	2,901
Forms 18	4,632	4,648	4,971	4,848	4,350	4,701	4,468	4,629	5,301	4,642	4,654	4,336	56,180
Forms 20	839	723	935	862	754	768	766	854	895	790	887	741	9,814
Form 50 Claims Only	299	310	288	286	273	245	301	359	305	276	290	297	3,529
Form 61	711	734	693	731	751	763	764	743	827	765	835	811	9,128
Letters of Rep	222	198	240	205	184	202	221	238	191	201	198	217	2,517
Clinchers	810	812	801	739	889	903	841	747	809	768	802	831	9,752
Third Party Settlements	32	36	35	28	26	25	22	18	23	21	27	19	312
SSA Requests for Info	90	98	56	79	70	58	54	55	85	72	67	56	840
Cases Closed	2,358	2,355	2,613	2,028	2,069	2,022	2,198	2,186	2,594	2,272	2,249	2,343	27,287
Cases Reviewed	845	703	907	240	462	831	1,330	1,978	3,126	2,958	2,955	2,784	19,119
Total	13,166	13,006	14,034	12,464	12,062	12,693	13,168	14,004	16,869	15,274	15,499	14,692	166,931

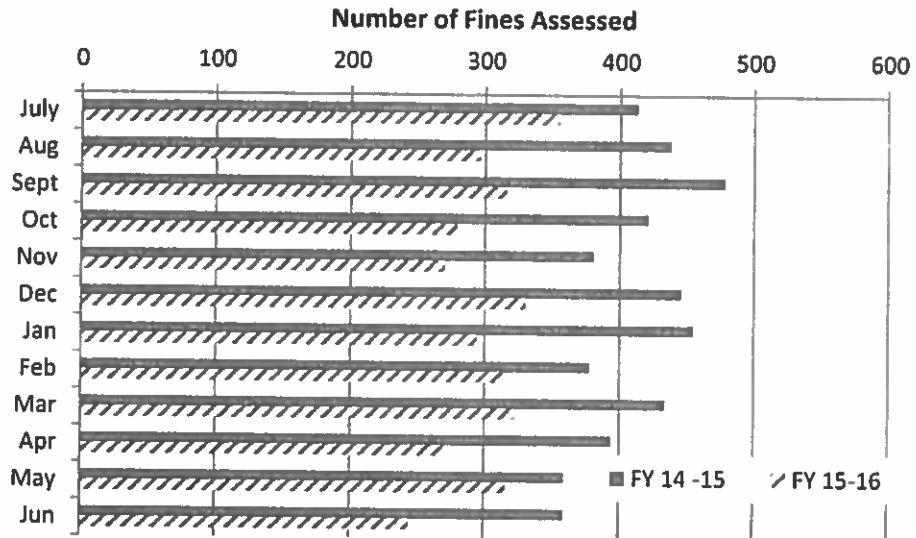
CLAIMS DEPARTMENT REPORT													
STATISTICS FOR FISCAL YEAR 2015 - 2016													
Prepared July 5, 201													
Fines per Form	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Assessed Form 15I	15	5	14	4	3	4	13	7	4	12	28	26	135
Assessed Form 15II	11	3	4	4	0	0	5	9	2	1	11	6	14
Assessed Form 15S	1	0	0	0	0	0	0	0	0	0	0	0	1
Assessed Form 17	1	4	5	1	2	2	1	1	1	3	4	1	26
Assessed Form 18	315	273	288	266	263	310	266	300	302	240	250	191	3264
Assessed Form 19	0	0	0	0	0	0	0	0	0	1	0	0	1
Assessed Denial Letter	9	8	4	4	4	5	3	3	0	0	3	8	47
Assessed Requests	3	3	1	0	2	4	2	2	13	14	20	12	76
Paid Form 15I	\$2,600	\$2,000	\$1,400	\$1,000	\$1,400	800.00	\$200	\$2,200	\$1,400	\$200	\$2,000	\$3,200	\$ 18,400
Paid Form 15II	\$800	\$600	\$800	\$1,200	\$800	\$200	\$600	\$1,600	\$400	\$600	\$600	\$1,400	\$ 9,600
Paid Form 15S	\$0	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ 200
Paid Form 17	\$200	\$200	\$1,000	\$200	\$200	\$200	\$200	\$0	\$200	\$400	\$200	\$400	\$ 3,400
Paid Form 18	\$64,850	\$48,550	\$52,000	\$39,900	\$30,200	\$37,200	\$40,400	\$43,800	\$52,000	\$53,300	\$49,800	\$41,400	\$ 553,400
Paid Form 19	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00	\$50	\$0.00	\$0	\$0	\$ -	\$ -
Paid Denial Letter	\$200	\$800	\$800	\$500	\$1,200	\$800.00	\$0.00	\$600	\$200	\$200	\$0	\$ 400	\$ 5,700
Paid Request	\$600	\$1,000	\$200	\$0	\$400	\$600.00	\$0.00	\$0.00	\$1,200	\$1,000	\$1,200	\$ 2,600	\$ 8,800

CLAIMS DEPARTMENT REPORT													
STATISTICS FOR FISCAL YEAR 2015 - 2016													
Prepared July 5, 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	271	316	244	3,608
# Rescinded	37	28	35	32	24	12	17	17	28	30	21	37	318
# Reduced	1	0	0	0	0	1	0	0	1	0	0	0	3
# Paid	341	260	271	203	168	195	205	241	273	245	247	236	2,885
# Outstanding*	922	930	940	984	1,062	1,185	1,257	1,314	1,335	1,331	1,379	1,350	13,989
Total Amt. Assessed	\$71,050	\$63,600	\$66,000	\$57,000	\$54,000	\$67,600	\$59,400	\$63,000	\$79,200	\$67,050	\$63,600	\$49,800	761,300
Total Amt. Rescinded	\$7,400	\$7,200	\$7,000	\$6,400	\$4,800	\$2,300	\$3,400	\$3,400	\$11,200	\$6,000	\$4,200	\$7,600	70,900
Total Amt. Reduced	\$100	\$0	\$0	\$0	\$0	\$100	\$0	\$0	\$500	\$0	\$0	\$0	700
Net Assessed													
Total Amt. Paid	\$69,250	\$53,350	\$56,200	\$42,800	\$34,200	\$39,800	\$41,400	\$48,250	\$55,400	\$55,700	\$53,800	\$49,400	599,550
Total Outstanding*	\$181,050	\$184,100	\$186,900	\$194,700	\$209,700	\$235,100	\$249,700	\$261,050	\$273,150	\$278,500	\$284,100	\$276,900	261,050

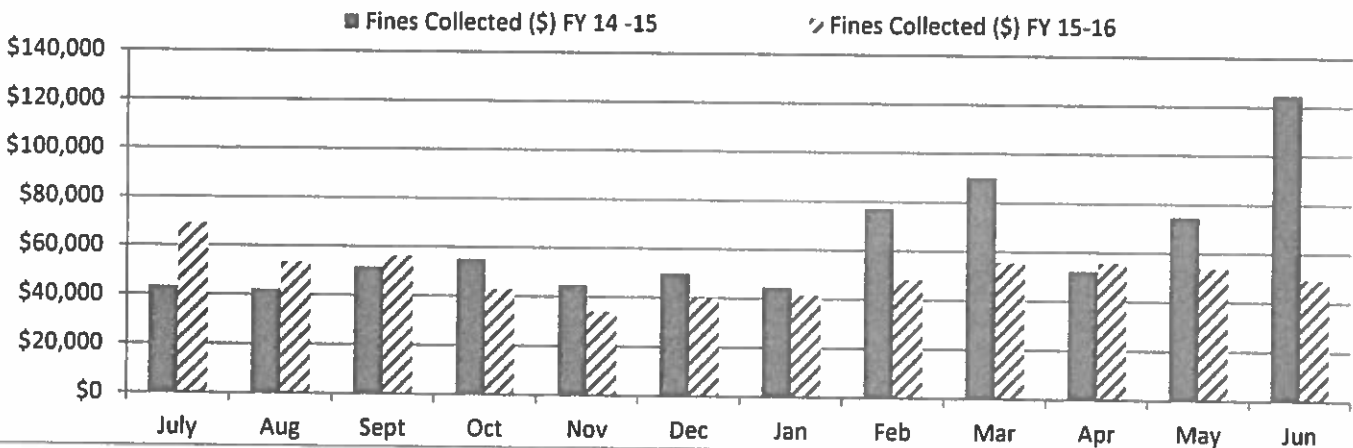
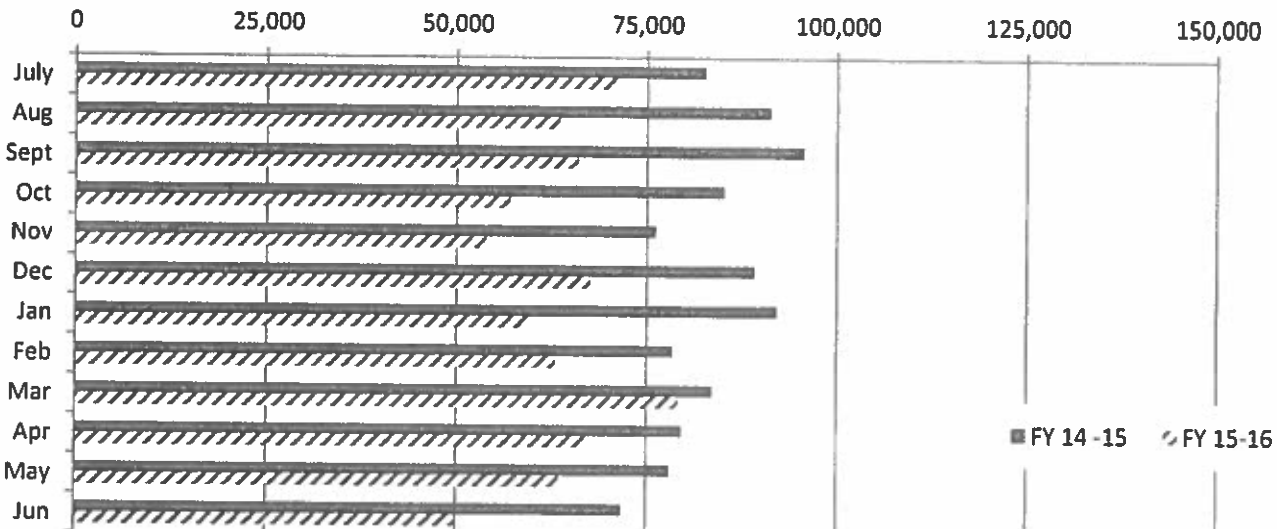
CLAIMS DEPARTMENT - Fine Activity Report June 2016

The number of fines assessed by the Claims Department decreased in number to 244 from 316 in June. The number of Claims fines paid decreased from 247 in May to 236 in June.

Total fine dollars assessed in June was \$49,800 a decrease over prior month of \$63,600. Fine revenue received in June was \$49,400 a decrease over prior month \$53,800.



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	294
Feb	378	315
Mar	434	322
Apr	394	271
May	390	316
Jun	359	244
Total	4,987	3,608
Mo Avg	416	305

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	245
May	363	247
Jun	604	236
Total	3,611	2,885
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	59,400
Feb	78,400	63,000
Mar	83,600	79,200
Apr	79,700	67,050
May	78,100	63,600
Jun	71,800	49,800
Total	1,003,900	711,500
Mo Avg	83,658	64,681

Fines Collected (\$)

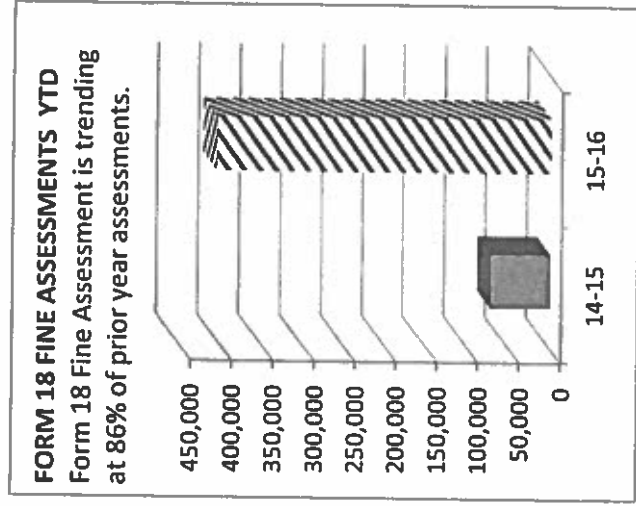
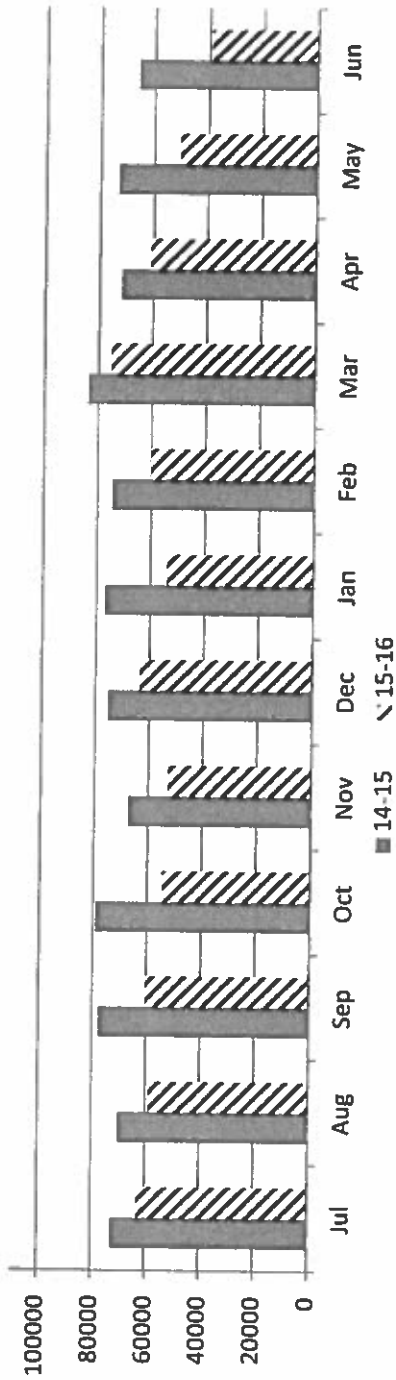
	FY 14 -15	FY 15-16
July	\$43,300	69,250
Aug	\$42,100	53,350
Sept	\$51,650	56,200
Oct	\$55,100	42,800
Nov	\$44,750	34,200
Dec	\$49,900	39,800
Jan	\$44,700	41,400
Feb	\$77,100	48,250
Mar	\$90,200	55,400
Apr	\$52,250	55,700
May	\$74,750	53,800
Jun	\$124,800	49,400
Total	750,600	599,550
Mo Avg	62,550	50,013

*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.

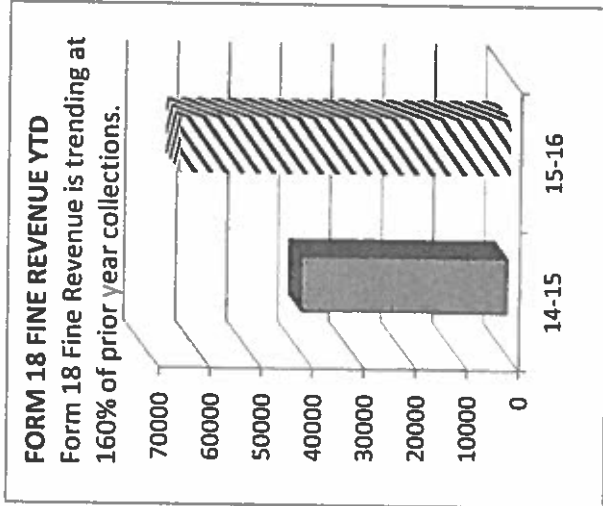
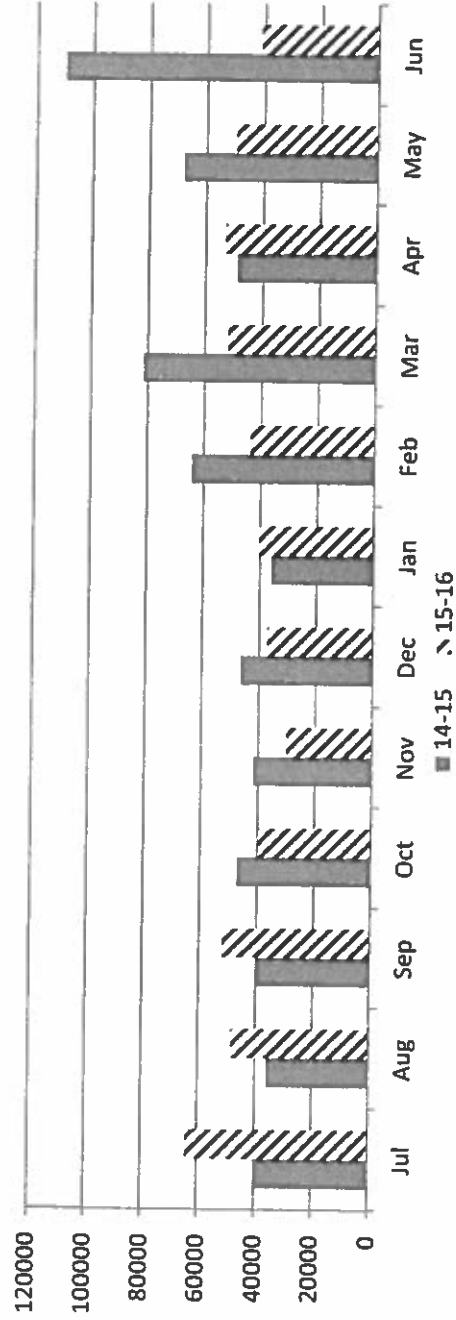
A key "success measure" of this effort is the Form 18 Fine Assessment report. For the month of June 2016, this has resulted in an decrease in Form 18 Fine Assessments to \$39,200 as compared to May 2016 of \$50,400. The actual number of fines assessed decreased from 250 to 191 in June 2016.



FORM 18 FINE ASSESSMENTS YTD
Form 18 Fine Assessment is trending at 86% of prior year assessments.

FORM 18 FINE COLLECTION

In June 2016, the Claims Department received payment on Form 18 Fines resulting in revenue of \$41,400



FORM 18 FINE REVENUE YTD
Form 18 Fine Revenue is trending at 160% of prior year collections.

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Workers' Compensation Commission

July 13, 2016

To: Gary M. Cannon
Executive Director

From: Amy A. Bracy
Judicial Director

RE: Monthly Judicial Report for June 2016

Judicial processed nine hundred thirteen (913) requests for hearings, one hundred thirty-nine (139) Motions and one hundred ten (110) clincher conference requests that were sent to the Jurisdictional Commissioners.

There were seventy (70) Single Commissioner Hearings conducted during the past month, and fourteen (14) Full Commission hearings were held. A total of four hundred ninety-one (491) Orders were served at the single Commissioner level, eighty-four (84) of those were Decision and Orders that resulted from hearings that went on the record and ninety-three (93) were Motion Orders that were a result of Motions ruled upon by Commissioners.

The Informal Conference system received three hundred ninety (390) conference requests and conducted two hundred forty-one (241) hearings during the last month.

There were seventy-six (76) regulatory mediations scheduled and thirty-four (34) requested mediations. The Judicial Department was notified of sixty-three (63) matters resolved in mediation, with the receipt of Forms 70.

Beginning July 7, a new process for the approval of the Forms 16 after an Informal Conference was implemented. The settlement documents are emailed to Commission staff and then forwarded to the Jurisdictional Commissioner to review. I will report on the new process next month. I don't anticipate any major problems or delays.

During the month of June, Kim Falls began serving as a Claims Mediator to assist Greg Line in conducting Informal Conferences. She will serve as a back-up to Greg and will hold Informal Conferences, in tandem with Greg, to assist with his return from vacation.

Audra Paskowich continues to assist Sallie Wilder with the fileroom's back scan project by reviewing each newly scanned document for accuracy. Genia Hollmon, Amanda Young and Tracy Riddle are working on scanning and indexing hundreds of documents that were part of the Yuasa, Westinghouse, Celanese and other "group" cases. Peggy Hatfield has also been assisting with indexing dozens of transcripts/depositions in these cases while Sarah Robinson has assisted me in reviewing each of these newly scanned documents for accuracy.

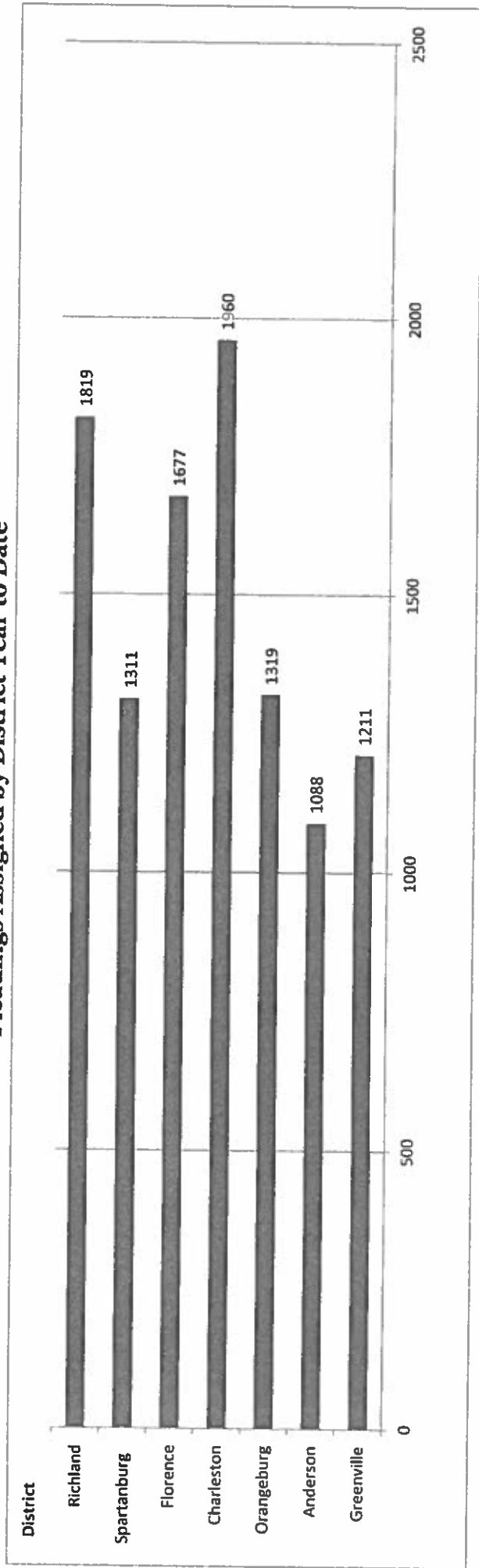
**Judicial Department Statistical Report
Statistics For Fiscal Year 2015-2016**

	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	539	580	610	7,321	7,268
Defense Response to Pleadings	561	522	569	580	431	537	468	439	564	475	534	510	6,190	5,803
Defense Pleadings	267	313	293	302	222	282	253	303	373	297	320	303	3,528	3,395
Motions	141	134	142	124	102	98	111	110	126	137	113	139	1,477	1,302
Form 30	30	24	19	11	19	24	11	35	27	22	26	28	276	283
FC Hearings Held	16	5	16	10	14	11	11	14	10	9	10	14	140	152
FC Orders Served	11	7	20	11	10	14	12	20	12	9	17	14	157	168
Single Comm. Hearings Held	109	91	118	104	103	122	99	105	92	71	101	70	1,185	1,228
Single Comm. Orders Served	95	85	103	78	90	99	109	112	100	103	198	211	1,383	1,178
Consent Orders	280	222	297	279	296	260	306	322	270	186	292	242	3,252	2,903
Administrative Orders	85	43	61	50	52	51	43	73	72	73	32	38	673	638
Clincher Conference Requested	105	99	104	108	111	100	81	120	98	123	131	110	1,290	1,353
Informal Conference Requested	378	324	355	381	339	279	386	406	387	421	402	390	4,448	4,624
Informal Conference Conducted	247	252	231	200	298	201	197	246	186	252	225	241	2,776	3,139
Regulatory Mediations	81	66	81	79	56	73	95	66	80	75	60	76	888	1,060
Requested Mediations	45	23	33	22	23	16	30	29	23	14	27	34	319	264
Ordered Mediations	0	4	4	1	0	3	3	1	1	0	1	0	18	9
Mediation Resolved	46	59	70	44	56	73	45	66	63	59	59	63	703	768
Mediation Impasse	28	23	34	10	12	25	16	19	19	10	23	18	237	262
Mediation Held; Issues Pending	0	0	0	2	0	0	0	0	1	0	0	0	3	5
Claim Settled Prior to Mediation	14	11	25	13	17	8	35	8	17	11	17	17	193	209
Mediation Not Complete in 60 days	14	5	16	9	7	1	16	6	2	3	9	16	104	94

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	
	107	103	119	90	92	96	118	119	121	181	140	164	144	145	117	130	116	111	166	141	135	
Jul	110	86	121	76	96	71	109	120	121	171	153	170	122	146	131	122	104	119	138	164	141	
Aug	102	105	102	88	84	80	132	105	97	198	155	163	154	126	137	110	70	90	167	124	132	
Sep	106	83	124	101	78	84	119	115	128	172	143	170	171	146	159	96	112	106	170	156	160	
Oct	72	80	115	62	56	67	88	93	115	145	115	163	133	135	115	81	80	79	129	127	112	
Nov	101	99	78	105	86	93	103	108	102	160	133	123	148	119	108	99	85	95	162	146	113	
Dec	75	109	92	84	80	56	113	120	100	113	163	151	110	158	95	97	108	88	158	174	119	
Jan	90	98	93	88	86	98	84	92	98	125	141	157	129	110	146	144	111	93	117	114	106	
Feb	122	112	101	124	91	76	134	132	107	214	156	121	140	118	130	117	122	91	174	140	128	
Mar	100	99	98	92	87	69	93	97	100	154	165	144	129	120	141	90	88	101	138	149	150	
Apr	106	101	88	103	73	97	116	105	124	186	158	169	146	140	121	111	101	100	150	158	153	
May	120	89	81	75	66	79	110	102	95	141	143	148	151	147	110	114	117	79	150	139	123	
Jun	1211	1164	1212	1088	975	966	1319	1308	1308	1960	1765	1843	1677	1610	1510	1311	1214	1152	1819	1732	1572	
Totals																						

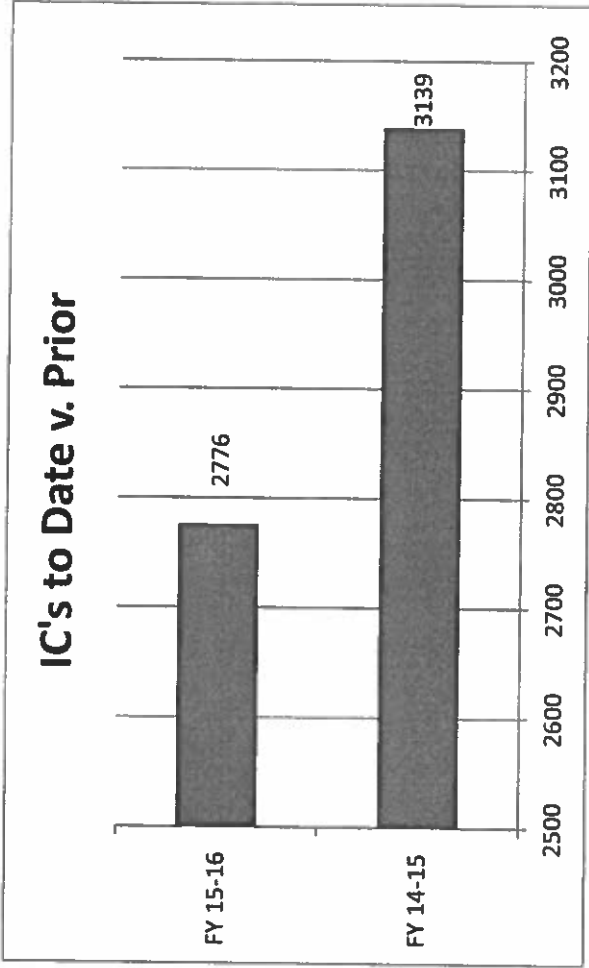
Pleadings Assigned by District Year to Date



Informal Conf. Conducted

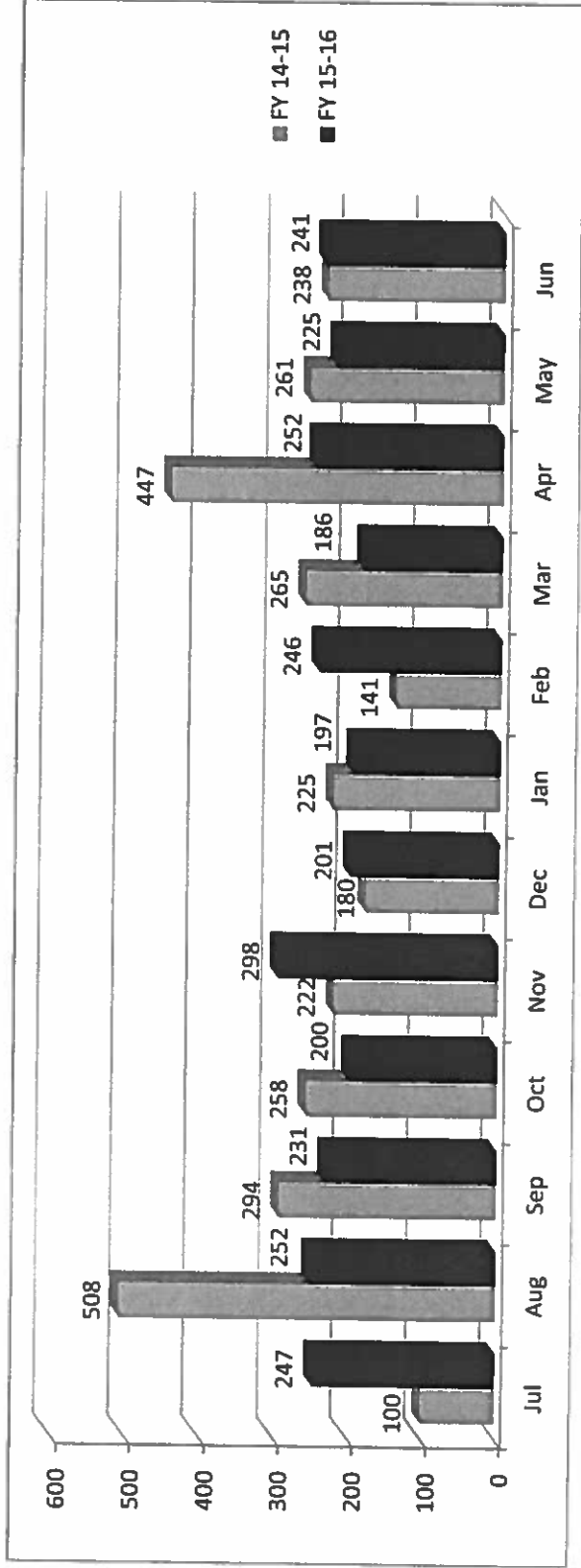
	FY 14-15	FY 15-16
Jul	100	247
Aug	508	252
Sep	294	231
Oct	258	200
Nov	222	298
Dec	180	201
Jan	225	197
Feb	141	246
Mar	265	186
Apr	447	252
May	261	225
Jun	238	241
Total	3139	2776

IC's to Date v. Prior



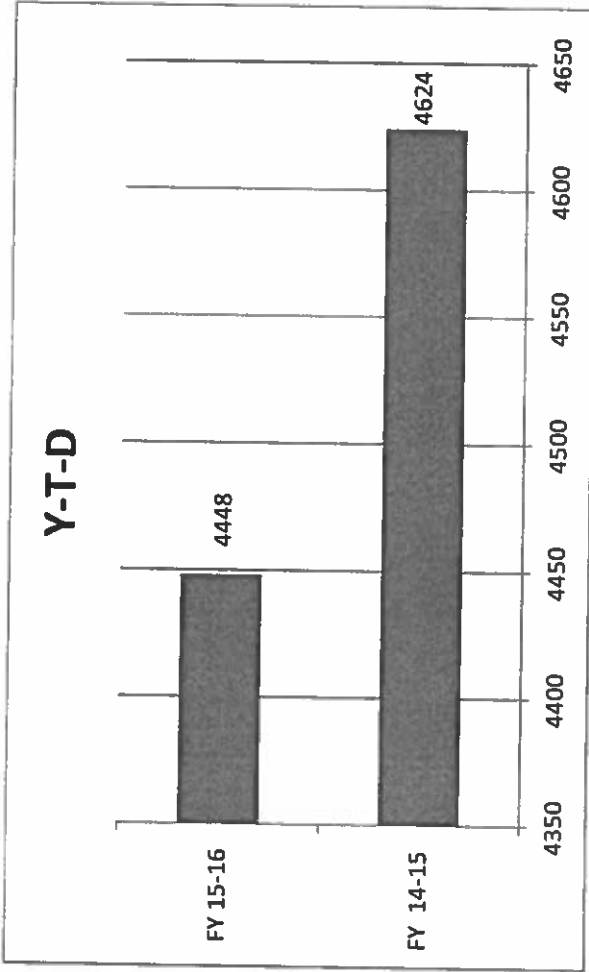
FY 14-15 **3139**
 FY 15-16 **2776**

Y-T-D

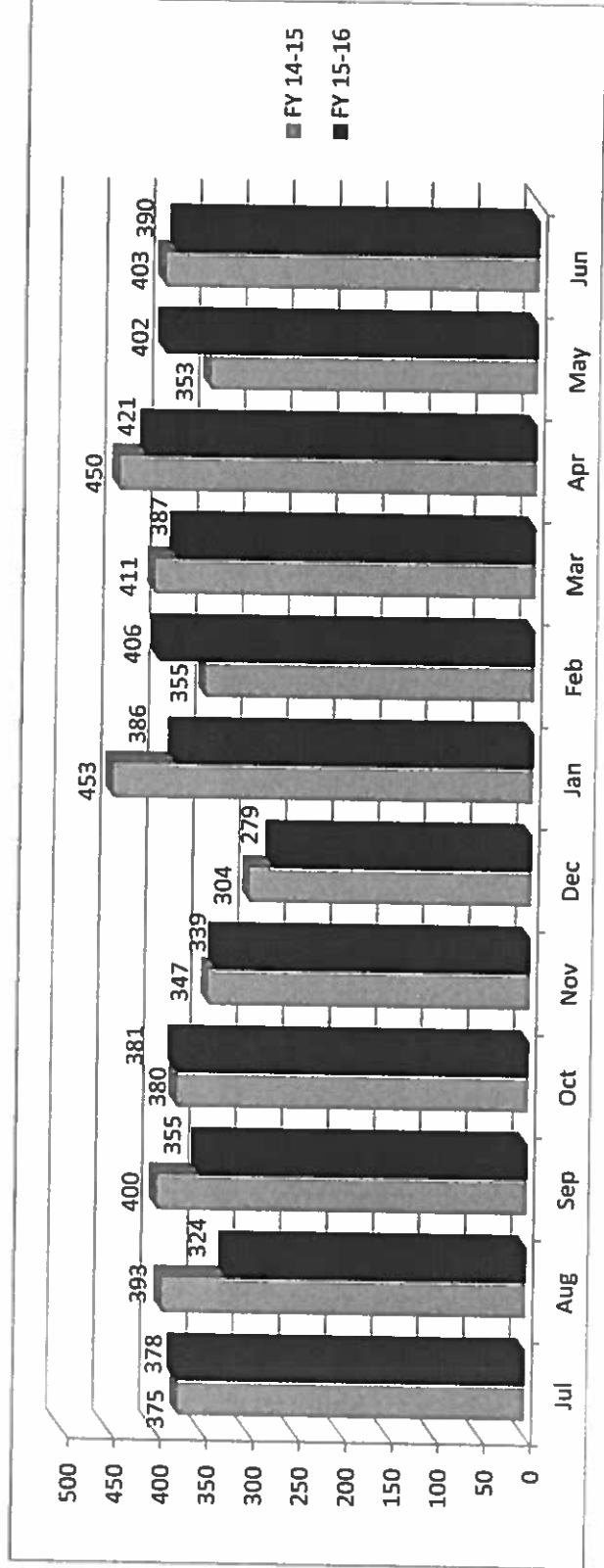


Informal Conf. Requested

	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	421
May	353	402
Jun	403	390
Total	4624	4448



Y-T-D	FY 14-15	FY 15-16
	4624	4448



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Workers' Compensation Commission

Executive Director's Report Gary M. Cannon

July 13, 2016

Office Renovations

Office renovations continue to move forward. The next phase of construction and office relocations will begin July 28. We are on target to meet the projected completion date of August 18.

Meetings/Activities

The Executive Director participated in the following meetings/activities:

- Weekly telephone conferences with Stephanie Brewer, to discuss changes and progress of medical fee schedule: June 20, 27, July 5, and July 11
- June 21 - Participated in IAIABC Committee Meeting Teleconference
- July 6 – Participated in IAIABC Subcommittee Teleconference
- June 23 – Met with appropriate staff members to review the Informal Conference Process
- June 23 – Met with appropriate staff members to review the Form 14B
- July 7 – Along with Alicia Osborne, HR Manager, met with Bruce Burnett, SCEIS Finance Team Lead, for training in SCEIS Financial Module
- July 13 – Met with Chris Burnette, Assistant Vice President for Resource Development with United Way

Employee Meetings

The Executive Director met with the Department Heads on Tuesday, July 5.

Personnel

Fiscal Technician II

On Tuesday, June 21, Quintina Smith, Fiscal Technician II, tendered her resignation from the Commission. July 1 was her last day working with the Commission. Recruiting began on June 23, 2016. The closing date for accepting applications for the position was midnight on Thursday, June 30, 2016. Twenty-five individuals submitted applications. Interviews were scheduled with five candidates on July 11 & 12, 2016. There was one no show.

IT Consultant I

IT Consultant Brian Myers' last day with the Commission was June 28, 2016.

Constituent /Public Information Services

For the period June 15, 2016 through July 12, 2016 the Executive Director's Office and the General Counsel's office had 413 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 June 15, 2016 through July 12, 2016, we added seven (7) individuals to the distribution list. A total of 627 individuals currently receive notifications from the Commission.

SC Vocational Rehabilitation Department (SCVRD)

SCVRD reported eight (8) referrals for the month of June, and 99 referrals year to date.

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Workers' Compensation Commission

TO: Commissioners

FROM: Gary Cannon
Executive Director

DATE: June 13, 2016

RE: June Administration Financial Report

The Administration Financial Report for the month of June is not available at the time of the agenda publication. This delay is a result of the turnover in personnel in the financial administration area. The report for June and fiscal year-end 2016 will be presented at the August Commission Business Meeting.

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Workers' Compensation Commission

TO: Commissioners
FROM: Gary M. Cannon
DATE: July 18, 2016
RE: Medical Services Provider Manual 2016

The Commission has received Optum's draft of the proposed fees for the 2016 Medical Services Provider Manual (MSPM). The fees were calculated utilizing the 2016 Resource Based Relative Value Scale (RBRVS) produced by the Center for Medicare/Medicaid Services (CMS), the American Medical Association's Current Procedural Terminology (CPT) Codes and a \$50 conversion factor. During the development process we conducted weekly conference calls involving the consultants, staff and stakeholders. The stakeholders were representatives of medical service provider and a third party payer for carriers.

In 2015 the General Assembly enacted legislation which placed statutory limitations in the change in the value of each CPT codes to no more than 10% increase or a 10% decrease. Any increase or decrease greater than 10% would allow a party to challenge the MSPM in the Administrative Law Court. In order to comply with these limitations, the proposed fee schedule was developed with no increase or decrease greater than 10%.

As a result of the changes in the CMS RBRVS and maintaining the \$50 conversion factor, the overall average change for all categories is 2.58%. The MSPM is divided into eight sections. Each Section has relevant policies and procedures, the CPT codes with the corresponding Maximum Allowable Payment allowed. The percent change by individual category is reflected in the chart below.

	Average %
Evaluation & Med	0.02%
HCPCS	5.12%
Lab/Pathology	7.59%
medicine	1.01%
Physical Medicine	0.59%
Radiology	-0.20%
Special Reports	3.32%
Surgery	-0.10%
Grand Total	2.58%

Drug Screening

Last year we chose to utilize HCPCS G code to reimburse for drug screening services. Those codes were deleted for 2016. The Centers for Medicare and Medicaid Services (CMS) no longer recognizes the CPT codes for drug screening and definitive testing. Instead they choose to use HCPCS codes and have developed seven new codes (three for screening and four for definitive drug testing) in the G section of HCPCS. Optum has defined gap-fill values for the CPT codes 80300-80377.

Independent Medical Examination (IME)

Last year, the Commission did not approve a Maximum Allowable Payment for an IME. Prior to the change the IME MAP was \$650. It was determined that eliminating the MAP would have a positive impact on the number of service providers providing IMEs in a timely fashion. The price of the IME would be market driven or negotiated by the parties. The Commission indicated they would revisit the issue this year. Information provided a stakeholder indicated the cost of an IME is averaging \$1,500. The concept of establishing a MAP for IMEs based on the number of body parts was discussed with the maximum amount being \$1,500 for four body parts. A service provider recommended allowing \$1,500 MAP for a specific body part (spine). A service provider opined,

“Reestablishing a MAP after several years of not having one is likely to create frustration among providers and could cause them to reduce the number of IMEs they will accept. The provider community prefers the ability to negotiate IME rates. Many providers establish contracted IMEs rates with payers/networks, so there is a mechanism in the market that can avoid individual negotiation for each evaluation. If the MAP was originally removed because providers were not accepting IMEs, and there is a significant need for IMEs, allowing negotiation of these rates is the best way to ensure access.”

Another stakeholder did not agree with allowing an amount for a specific body part:

“My issue with this is that if spines get a higher amount, then you are going to have the Psychiatrists and Brain Surgeons, etc., demanding that they should be paid a higher amount as well.—my opinion still lies with an across the board IME rate based on # of body parts-1,2,3...”

“...the point being is to get the patient treated and evaluated with the common goal of getting them back to work. A black and white fee set by the Commission we believe will eliminate so many of the delays we see now. It’s getting these IMEs completed timely because of the pricing negotiations the adjusters are doing with the providers to come to an agreed fee for the IME.”

Nurse Case Managers

The nurse case manager for services less than 30 minutes should be reported with 99366-99367 and modifier 52 for reduced services. The consultants recommended this be valued at 80 percent of the current value. It is proposed the MAP utilize a modifier of 52 at 80 percent when the visit is less than 30 minutes. The Audiologic Function Test subsection in the Medicine and Injection section values a service with modifier 52 at 80 percent. This amount will hopefully strike a balance for the physicians and payers. The service provider commented the use of modifier 52 was an appropriate way to recognize that less time was spent, however if the value was to be reduced the value of the service should be increased.