

## A G E N D A

### SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

1333 Main Street, 5<sup>th</sup> Floor  
Columbia, South Carolina 29201

**March 19, 2018 – 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 MARCH 19, 2018 *CHAIRMAN BECK*
3. APPROVAL OF MINUTES OF THE BUSINESS MEETING  
OF FEBRUARY 20, 2018 (Tab 1) *CHAIRMAN BECK*
4. GENERAL ANNOUNCEMENTS *MR. CANNON*
5. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) *MR. BERTHELETTE*
6. DEPARTMENT DIRECTORS' REPORTS *MS. STUART*
  - Human Resources (Tab 3) *MS. SPRANG*
  - 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*
  - Medical Fee Schedule Update (Tab 10) *Mr. Cannon*
9. NEW BUSINESS *CHAIRMAN BECK*
  - SC Department of Vocational Rehabilitation (Tab 11) *Mr. Cannon*
10. ADJOURNMENT *CHAIRMAN BECK*

# Table of Contents

<b>1</b>	<b>Approval of Minutes of the Business Meeting of February 20, 2018</b>
<b>2</b>	<b>Self-Insurance</b>
<b>3</b>	<b>Human Resources</b>
<b>4</b>	<b>Information Services</b>
<b>5</b>	<b>Insurance and Medical Services</b>
<b>6</b>	<b>Claims</b>
<b>7</b>	<b>Judicial</b>
<b>8</b>	<b>Executive Director's Report</b>
<b>9</b>	<b>Financial Report</b>
<b>10</b>	<b>Medical Fee Schedule</b>
<b>11</b>	<b>SC Department of Vocational Rehabilitation</b>

THE  
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION  
BUSINESS MEETING  
February 20, 2018

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, February 20, 2018, 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; Bryan Berthelette, Self-Insurance Director; Amy Bracy, Judicial Director; David DuRant, Attorney; Wayne Ducote, Insurance & Medical Services Director; Loretta Dykes, Financial Technician; Kim Falls, Business Analyst; Keith Roberts, Attorney; Elizabeth Schinke, Business Analyst; Kim Fall, Business Analyst; Sonji Spann, Claims Director; Sandee Sprang, IT Director; Hammad Sheikh, Law Clerk; and Alexa Stuart, HR Manager. Bonnie Anzelmo, Injured Workers' Advocates, Neil Richards, Barry Newkirk and Melissa Munday of Intellectual Capital were also present.

Chairman Beck called the meeting to order at 11:02 a.m.

**AGENDA**

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

**APPROVAL OF MINUTES – BUSINESS MEETING OF January 22, 2018**

Commissioner Barden made a motion to amend the minutes from the Business Meeting of January 22, 2018 to correctly list the City of Johnsonville as member of the SC Municipal Insurance Trust not the SC Automobile Dealers Association. Commissioner Taylor seconded the motion. The Motion was approved. Commissioner Barden moved for the minutes, as amended, of the January 22, 2018 meeting be approved. Commissioner Taylor seconded the motion. The motion was approved.

**GENERAL ANNOUNCEMENTS**

Gary Cannon introduced Amy Proveaux, his new Executive Assistant. Commissioner McCaskill indicated that he worked with Ms. Proveaux previously and was pleased to have her aboard.

## **APPLICATIONS FOR APPROVAL TO SELF-INSURE**

Self-insurance applications were presented by Bryan Berthelette, Self-Insurance Director. **Ten (10)** prospective members of **one (1)** fund was presented to the Commission for approval. The applications were:

### **South Carolina Home Builders SIF**

AH Concrete LLC  
Brickyard Masonry, LLC  
CBU Enterprises Inc.  
Fast Solutions LLC  
Get Floored by Jacob Inc  
J Matthews Construction LLC  
Joseph C. Lawrence d/b/a Bubba Concrete  
Tiger Properties Construction and Maintenance LLC  
Truitt Construction Company LLC  
US Energy Solutions 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 James 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**

Alexa Stuart presented the Human Resources report. Ms. Stuart pointed out the following highlights from the report:

- 20 transactions related to benefits.
- 53 Full Time Employees, 1 part-time contract employee and 1 part-time temporary employee. Additionally, we have 2 part-time legal interns. Recruited 2 full-time positions, no one started until February.
- 1 person is on leave.
- Executive Assistant position has been filled by Amy Proveaux.
- Were in the process of looking for a Business Analyst III, and offered the position; candidate turned us down. Continued to look, but after discussion with the vendor, it was decided to wait on this position.
- The Social Committee coordinated an after-hours event and had a good time.
- Ms. Stuart attended the SHRM monthly meeting and the State's Quarterly HR Advisory meeting.
- Performed 17 SCEIS time related transaction and 22 payroll related transactions. Notified CBRE of 4 new issues and handled 4 parking related issues.

- Commissioner Barden inquired about the spacing issues with her and Commissioner James' spaces. Director Cannon advised that he has spoken with CBE and there are currently no open spaces.
- Commissioner McCaskill inquired if there are any vacant FTE's. Mr. Cannon indicated that there are no additional FTE's currently in the budget.

### **Information Technology Department**

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

- No major issues in the past month.
- New wireless system configuration has been completed, there have been several issues, but everything should be good now.
- OnBase is having a few issues; orders and notices are being sent out multiple times, IT is working on that with DTO, it is their configuration. DTO is looking into it, but Ms. Sprang is monitoring the situation.
- New Copiers were ordered and will be installed on February 22, 2018.
- New cellphones are coming soon, new phones should be distributed within the next two months.
- The Microfilm is in the last and final stages.
- Hiring of the Business Analyst 3 will be revisited after the first phase of the Legacy Modernization project. At that time, Ms. Sprang feels skill set will be more refined for that position and they will begin to recruit for the position at that time.
- Legacy Moderations project has kicked off. The Statement of Work has gone out. Intellectual Capital won the award. Introductions were made of the team.

Chairmen Beck welcomed the ICap team.

Commissioner Barden and Commission Taylor both extended their gratitude to Jason, who has done an outstanding job assisting their offices.

Commissioner James praised the entire team.

### **Insurance and Medical Services Department**

Wayne Ducote presented the Insurance and Medical Services Department's report. Mr. Ducote pointed out the following highlights from the report:

- Clarification on previous question from the Commission:  
Last data received from DEW was 1<sup>st</sup> quarter 2017; DEW has experienced personnel issues. No one is familiar with the process to prepare the appropriate reports. The team is working with the data from 2017 and making the best of it. Valid data after DEW resolves issues. There was discussion.
- Mr. Ducote wanted to make a correction to the report on page 4, on the 3<sup>rd</sup> chart (50/12A/other). It says that 9 files from 12A's and other; it should be 20.
- Due to inclement weather in January, no hearings to show cause were held. The Compliance Division compelled 32 employers to come into compliance with the Act; which resulted in about \$135, 00.00 in fees.

Additionally, sixteen carriers resolved their outstanding fines for \$11,589.00, in fine resolution.

- The Coverage Division collected \$14,400 in fines. A total of 2035 new claims were established.
- The Self Insurance Division collected \$466.00 in self-insurance taxes. Year to date, Self-Insurance tax revenue still trending at 109% of prior fiscal year.

Commissioner Wilkerson inquired about the carry overs. Mr. Ducote indicated his team is working on it in hopes of no carryovers, but at last check, there were only a couple.

### **Claims Department**

Sonji Spann presented the Claims Department's report. She reported the following for the month of January:

- Claims processed 16,294 items during the month of January. This reflects a 17% increase from last month.
- Claims closed 2,386 files, an increase of 243 from last month.
- Claims reviewed 3,850 files, an increase of 1,012 from last month. Comparison to last fiscal year, there were 82 more closures and 1,006 less reviews; this is due to an examiner who doubled up last month.
- Still working on Carrier reviews. Claims reviewed open files of 26 carriers, which resulted in 499 files to review. Out of that batch, 59 cases have been closed, assessed 6 fines and didn't have to request any additional request for information.

#### **Collection:**

- Collected was \$47,600 in fines. \$7,500 less than last month, but, \$10,000 increase of 21% more than last year fiscal year
- Claims Department assessed 339 fines, an increase of 32 compared to January 2018. Of the fines assessed, 255 were for the Form 18, increase of 13% of last month.
- Received 1476 Form 18s via SROI/EDI, increased 27% over last year.
- Received 2,132 Form 18s via email, increased 6%.
- Received 730 Form 18s via USPS, decreased 45% from last year.
- Received 754 Form 61s decrease from last year; approved 781 Form 61s.
- Received 12 Third Party Settlements and approved 2.

### **Judicial Department**

Amy Bracy presented the Judicial Department's report. Ms. Bracy reported the following for the month of January 2018:

#### Judicial Department

- 821 requests for Hearings
- 167 Motions
- 117 Clincher Conference requests sent to Jurisdictional Commissioners

#### Commissioners

- 75 Single Commissioner Hearings conducted
- 29 pre-hearing conferences held
- 15 Full Commission Hearings conducted
- 613 Orders served at single Commissioner level; 61 of those were Decision and Orders that resulted from hearings that went on record; 147 of those were Motion Orders ruled upon by Commissioners

### Informal Conference

- 194 informal conferences conducted

### Mediation

- 49 regulatory mediations scheduled
- 35 requested mediations
- 32 matters resolved in mediation with the receipt of Forms 70

Ms. Bracy also said that there would be a change to the Third Party Settlement process. Orders will now filter through Judicial in order to make sure it is properly served on all parties. As a result, the number of Third Party Settlements processed, will decrease in Claims while increasing the number of Motions processed in the judicial report. There was discussion on how Third Party Settlement data is collected.

### **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:

- Regulations will go into effect when they are published in the state register on publication date of February 23, 2018. Planning a one day workshop to review the changes in the regulation in the next 30-60 days for our stakeholders.
- Number of contact with constituents is 166. The number is down due the absence of an Executive Assistant.
- Vocational Rehabilitation update.
- Notified Vocational Rehab that we have space for them here.

### **ADMINISTRATION – FINANCIAL REPORT**

Mr. Cannon reported the benchmark for period ending January 31, 2018 is 58%. The General Fund expenditure to date is 52%. The Earmarked Fund expenditure to date is \$2,932, 908 or 40% of the budget. The budgeted operating revenues received is 57% and the budgeted Self-Insurance Tax funds received is 51%. The Earmarked Fund Balance has a net income/expenditures of \$733,705.

### **OLD BUSINESS**

There was no Old Business before the Commission.

### **Medical Fee Schedule Update**

Mr. Cannon presented an update on the Medical Fee Schedule. At the time of the meeting, the proposed Conversion Factors had not been received. Mr. Cannon stated that once the information had been received that he would immediately forward the information onto the Commission.

Commissioner Taylor inquired if we still planned to have them here on the 20<sup>th</sup>. Mr. Cannon indicated that is correct, however, they would be available for working session if needed.

### **NEW BUSINESS**

Commissioner McCaskill said that he wanted to state how lucky and blessed the agency is to have the staff that work at SCWCC.

**ADJOURNMENT**

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

The February 20, 2018, meeting of the South Carolina Workers' Compensation Commission adjourned at 11:30 a.m.

Reported February 20, 2018  
Amy Proveaux  
Office of the Executive Director



<b>SCWCC Human Resources Monthly Report February 2018</b>
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**STAFFING**

In February, the Commission had 53 FTEs and 1 part-time contract employee and 1 part-time temporary employee and 2 part-time unpaid legal interns.

- **New Hires:** None
- **Separations:** None
- **Retirements:** None
- **Leaves:** One FMLA
- **Recruitment:** None

**BENEFITS**

- Performed 15 transactions related to benefits.

**EMPLOYEE RELATIONS**

- Met with each director on various employee performance related issues and time related issues and discussed ways to make improvements.

**MEETINGS**

- I attended several meetings related to the PO and procurement process. We met with SCEIS personnel at SCEIS to discuss GRC (Governance & Risk). I also met with Department of Commerce staff to begin assisting them with an HR related initiative.

**ADMINISTRATIVE**

- Sent 10 "All Agency" emails out on various topics such as SCEIS, parking, benefits, discounts and other miscellaneous events.
- Performed 12 SCEIS time related transactions and 12 payroll related transactions.

**FISCAL RESPONSIBILITIES**

- Processed/approved 11 travel expense reports.

**FACILITIES**

- Notified CBRE of 14 new issues requiring 15 transactions.
- Responded to 5 parking related issues requiring 8 transactions.

# State of South Carolina



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## Workers' Compensation Commission

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To: Gary Cannon  
SCWCC Executive Director  
From: Sandee Sprang, IT Director  
Date: March 14, 2018  
Subject: IT Department February 2018 Full Commission Report

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This report summarizes the activities and accomplishments of departmental projects and initiatives for the IT department during February 2018.

### **I. Systems Operations, Maintenance and Support**

#### EDI

The IT department carries on the EDI training with Elaine McKnight. We continue supporting EDI trading partners to research and resolve EDI transaction data and image processing errors. We also continue our work with the IAIABC EDI Claims Workgroup, reviewing and recommending standards changes. During February, we discovered an issue with our data collection process whereby some Form 18's are being stored multiple times. We are working through this and testing the resolution.

#### Reporting and Standardization

The IT team used the BravePoint consultants to help analyze issues with the X-File creation process. We are developing new requirements for this in coordination with the new DEW system. We also generated a new report to provide statistics on represented versus pro se claimants and began the business analysis on outstanding invoices for basic copy and additional copy bills.

#### Systems Support

Sandee and Jason conducted several tests with DTO to determine the network issues causing OnBase errors for agency staff. Jason is working to streamline the consumables ordering processes for copiers and printers. He is also beginning to develop a complete inventory and asset management manual.

#### OnBase

We have had several issues with OnBase recently. Kim is working closely with David Root on iPad queries, disconnected scanning issues scan queue backlogs and orders not sending out. Duane researched and corrected multiple Invoice, Payment and Deposit issues; he and Liz deployed several new template letter updates for the Judicial and Compliance departments.

#### Contract Management and Procurement

Under the Executive Director's oversight, Sandee and Jason are working with other staff to help develop proper and complete procurement procedures for our agency. We completed all blanket PO Request forms and issued the PO's to the appropriate vendors.

## **II. Projects, Enhancements and Development**

### eCase

The eCase web portal upgrade is on hold awaiting security and access configuration changes at DTO.

### Hardware Upgrades

The status of the hardware upgrade projects currently in process:

- The new Xerox copiers are installed and we now have finishing options and color copy options.
- We are working with OnBase and DTO to gather a list of compatible desktop scanners as we look to place a scanner on each AA's desk.

### System Virtualization

Based on the Legacy Modernization project, we decommissioned 3 production servers and will see a reduction in our hosting costs from the Department of Admin in March. We met with DTO and are working to build a new copy of our production data so we have an adequate sandbox for testing.

### Microfilm Conversion

The 5<sup>th</sup> group of cartridges is completed, and the last group has been sent to Palmetto Microfilm. We will begin developing a test plan for importing the images into OnBase; the estimated completion date of the project is June 2018.

### Legacy Modernization

We kicked off the Legacy Modernization project and most of our resources in February were allocated to meetings with agency staff and Intellectual Capital. The project methodology used on this project is an Agile approach and as such, we have a whole new terminology. We have completed 2 sprints; a sprint is a two-week period by which we measure work. We have defined 11 Epics and 421 stories. We've had a total 22 Scrum meetings, 14 meetings with agency departments and are extremely excited about the progress made. At our last Sprint Review, we had 24 staff members attend. This is very indicative of the progress, enthusiasm and involvement of our staff and therefore the accomplishments of the project thus far. I greatly appreciate the time and dedication each department has devoted to this project. Intellectual Capital is doing an outstanding job of learning the Workers' Compensation business and translating the sties into workflows.

### Video Conference Hearings

We have another round of video conference hearings with PPP and DOC scheduled in April.

### Trainings and Meetings

Kim Falls is assisting with the training of Amy Proveaux and in that role, she and Amy completed several website updates. Kim and Sandee continue work with Amy and other staff on the web site conversion with SC.GOV.

Kim is working on developing a training path for OnBase so we can grow the skills needed in the IT group. Liz Schinke completed 2 courses with Capella University, Hardware and Operating Systems and Intro to Network Design.

Sandee is working with a group of 9 peers to build a HIPAA training program for all agencies.

State of South Carolina



## Workers' Compensation Commission

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**To:** Mr. Gary Cannon  
SCWCC Executive Director

**From:** Wayne Ducote, Jr.  
IMS Director

**Date:** 15-Mar-18

**Subj:** Insurance and Medical Services Department  
February 2018 Full Commission Report

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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"><li>1. Reviewing revenue metrics / projections.</li><li>2. Working with staff to review workflow processes and additional training opportunities.</li><li>3. Initiating outreach opportunities with stakeholders.</li></ol> |
| Coverage Division   | <ol style="list-style-type: none"><li>1. Working with staff to review workflow processes and explore opportunities to enhance service provision.</li><li>2. Lapse in Coverage: 47 new registrants; 0 notifications sent.</li></ol>                            |
| Medical Services    | <ol style="list-style-type: none"><li>1. Working with Medical Bill Reviewers on certification renewals.</li><li>2. Working with Optum to update Medical Services Provider Manual for Spring 2018.</li></ol>   |

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.

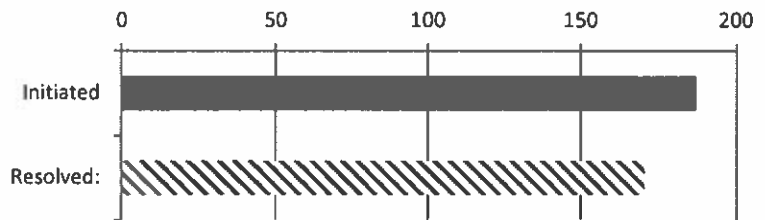
**Employers Obtaining Coverage**

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 171 employers in South Carolina to come into compliance with the Act. In so doing, approximately 1,590 previously uninsured workers are now properly covered.

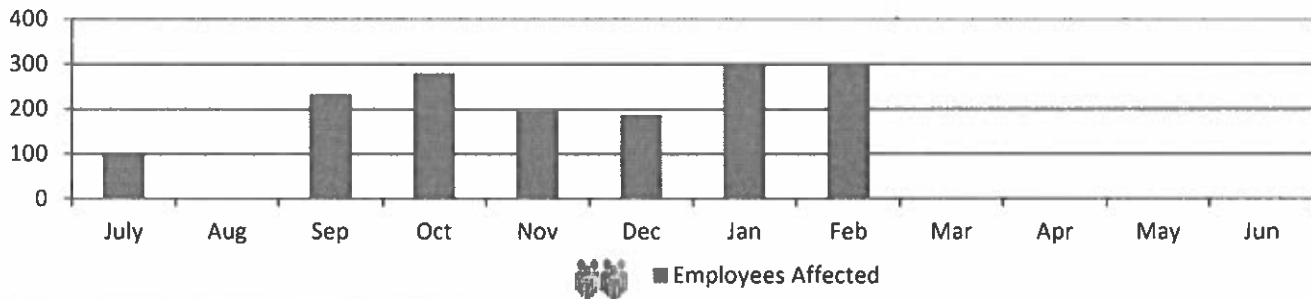
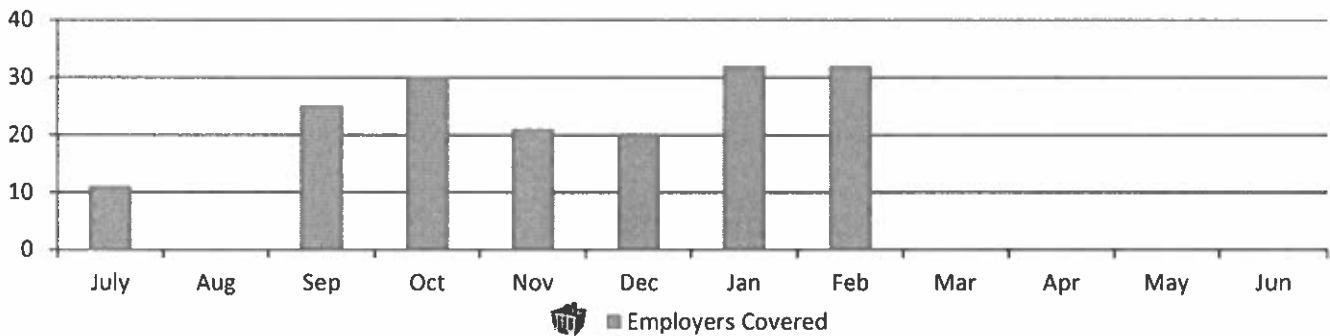
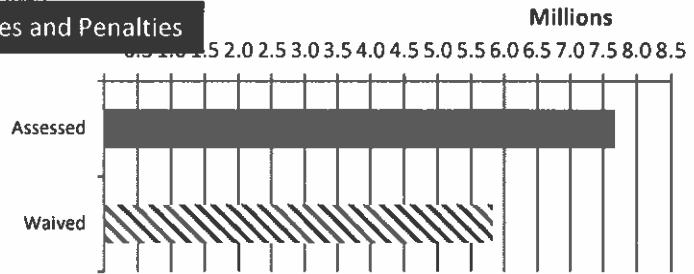
**Penalties Waived**

Although the Division has assessed \$7.7 m in fines, 76% of those fines (\$5.8 m) have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

**RTSC Cases**

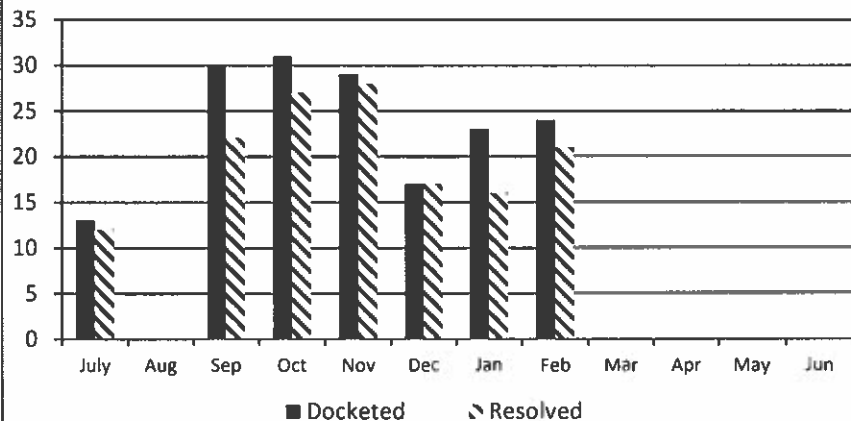


**Fines and Penalties**



**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 February 2018, 24 carrier RTSC cases were docketed; 21 cases were resolved and \$15,568 was recovered. Year to date, 167 carrier RTSC cases have been docketed, 143 cases have resolved and \$79,175 has been recovered.



**Carryover Caseload:**

The Compliance Division closed February 2018 with 457 cases active, compared to an active caseload of 168 at the close of February 2017.

**Cases Resolved:**

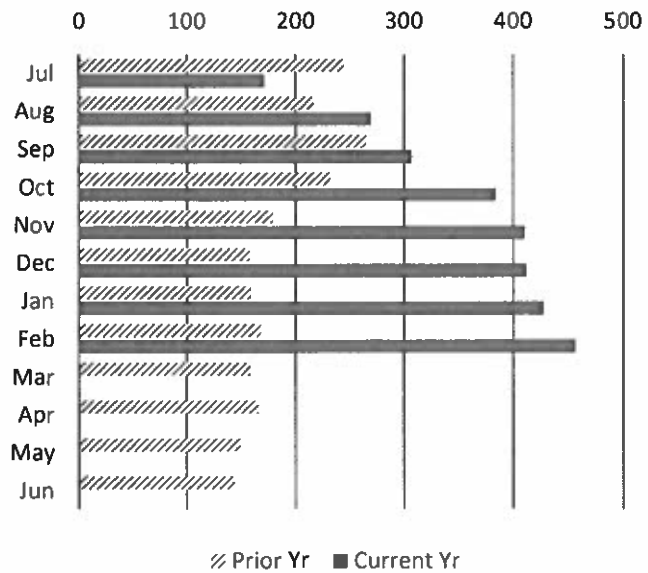
For the month of February 2018, Compliance Division staff closed-out 150 cases.

**Compliance Fines:**

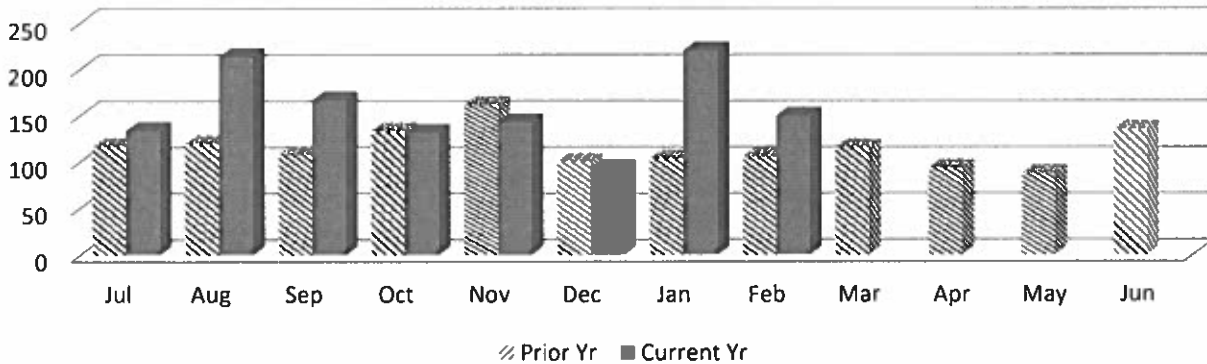
In February 2018, the Compliance Division collected \$101,314 in fines and penalties. Year to Date, the Compliance Division has collected \$914,468 in fines.

Year to Date vs Prior Year Total (\$382,199): 239%  
 February 2018 vs. February 2017: 267%  
 Current Year End trend is 359% of 2016-2017  
 YTD 2017-18 (July - February) vs YTD 2016-2017: 336%

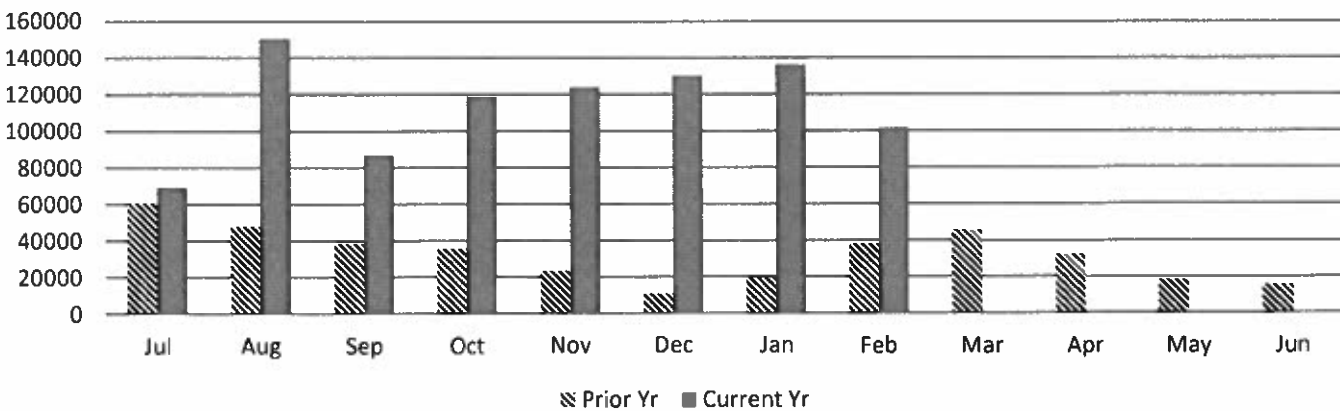
**Caseload Pending v. Prior Year**



**Cases Resolved v. Prior Year**

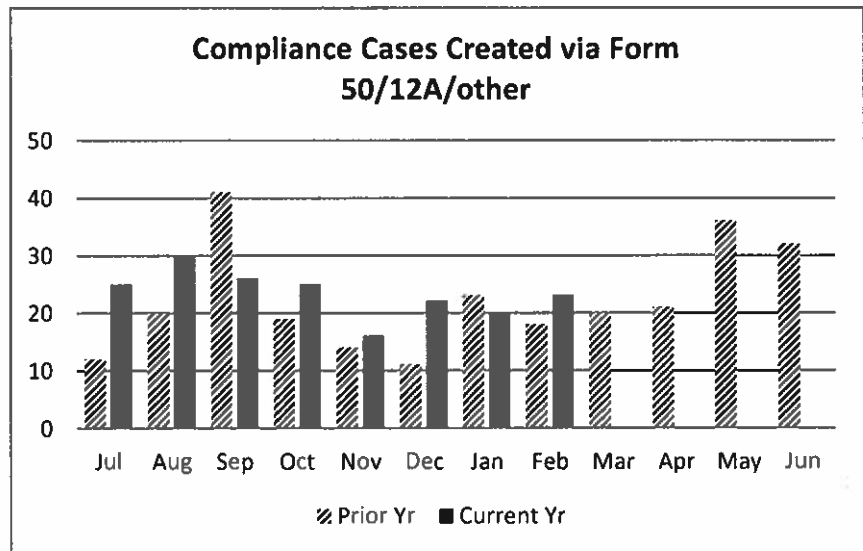


**Compliance Fines Collected v. Prior Year**



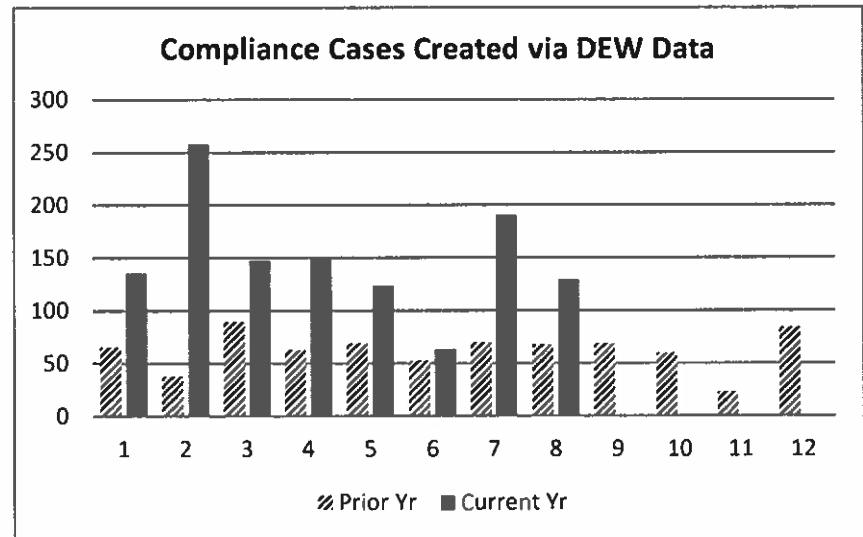
In February 2018, 23 compliance files were created from the combined filings of Form 50's, 12A's, and stakeholder reporting involving uninsured employers.

YTD vs. Prior Year total (267): 70%  
 Feb 2018 to Feb 2017: 128%  
 Current Yr End trend: 105% of 2016-2017  
 YTD 2017-2018 v. YTD 2016-2017: 118%



In February 2018, 129 compliance files were created from the DEW data process.

YTD vs. Prior Year total (741): 161%  
 Feb 2018 to Feb 2017: 193%  
 Current Yr End trend: 242% of 2016-2017  
 YTD 2017-2018 v. YTD 2016-2017: 235%

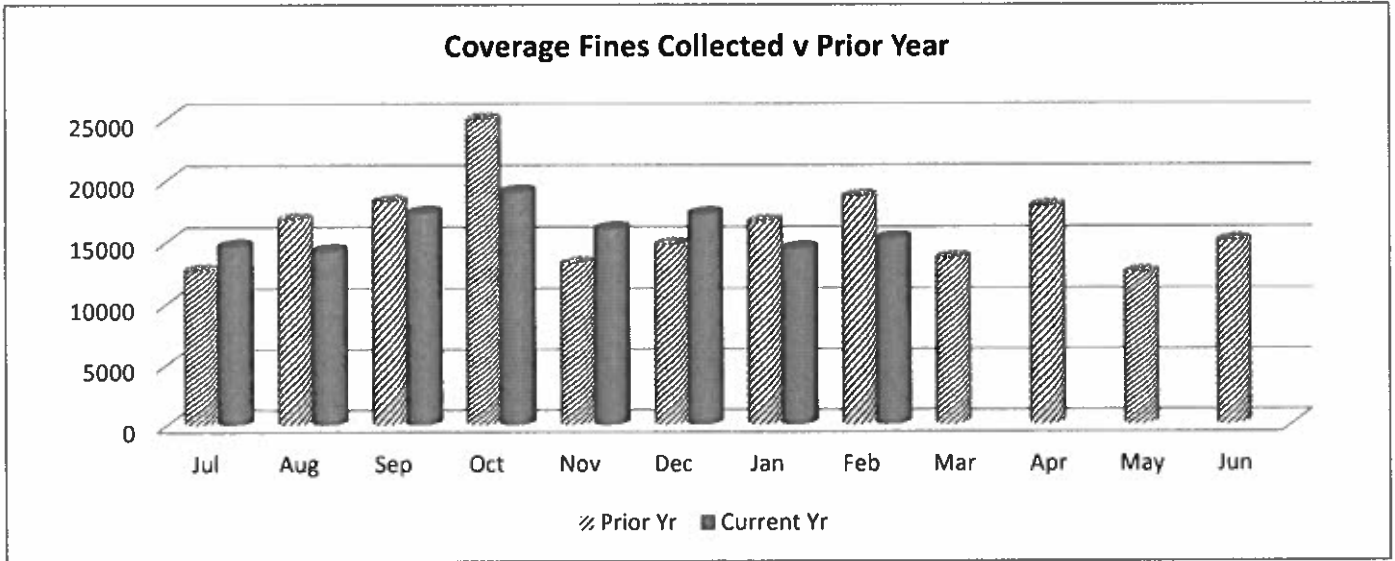
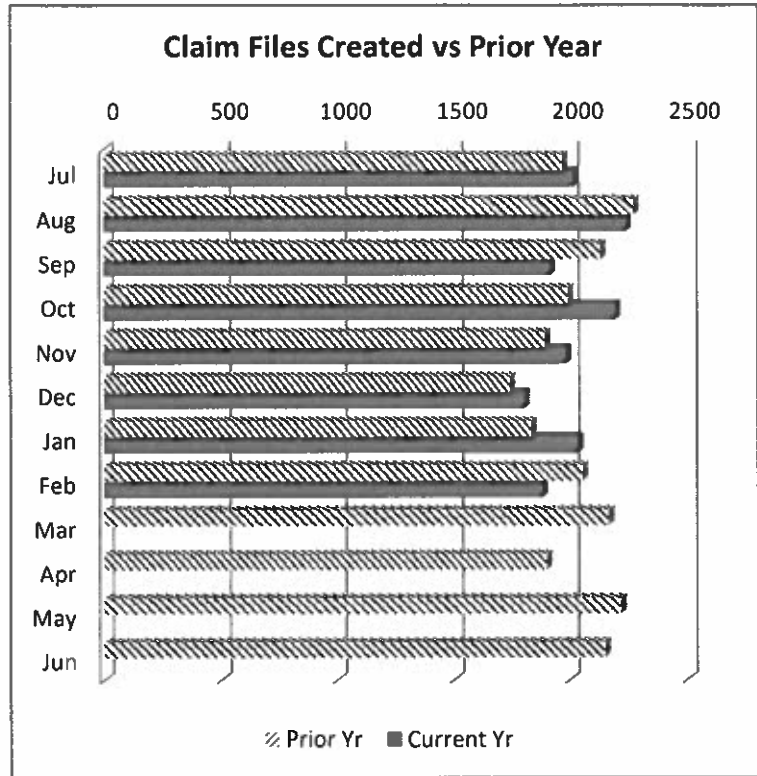


**WCC Claim Files:**

In February 2018, the Coverage Division received a total of 1883 WCC Claim files. Of these, 1,582 were created through proper carrier filing of a 12A, and 301 were generated as a result of a Form 50 claim filing. Year to Date 16,076 Claim files have been created which is 66% of claim file volume prior year (24,350).

**Coverage Fines:**

The Coverage Division collected \$15,200 in fine revenue in February 2018, as compared to \$18,600 in Coverage fines/penalties accrued during February 2017. Year on Year, Coverage fines are at 66% of collections for prior year.





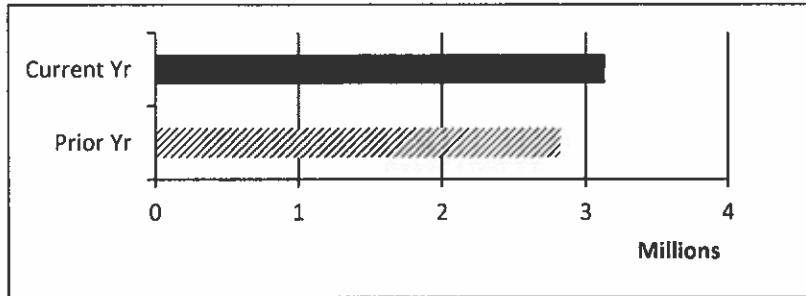
**IMS SELF INSURANCE DIVISION**

Feb 2018

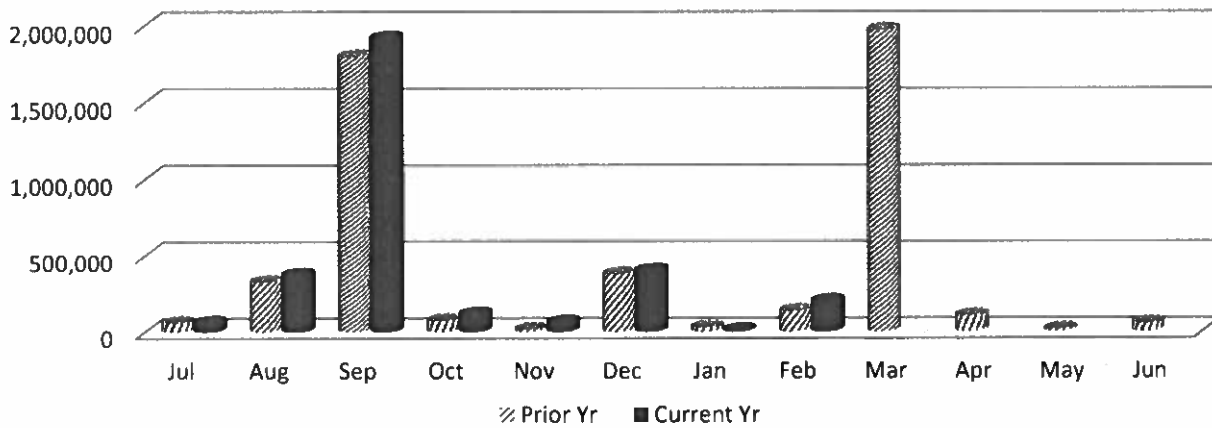
During the month of February 2018, the Self Insurance Division:

- \* collected \$198,368 in self-insurance tax.
- \* added 10 new self-insurers.
- \* conducted 4 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 111% of prior year and 27 Self Insurance audits have been completed.



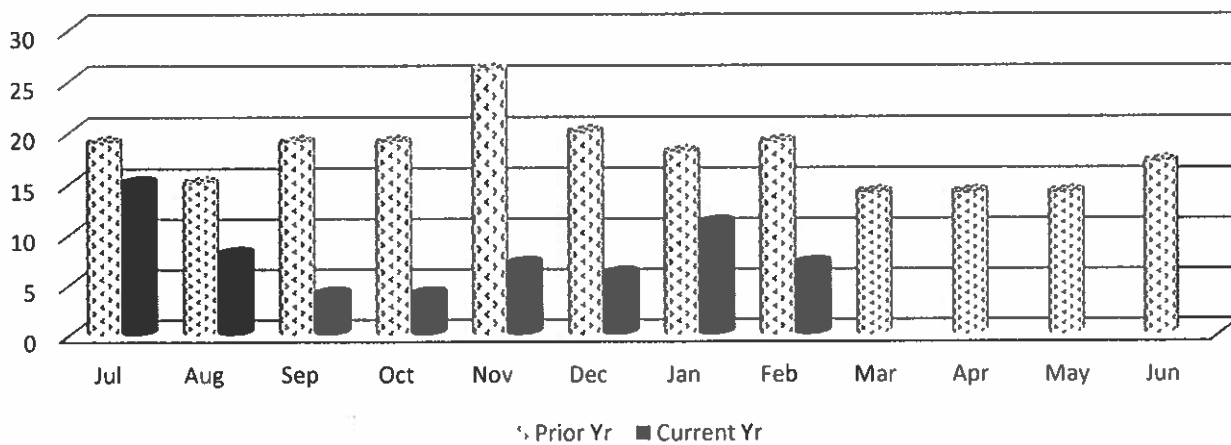
**Self Insurance Tax Collections v. Prior Year**



**IMS MEDICAL SERVICES DIVISION**

In February 2018, the Medical Services Division began the month with 11 bills pending review, received an additional 9 bills for review, conducted 13 bill reviews and ended the month with 7 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: March 6, 2018

Re: Claims Department – March 2018 Full Commission Report

Attached is Claims Department activity for the period ending February 28, 2018. The format of the Claims Department report highlights the key workflow benchmarks and compare to same month last fiscal year.

During the month of February, Claims processed 15,259 items. This reflects a 6% decrease in the number of items compared to the previous month. This includes 2,259 closed files and reviewed 3,216 files. When compared to the previous month, the number of Claims closed decreased 127 and the number cases reviewed decreased by 634. When compared to the same period in FY 16/17, the department closed 307 more cases and reviewed 1,923 more cases.

In our efforts to reduce the number of carriers' open files, we reviewed 818 open files of 30 carriers. This resulted in 37 cases being closed, assessing fines on 2 cases, and made 1 requests for additional information.

The Claims Department collected \$37,000 in fine revenue, a decrease of \$1,600 compared to the previous month. When compared to the same period in FY 16/17, the department collected \$36,900 in fine revenue, an increase of \$100.00.

The Claims Department assessed 324 fines, a decrease of 15 compared to the previous month. Two-hundred forty-nine of the number of fines assessed were for the Form 18, a decrease of compared to the previous month. When compared to the same period in FY 16/17, the department assessed 205 fines of which 191 were for the Form 18.

The Claims Department encourages the stakeholders to submit the forms electronically and/or by email. During the month of February, the department received 2,109 Form 18s via SROI/EDI, 1,784 via email, and 705 via USPS. When compared to the same period in FY 16/17, the number of Form 18s submitted via SROI/EDI increased 947, or 81%; the number of Form 18s submitted via email decreased 229, or 13%, and the number of Form 18s mailed via USPS decreased 566, or 80%.

The Claims Department received 697 Form 61s and approved 622. When compared to the same period in FY 16/17, the department received 694 Form 61s, a decrease of 3, and approved 671,

an increase of 49. The department received 12 Third Party Settlements and approved 2. Compared to the same period in FY 16/17, the department received 4 Third Party Settlements and approved 1.

The decrease in the number of current files reviewed is attributed to the claim examiners efforts to review files with pending matters older than 60 days during the month of February. Once the file is reviewed, the claim examiner contacts the party with the pending matter in an effort to make the claim current.

CLAIMS DEPARTMENT REPORT												
STATISTICS FOR FISCAL YEAR 2017-2018												
March 15, 2018												
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
I. Claims Services Division												
Forms 15-I	1,177	1,330	1,071	1,246	1,251	1,075	1,209	1200				
Forms 15-III/Forms 17	892	1,098	932	1,052	974	835	1,157	962				
Forms 16 for PP/Disf	217	242	314	269	161	278	203	210				
Forms 18	4,479	4,768	4,486	4,850	4,432	4,094	4,667	4,840				
Forms 20	747	828	707	759	673	599	696	716				
Form 50 Claims Only	319	293	233	368	259	234	255	235				
Form 61	739	798	653	796	791	750	754	697				
Letters of Rep	139	145	129	221	189	182	189	155				
Clinchers	685	959	821	838	807	795	816	665				
Third Party Settlements	32	32	33	39	43	25	12	4				
SSA Requests for Info	56	85	74	54	84	45	100	100				
Cases Closed	2,126	2,457	2,292	2,482	2,314	2,143	2,386	2,259				
Cases Reviewed	2,517	2,821	3,317	4,767	3,277	2,838	3,850	3,216				
Total	14,125	15,856	15,062	17,741	15,255	13,893	16,294	15,259	0	0	0	0

CLAIMS DEPARTMENT REPORT												
STATISTICS FOR FISCAL YEAR 2017-2018												
March 15, 2018												
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Assessed Form 15I	3	2	2	6	19	15	12	17	9			
Assessed Form 15II	4	2	2	2	12	14	6	6	5			
Assessed Form 15S	0	0	0	0	0	0	0	0	0			
Assessed Form 17	0	2	2	10	18	13	8	12	8			
Assessed Form 18	230	212	211	211	429	220	242	255	249			
Assessed Form 19	0	0	5	5	2	2	0	3	2			
Assessed Denial Letter	2	0	2	2	2	4	2	3	3			
Assessed Requests	0	4	23	65	57	43	37	43	48			
Paid Form 15I	\$1,200	\$800	\$600	\$1,000	\$2,200	\$2,200	2400	\$2,000	\$1,200			
Paid Form 15II	\$600	\$1,000	\$200	\$400	\$1,800	\$1,800	\$800	\$1,200	\$600			
Paid Form 15S	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Paid Form 17	\$400	\$400	\$400	\$1,400	\$1,800	\$1,800	\$2,600	\$1,000	\$1,800			
Paid Form 18	\$26,800	\$34,600	\$28,800	\$48,600	\$51,200	\$51,200	\$42,200	\$38,600	\$37,000			
Paid Form 19	\$0	\$0	\$50	\$100	\$0	\$0	\$50	\$0.00	\$50			
Paid Denial Letter	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400			
Paid Request	\$600	\$600	\$400	\$3,800	\$7,400	\$7,400	6200	\$4,400	\$4,600			

CLAIMS DEPARTMENT REPORT												
STATISTICS FOR FISCAL YEAR 2017-2018												
March 15, 2018												
II. Total Fines Assessed by Claims Department												
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
# Assessed	239	222	259	547	325	307	339	324				
# Rescinded	13	19	22	46	99	50	121	55				
# Reduced	0	0	0	0	0	0	0	0				
# Paid	176	189	155	280	324	274	238	229				
# Outstanding*	176	314	375	582	477	446	396	446				
Total Amt. Assessed	\$47,800	\$44,400	\$51,050	\$109,100	\$64,700	\$61,400	\$67,500	\$64,500				
Total Amt. Rescinded	\$2,600	\$3,800	\$4,250	\$9,050	\$19,650	\$9,850	\$24,200	\$10,850				
Total Amt. Reduced	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Net Assessed			46,800	100,050	45,050	51,550	43,300	53,650	0	0	0	0
Total Amt. Paid	\$35,400	\$37,800	\$30,850	\$55,700	\$64,800	\$54,650	\$47,600	\$45,650				
Total Outstanding*	\$35,200	\$62,800	\$74,700	\$116,100	\$94,950	\$89,050	\$78,750	\$88,750				

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**Workers' Compensation Commission**

March 7, 2018

**To:** Gary M. Cannon  
Executive Director

**From:** Amy A. Bracy  
Judicial Director

**RE:** **Monthly Judicial Report for February 2018**

During the month of February, the Judicial Department processed eight hundred eighty-four (884) requests for hearings, one hundred eighty-seven (87) Motions and one hundred fifty-four (154) clincher conference requests that were sent to the Jurisdictional Commissioners.

There were seventy-three (73) Single Commissioner Hearings conducted during the past month, forty-one (41) pre-hearing conferences held and ten (10) Full Commission hearings held. A total of six hundred thirteen (589) Orders were served at the single Commissioner level, fifty-three (53) of those were Decision and Orders that resulted from hearings that went on the record and one hundred forty-six (146) were Motion Orders that were a result of Motions ruled upon by Commissioners.

The Informal Conference system conducted two hundred five (205) hearings during the last month.

There were forty-one (41) regulatory mediations scheduled and thirty-eight (38) requested mediations. The Judicial Department was notified of sixty-one (61) matters resolved in mediation, with the receipt of Forms 70.

In the month of January, Judicial received 5 Notices of Intent to Appeal. All 5 were to the Court of Appeals. In the month of February we received 1 Notice of Intent to appeal to the Court of Appeals.

On February 26<sup>th</sup> the stay on Guarantee Insurance Company was lifted. Pleadings filed prior to or during the stay are being sent to the May/June Commissioner as responses are being received.

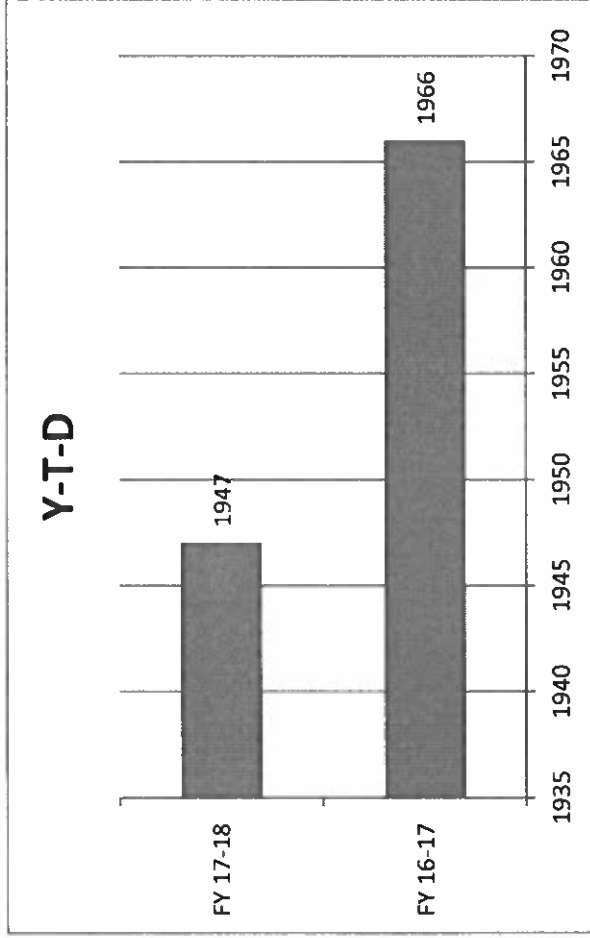
Judicial Department Statistical Report  
 Statistics For Fiscal Year 2017-2018

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Totals YTD 2017-2018	Totals YTD 2016-2017	YTD Diff + (-)	FY17-18 Mth Avg	FY16-17 Mth Avg
Claimant Pleadings	536	653	570	636	526	454	530	593					4,498	4,679	(181)	562	585
Defense Response to Pleadings	450	499	492	450	482	487	438	416					3,714	3,850	(136)	464	481
Defense Pleadings	316	320	256	315	288	255	291	291					2,332	2,391	(59)	292	299
Motions	114	108	121	140	108	137	167	87					982	927	55	123	116
Form 30	22	14	24	15	23	17	22	19					156	146	10	20	18
FC Hearings Held	16	11	18	10	15	9	15	10					104	87	17	13	11
FC Orders Served	11	12	20	14	16	18	12	10					113	127	(14)	14	16
Single Comm. Hearings Held	57	69	73	90	56	94	75	73					587	576	11	73	72
Single Comm. Orders Served	198	191	199	231	181	195	231	220					1,646	1,455	191	206	182
Single Comm. Pre-Hearing Conf Held	13	28	16	45	25	36	29	41					233	203	30	29	25
Consent Orders	235	276	270	255	265	230	357	349					2,237	2,206	31	280	276
Administrative Orders	16	23	18	14	16	21	25	20					153	197	(44)	19	25
Clincher Conference Requested	161	149	132	141	137	130	117	154					1,121	1,088	33	140	130
Informal Conference Requested	334	472	418	391	322	288	405	349					2,979	3,099	(120)	372	387
Informal Conference Conducted	243	236	325	286	164	294	194	205					1,947	1,966	(19)	243	246
Regulatory Mediations	49	62	44	73	47	48	49	41					413	535	(122)	52	67
Requested Mediations	50	40	38	39	41	37	35	38					318	210	108	40	26
Ordered Mediations	1	2	0	0	0	2	2	3					10	9	1	1	1
Mediation Resolved	47	56	46	57	37	58	32	61					394	411	(17)	49	51
Mediation Impasse	16	18	21	31	15	25	26	19					171	130	41	21	16
Mediation Held; Issues Pending	0	0	0	1	0	1	0	0					2	7	(5)	0	1
Claim Settled Prior to Mediation	13	14	14	12	9	16	17	4					99	129	(30)	12	16
Mediation Not Complete in 60 days	11	9	4	1	2	6	8	2					43	62	(19)	5	8

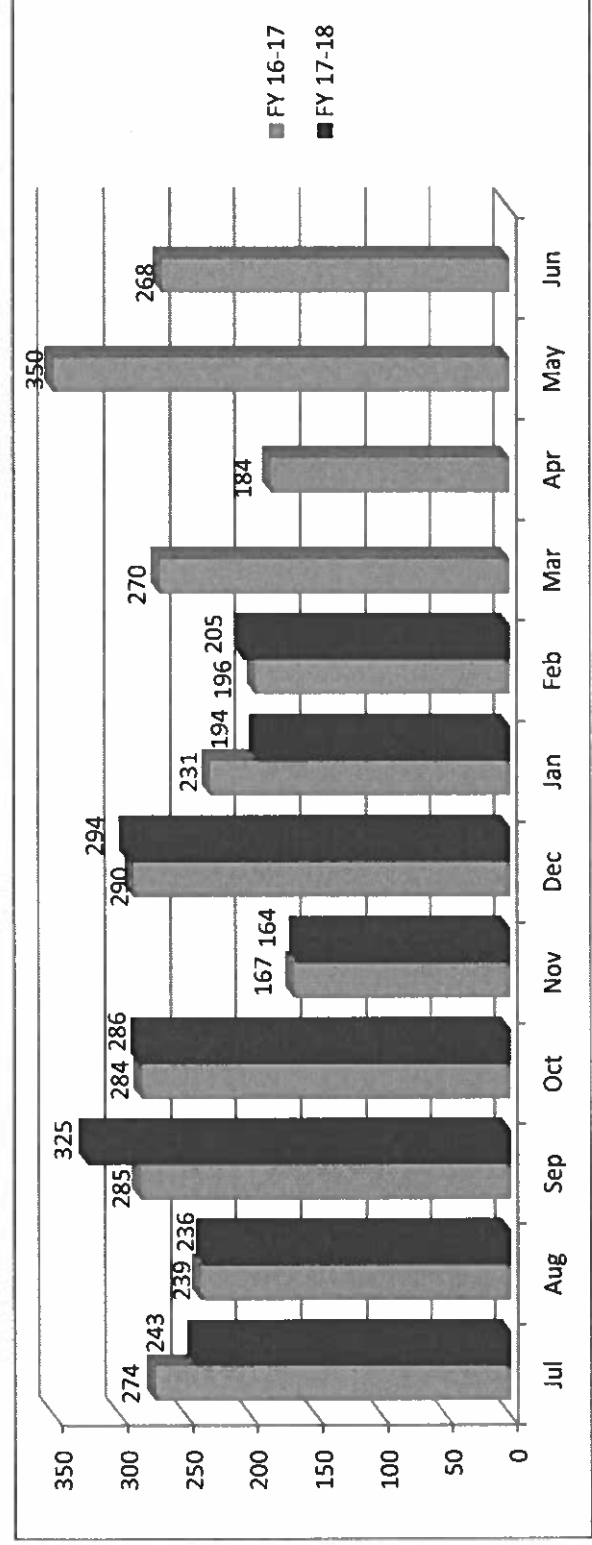


**Informal Conf. Conducted**

	FY 16-17	FY 17-18
Jul	274	243
Aug	239	236
Sep	285	325
Oct	284	286
Nov	167	164
Dec	290	294
Jan	231	194
Feb	196	205
Mar	270	
Apr	184	
May	350	
Jun	268	
<b>Total</b>	<b>3038</b>	<b>1947</b>

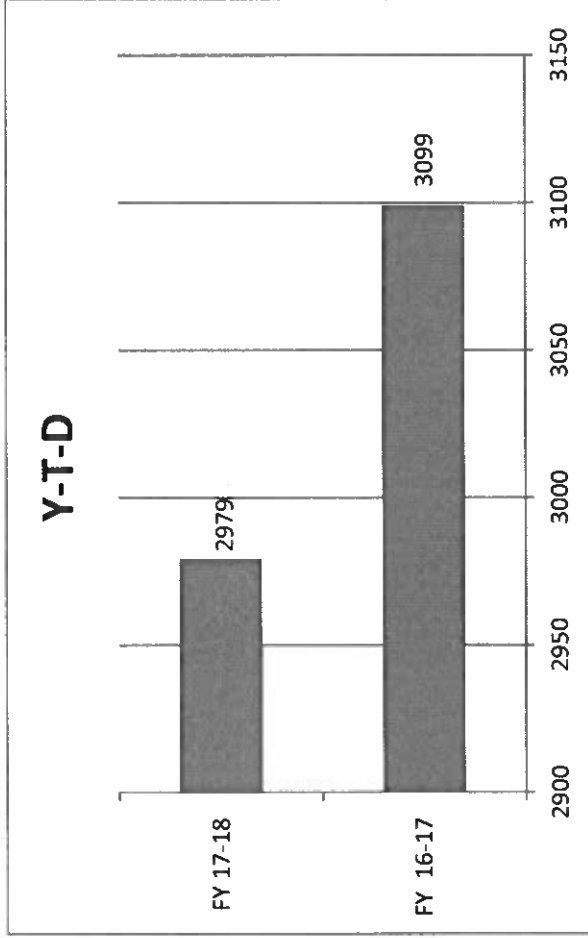


Y-T-D	FY 16-17	FY 17-18
Jul	274	243
Aug	239	236
Sep	285	325
Oct	284	286
Nov	167	164
Dec	290	294
Jan	231	194
Feb	196	205
Mar	270	
Apr	184	
May	350	
Jun	268	
<b>Total</b>	<b>3038</b>	<b>1947</b>

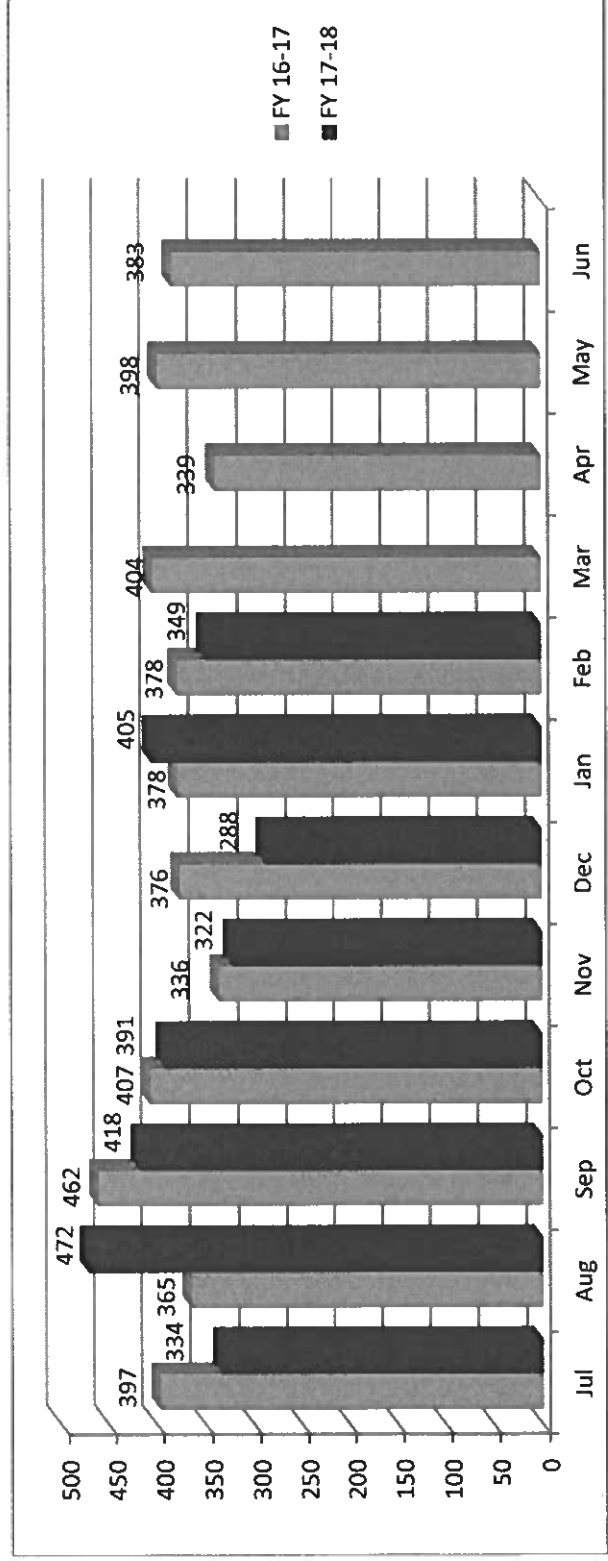


**Informal Conf. Requested**

	FY 16-17	FY 17-18
Jul	397	334
Aug	365	472
Sep	462	418
Oct	407	391
Nov	336	322
Dec	376	288
Jan	378	405
Feb	378	349
Mar	404	
Apr	339	
May	398	
Jun	383	
<b>Total</b>	<b>4623</b>	<b>2979</b>



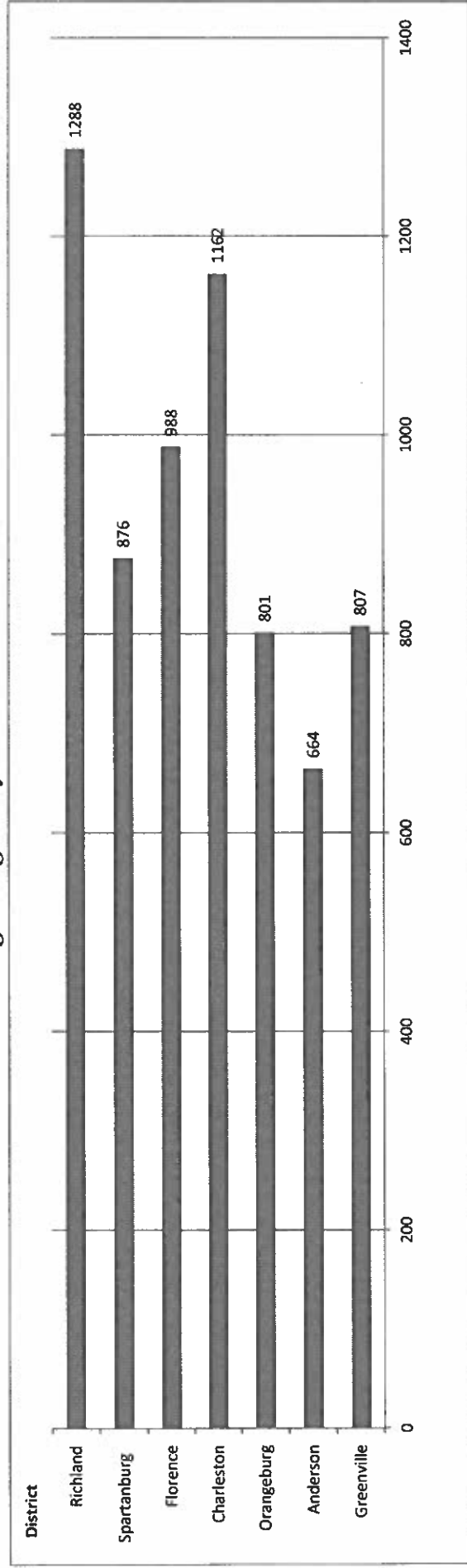
Y-T-D	FY 16-17	FY 17-18
Jul	397	334
Aug	365	472
Sep	462	418
Oct	407	391
Nov	336	322
Dec	376	288
Jan	378	405
Feb	378	349
Mar	404	
Apr	339	
May	398	
Jun	383	
<b>Total</b>	<b>3099</b>	<b>2979</b>



### 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		
	17-18	16-17	15-16	17-18	16-17	15-16	17-18	16-17	15-16	17-18	16-17	15-16	17-18	16-17	15-16	17-18	16-17	15-16	17-18	16-17	15-16
Jul	97	98	107	79	82	90	104	108	118	127	158	181	121	131	144	107	92	130	139	149	166
Aug	113	92	110	97	97	76	120	93	109	172	176	171	134	164	122	107	115	122	159	157	138
Sep	100	144	102	100	92	88	110	121	132	156	183	198	136	140	154	103	142	110	164	141	167
Oct	97	104	106	68	74	101	86	93	119	135	172	172	107	115	171	113	119	96	177	142	170
Nov	116	92	72	83	98	62	92	89	88	159	169	145	131	131	133	120	114	81	148	164	129
Dec	122	90	101	81	86	105	113	72	103	150	135	160	108	100	148	113	85	99	172	129	162
Jan	87	93	75	72	92	84	88	97	113	138	184	113	112	157	110	94	119	97	166	160	158
Feb	75	96	90	84	74	88	88	76	84	125	142	125	139	117	129	119	85	144	163	136	117
Mar		91	122		108	124		124	134		188	214		150	140		122	117		175	174
Apr		111	100		80	92		94	93		142	154		156	129		103	90		146	138
May		125	106		101	103		121	116		188	186		148	146		122	111		167	150
Jun		134	120		120	75		142	110		183	141		154	151		125	114		169	150
<b>Totals</b>	<b>807</b>	<b>1270</b>	<b>1211</b>	<b>664</b>	<b>1104</b>	<b>1088</b>	<b>801</b>	<b>1230</b>	<b>1319</b>	<b>1162</b>	<b>2020</b>	<b>1960</b>	<b>988</b>	<b>1663</b>	<b>1677</b>	<b>876</b>	<b>1343</b>	<b>1311</b>	<b>1288</b>	<b>1835</b>	<b>1819</b>

### Pleadings Assigned by District Year to Date



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## *Workers' Compensation Commission*

### **Executive Director's Report Gary M. Cannon**

**March 19, 2018**

#### **Budget Request FY2018-19**

The Commission's FY18-19 Budget request was approved by the House Ways and Means Committee with no changes to the General Fund appropriation and the Earmarked Fund authorization to spend. The HWM did not approve the new Proviso requested the remainder of the Self-Insurance Tax funds collected by the Commissioner be retained by us for the IT Legacy Modernization Project. The Senate subcommittee reviewing Provisos is scheduled for March 20 at 9:30.

#### **Meetings/Activities**

The Executive Director participated in the following meetings/activities:

- February 22- Conference call with Matthew Hall concerning Procurement procedures.
- February 22- Met with Bryan Berthelette and Wayne Ducote concerning approval, audit and LPT procedures.
- February 22 – Met with representative of SCGov about the migration to a new platform for our website.
- February 23- Met with Keith Roberts and Amy Proveaux concerning the upcoming Regulation Update seminar and Came workshop.
- February 25-27 Attended the SCWCEA Medical Seminar in Charleston, SC.
- February 28- Met with Anjali Griffin and Laura McLendon at SCEIS concerning security roles.
- February 28- Met with Chairman Beck concerning Com Trust/AGC.
- February 28- Attended Legacy Modernization Update
- March 1- Met with Darline Graham and Ivey Drawdy concerning SCVRD counselor being located at the Commission.
- March 7 - Met with Chairman Beck and Amy B. concerning Guarantee Insurance Relief of Counsel process.
- March 8- Met with Agency Department Heads.
- March 8- Met with Keith Roberts and Amy Proveaux concerning Regulations Seminar.
- March 14- Meeting with Laure Lamy of WCRI to discuss CompScope.

**Constituent /Public Information Services**

For the period February 14, 2018 through March 13, 2018, the Executive Director's Office and the General Counsel's office had 355 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.

**Financial Transactions Activity**

The Executive Director's office has assumed the direct responsibility for budget, financial and purchasing transactions. Even though the Commission has a Memorandum of Understanding with the Department of Administration for assistance with procurement services and accounting and budgetary support, the following activities occurred in the Executive Director's office for the period February 15, 2018 through March 14, 2018: approved and processed 10 travel expense reimbursement payment related activities, 86 invoices, and 30 deposits. Procurement and purchasing activities included the entries of 3 goods received.

**SCWCC Stakeholder Electronic Distribution List**

For the period February 15, 2018 through March 13, 2018, we added eighteen (18) individuals to the distribution list. Due to the receipt of email delivery failure, one (1) email address was deleted. A total of 747 individuals currently receive notifications from the Commission.

**SC Vocational Rehabilitation Department (SCVRD)**

SCVRD reported 4 referrals in February in Florence, Lexington, Orangeburg and Richland, counties. The total referrals year-to-date is 51. A copy of the report is attached.

**SC Vocational Rehabilitation Dept  
Workers' Comp Referrals SFY 2018**

COUNTY	July	AUG	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Cnty Total
Abbeville		1											1
Aiken				1	1								2
Allendale													0
Anderson	1												1
Bamberg													0
Barnwell		1											1
Beaufort													0
Berkeley	1				2		2						5
Calhoun													0
Charleston			1										1
Cherokee													0
Chester		1											1
Chesterfield													0
Clarendon													0
Colleton													0
Darlington													0
Dillon													0
Dorchester					1								1
Edgefield													0
Fairfield													0
Florence		2						1					3
Georgetown													0
Greenville	1			1	3								5
Greenwood													0
Hampton													0
Horry		1		1									2
Jasper													0
Kershaw				1									1
Lancaster													0
Laurens													0
Lee													0
Lexington	1			1	2	2		1					7
Marion													0
Marlboro				1									1
McCormick													0
Newberry													0
Oconee		1			1		1						3
Orangeburg	1							1					2
Pickens													0
Richland	1	1				1	2	1					6
Saluda													0
Spartanburg			4	1	1	1							7
Sumter		1											1
Union													0
Williamsburg													0
York													0
SFY 2018 Totals	6	9	5	7	11	4	5	4	0	0	0	0	51

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## *Workers' Compensation Commission*

### *MEMORANDUM*

**TO: COMMISSIONERS**

**FROM: Gary Cannon  
Executive Director**

**DATE: March 19, 2018**

**RE: FINANCIAL REPORT - Period ending February 28, 2018**

Attached is the Budget vs. Actual Report for the General Fund and Earmarked Fund for the one month period ending February 28, 2018. The benchmark for this period is 67%.

The expenditures are on pages 1-9 of the "Budget vs. Actual Report FY 2018 as of 2/28/2018.

The General Fund (10010000) total expenditure is 52% of budget. Details are on pages 1-2.

The Earmarked Fund (38440000) total expenditure is 47% of budget. Details are on pages 3-9.

The total Commitments (Purchase Orders) total \$102,751. Details are on page 1 of 1 behind the Budget vs. Actual.

As reflected on the Earmarked Fund Revenues page located behind the Commitments report, we have received 63% of budgeted operating revenues and 52% of budgeted Self-Insurance Tax funds.

The Earmarked Fund Balance Sheet may be found behind the Revenues report. It reflects a Net Income of \$704,298 when comparing year-to-date Operating Revenues and Self-Insurance Tax receipts to the year-to-date Expenditures for the stated period.

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2018 As of 2/28/2018**  
**67% of year elapsed**

**Fund 10010000 - GENERAL FUND**

**Administration**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501015	DIRECTOR	102,129	68,086	67%		34,043
501058	CLASSIFIED POS	47,092	33,583	71%		13,509
5050020000	IN ST-LODGING				394	
	Total OTHER OPERATING:				394	-394
<b>Total Administration:</b>		<b>149,221</b>	<b>101,669</b>	<b>68%</b>	<b>394</b>	<b>47,158</b>

**Inform. services**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
512001	OTHER OPERATING	220,104				
5230010000	PETTY CASH FD-EST/CH		13			
	Total OTHER OPERATING:	220,104	13	0%	0	220,091
<b>Total Inform. services:</b>		<b>220,104</b>	<b>13</b>	<b>0%</b>	<b>0</b>	<b>220,091</b>

**Claims**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	77,223	52,657	68%		24,566
501070	OTH PERS SVC		2,000			-2,000
<b>Total Claims:</b>		<b>77,223</b>	<b>54,657</b>	<b>71%</b>		<b>22,566</b>

**Commissioners**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501026	CHAIRMAN	125,208	80,102	64%		45,106
501033	COMMISSIONER	720,918	483,982	67%		236,936
501050	TAXABLE SUBS		5,845		0	-5,845
501058	CLASSIFIED POS	313,837	217,519	69%		96,318
501070	OTH PERS SVC		14,048			-14,048
<b>Total Commissioners:</b>		<b>1,159,963</b>	<b>801,496</b>	<b>69%</b>	<b>0</b>	<b>358,467</b>



**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2018 As of 2/28/2018**  
**67% of year elapsed**

**Fund 10010000 - GENERAL FUND**

**Insurance & Medical**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	26,632	17,875	67%		8,757
<b>Total Insurance &amp; Medical:</b>		<b>26,632</b>	<b>17,875</b>	<b>67%</b>		<b>8,757</b>

**Judicial**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	29,267				29,267
<b>Total Judicial:</b>		<b>29,267</b>				<b>29,267</b>

**Employer Contributions**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	569,861	322,276	57%		247,585
<b>Total Employer Contributions:</b>		<b>569,861</b>	<b>322,276</b>	<b>57%</b>		<b>247,585</b>
<b>Total GENERAL FUND:</b>		<b>2,232,271</b>	<b>1,297,987</b>	<b>58%</b>	<b>394</b>	<b>933,890</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2018 As of 2/28/2018**  
**67% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Administration**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	682,790	162,821	24%		519,968
501070	OTH PERS SVC	41,000	3,000	7%		38,000
512001	OTHER OPERATING	1,263,866				
5020010000	OFFICE EQUIP SERVICE		525			
5020030000	PRINT / BIND / ADV		4,416			
5020077240	DP SERVICES – STATE		14,791			
5020080000	FREIGHT EXPRESS DELV		373			
5020090000	TELEPHONE & TELEGRPH		-193			
5020120000	CELLULAR PHONE SVCS		2,532			
5021020000	ATTORNEY FEES		-9,780			
5021410000	EDUC & TRNG-STATE		299			
5021469311	HVAC MAINTENANCE		417			
5021490000	AUDIT ACCT FINANCE		126			
5021530000	CATERED MEALS		2,236			
5021540000	NON-IT OTHER PRO SRV		1,444			
5024990000	NON IT OTH CONTRACT		1,053			
5030010000	OFFICE SUPPLIES		8,549			
5030010004	SUBSCRIPTIONS		3,211			
5030010005	CONTROLLABLE OFF SUP		440			
5030020000	COPY EQUIP SUPP		2,836			
5030067101	PRGM LIC - APP SUPP		17,550			
5030067170	EQUIP&SUPP- PRINT EU		3,801			
5030070000	POSTAGE		15,611			
5031469309	PLUMBING SUPPLIES		199			
5031479203	JANITORIAL SUPPLIES		45			
5032410000	MED/SCIENT/LAB SUPP		1,385			
5033090000	EMPLOYEE RECOG AWARD		841			
5033990000	OTHER SUPPLIES		15			
5040010000	RENT-OFFICE EQUIP		2,956			
5040027000	IT-RENT COPYNG EQUIP		850			
5040050000	NON IT-RENT-CONT REN		-175			
5040057000	IT- RENTAL-CONT RENT		824			

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2018 As of 2/28/2018**  
**67% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

5040060000	RENT-NON ST OWN PROP		311,833			
5040490000	RENT-OTHER		10,637			
5041010000	DUES & MEMBER FEES		4,005			
5050010000	IN ST-MEALS-NON-REP		363			
5050020000	IN ST-LODGING		3,295			
5050031000	HR-IN ST-AIR TRANS		424			
5050040000	IN ST-AUTO MILEAGE		44			
5050041000	HR-IN ST-AUTO MILES		1,398			
5050070000	IN ST-REGISTR FEES		362			
5051520000	REPORTABLE MEALS		39			
5051540000	LEASED CAR-ST OWNED		29,655			
5060325000	Other Eq Acq (MA)		9,310			
<b>Total OTHER OPERATING:</b>		<b>1,263,866</b>	<b>448,540</b>	<b>35%</b>	<b>0</b>	<b>815,326</b>
<b>Total Administration:</b>		<b>1,987,656</b>	<b>614,362</b>	<b>31%</b>	<b>0</b>	<b>1,373,294</b>

**Executive director**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501070	OTH PERS SVC		8,051			-8,051
512001	OTHER OPERATING	6,335				
5050010000	IN ST-MEALS-NON-REP		75			
5050020000	IN ST-LODGING		273			
5051520000	REPORTABLE MEALS		91			
<b>Total OTHER OPERATING:</b>		<b>6,335</b>	<b>439</b>	<b>7%</b>	<b>0</b>	<b>5,896</b>
<b>Total Executive director:</b>		<b>6,335</b>	<b>8,490</b>	<b>134%</b>	<b>0</b>	<b>-2,155</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2018 As of 2/28/2018**  
**67% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Inform. services**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	87,850	130,418	148%		-42,568
501070	OTH PERS SVC		5,500			-5,500
512001	OTHER OPERATING	755,512				
5020040000	MICROFILM PROCESSING		14,256		48,639	
5020077100	SERVICES- APP SUP		12,000			
5020077110	SERVICES- DATA NET		250			
5020077170	SERVICES- PRINT EU		158			
5020077220	SERVICES- VOICENET				9,612	
5020077240	DP SERVICES – STATE		114,029			
5020090000	TELEPHONE & TELEGRPH		9,733			
5020120000	CELLULAR PHONE SVCS		2,827			
5030010000	OFFICE SUPPLIES		281		9,396	
5030010002	OFF SUP - MIN OFF EQ		740			
5030010003	OFF SUP&EQ-NON-IT PL		435			
5030010006	OFFICE SUPP TELE				7,560	
5030020000	COPY EQUIP SUPP		1,223			
5030030000	PRINTED ITEMS		367			
5030067101	PRGM LIC - APP SUPP				16,735	
5030067130	EQUIP&SUPP- EUC		3,751			
5030067170	EQUIP&SUPP- PRINT EU				6,480	
5030090000	COMMUNICATION SUPP		206			
5040010000	RENT-OFFICE EQUIP		1,281			
5040027000	IT-RENT COPYNG EQUIP		1,067			
5040050000	NON IT-RENT-CONT REN		175			
5040057000	IT- RENTAL-CONT RENT		903		4,320	
5041010000	DUES & MEMBER FEES		159			
5050010000	IN ST-MEALS-NON-REP		38			
5050041000	HR-IN ST-AUTO MILES		170			
	<b>Total OTHER OPERATING:</b>	<b>755,512</b>	<b>164,049</b>	<b>22%</b>	<b>102,742</b>	<b>488,721</b>
	<b>Total Inform. services:</b>	<b>843,362</b>	<b>299,967</b>	<b>36%</b>	<b>102,742</b>	<b>440,654</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2018 As of 2/28/2018**  
**67% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Claims**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	280,850	168,616	60%		112,234
501070	OTH PERS SVC	5,500	5,500	100%		0
512001	OTHER OPERATING	19,700				
5020020000	COPYING EQUIP SVC		-463			
5020090000	TELEPHONE & TELEGRPH		-191			
5020120000	CELLULAR PHONE SVCS		433			
5030010000	OFFICE SUPPLIES		373			
5030070000	POSTAGE		2,458			
5040027000	IT-RENT COPYNG EQUIP		525			
5050010000	IN ST-MEALS-NON-REP		31			
5050020000	IN ST-LODGING		470			
5050041000	HR-IN ST-AUTO MILES		172			
	Total OTHER OPERATING:	19,700	3,808	19%	0	15,892
<b>Total Claims:</b>		<b>306,050</b>	<b>177,924</b>	<b>58%</b>	<b>0</b>	<b>128,126</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2018 As of 2/28/2018**  
**67% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Commissioners**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501050	TAXABLE SUBS	70,000	32,060	46%	0	37,940
512001	OTHER OPERATING	230,700				
5020077100	SERVICES- APP SUP		780			
5020080000	FREIGHT EXPRESS DELV		29			
5020090000	TELEPHONE & TELEGRPH		-257			
5020120000	CELLULAR PHONE SVCS		6,804			
5021010000	LEGAL SERVICES		74,888			
5021410000	EDUC & TRNG-STATE		150			
5021540000	NON-IT OTHER PRO SRV		150			
5030010000	OFFICE SUPPLIES		328			
5030020000	COPY EQUIP SUPP		81			
5030067130	EQUIP&SUPP- EUC		242			
5030070000	POSTAGE		1,649			
5040027000	IT-RENT COPYNG EQUIP		516			
5050010000	IN ST-MEALS-NON-REP		332			
5050020000	IN ST-LODGING		2,267			
5050041000	HR-IN ST-AUTO MILES		15,192			
5050080000	IN ST-SUBSIST ALLOW		6,837			
5050570000	OUT ST-REGISTR FEES		-107			
5051520000	REPORTABLE MEALS		190			
	Total OTHER OPERATING:	230,700	110,072	48%	0	120,628
	<b>Total Commissioners:</b>	<b>300,700</b>	<b>142,132</b>	<b>47%</b>	<b>0</b>	<b>158,568</b>

**Information Services FY18**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
561000	Special Item	60,944	10,373	17%	19	50,552
	<b>Total Information Services FY18:</b>	<b>60,944</b>	<b>10,373</b>	<b>17%</b>	<b>19</b>	<b>50,552</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2018 As of 2/28/2018**  
**67% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Insurance & Medical**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	459,463	307,220	67%		152,243
501070	OTH PERS SVC	22,881	15,470	68%		7,412
512001	OTHER OPERATING	54,500				
5020080000	FREIGHT EXPRESS DELV		571			
5020090000	TELEPHONE & TELEGRPH		-201			
5020120000	CELLULAR PHONE SVCS		305			
5021540000	NON-IT OTHER PRO SRV		18,155			
5024990000	NON IT OTH CONTRACT		1,230			
5030010000	OFFICE SUPPLIES		1,149			
5030010004	SUBSCRIPTIONS		198			
5030070000	POSTAGE		1,535			
5033990000	OTHER SUPPLIES		15			
5040027000	IT-RENT COPYNG EQUIP		548			
5050010000	IN ST-MEALS-NON-REP		155			
5050020000	IN ST-LODGING		3,287			
5050041000	HR-IN ST-AUTO MILES		897			
5050070000	IN ST-REGISTR FEES		700			
	<b>Total OTHER OPERATING:</b>	<b>54,500</b>	<b>28,543</b>	<b>52%</b>	<b>0</b>	<b>25,957</b>
	<b>Total Insurance &amp; Medical:</b>	<b>536,844</b>	<b>351,233</b>	<b>65%</b>	<b>0</b>	<b>185,611</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2018 As of 2/28/2018**  
**67% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Judicial**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	302,294	271,881	90%		30,413
501070	OTH PERS SVC	37,191	37,191	100%		0
512001	OTHER OPERATING	12,800				
5020010000	OFFICE EQUIP SERVICE		975			
5020090000	TELEPHONE & TELEGRPH		-120			
5020120000	CELLULAR PHONE SVCS		427			
5021010000	LEGAL SERVICES		1,720			
5030010000	OFFICE SUPPLIES		347			
5030070000	POSTAGE		2,085			
5040027000	IT-RENT COPYNG EQUIP		549			
5050010000	IN ST-MEALS-NON-REP		-107		123	
5050020000	IN ST-LODGING		697		77	
5050040000	IN ST-AUTO MILEAGE		74			
5050080000	IN ST-SUBSIST ALLOW		208			
5051520000	REPORTABLE MEALS		501			
	<b>Total OTHER OPERATING:</b>	<b>12,800</b>	<b>7,355</b>	<b>57%</b>	<b>200</b>	<b>5,245</b>
	<b>Total Judicial:</b>	<b>352,285</b>	<b>316,427</b>	<b>90%</b>	<b>200</b>	<b>35,657</b>

**Employer Contributions**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	674,614	436,290	65%	0	238,323
	<b>Total Employer Contributions:</b>	<b>674,614</b>	<b>436,290</b>	<b>65%</b>	<b>0</b>	<b>238,323</b>
	<b>Total EARMARKED FUND:</b>	<b>5,068,789</b>	<b>2,357,197</b>	<b>47%</b>	<b>102,961</b>	<b>2,608,631</b>



**South Carolina Workers' Compensation Commission  
Commitments  
FY 2018 As of 2/28/2018**

**Fund 38440000 - EARMARKED FUND**

**Administration**

**Inform. services**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020040000	MICROFILM PROCESSING	PALMETTO MICROFILM SYSTEMS INC	48,639
5020077220	SERVICES- VOICENET	NWN CORPORATION	9,612
5030010000	OFFICE SUPPLIES	VERIZON WIRELESS	9,396
5030010006	OFFICE SUPP TELE	VERIZON WIRELESS	7,560
5030067101	PRGM LIC - APP SUPP	PROGRESS SOFTWARE CORP	16,735
5030067170	EQUIP&SUPP- PRINT EU	US INK AND TONER INC	6,480
5040057000	IT- RENTAL-CONT RENT	XEROX	4,320
<b>Total Inform. services:</b>			<b>102,742</b>

**Information Services FY18**

Commitment Item	Commitment Item Description	Vendor	Commitment
5030067130	EQUIP&SUPP- EUC	HP INC	19
<b>Total Information Services FY18:</b>			<b>19</b>

**Total EARMARKED FUND: 102,761**

Any items with vendor "Not assigned" are pending financial adjustments. Any commitment on the Budget vs. Actual Report that is missing from this list is a travel commitment.

Financial Report for February 2018  
3844 Revenue Report

SC Workers' Compensation Commission  
Financial Report  
FY 2017-2018 Period Ending: February 28, 2018  
Earmarked Fund  
Revenues

			Benchmark	67%
Account	Acct No.	Budget	YTD Actual Received	% of Budget
Workers Comp Hearing Fee	4110090000	\$ 565,000	\$ 370,325	66%
Self Insurance App Fee	4160040000	\$ 26,577		0%
Violations and Penalties	4223030000	\$ 1,750,000	\$ 1,346,551	77%
Parking Fee	4350040000	\$ 6,060	\$ 3,595	59%
Workers Comp Award Review Fee	4350140000	\$ 36,575	\$ 22,175	61%
Training Conference Registration Fee	4380020000	\$ 3,500	\$ 6,687	191%
Sale of Goods	4480010000		\$ 1,134	
Sales of Photocopies	4380050000	\$ 67,500	\$ 50,375	75%
Sale of Services	4480020000			0%
Sale of Publication & Brochure	4480040000			0%
Sale of Listings Labels	4480060000	\$ 16,500	\$ 2,175	13%
Unclaimed Property	4511020000			0%
Returned Checks	4530010000		\$ (625)	0%
Adj To Agency Deposit	4530020000		\$ (25)	0%
Misc Revenue	4530030000		\$ 829	0%
Dep By Private Entities	4530070000			0%
				0%
<b>Total Revenues</b>		\$ 2,471,712	\$ 1,803,196	73%
<b>Self Insurance Tax</b>		\$ 2,400,467	\$ 1,258,299	52%
<b>Total</b>		\$ 4,872,179	\$ 3,061,495	63%

**SC Workers' Compensation Commission  
BALANCE SHEET**

**EARMARKED FUND**

**FY 2017-2018**

**Period Ending: February 28, 2018**

	Budget	YTD	% of budget
Total Revenues	\$ 2,471,712	\$ 1,803,196	73%
Self-Insurance Tax	\$ 2,400,467	\$ 1,258,299	52%
Total Revenues	<u>\$ 4,872,179</u>	<u>\$ 3,061,495</u>	63%
Total Expenditures	<u>\$ 5,068,789</u>	<u>\$ 2,357,197</u>	47%
Net Income/Expenditures		<u><u>\$ 704,298</u></u>	



## *Workers' Compensation Commission*

**TO:** Commissioners  
**FROM:** Gary M. Cannon  
**DATE:** March 14, 2018  
**RE:** Medical Services Provider Manual Update 2018

In August 2017 the Commission updated the Medical Services Provider Manual (MSPM) by adopting a Conversion Factor of \$50, adopting the CPT/HICPCS codes approved by the Center for Medicare and Medicaid Studies (CMS) and approving the recommended changes to text of the MSPM. At that time the stakeholders recommended the MSPM be updated to utilize the most recent Relative Values established by the Center for Medicare and Medicaid Studies (CMS). The Commission directed the consultants to calculate several Conversion Factors and their respective financial impact on the system using the 2018 Relative Values; claims medical data in terms of frequency and amount paid to the provider reported to NCCI for the calendar year 2016, and the 10% limit imposed by Act 183 in 2012.

The most recent calculations provided by the consultants effect the calculated CF for 2017 at \$50.1 (ref email from Carla Gee dated February 27, 2018). The calculated CF for 2018, using 2018 CMS Relative Values is \$49.6, a slight reduction resulting from the decreased relative values posted by CMS with an retro active effective date of January 1, 2018.

I propose the following motion to approve an update the MSPM:

*I make the motion the Commission approve a Conversion Factor of \_\_\_\_\_ and approve the changes to the CPT/HCPCS codes approved by CMS for 2018 for the Commission's Medical Services Provider Manual, effective April 1, 2018.*

The update is effective April 1, 2019.

Also attached are the following emails, memos and letters related to this matter.

Email dated February 23, 2018 from Carla Gee Re Updated Analysis

Memo dated February 22, 2018 from me RE: Medical Services Provider Manual Update 2018

Letter dated Feb. 22, 2018 from Carla Gee concerning Conversion Factor calculations

From: Gee, Carla [mailto:carla.gee@optum.com]  
 Sent: Tuesday, February 27, 2018 2:39 PM  
 To: Cannon, Gary <gcannon@wcc.sc.gov>; Ducote, Wayne <wducote@wcc.sc.gov>  
 Subject: RE: Updated analysis

Hi,

Here's a quick rerun of the data with the new GPCI amounts with conversion factors of \$50 and \$51. One would expect the overall conversion factors to decrease as the relative values increased with the work portion-factor going from .977 to 1.0. I'm still checking a couple of things but thought I'd send your way so we could discuss on our call in a few minutes.

Category	Frequency	Total 2018 RVUS	\$\$ 2017 Fee Schedule	2017 CF	\$\$ 2018 CF 50	2018 CF 50	\$\$ 2018 CF 51	2018 CF 51
EM	139,171	320,796	16,047,985	50.0	16,039,625	50.0	16,360,346	51.0
HCPCS	190,201	150,634	7,313,213	48.5	7,530,310	50.0	7,626,061	50.6
LAB	45,550	17,215	876,041	50.9	835,323	48.5	844,445	49.1
MED	20,469	39,563	1,969,203	49.8	1,988,282	50.3	2,024,942	51.2
PT	634,605	553,363	27,543,725	49.8	27,063,119	48.9	27,484,066	49.7
RAD	52,492	94,903	4,877,590	51.4	4,796,969	50.5	4,887,032	51.5
SPR	11,737	4,164	205,778	49.4	207,914	49.9	212,067	50.9
SUR	34,430	230,984	11,937,333	51.7	11,788,766	51.0	12,007,376	52.0
<b>Grand Total</b>	<b>1,128,655</b>	<b>1,411,623</b>	<b>70,770,869</b>	<b>50.1</b>	<b>70,250,308</b>	<b>49.8</b>	<b>71,446,335</b>	<b>50.6</b>

From: Gee, Carla  
 Sent: Friday, February 23, 2018 12:57 PM  
 To: 'Cannon, Gary'; Ducote, Wayne  
 Subject: RE: Updated analysis

Hi,

CMS posted new files today (retro to 1/1) in regards to GPCI factor adjustments and reinstating the work factor floor of 1.0. This affects SC as the original work factor for 2018 was .977 and now will be 1.0 (as in prior years). This will make the 2018 relative values higher and my guess is that this will make the 2018 w/ conversion factor \$50 closer to the current 2017 than the 2018 w/ conversion factor \$51.

So, I'll need to rerun the analysis for you. I will get the analysis to you Monday or Tuesday. I'm glad that change was now versus in a couple of weeks when we are further in the update process, but would have been nice if it occurred a few days ago instead.

Sorry if this leads to confusion or backtrack with the commissioners.

Please let me know if you have questions.  
 Carla



## *Workers' Compensation Commission*

**TO: Commissioners**

**FROM: Gary M. Cannon**

**DATE: February 22, 2018**

**RE: Medical Services Provider Manual Update 2018**

Attached is the fee schedule analysis from Optum. Also attached is the comparative analysis charts in Optum's report reformatted to have all the CF calculations on one sheet. The analysis reflects the impact on each category using the 2016 medical data from NCCI and the Center for Medicare and Medicaid Studies (CMS) Relative Values for 2018. The categories are EM (Evaluation and Management); HCP (Healthcare Common Procedure Coding System); LAB (Laboratory); MED (Physical Medicine); PT (Physical Therapy); RAD (Radiology); SPR (Special Reports); and SUR (Surgery).

Column C are the Relative Values in units calculated using the 2018 CMS Resource Based Relative Values and 2016 medical data provided by NCCI.

Column D is the dollar amount calculated using the 2016 medical data and the 2017 Fee Schedule.

Column E is the calculated CF by category using a CF of \$50 approved in the 2017 Fee Schedule.

Column F is the calculated dollar amount by category using a CF of \$50 and 2018 Relative Values.

Column G is the calculated dollar amount for each category using a CF of \$50 and 2018 Relative Values.

Column H is the calculated dollar amount for each category using a CF of \$51 and 2018 Relative Values.

Column I is the calculated CF for each category using a CF of \$51 and 2018 Relative Values.

Column J is the calculated dollar amount for each category using a CF of \$52 and 2018 Relative Values.

Column K is the calculated CF for each category using a CF of \$52 and 2018 Relative Values.

Column L is the calculated dollar amount for each category using a CF of \$53 and 2018 Relative Values.

Column M is the calculated CF for each category using a CF of \$53 and 2018 Relative Values.

Column N is the calculated dollar amount for each category using a CF of \$54 and 2018 Relative Values.

Column O is the calculated CF for each category using a CF of \$54 and 2018 Relative Values.

Each calculation includes the (+ -) 9.5% cap.

Line 11 reflects the totals for each column. Line 11, Column E reflects the calculated CF of \$50.60 using the 2017 Fee Schedule and a CF of \$50. The amount shown on Line 11 in Column G \$49.80 is the calculated CF using the

2018 Relative Values. As stated on page 2 of the Optum Report the CMS CPCI factors for South Carolina are lower in 2018 than in 2017 causing a slightly lower overall conversion factor.

Staff is prepared to discuss this at your convenience.

Conversion Factor Analysis															
2/22/2018															
Line	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1			Total 2018	Total \$\$ 2017	Calc	Total \$\$ 2018	Calc	Total \$\$ 2018	Calc	Total \$\$ 2018	Calc	Total \$\$ 2018	Calc	Total \$\$ 2018	Calc
2	Category	Frequency	Relative Values (GPCI)	Fee Schedule (CF50)	2017 CF	2018 CF	2018 CF	CF51 w/ caps	CF51	CF52 w/ caps	CF52	CF53 w/ caps	CF53	CF54 w/ caps	CF54
3	em	139,171	316,812	\$ 16,047,985	50.7	\$ 15,840,470	50.0	\$ 16,157,228	51.0	\$ 16,473,947	52.0	\$ 16,790,484	53.0	\$ 17,107,020	54.0
4	hcp	190,201	150,619	\$ 7,313,213	48.6	\$ 7,529,584	50.0	\$ 7,625,475	50.6	\$ 7,720,014	51.3	\$ 7,811,124	51.9	\$ 7,898,370	52.4
5	lab	45,550	17,891	\$ 876,041	49.0	\$ 860,633	48.1	\$ 875,201	48.9	\$ 890,746	49.8	\$ 906,532	50.7	\$ 922,336	51.6
6	med	20,440	39,079	\$ 1,969,203	50.4	\$ 1,964,285	50.3	\$ 2,000,461	51.2	\$ 2,036,079	52.1	\$ 2,071,009	53.0	\$ 2,105,597	53.9
7	pt	634,605	547,261	\$ 27,543,725	50.3	\$ 26,816,897	49.0	\$ 27,233,275	49.8	\$ 27,647,725	50.5	\$ 28,058,976	51.3	\$ 28,452,017	52.0
8	rad	52,492	94,340	\$ 4,877,590	51.7	\$ 4,770,327	50.6	\$ 4,859,882	51.5	\$ 4,949,432	52.5	\$ 5,038,751	53.4	\$ 5,128,184	54.4
9	spr	11,766	4,128	\$ 205,778	49.8	\$ 206,142	49.9	\$ 210,259	50.9	\$ 214,376	51.9	\$ 218,492	52.9	\$ 222,516	53.9
10	sur	34,430	228,305	\$ 11,937,333	52.3	\$ 11,662,687	51.1	\$ 11,877,477	52.0	\$ 12,094,467	53.0	\$ 12,311,597	53.9	\$ 12,528,981	54.9
11	<b>Grand Tot</b>	<b>1,128,655</b>	<b>1,398,435</b>	<b>\$ 70,770,869</b>	<b>50.6</b>	<b>\$ 69,651,023</b>	<b>49.8</b>	<b>\$ 70,839,259</b>	<b>50.7</b>	<b>\$ 72,026,785</b>	<b>51.5</b>	<b>\$ 73,206,966</b>	<b>52.3</b>	<b>\$ 74,365,020</b>	<b>53.2</b>



February 22, 2018

Gary M. Cannon Executive  
 Director  
 SC Workers' Compensation Commission

Dear Mr. Cannon,

At the request of the State of South Carolina, Workers' Compensation Commission, Optum performed an analysis to update and compare the current SC 2017 fee schedule to a proposed fee schedule using 2018 RBRVS and Optum's Essential RBRVS gap-fills. The National Council on Compensation Insurance, Inc. (NCCI) provided summary bill information for calendar year 2016 for the state of South Carolina for services corresponding to the current professional fee schedule. The NCCI data was used to determine the number of occurrences per procedure code to calculate a fee schedule neutral conversion factor.

Below is a summary regarding the NCCI data before validation.

<b>NCCI Data (before validation)</b>	<b>Total Paid</b>	<b>Total Charges</b>	<b>Transactions</b>	<b>Units</b>
CPT (less Anesthesia)	\$60,629,040	\$122,420,245	687,526	930,320
Anesthesia *	\$1,611,777	\$9,888,599	6,933	930,378
HCPCS (less Ambulance)	\$12,045,494	\$18,942,763	70,295	216,887
Ambulance **	\$3,190,452	\$4,697,765	14,697	284,167
<b>Total</b>	<b>\$77,476,763</b>	<b>\$155,949,372</b>	<b>779,451</b>	<b>2,361,752</b>

\* assuming most units are minutes

\*\* assuming most units are miles

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

- Records containing modifiers that could duplicate occurrences were removed from the database (i.e., assistant surgeon modifiers 80-82, AS)
- Because procedure frequency was the focus all other modifiers were assumed valid and treated as 'blank' except for modifiers equal to 26, TC, NU, UE and RR. These modifiers were retained as the fee schedule has specific fees for the professional and technical splits as well as new, used and rental indicators on durable medical equipment.
- There were several records where modifiers NU, UE or RR were billed with codes where the modifier was not expected or applicable. These modifiers were 'blanked' out. There were also some instances where an NU modifier was added to replace a 'blank' modifier in order to match it to the procedure/modifier combination found in the fee schedule.

**Analysis**



- Using the NCCI frequency, Optum conducted an analysis of the 2017 Medical Services Provider fee schedule to the 2018 RBRVS (GPCI adjusted) and Optum Essential RBRVS gap-fills to calculate a fee schedule neutral conversion factor. Overall the fee schedule neutral conversion factor calculates to be **\$50.6**. Records were only compared where the 2017 fee schedule and the 2018 relative values and frequency were all greater than zero.
- The CMS 2018 GPCI factors for South Carolina are lower than in 2017. This led to some dollar amounts using 2018 relative values (at various conversion factors) being less than the 2017 fee schedule. For example, the 2018 amounts using the \$50 conversion factor calculates to a lower overall conversion factor of 49.8.
- Frequencies from some deleted codes were cross walked to the corresponding new code. This mainly occurred for PT and OT evaluations and laboratory codes. Specifically codes 97001-97003 were cross-walked with the NCCI frequency to codes 97161-97167. Otherwise the deleted code and new code did not factor into overall totals.
- Optum created proposed fee schedules based on the 2018 relative values and conversion factors of \$50, \$51, \$52, \$53 and \$54 with caps of +/- 9.5%. The results are displayed below.
- Anesthesia data – Optum analyzed the summarized NCCI anesthesia data to back into conversion factors based on the charged and paid amounts. Because the data is rolled up it is hard to determine the actual minutes, charges and paid amounts for each transaction. Optum analyzed records where the ‘transaction’ was equal to one based on the assumption that that represented one anesthesia service. Assuming the units were minutes (which may not always be the case) and adjusting for base units, the overall conversion factors for this subset of records calculate to be **\$118.8** for billed charges and **\$21.2** for paid amounts. Anesthesia data is difficult to capture and is reported various ways. (Optum will reach out to NCCI to gain a better understanding of the data and how it is collected and what other options are available to review the data.)
- Ambulance data was not analyzed with this set of data.
- Once a conversion factor is approved by the Commission, Optum will create a final fee schedule deliverable that will include: non-facility and facility place of service fees with corresponding professional and technical components (where appropriate), new, used, and rental modifiers (where appropriate), CMS follow-up days and CMS assistant surgery indicators.

### Summary

Category	Frequency	Total 2018 Relative Values (GPCI)	Total \$\$ 2017		Total \$\$ 2018	
			Fee Schedule (CF50)	2017 CF	CF50 w/ caps	2018 CF50
EM	139,171	316,812	16,047,985	50.7	15,840,470	50.0
HCP	190,201	150,619	7,313,213	48.6	7,529,584	50.0
LAB	45,550	17,891	876,041	49.0	860,633	48.1
MED	20,440	39,079	1,969,203	50.4	1,964,285	50.3
PT	634,605	547,261	27,543,725	50.3	26,816,897	49.0
RAD	52,492	94,340	4,877,590	51.7	4,770,327	50.6
SPR	11,766	4,128	205,778	49.8	206,142	49.9
SUR	34,430	228,305	11,937,333	52.3	11,662,687	51.1
<b>Grand Total</b>	<b>1,128,655</b>	<b>1,398,435</b>	<b>70,770,869</b>	<b>50.6</b>	<b>69,651,023</b>	<b>49.8</b>

Catego	Total \$\$ 2018 CF51 w/ caps		Total \$\$ 2018 CF52 w/ caps		Total \$\$ 2018 CF53 w/ caps		Total \$\$ 2018 CF54 w/ caps	
	2018 CF51		2018 CF52		2018 CF53		2018	
EM	16,157,228	51.0	16,473,947	52.0	16,790,484	53.0	17,107,020	54.0
HCP	7,625,475	50.6	7,720,014	51.3	7,811,124	51.9	7,898,370	52.4
LAB	875,201	48.9	890,746	49.8	906,532	50.7	922,336	51.6
MED	2,000,461	51.2	2,036,079	52.1	2,071,009	53.0	2,105,597	53.9
PT	27,233,275	49.8	27,647,725	50.5	28,058,976	51.3	28,452,017	52.0
RAD	4,859,882	51.5	4,949,432	52.5	5,038,751	53.4	5,128,184	54.4
SPR	210,259	50.9	214,376	51.9	218,492	52.9	222,516	53.9
SUR	11,877,477	52.0	12,094,467	53.0	12,311,597	53.9	12,528,981	54.9
<b>Gr an</b>	<b>70,839,259</b>	<b>50.7</b>	<b>72,026,785</b>	<b>51.5</b>	<b>73,206,966</b>	<b>52.3</b>	<b>74,365,020</b>	<b>53.2</b>

Sincerely,



Carla Gee  
 VP/GM – Workers' Compensation, Provider Data  
 and Network Solutions

*State of South Carolina*

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*Workers' Compensation Commission*

*MEMORANUM*

**TO:** COMMISSIONERS

**FROM:** Gary Cannon  
Executive Director

**DATE:** March 19, 2018

**RE:** SC Vocational Rehabilitation Department

We have finalized the arrangement with SCVRD for Ivey Drawdy, Counselor to have office space at the Commission. The office workspace is scheduled for installation next week.

Ms. Drawdy will brief the Commission on her work activities planned at the Business Meeting on March 19.