

## AGENDA

### SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

**March 18, 2019 – 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 18, 2019 *CHAIRMAN BECK*
3. APPROVAL OF MINUTES OF THE BUSINESS MEETING  
OF FEBRUARY 19, 2019 (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. Vocational Rehabilitation (Tab 8) *MS. DRAWDY*
8. EXECUTIVE DIRECTOR'S REPORT (Tab 9) *MR. CANNON*
  - Administration – Financial Report (Tab 10) *Mr. Cannon*
9. OLD BUSINESS *CHAIRMAN BECK*
  - Medical Services Provider Manual (Tab 11) *MR. CANNON*
10. NEW BUSINESS *CHAIRMAN BECK*
11. ADJOURNMENT *CHAIRMAN BECK*

## Table of Contents

<b>1</b>	<b>Approval of Minutes of the Business Meeting of February 19, 2019</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>Vocational Rehabilitation</b>
<b>9</b>	<b>Executive Director's Report</b>
<b>10</b>	<b>Financial Report</b>
<b>11</b>	<b>Medical Service Provider Manual</b>

THE  
SOUTH CAROLINA WORKERS'  
COMPENSATION COMMISSION  
BUSINESS MEETING  
February 19, 2019

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Tuesday, February 19, 2019, 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; Alexa Stuart, Human Resource Manager; Amy Bracy, Judicial Director; Keith Roberts, General Counsel; David Durant, Attorney; Wayne Ducote; Insurance & Medical Services Director Kim Falls, Business Analyst; Bridgette Amick, Medical Policy Analyst, Loretta Dykes, Fiscal Technician Bonnie Anzelmo, Injured Workers' Advocates Association, Margarita Pate and Michael Bowe with the SC Society of Anesthesiologists, and Ann Margaret McCraw with Midlands Ortho & Neuro were also present.

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

**AGENDA**

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

**APPROVAL OF MINUTES – BUSINESS MEETING OF January 22, 2019**

Commissioner Barden moved that the minutes of the Business Meeting of January 22, 2019, be approved. Commissioner Taylor seconded the motion, and the motion was approved.

**GENERAL ANNOUNCEMENTS**

There were no general announcements.

**APPLICATIONS FOR APPROVAL TO SELF-INSURE**

Self-insurance applications were presented by Bryan Berthelette, Self-Insurance Director. Eighteen (18) prospective members of Three (3) funds was presented to the Commission for approval. The applications were:

**SC Auto Dealers Association**  
Kevin Whitaker Chevrolet Inc.

**SC Home Builders SIF**  
Bemco LLC

Comerstone Trim Company LLC  
Crescent Moon Construction LLC  
DC Tile  
Dolford Concrete Finishing  
Efficient Drywall LLC  
Homerun Electrical LLC  
Iker's Drywall LLC  
Kelley Builders of Six Mile LLC  
Lakeside Homes LLC  
Pakkala Brothers Construction LLP  
Q&A Construction LLC  
Sabo Electrical Heating & Air  
South East Carpentry Inc.  
Unlimited Exteriors LLP

**SC McDonalds SIF**

Scott Foods LLC  
Saylor Management Group, Inc.

After examination of the applications, it was determined that each complied with the Commission's requirements and each was recommended for approval. Commissioner Wilkerson made the motion to approve the applications to self-insure, and Commissioner Taylor seconded the motion. The motion was unanimously approved.

**DEPARTMENT DIRECTORS' REPORTS**

The Department Directors presented their reports which were also submitted to the Commission in written form.

**Human Resources**

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

- In January we had 53 full-time employees and 1 part-time employee.
- We had one new hire, no separations, no retirements and one person on leave.
- Ms. Stuart has changed her report transactions versus issues. Ms. Stuart handled 11 issues, but it took 16 transactions to get the matters addressed.
- Met with the Executive Director about various employee related issues.
- Social Committee organized a secret Santa that was well received.
- The Annual Christmas luncheon and ornament exchange was on held on December 17<sup>th</sup>.
- Ms. Stuart did not attend any external meetings.
- Employees who were interested serving food during lunch at Transitions. There was lots of positive feedback about how much they enjoyed and how much they enjoy working for our agency.
- Attended the HR Quarterly Meeting. It was a good meeting and reminded various laws regarding ADA, FMLA, and Workers' Compensation.
- Attended NeoGov training class.
- Sent Nineteen (19) "All Agency" emails on several topics such as SCEIS, training, etc.
- Ms. Stuart performed 11 SCEIS transactions which is 4 less that last month.

- Completed 40 payroll related transactions. This represents a significantly higher than last month due to adding and/or verifying 6 screens in each employee's SCEIS record as required by DSHR.
- Ran payroll and time reports weekly.
- Met with the extern to provide access, sign confidentiality agreement and show her around.
- Sent each employee an email to verify that their emergency contact information was up to date.
- Completed 145 administrative transactions that include emails, salary analysis, W-2, SCEIS invoices, etc.
- Ms. Stuart processed/approved 11 travel expense reports which is 2 less than last month.
- Notified CBRE of 3 building issues which is 2 less than last month.
- There were 21 parking transactions with Republic Parking. We had 12 issues but it took 21 transactions to get the issues addressed.

### **Information Technology Department**

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

- EDI-DTO deleted EBIX's file transfer account, therefore none of their EDI transactions were resolved. Duane spent two weeks trying to correct the sequencing caused as a result
- Progress- Went down several times, but the team was able to get it get back up and running.
- System Support- Several issues reported such as too many users, which should not happen. The problems was resolved quickly. Also, experienced problems with files disappearing on Commissioner McCaskill's iPad. Researching a process to ensure that risk is minimized. Ms. Sprang encouraged users to periodically go back and check their files to make sure they are visible.
- OnBase- DTO has announced plans to deploy version 18 in mid-March. The IT staff has already began developing a test plan; this upgrade will demand more time and resources for testing than planned.
  - Legacy Modernization- Completed 12 Sprints. Working on payment processes, electronic service and docketing. Our internal stakeholder team has begun informal testing. Receiving a lot of good feedback and looking forward to the presentation to the Commissioners.
  - IT staff attended several IAIABC conference calls last month.
  - Ms. Sprang presented an overview of the system at the Injured Workers' Advocates Paralegal and Legal Assistants in Myrtle Beach. The new system was very well received and there was a lot of excitement.

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

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

- In January, the Compliance Division compelled 45 employers to come into compliance with the Act, and collected over 130, 000 in non-compliance penalties.

- All Rule to Show Cause have shown for the past 2 months. In January , 17 carriers resolved their issues, resulting in \$5,300.00 in fine resolutions.
- Coverage collected over \$19,400, in fines, 16 new claims were established.
- The Self- Insurance Division collected over \$16,920 in self-insurance tax.

### **Claims Department**

Ms. Spann presented the Claims Department's report. Ms. Spann reported the following for the month of January;

- Claims processed over 17,000 items, which was an increase from last month.
- Claims closed 2,513 files, reviewed 4,278 files, both are an increase from last month.
- Carrier Reviews reviewed 1,307 open files of 46 carriers. This resulted in 51 cases being closed and assessing 11 fines, and requested information on 6.
- Fine Revenue collected during the month of January was a little over \$51,200 which is over 20,000 more than last month.
- Claims Department assessed 315 fines 227 were assessed from the Form 18.
- Received 2,1078 which increase from last year Form 18s via SROI/EDI.
- Received 1,818 Form 18s via email, 314 less than last year
- Received 566 via USPS, which 164 less than last year.
- Form 61, we received 837, approved 905.
- 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:

#### Judicial Department

- 899 requests for Hearings
- 152 Motions
- 125 Clincher Conference requests sent to Jurisdictional Commissioners

#### Commissioners

- 59 Single Commissioner Hearings conducted
- 20 Pre-hearing conferences held
- 12 Full Commission Hearings conducted
- 561 Orders served at single Commissioner level; 57 of those were Decision and Orders that resulted from hearings that went on record; 157of those were Motion Orders ruled upon by Commissioners

#### Informal Conference

- 207 Informal conferences conducted

#### Mediation

- 46 regulatory mediations scheduled
- 45 requested mediations
- 47 matters resolved in mediation with the receipt of Forms 70

### Appeals to SC Court of Appeals

- In January the Judicial Department received 3 Notices of Intent to Appeal, to the Court of Appeals.

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### VOCATIONAL REHABILITATION

Mr. Cannon presented the Vocation Rehabilitation report in Ms. Drawdy's absence. Mr. Cannon pointed out the following highlights from the report:

- 9 Letters mailed
- Attended 3 clincher conferences
  - One appropriate referral – gave VR information and business card
- One application taken
- Attended 1 hearing and 2 clincher conferences
- 2 letters mailed
- Attended 2 clincher conferences
  - 2 appropriate referrals – scheduled 2 appointments
  - Provided information to attorneys
- 1 Application taken
- Met with one individual, not appropriate for services at this time
- 10 Letters Mailed
- 1 Response from letter- Application Taken
- 2 Clincher Conferences- 2 referrals
- Both Referrals were given VR information – 1 scheduled but did not open case as she was not ready for services at this time.

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### 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:

- Executive Director report highlights the meetings, activities and financial transactions from the month of January.
- Ms. Proveaux has update the report for how many stakeholders the SCWCC has on the Stakeholder Electronic Distribution List.

### ADMINISTRATION – FINANCIAL REPORT

Mr. Cannon reported the benchmark for period ending January 31, 2019 is 58%. The General Fund expenditure to date is 53%. The Earmarked Fund expenditure to date is 61%. The higher amount is due to ICAP, IT project has come through the budget, they have approved that and we will be taking that money out of the Self-Insurance Tax; it is a onetime expense. Budgeted Self-Insurance Tax funds received is 107%.

### OLD BUSINESS

#### Medical Services Provider Manual

Director Cannon reviewed stated during the January 22, 2019 Business Meeting the proposed changes to the Medical Services Provider Manual was presented to the Commission and published to allow stakeholder comment. The proposed changes included text changes to the policy and

options for the Conversion Factor. Several stakeholders provided written comments which were provided to the Commissioners in the Business Meeting Agenda book.

Chairman Beck opened the floor for comments.

Dr. Margarita M. Pate, Executive Director of South Carolina Society of Anesthesiologist came forward and thanked the Commission for taking the time to listen to their concerns. Dr. Pate discusses how the Commission uses two conversion factors to reimburse providers. One is the regular conversion factor and the other is the anesthesiology conversion factor. Anesthesiologist are reimbursed on time versus the regular reimbursement. The Commission does a periodic review of the conversion factor but you do not review of the anesthesiologist conversion factor. There has not been adjustment to the anesthesiologist conversion factor in over 10 years. Dr. Pate's has two requests:

1. Do a periodic review
2. A periodic increase

Dr. Pate introduced Michael Bowe, owner of Resource One, medical based billing company. Mr. Bowe specializes in anesthesiologist billing.

Chairmen Beck asked about concerns about a previous meeting that concluded that anesthesiologist were leaving money on the table. NCCI data shows that anesthesiologists are not claiming all that they can receive under the current model.

Dr. Pate stated that is incorrect, and that Mr. Bowe would be able explain why that is incorrect as he has completed analysis and reports.

Michael Bowe presented the information that was submitted to the Commission prior to the meeting. A few highlights from the presentation were:

The Commission rates were compared to the State Health Plan. The Commission pays 107% of State Health Plan Rate, but 54% for anesthesiologist.

The Commission pays roughly 50% more than Medicare.

Mr. Bowe reviewed the data from NCCI and agrees with the process they used to come up with the numbers, but it gets confusing when you start looking at the codes. The have the anesthesiologist have the code that ranges from \$20.00 to \$227.00 a unit. Mr. Bowe indicates he not sure how thy calculated it as it's all based on one code.

Commissioner Wilkerson inquired if anyone has discussed this NCCI. Mr. Bowe indicated that they had attempted to, but at the time of the meeting he didn't have all the information available. There was thought they were using contractors, but that formula does not add up.

Chairmen Beck pointed out that the WCC is based on a Federal system and that we are paying 50% more than what Medicare is reimbursing.

Mr. Bowe stated that DOL is also Federally based and the offer \$53.00 rate versus the \$30.00 of the Commission.



Ann Margaret McGraw came forward. Ms. McGraw pointed out a few points. Ms. McGraw states that 35 states were surveyed and SC is number 34 as the lowest paid. Ms. McGraw said that she feels they need more money. When Chairmen Beck inquired as to how much, she stated that she did not know what amount to suggest.

Director Cannon thanked the guests for taking the time to come and discuss their concerns. Director Cannon explained the importance of the Medical Fee Schedule. Mr. Cannon stated that he was in communication with NCCI concerning the medical data reported for the anesthesiologist's codes. He would follow up with NCCI about the anesthesiologists concerns.

### **NEW BUSINESS**

No new business

### **ADJOURNMENT**

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

The February 19, 2019, meeting of the South Carolina Workers' Compensation Commission adjourned at 11:17 a.m.

Reported March 8, 2019  
Amy Proveaux  
Office of the Executive Director

<p style="text-align: center;"><b>SCWCC Human Resources Monthly Report February 2019</b></p>
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**STAFFING**

In February, the Commission had 53 FTE positions of which 52 FTE positions are filled and 1 part-time employee. We currently have one legal extern.

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

**Recruitment:**

- No current openings.

**BENEFITS**

- I performed 7 transactions related to benefits which is 9 less than last month. We had 6 issues, but it took 7 transactions to get the matters addressed.

**EMPLOYEE RELATIONS**

- I met with the Executive Director about various employee related issues.
- On February 1<sup>st</sup> we had a “tailgate party” during lunch which interested employees participated by making or buying tailgate food by contributing \$5. Twenty-three employees participated.
- The Social Committee organized an opportunity for interested employees to participate in a Secret Valentine event. In addition, the Social Committee distributed valentines and Valentine’s Day cupcakes to all employees.

**MEETINGS**

- I attended P Card training in February.

**ADMINISTRATIVE**

- Thirteen (13) “All Agency” emails on various topics such as SCEIS, training, equipment, job opportunities, benefits, fun events, and other miscellaneous items were sent. This is 6 less than last month.
- I performed 6 SCEIS time related transactions which is 5 less than last month.

- I made 6 payroll related transactions which was the same as last month. We had 4 payroll issues, but it required 6 transactions to complete the work.
- I responded to the EEOC requests for information and validation for not meeting the 70% quota in the white female classification of E5 positions. This required additional research.
- Payroll and time reports were run weekly.
- I had 61 administrative transactions which is 84 fewer transactions than last month but is a result of having completed a verification of all employees' emergency contact information.

### **FISCAL RESPONSIBILITIES**

- I processed/approved 26 travel expense reports which is more than last month, but it includes travel processed to make up the difference in the rate change that occurred in October of 2018.

### **FACILITIES**

- I notified CBRE of 7 building issues which is 4 more than last month. This required 8 actual transactions and one issue remains outstanding.
- I had 7 parking/access transactions which is 14 less than last month. We had 7 issues requiring 8 transactions to get the issues addressed. This response is far better than last month.

# 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 13, 2019  
Subject: IT Department February 2019 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 2019.

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

#### EDI

The IT department continues support for 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. Developing our EDI 3.1 processing requirements is still a major project for our team and we are dedicating as much time as possible to this task as our deadline for submission to the IAIABC is the end of March.

#### Progress

The IT team reviewed, analyzed and generated queries for outstanding fines and file copy fees. Also, we collected data for Palmetto Health's merger for Self-Insurance. We documented the current invoice processing so the deficiencies could be corrected in the new system.

#### Reporting and Standardization

The IT team worked with the Compliance department to refine compliance data. Liz collected data for the Firefighter Injury Study Taskforce. We continue to evaluate existing reports to assist with the reporting requirements and specifications for the new Claims system.

#### Systems Support

Jason continues to roll out the Office 2016 and Windows 10 operating system updates throughout the agency; Microsoft is ending their support of Windows 7 in January so we'll be well ahead of the deadline. We initiated a new support project with DTO since our production servers will require an upgrade as Microsoft has identified January 2020 will be the last date of support for Server 2008.

#### OnBase

The IT team completed agency testing for the OnBase upgrade completed this past weekend. DTO did not migrate us (or any other agencies) to the new client version 18, only the database. We were able to resolve several issues and now only have client testing to complete. Kim handled 9 issues/requests

related to our imaging system. These included indexing, deletion, hearing notice and upload requests. She also completed the quality assurance review of 23 rolls of microfilm loaded into this system.

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

### Legacy Modernization

The development team has completed 13 Sprints with development now focusing on payment processes, EDI transactions and data migration. The legal and carrier stakeholder meetings continue and we are now offering stakeholders the ability to attend via Webex. The next hurdle is how to deploy our system to the Cloud prior to the Department of Administration's implementation of a Cloud avenue. The project is progressing well and the involvement of all staff is appreciated as it is critical to the success of the final product.

## **III. Trainings and Meetings**

Sandee attended several Legacy Modernization Taskforce meetings for the IAIABC.

The IT staff attended several IAIABC conference calls regarding the design of EDI 3.1 and with the Legacy Modernization Taskforce.

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:** 14-Mar-19

**Subj:** Insurance and Medical Services Department  
February 2019 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. Continuing to explore 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: 96 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 on MSPM update for 2019.</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.

**Employer Rule to Show Cause Hearings and Compliance Activity**

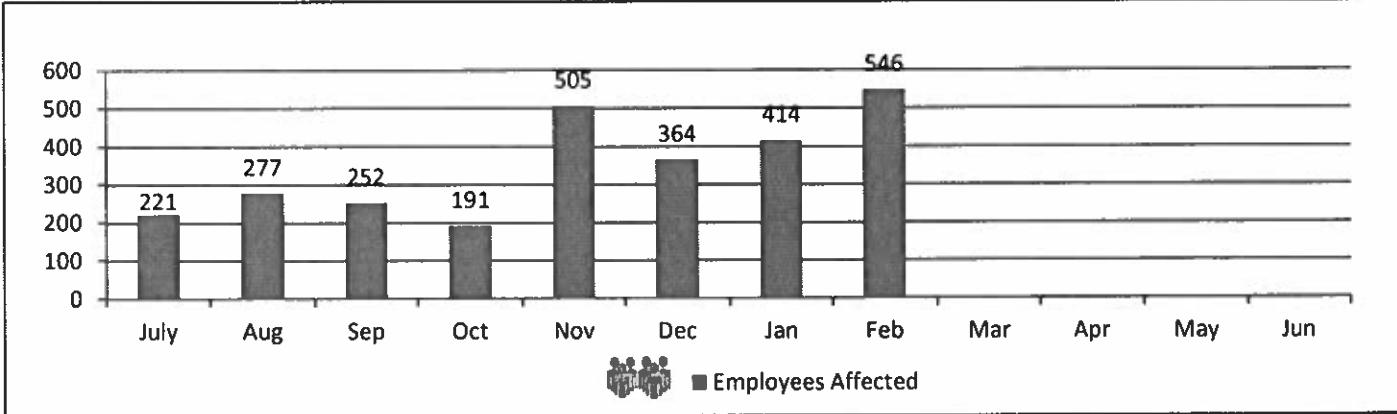
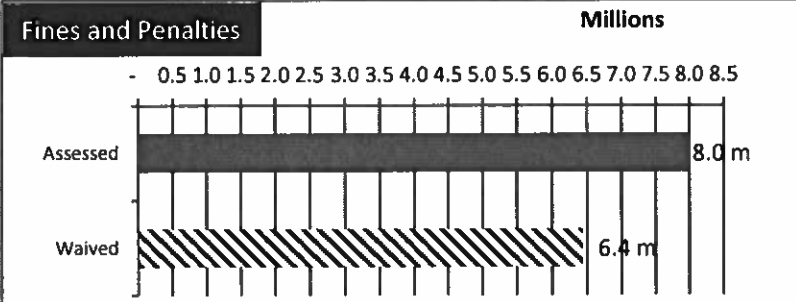
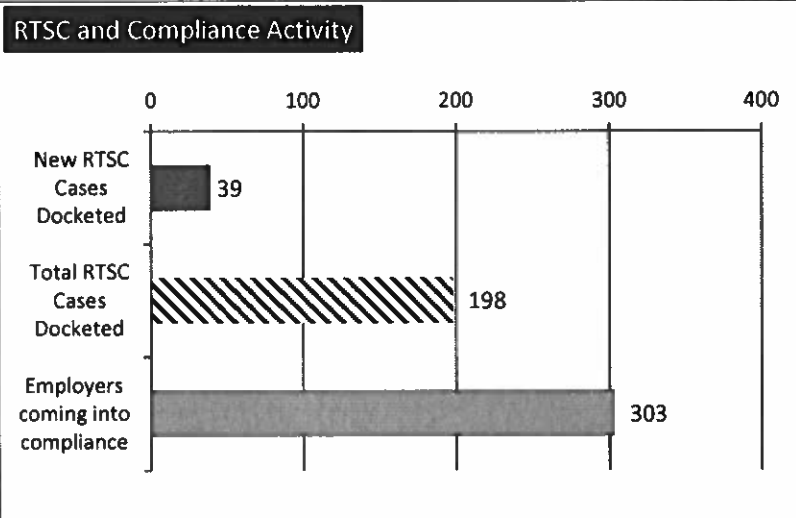
The Compliance Division docketed 4 new RTSC cases and 23 total RTSC cases in the month of February. And, compelled 64 South Carolina employers to come into compliance with the Act. Year to date, 39 new RTSC cases and 198 total RTSC cases have been docketed.

**Employers Obtaining Coverage**

Year to date, the Compliance Division has compelled 303 South Carolina employers to come into compliance with the Act. In so doing, approximately 2,770 previously uninsured workers are now properly covered.

**Penalties Waived**

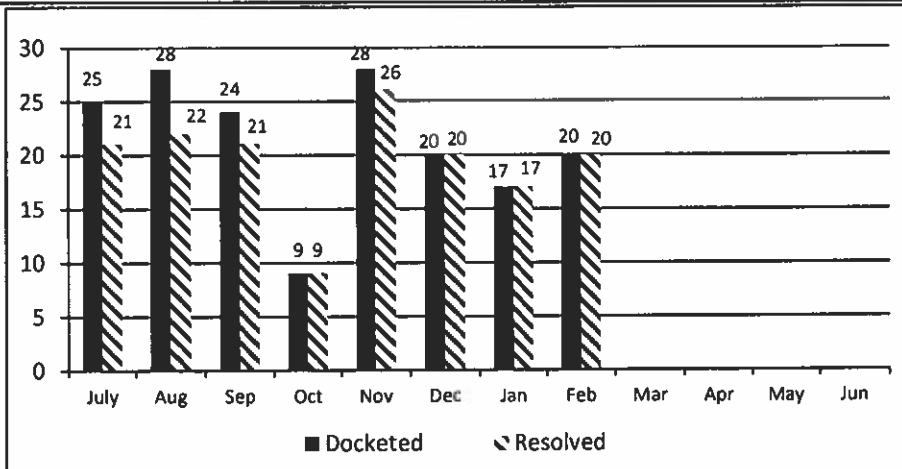
Although the Division has assessed \$8.0 m in fines this fiscal year, 81% of fines (\$6.4 m) have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.



**Carrier Rule to Show Cause Hearings**

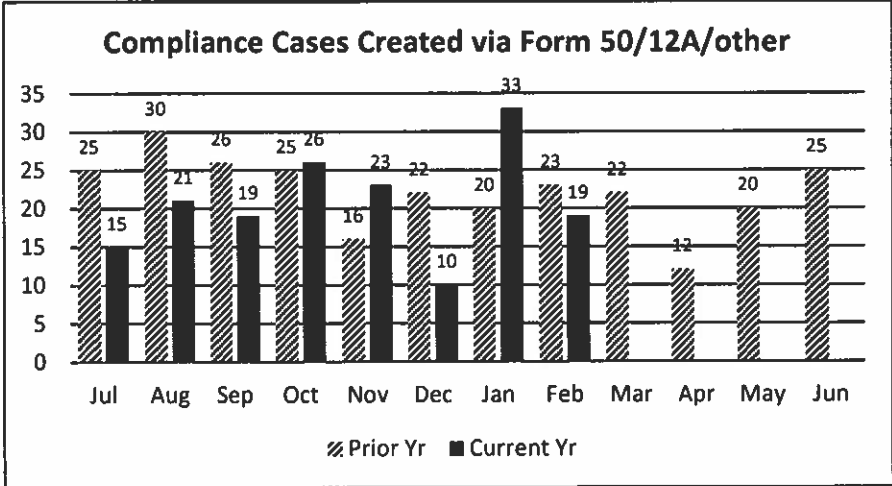
The Compliance Division manages the Rule to Show Cause process involving the recovery of outstanding carrier fines and penalties. In the month of February 2019, 20 carrier RTSC cases were docketed; 20 cases for a total of \$10,600 were resolved.

Year to date, a total of 171 carrier RTSC cases have been docketed, 156 cases for a total of \$67,068 have been resolved.



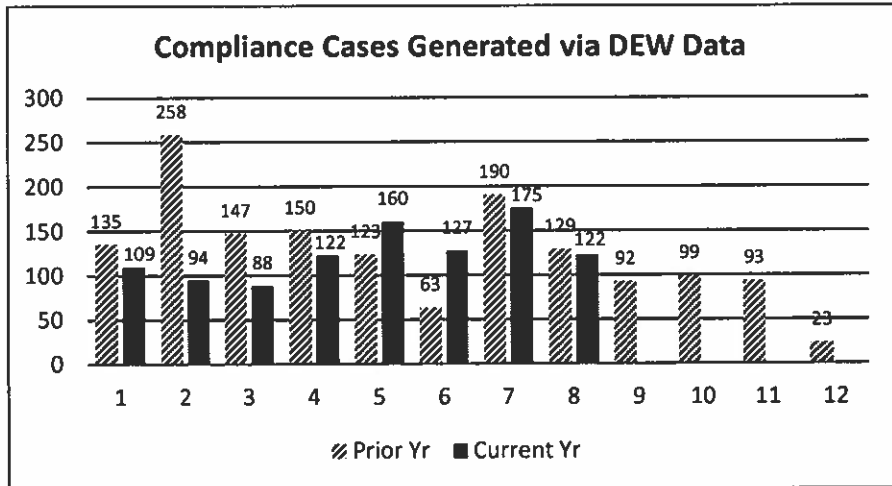
In February 2019, 19 compliance files were created from the combined filings of Form 50's, 12A's, and stakeholder reporting involving uninsured employers.

YTD vs. Prior Year total (266): 62%  
 Feb 2019 to Feb 2018: 83%  
 Current Yr End trend: 94% of 2018-2019  
 YTD 2018-2019 v. YTD 2017-2018: 89%

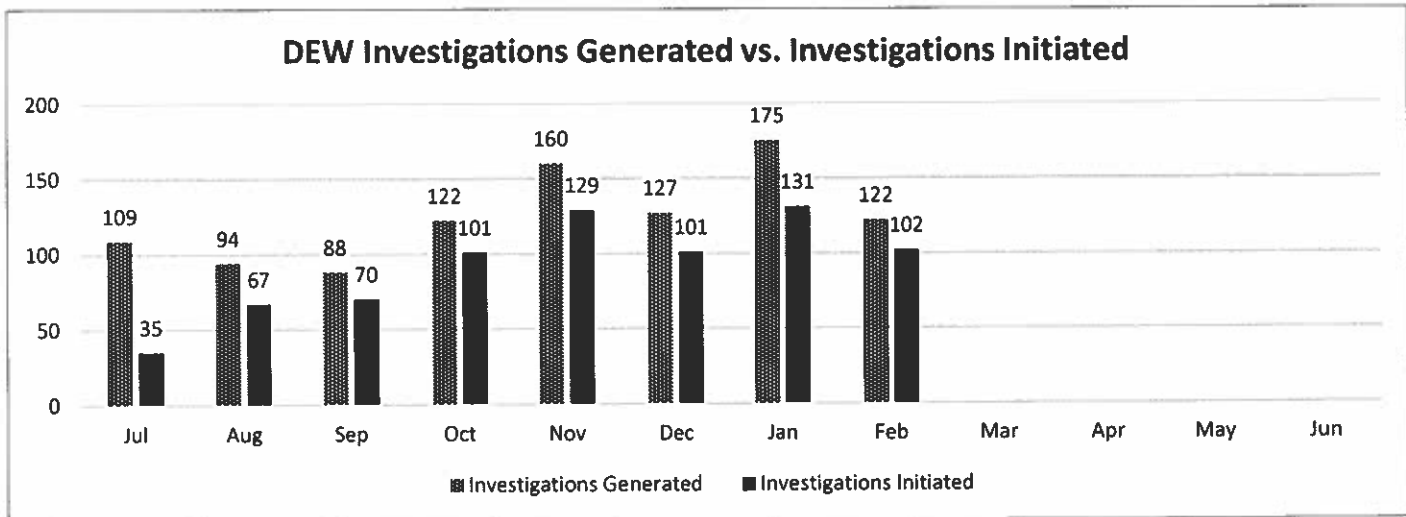


In February 2019, 122 compliance files were generated from the DEW data process.

YTD vs. Prior Year total (1,502): 66%  
 Feb 2019 to Feb 2018: 95%  
 Current Yr End trend: 100% of 2018-2019  
 YTD 2018-2019 v. YTD 2017-2018: 83%



The DEW Data Pool is determined by the total number of potential, non-compliant employers who report wages to DEW with at least 4 employees and who's FEIN does not match with any coverage records in the Commission's coverage database. The investigations generated is the number of compliance investigations generated from the pool. The investigations initiated is the number of compliance investigations initiated from those that were generated.





**IMS COMPLIANCE DIVISION**

**Carryover Caseload:**

The Compliance Division closed February 2019 with 460 cases active, compared to an active caseload of 457 at the close of February 2018.

**Cases Resolved:**

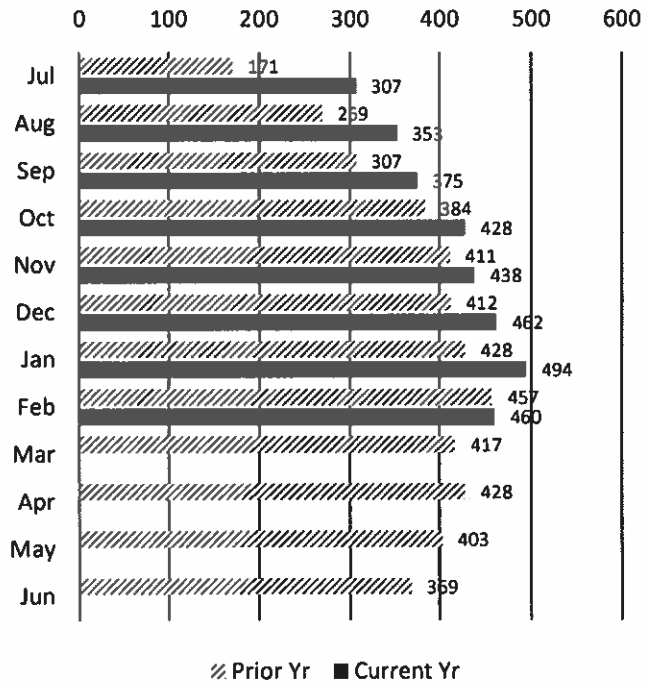
For the month of February 2019, Compliance Division staff closed-out 193 cases.

**Compliance Fines:**

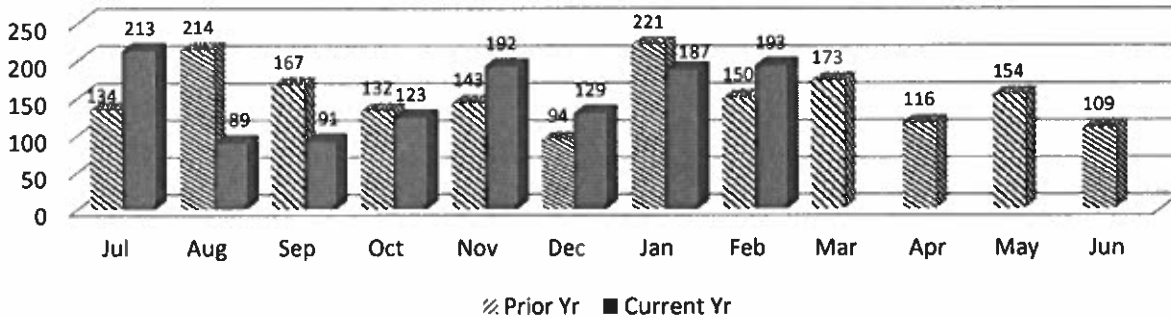
In February 2019, the Compliance Division collected \$229,537 in fines and penalties. Year to Date, the Compliance Division has collected \$880,507 in fines and penalties.

Year to Date vs Prior Year Total (\$1,507,751): 58%  
 February 2018 vs. February 2019: 227%  
 Current Year End trend is 88% of 2017-2018  
 YTD 2018-19 (July - Feb) vs YTD 2017-2018: 96%

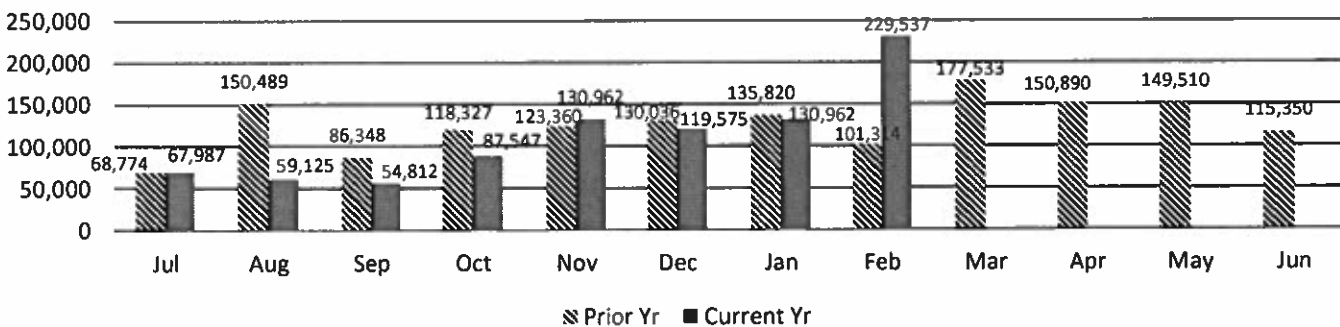
**Caseload Pending v. Prior Year**



**Cases Resolved v. Prior Year**



**Compliance Fines Collected v. Prior Year**

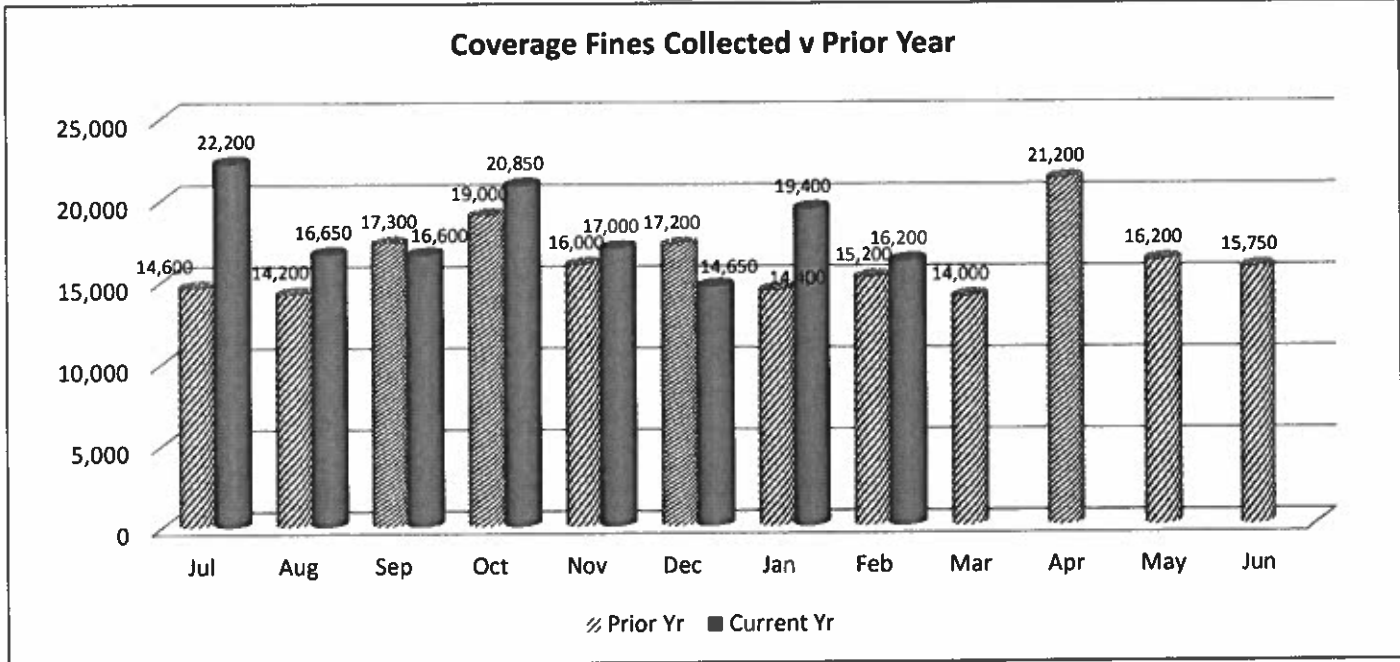
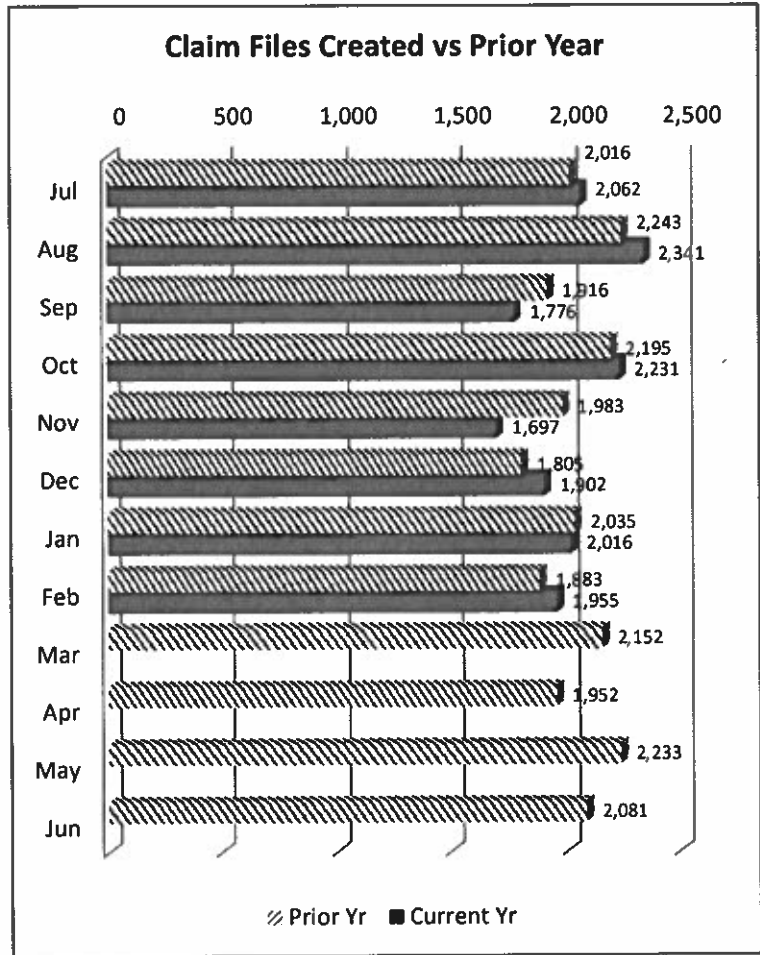


**WCC Claim Files:**

In February 2019, the Coverage Division received a total of 1,955 WCC Claim files. Of these, 1,728 were created through proper carrier filing of a 12A, and 227 were generated as a result of a Form 50 claim filing. Year to Date 15,980 Claim files have been created which is 65% of claim file volume prior year (24,494).

**Coverage Fines:**

The Coverage Division collected \$16,200 in fine revenue in February 2019, as compared to \$15,200 in Coverage fines/penalties accrued during February 2018. Year on Year, Coverage fines are at 74% of collections for prior year.



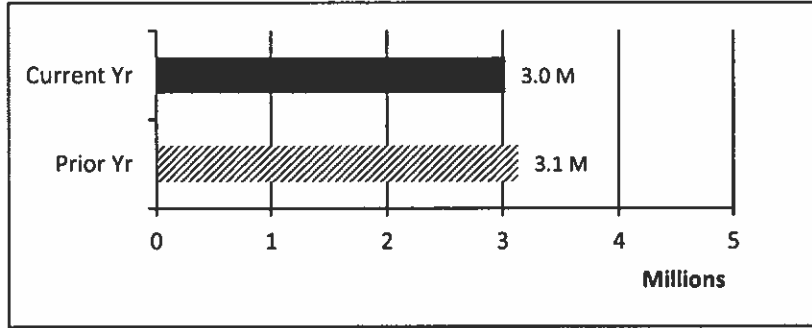
**IMS SELF INSURANCE DIVISION**

February 2019

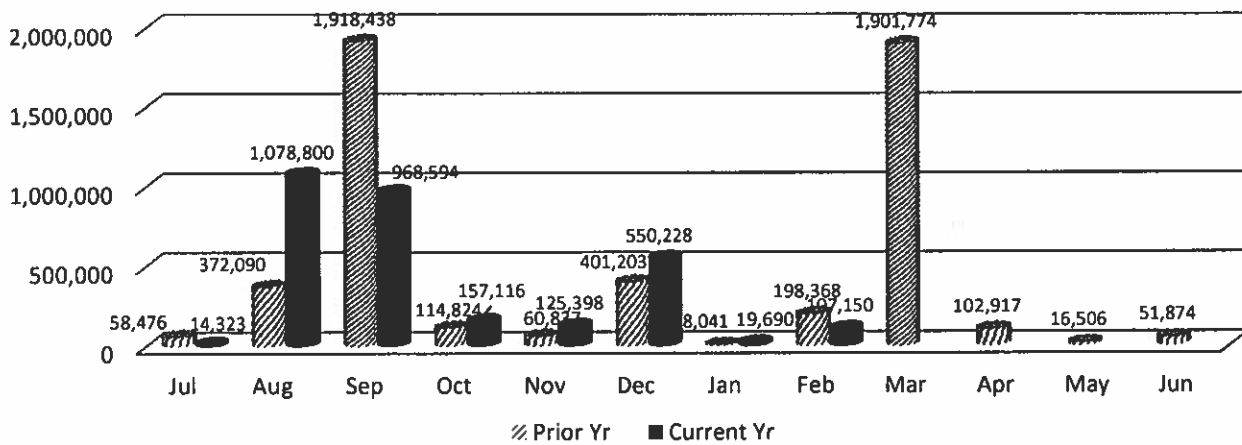
During the month of February 2019, the Self Insurance Division:

- \* collected \$107,150 in self-insurance tax.
- \* added 18 new self-insurers.
- \* conducted 4 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 96% of prior year and 31 Self Insurance audits have been completed.



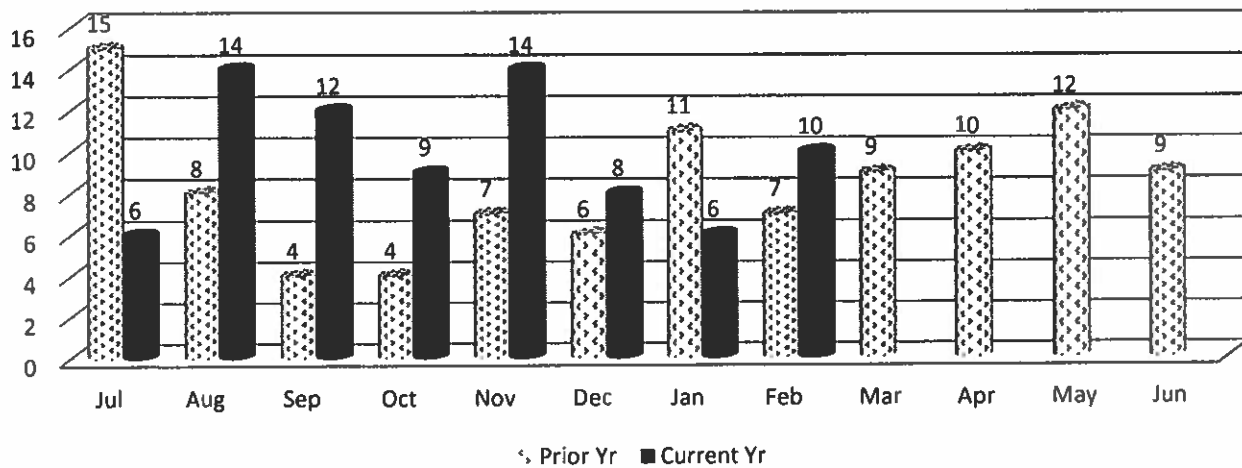
**Self Insurance Tax Collections v. Prior Year**



**IMS MEDICAL SERVICES DIVISION**

In February 2019, the Medical Services Division began the month with 6 bills pending review, received an additional 14 bills for review, conducted 10 bill reviews and ended the month with 10 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 11, 2019

Re: Claims Department –March 2019 Full Commission Report

Attached is Claims Department activity for the period ending February 28, 2019. The format of the Claims Department report highlights the key workflow benchmarks and compare to same month last fiscal year.

During January Claims processed 3453 less items than the previous month. This includes 2,106 closed files and reviewed 2,371 files. The department closed 408 less cases when compared to the previous month. The number of cases reviewed decreased by 1,907. The department closed 153 less cases and reviewed 702 less cases than the number of cases during the same period in FY17-18. We did not do carrier reviews this month because examiners covered my desk and assisted in file room.

In fine revenue, the department collected \$11,600 less revenue this month than the previous month. The Fine revenue collected \$2,600 less when compared to the same period in FY 17/18.

The total number of fines assessed decreased by 74 over the previous month. This month there was a decrease of 8 in the number of fines assessed for Forms 18. When compared to the same period in FY 17-18, the department assessed 83 less fines.

In the area of electronic submission of Form 18s the department received 1,951 via SROI/EDI, 158 less than the same period last year; 1,659 via email, 125 less than last year, and 540 via USPS, 165 less than last year.

The department received 686 Form 61s, a decrease of 11 more when compared to the same period in FY 17-18 and approved 647, which is 25 more than the number approved during the same period in FY17/18. In February the department received 1 Third Party Settlements and approved 4. During the same period in FY 17/18, the department received 12 Third Party Settlements and approved 2.

CLAIMS DEPARTMENT REPORT												
STATISTICS FOR FISCAL YEAR 2017-2018												
March 14, 2019												
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
<b>I. Claims Services Division</b>												
Forms 15-I	1,164	1,286	1,071	1,250	1,166	1,019	1,259	1,078				
Forms 15-III/Forms 17	1,000	994	873	1,015	974	881	989	903				
Forms 16 for PPD/Isf	265	202	276	218	158	300	246	208				
Forms 18	4,394	4,512	4,083	4,893	4,380	4,288	4,772	4,307				
Forms 20	729	759	660	782	720	571	762	692				
Form 50 Claims Only	284	251	252	289	239	163	298	235				
Form 61	698	818	678	776	690	682	837	686				
Letters of Rep	158	178	151	200	164	113	187	163				
Clinchers	898	917	660	853	942	903	868	837				
Third Party Settlements	2	3	1	7	3	0	1	2				
SSA Requests for Info	99	49	49	72	64	56	71	41				
Cases Closed	2,282	2,414	1,925	2,872	2,090	1,943	2,514	2,106				
Cases Reviewed	3,451	2,623	1,873	4,280	3,194	2,462	4,278	2,371				
<b>Total</b>	<b>15,424</b>	<b>15,006</b>	<b>12,552</b>	<b>17,507</b>	<b>14,784</b>	<b>13,381</b>	<b>17,082</b>	<b>13,629</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CLAIMS DEPARTMENT REPORT												
STATISTICS FOR FISCAL YEAR 2017-2018												
March 14, 2019												
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Fines per Form												
Assessed Form 15I	10	9	7	12	10	7	5	13	7			
Assessed Form 15II	8	4	0	7	7		4	11	2			
Assessed Form 15S	0	0	0	0	0		0	0	0	0	0	0
Assessed Form 17	4	7	5	6	2		5	12	3			
Assessed Form 18	201	202	223	258	211		270	227	219			
Assessed Form 19	1	1	0	3	0		0	2	0			
Assessed Denial Letter	4	1	1	2	1		2	6	2			
Assessed Requests	26	18	19	50	23		13	44	8			
Paid Form 15I	\$ 2,200	\$ 1,800	\$ 1,000	\$ 1,200	\$ 2,400	\$ 400	\$ 400	\$ 2,400	\$ 1,000			
Paid Form 15II	\$ 1,000	\$ 200	\$ 600	\$ 400	\$ 800	\$ 800	\$ 800	\$ 1,000	\$ 200			
Paid Form 15S	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paid Form 17	\$ 1,200	\$ 800	\$ 400	\$ 1,800	\$ 800	\$ 200	\$ 200	\$ 1,400	\$ 800			
Paid Form 18	\$ 34,200	\$ 35,800	\$ 25,000	\$ 39,400	\$ 35,300	\$ 25,400	\$ 41,800	\$ 34,600				
Paid Form 19	\$ -	\$ 100	\$ -	\$ -	\$ 100	\$ -	\$ 50	\$ -	\$ -			
Paid Denial Letter	\$ 800	\$ 800	\$ 200	\$ 400	\$ 200	\$ -	\$ 800	\$ 400				
Paid Request	\$ 4,600	\$ 3,800	\$ 2,000	\$ 4,600	\$ 5,800	\$ 3,400	\$ 3,800	\$ 2,600				

CLAIMS DEPARTMENT REPORT												
STATISTICS FOR FISCAL YEAR 2017-2018												
March 4, 2019												
II. Total Fines Assessed by Claims Department												
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
# Assessed	254	242	225	338	254	299	315	241				
# Rescinded	36	54	36	77	61	37	68	52				
# Reduced	1	0	0	1	0	0	0	0	0	0	0	0
# Paid	218	218	146	240	228	152	256	198				
# Outstanding*	388	322	430	451	401	446	399	425				
Total Amt. Assessed	\$ 50,650	\$ 48,250	\$ 51,000	\$ 67,150	\$ 5,080	\$ 59,800	\$ 62,700	\$ 48,200				
Total Amt. Rescinded	\$ 6,800	\$ 10,630	\$ 7,200	\$ 15,300	\$ 12,200	\$ 7,400	\$ 13,600	\$ 10,400				
Total Amt. Reduced	\$ 20	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Assessed									\$ -	\$ -	\$ -	\$ -
Total Amt. Paid	\$ 44,000	\$ 43,300	\$ 29,200	\$ 47,800	\$ 45,400	\$ 30,250	\$ 51,200	\$ 39,600				
Total Outstanding*	\$ 77,180	\$ 64,300	\$ 85,900	\$ 89,500	\$ 79,950	\$ 89,200	\$ 79,500	\$ 85,300				

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**Workers' Compensation Commission**

March 13, 2019

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

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

**RE:** **Monthly Judicial Report for February 2019**

During the month of February, the Judicial Department processed seven hundred ninety-nine (799) requests for hearings, one hundred fifteen (115) Motions and one hundred forty-seven (147) clincher conference requests that were sent to the Jurisdictional Commissioners.

There were fifty-eight (58) Single Commissioner Hearings conducted during the past month, thirty (30) pre-hearing conferences held and ten (10) Full Commission hearings held. A total of six hundred thirteen (613) Orders were served at the single Commissioner level, sixty-two (62) of those were Decision and Orders that resulted from hearings that went on the record and one hundred forty-eight (148) were Motion Orders that were a result of Motions ruled upon by Commissioners.

The Informal Conference system conducted one hundred ninety-one (191) hearings during the last month.

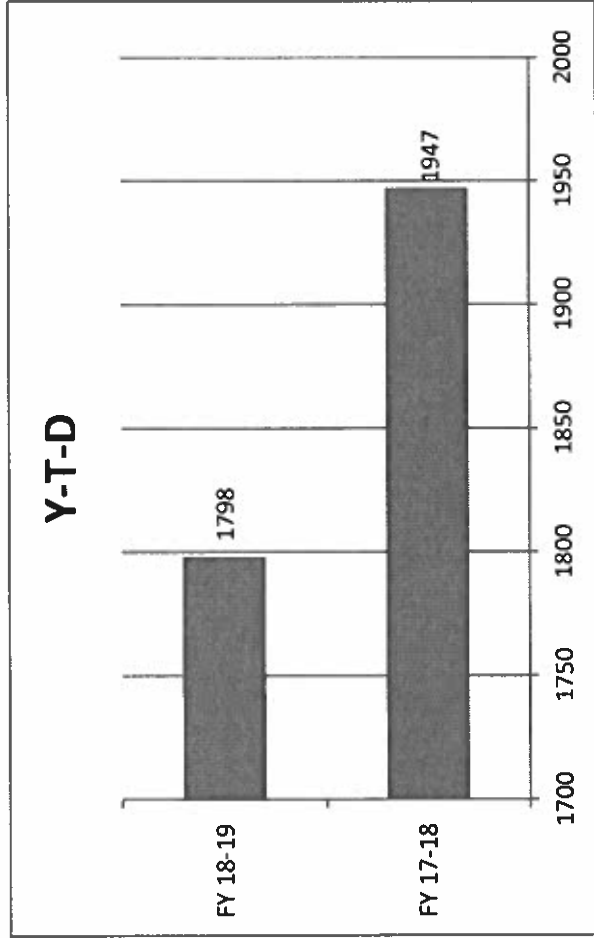
There were thirty-seven (37) regulatory mediations scheduled and forty-three (43) requested mediations. The Judicial Department was notified of sixty-three (63) matters resolved in mediation, with the receipt of Forms 70.

In the month of February, Judicial received one (1) Notices of Intent to Appeal to the Court of Appeals and zero (0) to the Circuit Court.



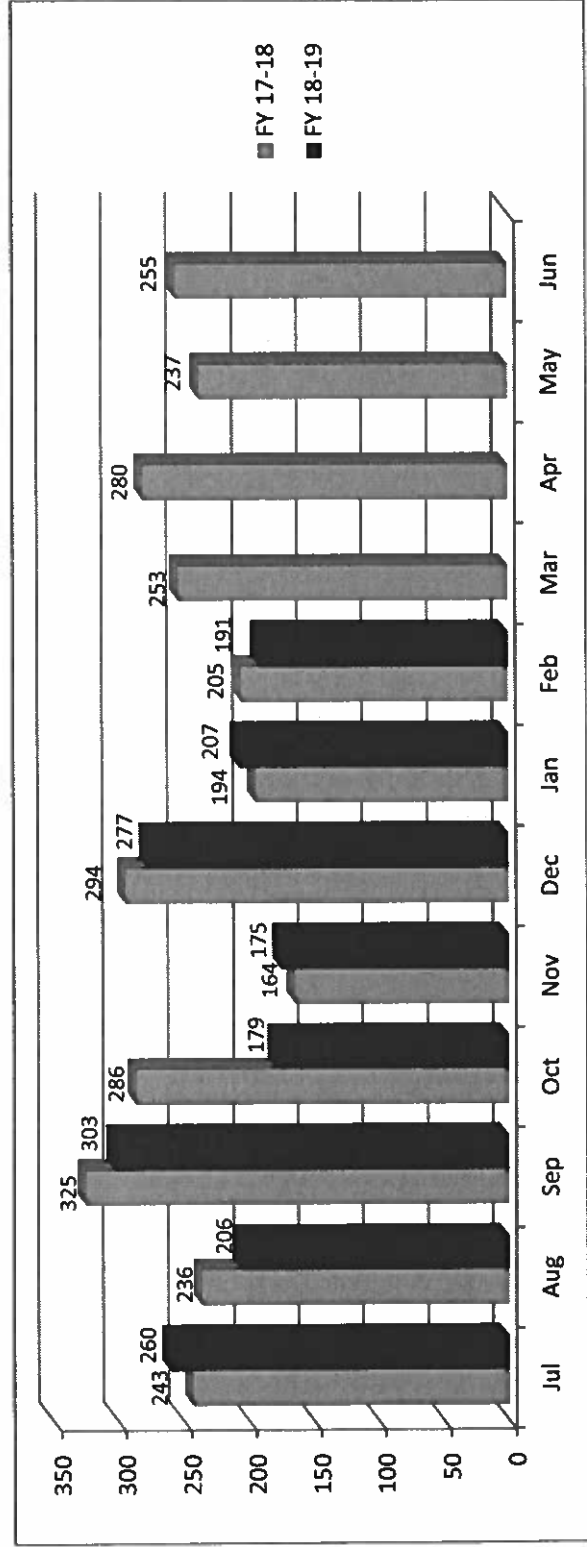
**Informal Conf. Conducted**

	FY 17-18	FY 18-19
Jul	243	260
Aug	236	206
Sep	325	303
Oct	286	179
Nov	164	175
Dec	294	277
Jan	194	207
Feb	205	191
Mar	253	
Apr	280	
May	237	
Jun	255	
<b>Total</b>	<b>2972</b>	<b>1798</b>



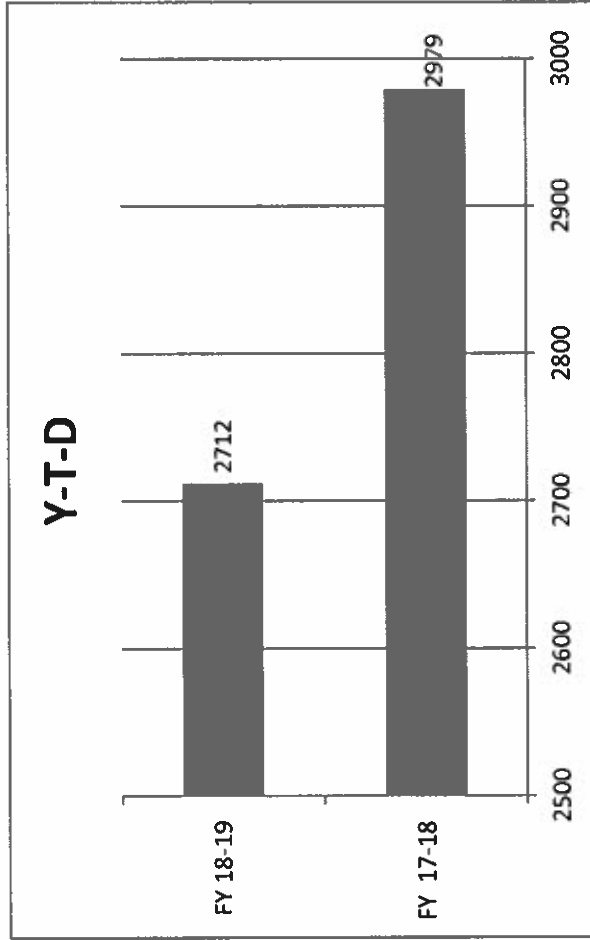
FY 17-18 1947  
FY 18-19 1798

**Y-T-D**



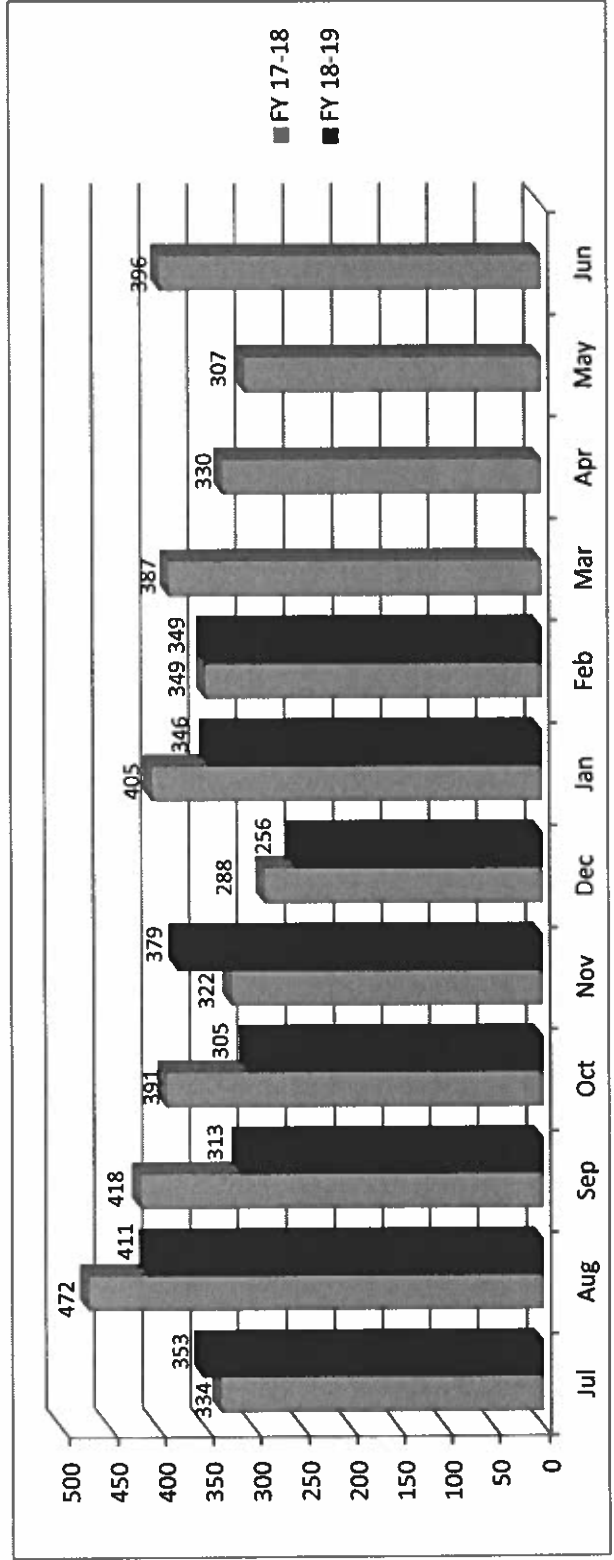
**Informal Conf. Requested**

	FY 17-18	FY 18-19
Jul	334	353
Aug	472	411
Sep	418	313
Oct	391	305
Nov	322	379
Dec	288	256
Jan	405	346
Feb	349	349
Mar	387	
Apr	330	
May	307	
Jun	396	
<b>Total</b>	<b>4399</b>	<b>2712</b>



**Y-T-D**

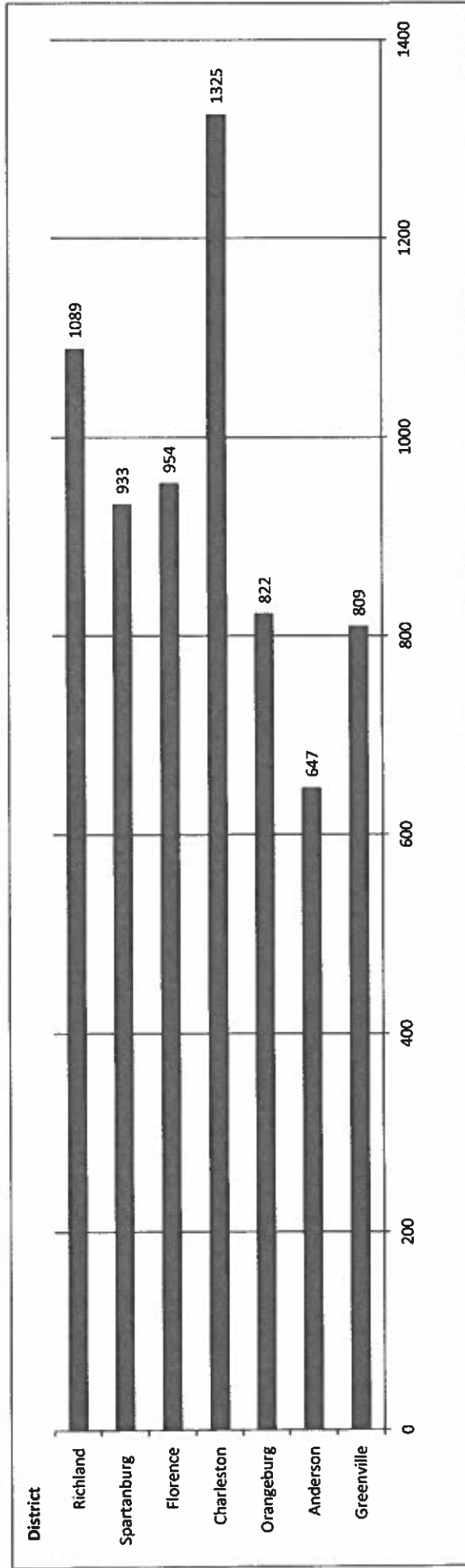
FY 17-18	FY 18-19
2979	2712



### 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		
	18-19	17-18	16-17	18-19	17-18	16-17	18-19	17-18	16-17	18-19	17-18	16-17	18-19	17-18	16-17	18-19	17-18	16-17	18-19	17-18	16-17
Jul	88	97	98	98	79	82	114	104	108	183	127	158	147	121	131	110	107	92	144	139	149
Aug	118	113	92	71	97	97	87	120	93	187	172	176	124	134	164	149	107	115	138	159	157
Sep	92	100	144	78	100	92	83	110	121	148	156	183	98	136	140	91	103	142	132	164	141
Oct	112	97	104	98	68	74	115	86	93	204	135	172	119	107	115	130	113	119	160	177	142
Nov	116	116	92	87	83	98	114	92	89	161	159	169	130	131	131	119	120	114	150	148	164
Dec	92	122	90	66	81	86	93	113	72	116	150	135	121	108	100	94	113	85	115	172	129
Jan	89	87	93	69	72	92	114	88	97	170	138	184	104	112	157	114	94	119	134	166	160
Feb	102	75	96	80	84	74	102	88	76	156	125	142	111	139	117	126	119	85	116	163	136
Mar		120	91		96	108		122	124	179	188			138	150		126	122		188	175
Apr		119	111		87	80		113	94	174	142			128	156		120	103		155	146
May		125	125		88	101		127	121	157	188			126	148		112	122		166	167
Jun		111	134		84	120		126	142	191	183			169	154		129	125		140	169
<b>Totals</b>	<b>809</b>	<b>1282</b>	<b>1270</b>	<b>647</b>	<b>1019</b>	<b>1104</b>	<b>822</b>	<b>1289</b>	<b>1230</b>	<b>1325</b>	<b>1863</b>	<b>2020</b>	<b>954</b>	<b>1549</b>	<b>1663</b>	<b>933</b>	<b>1363</b>	<b>1343</b>	<b>1089</b>	<b>1937</b>	<b>1835</b>

Pleadings Assigned by District Year to Date





March 2019-

- Mailed out 14 letters
- Opened 2 new VR cases referred by Workers Comp through letters
- Attended 2 full commission hearings – attorneys only present
- Scheduled 1 appointment with Workers Comp new referral for Wednesday 3/13/19 at 9am-received letter.

---

Felicia W. Johnson, Commissioner

The South Carolina Vocational Rehabilitation Department prepares and assists eligible South Carolinians with disabilities to achieve and maintain competitive employment

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## *Workers' Compensation Commission*

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

**March 18, 2019**

#### **Meetings/Activities**

The Executive Director participated in the following meetings/activities:

- February 13- Meeting - Legacy Modernization Update
- February 13- Meeting – Judicial Conference Agenda
- February 15- Meeting – WC Claims Management System Carrier Focus Group
- February 20- Meeting - Legacy Modernization Update
- February 20- Conference Call NCCI re: Anesthesiologist Data
- February 21- Meeting- IT Data and Commission
- February 21- Meeting- Alexa Stuart - Personnel Issue
- February 24- Attend SCWCEA Medical Conference
- February 25 & 26 - Attended SCWCEA Medical Conference
- February 28- Meeting Legacy Modernization Update
- March 5- Meeting- Chairman Beck - Personnel Issue

#### **Constituent /Public Information Services**

For the period February 13, 2019 to March 12, 2019, the Executive Director's Office and the General Counsel's office had 471 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 13, 2019 through March 12, 2019: approved and processed 20 travel expense reimbursement payment related activities, 68 invoices, and 18 deposits. Procurement and purchasing activities included the entries of 26 goods received

**SCWCC Stakeholder Electronic Distribution List**

For the period February 13, 2019, through March 12, 2019, we added seven (7) individuals, removed one (1) individual by their request. Due to the receipt of email delivery failures, a total of fifteen (15) email addresses were deleted. A total of 776 individuals currently receive notifications from the Commission.

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*Workers' Compensation Commission*

*MEMORANUM*

**TO: COMMISSIONERS**

**FROM: Gary Cannon  
Executive Director**

**DATE: March 18, 2018**

**RE: FINANCIAL REPORT - Period ending February 28, 2019**

Attached is the Budget vs. Actual Report for the General Fund and Earmarked Fund for the one month period ending January 31, 2019. The benchmark for this period is 67%.

The expenditures are on pages 1-10 of the "Budget vs. Actual Report FY 2018-19. The total of expenditures and commitments in the General Fund (10010000) is \$1,282,090 or 61% of budget. Details are on pages 1-2. The total of expenditures, including Commitments, in the Earmarked Fund (38440000) is \$4,530,239 or 65% of budget. The total includes the \$1.6 million commitment for the IT Legacy System Modernization which was approved as a one-time expenditure. Funds for this will be taken from the Self-Insurance Tax Revenues Fund Balance. Details are on pages 3-9.

The Earmarked Fund Revenues page located behind the Commitments report. The total operating revenues received in the Earmarked Fund is \$2,006,544 or 105% of budget. We have received \$2,761,481 or 110% of the budgeted Self-Insurance Tax funds.

**SC Workers' Compensation Commission  
BALANCE SHEET**

**EARMARKED FUND**

**FY 2018-2019**

**Period Ending: February 28, 2019**

	Budget	YTD	% of budget
Total Revenues	\$ 1,914,752	\$ 2,006,544	105%
Self-Insurance Tax	\$ 2,500,000	\$ 2,761,481	110%
Total Revenues	<u>\$ 4,414,752</u>	<u>\$ 4,768,025</u>	108%
Total Expenditures	<u>\$ 7,007,845</u>	<u>\$ 3,232,247</u>	46%
Total Commitments		<u>\$ 258,761</u>	
Net Income/Expenditures		<u><u>\$ 1,277,017</u></u>	



**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2019 As of 2/28/2019**  
**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				47,092
512001	OTHER OPERATING	73,411				
5050010000	IN ST-MEALS-NON-REP		241			
5050020000	IN ST-LODGING		1,952			
5050041000	HR-IN ST-AUTO MILES		1,632			
5050510000	OUT ST-MEALS-NON-REP		96			
5050520000	OUT ST-LODGING		1,043			
5050531000	HR-OUT ST-AIR TRANS		512			
	<b>Total OTHER OPERATING:</b>	<b>73,411</b>	<b>5,475</b>	<b>7%</b>	<b>0</b>	<b>67,936</b>
	<b>Total Administration:</b>	<b>222,632</b>	<b>73,561</b>	<b>33%</b>	<b>0</b>	<b>149,071</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
	<b>Total Claims:</b>	<b>77,223</b>	<b>52,657</b>	<b>68%</b>	<b>0</b>	<b>24,566</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2019 As of 2/28/2019**  
**67% of year elapsed**

**Fund 10010000 - GENERAL FUND**

**Commissioners**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501026	CHAIRMAN	125,208	83,051	66%	0	42,157
501033	COMMISSIONER	720,918	481,033	67%	0	239,885
501050	TAXABLE SUBS		3,180		0	-3,180
501058	CLASSIFIED POS	305,528	224,639	74%		80,888
501070	OTH PERS SVC	8,309	8,309	100%		0
512001	OTHER OPERATING	1,590				
5050510000	OUT ST-MEALS-NON-REP		62			
5050531000	HR-OUT ST-AIR TRANS		623			
5050541000	HR-OUT ST-AUTO MILES		48			
5050560000	OUT ST-MISC TR EXPEN		66			
	<b>Total OTHER OPERATING:</b>	<b>1,590</b>	<b>799</b>	<b>50%</b>	<b>0</b>	<b>790</b>
	<b>Total Commissioners:</b>	<b>1,161,553</b>	<b>801,011</b>	<b>69%</b>	<b>0</b>	<b>360,541</b>

**Insurance & Medical**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	26,632	20,000	75%		6,632
	<b>Total Insurance &amp; Medical:</b>	<b>26,632</b>	<b>20,000</b>	<b>75%</b>		<b>6,632</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	599,001	334,861	56%		264,140
	<b>Total Employer Contributions:</b>	<b>599,001</b>	<b>334,861</b>	<b>56%</b>		<b>264,140</b>

**Total GENERAL FUND: 2,116,307 1,282,090 61% 0 834,217**

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2019 As of 2/28/2019**  
**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	791,985	99,960	13%		692,025
501070	OTH PERS SVC	41,000				41,000
512001	OTHER OPERATING	2,607,462				
5020010000	OFFICE EQUIP SERVICE		200			
5020030000	PRINT / BIND / ADV		4,713			
5020080000	FREIGHT EXPRESS DELV		961			
5020120000	CELLULAR PHONE SVCS				442	
5021010000	LEGAL SERVICES		476			
5021020000	ATTORNEY FEES		6,672			
5021329000	BUILDING RENOVATION		4,800			
5021410000	EDUC & TRNG-STATE		460			
5021469302	CARPENTRY (SERVICES)		767			
5021479208	LOCKSMITH SERVICES		254			
5021490000	AUDIT ACCT FINANCE		137			
5021530000	CATERED MEALS		2,468		240	
5021540000	NON-IT OTHER PRO SRV				1,334	
5024990000	OTH CNT-NON-IT & REA		3,624			
5030010000	OFFICE SUPPLIES		6,735		2,700	
5030010002	OFF SUP - MIN OFF EQ		2,375			
5030010003	OFF SUP&EQ-NON-IT PL		1,418			
5030010004	SUBSCRIPTIONS		3,486			
5030030000	PRINTED ITEMS		69			
5030067101	PRGM LIC - APP SUPP		20,622			
5030067170	EQUIP&SUPP- PRINT EU		1,909			
5030070000	POSTAGE		20,725		28,053	
5031010001	FURNISHINGS				896	
5031029000	BLDG RENOVATION SUPP		5,022			
5031469309	PLUMBING SUPPLIES		270			
5031639500	OTH SECURTY EXP SUPL		51			
5033090000	EMPLOYEE RECOG AWARD		1,494		551	
5033990000	OTHER SUPPLIES		91			
5040010000	RENT-OFFICE EQUIP		1,897			

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2019 As of 2/28/2019**  
**67% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

5040057000	IT- RENTAL-CONT RENT		113			1,023
5040060000	RENT-NON ST OWN PROP		261,365			171,601
5040490000	RENT-OTHER		10,935			12,636
5040520000	INSURANCE-NON STATE		711			
5041010000	DUES & MEMBER FEES		4,036			
5041020000	FEES AND FINES		78			42
5050010000	IN ST-MEALS-NON-REP		113			
5050020000	IN ST-LODGING		712			
5050040000	IN ST-AUTO MILEAGE		40			
5050041000	HR-IN ST-AUTO MILES		217			
5050070000	IN ST-REGISTR FEES		619			
5050510000	OUT ST-MEALS-NON-REP		103			
5050570000	OUT ST-REGISTR FEES		497			
5051540000	LEASED CAR-ST OWNED		24,170			
5060325000	Other Eq Acq (MA)					10,054
5190010000	INT EXP-LATE PAYMENT		18			15
<b>Total OTHER OPERATING:</b>		<b>2,607,462</b>	<b>395,423</b>	<b>15%</b>	<b>229,588</b>	<b>1,982,451</b>
<b>Total Administration:</b>		<b>3,440,447</b>	<b>495,383</b>	<b>14%</b>	<b>229,588</b>	<b>2,715,476</b>

**Inform. services**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS		225,315			-225,315
5020010000	OFFICE EQUIP SERVICE		71			
5020077100	SERVICES- APP SUP		0		842	
5020077110	SERVICES- DATA NET		500		2,430	
5020077220	SERVICES- VOICENET		15,884		4,320	
5020077230	IT CONTRACTORS		162,297		1,014,698	
5020077240	DP SERVICES – STATE		130,265			
5020080000	FREIGHT EXPRESS DELV				41	
5020120000	CELLULAR PHONE SVCS		13,009		9,032	
5021469316	SECURITY ALARM SRVC		3,215		944	
5030010000	OFFICE SUPPLIES		1,160		473	
5030010004	SUBSCRIPTIONS		450			
5030050000	PHOTO & VISUAL SUPP		2,223			

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2019 As of 2/28/2019**  
**67% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

5030067130	EQUIP&SUPP- EUC	11,450		
5030067131	PLM- EUC		769	
5030067170	EQUIP&SUPP- PRINT EU	6,467	6,204	
5030067210	EQUIP&SUPP- STORAGE	667		
5030067220	EQUIP&SUPP- VOICENET	233		
5030090000	COMMUNICATION SUPP	475	492	
5031010000	LAUNDRY SUPPLIES	45		
5040057000	IT- RENTAL-CONT RENT	2,590	3,616	
5041010000	DUES & MEMBER FEES	100		
5050010000	IN ST-MEALS-NON-REP	75		
5050020000	IN ST-LODGING	629		
5050041000	HR-IN ST-AUTO MILES	375		
5050050000	IN ST-OTHER TRANS	17		
5050070000	IN ST-REGISTR FEES	118		
5050510000	OUT ST-MEALS-NON-REP	204		
5050520000	OUT ST-LODGING	931		
5050531000	HR-OUT ST-AIR TRANS	453		
5050541000	HR-OUT ST-AUTO MILES	116		
5050550000	OUT ST-OTHER TRANS	108		
5050560000	OUT ST-MISC TR EXPEN	90		
5050570000	OUT ST-REGISTR FEES	1,429		
5052010000	TRVL ADVANCE		2,300	
5203990000	LOW VALUE ASSET (MA)	2,506		
	<b>Total OTHER OPERATING:</b>	<b>358,154</b>	<b>1,046,160</b>	<b>-1,404,314</b>
	<b>Total Inform. services:</b>	<b>583,469</b>	<b>1,046,160</b>	<b>-1,629,630</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2019 As of 2/28/2019**  
**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	277,786	173,463	62%		104,323
501070	OTH PERS SVC	3,725	3,064	82%		660
512001	OTHER OPERATING	19,039				
5020080000	FREIGHT EXPRESS DELV				125	
5020120000	CELLULAR PHONE SVCS				76	
5030010000	OFFICE SUPPLIES		199		923	
5030030000	PRINTED ITEMS		27			
5050010000	IN ST-MEALS-NON-REP		12			
5050020000	IN ST-LODGING		472			
5050041000	HR-IN ST-AUTO MILES		177			
	<b>Total OTHER OPERATING:</b>	<b>19,039</b>	<b>886</b>	<b>5%</b>	<b>1,124</b>	<b>17,029</b>
	<b>Total Claims:</b>	<b>300,550</b>	<b>177,414</b>	<b>59%</b>	<b>1,124</b>	<b>122,012</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2019 As of 2/28/2019**  
**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	31,776	45%	0	38,224
512001	OTHER OPERATING	230,700				
5020080000	FREIGHT EXPRESS DELV		25			
5020120000	CELLULAR PHONE SVCS				1,134	
5021010000	LEGAL SERVICES		66,027			
5021410000	EDUC & TRNG-STATE		150			
5021540000	NON-IT OTHER PRO SRV		295		3,319	
5021540001	PROF SRV-LANG INTER		252		-252	
5030010000	OFFICE SUPPLIES		283		894	
5050010000	IN ST-MEALS-NON-REP		245			
5050020000	IN ST-LODGING		4,010			
5050031000	HR-IN ST-AIR TRANS		528			
5050041000	HR-IN ST-AUTO MILES		15,965		444	
5050050000	IN ST-OTHER TRANS		132			
5050060000	IN ST-MISC TR EXP		195			
5050080000	IN ST-SUBSIST ALLOW		8,301			
5050510000	OUT ST-MEALS-NON-REP		200			
5050570000	OUT ST-REGISTR FEES		945			
5051520000	REPORTABLE MEALS		146			
	<b>Total OTHER OPERATING:</b>	<b>230,700</b>	<b>97,698</b>	<b>42%</b>	<b>5,539</b>	<b>127,463</b>
	<b>Total Commissioners:</b>	<b>300,700</b>	<b>129,474</b>	<b>43%</b>	<b>5,539</b>	<b>165,687</b>

**Information Services FY18**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
561000	Special Item	1,400,000	753,956	54%	19	646,025
	<b>Total Information Services FY18:</b>	<b>1,400,000</b>	<b>753,956</b>	<b>54%</b>	<b>19</b>	<b>646,025</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2019 As of 2/28/2019**  
**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	277,351	60%		182,112
501070	OTH PERS SVC	22,881	7,843	34%		15,038
512001	OTHER OPERATING	54,500				
5020080000	FREIGHT EXPRESS DELV				125	
5020120000	CELLULAR PHONE SVCS				54	
5021540000	NON-IT OTHER PRO SRV		12,010		11,117	
5024990000	OTH CNT-NON-IT & REA		1,090			
5030010000	OFFICE SUPPLIES		818		933	
5030010004	SUBSCRIPTIONS		203		462	
5030070000	POSTAGE		8			
5050010000	IN ST-MEALS-NON-REP		50			
5050020000	IN ST-LODGING		472		472	
5050041000	HR-IN ST-AUTO MILES		177		178	
	<b>Total OTHER OPERATING:</b>	<b>54,500</b>	<b>14,828</b>	<b>27%</b>	<b>13,339</b>	<b>26,333</b>
	<b>Total Insurance &amp; Medical:</b>	<b>536,844</b>	<b>300,022</b>	<b>56%</b>	<b>13,339</b>	<b>223,483</b>



**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2019 As of 2/28/2019**  
**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	291,778	294,113	101%		-2,335
501070	OTH PERS SVC	38,767	25,938	67%		12,829
512001	OTHER OPERATING	12,800				
5020010000	OFFICE EQUIP SERVICE		578		1,053	
5020080000	FREIGHT EXPRESS DELV				125	
5020120000	CELLULAR PHONE SVCS				75	
5021010000	LEGAL SERVICES		2,505			
5030010000	OFFICE SUPPLIES		477		969	
5050010000	IN ST-MEALS-NON-REP		235			
5050020000	IN ST-LODGING		1,079			
5050041000	HR-IN ST-AUTO MILES		171			
5051520000	REPORTABLE MEALS		792			
	<b>Total OTHER OPERATING:</b>	<b>12,800</b>	<b>5,836</b>	<b>46%</b>	<b>2,222</b>	<b>4,742</b>
	<b>Total Judicial:</b>	<b>343,345</b>	<b>325,888</b>	<b>95%</b>	<b>2,222</b>	<b>15,236</b>

**Employer Contributions**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	685,959	466,642	68%	0	219,317
	<b>Total Employer Contributions:</b>	<b>685,959</b>	<b>466,642</b>	<b>68%</b>	<b>0</b>	<b>219,317</b>
	<b>Total EARMARKED FUND:</b>	<b>7,007,845</b>	<b>3,232,247</b>	<b>46%</b>	<b>1,297,992</b>	<b>2,477,606</b>

**South Carolina Workers' Compensation Commission**

**Commitments**

**FY 2019 As of 2/28/2019**

**Fund 38440000 - EARMARKED FUND**

**Administration**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	442
5021540000	NON-IT OTHER PRO SRV	1-800-GOT-JUNK?	1,334
5030070000	POSTAGE	US POSTAL SERVICE	25,920
5033090000	EMPLOYEE RECOG AWARD	LITTLE PIGS BARBECUE	551
5040057000	IT- RENTAL-CONT RENT	XEROX CORPORATION	1,023
5040060000	RENT-NON ST OWN PROP	ALBANY ROAD - 1333 MAIN LLC	171,601
5060325000	Other Eq Acq (MA)	NEOPOST USA INC	10,054
<b>Total Administration:</b>			<b>210,925</b>

**Inform. services**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020077100	SERVICES- APP SUP	BIS DIGITAL, INC.	842
5020077110	SERVICES- DATA NET	MCWATERS INC	2,430
5020077220	SERVICES- VOICENET	NWN CORPORATION	4,320
5020080000	FREIGHT EXPRESS DELV	FEDEX	41
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	9,032
5021469316	SECURITY ALARM SRVC	SONITROL SECURITY SYSTEMS	944
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	473
5030067170	EQUIP&SUPP- PRINT EU	FORMS & SUPPLY INC	6,204
5030090000	COMMUNICATION SUPP	VERIZON WIRELESS	492
5040057000	IT- RENTAL-CONT RENT	XEROX	1,769
5040057000	IT- RENTAL-CONT RENT	XEROX CORPORATION	1,847
<b>Total Inform. services:</b>			<b>28,394</b>

**Claims**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020080000	FREIGHT EXPRESS DELV	FEDEX	125
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	76
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	453

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.

**South Carolina Workers' Compensation Commission  
Commitments  
FY 2019 As of 2/28/2019**

**Fund 38440000 - EARMARKED FUND**

5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	470
<b>Total Claims:</b>			<b>1,124</b>

**Commissioners**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	1,134
5021540000	NON-IT OTHER PRO SRV	NICHOLAS ANTONIO GUNTER	869
5021540000	NON-IT OTHER PRO SRV	RICHLAND COUNTY SHERIFFS DEPT	950
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	386
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	508
<b>Total Commissioners:</b>			<b>3,848</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>

**Insurance & Medical**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020080000	FREIGHT EXPRESS DELV	FEDEX	125
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	54
5021540000	NON-IT OTHER PRO SRV	A WOMANS TOUCH LLC	1,015
5021540000	NON-IT OTHER PRO SRV	BNG PROCESS SERVICE	2,106
5021540000	NON-IT OTHER PRO SRV	J & J INVESTIGATIONS LLC	1,458
5021540000	NON-IT OTHER PRO SRV	MILLIGAN & ASSOCIATES	154
5021540000	NON-IT OTHER PRO SRV	NTHRIVE INC	2,880
5021540000	NON-IT OTHER PRO SRV	TPT INVESTIGATIONS LLC	960
5021540000	NON-IT OTHER PRO SRV	UPSTATE LEGAL SUPPORT SERVICES L	1,080
5021540000	NON-IT OTHER PRO SRV	WHITESSELL INVESTIGATIVE SERVICES	1,463
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	408
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	525

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.

South Carolina Workers' Compensation Commission

Commitments

FY 2019 As of 2/28/2019

Fund 38440000 - EARMARKED FUND

Total Insurance & Medical: 12,228

Judicial

Commitment Item	Commitment Item Description	Vendor	Commitment
5020010000	OFFICE EQUIP SERVICE	AMERICAN TIME DATA INC	1,053
5020080000	FREIGHT EXPRESS DELV	FEDEX	125
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	75
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	444
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	525
Total Judicial:			2,222
Total EARMARKED FUND:			258,761

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.

# *State of South Carolina*

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## *Workers' Compensation Commission*

### *MEMORANDUM*

**TO: COMMISSIONERS**

**FROM: Gary Cannon  
Executive Director**

**DATE: March 18, 2018**

**RE: Medical Services Provider Manual**

At the January Business Meeting the Commissioners were provided the proposed policy changes to the text in the Medical Services Provider Manual and calculations of impact on the system for Conversion Factors of \$49, \$50, \$51, and \$52 as prepared by Optum. The Commission directed staff to publish the proposed changes for the stakeholders to review and comment.

At the February Business Meeting the Commissioners received written comments from the SC Society of Anesthesiologist, Concentra and Midlands Orthopaedics and Neurology. The Society of Anesthesiologists requested and an increase in their respective Conversion Factor of \$30 per unit of anesthesiology service. Concentra requested the Commission consider increasing the Conversion Factor to \$53. The request is based upon the Medicare Economic Index (MEI) increasing growth of 8.2% from 2010 to 2019. Margaret Ann MaCraw of Midlands Orthopaedics and Neurology did not have a recommendation for a specific Conversion Factor, other than "... a conversion factor that results in an increase for all provider types.

The Society of Anesthesiologists expressed concerns the Commission did not review the anesthesia Maximum Allowable Payment (MAP) of \$30/unit using the same methodology used for the calculation of the Conversion Factor used to calculate the MAP for other services. Staff requested NCCI review the medical data reported by the anesthesiology service providers for 2017. Attached is NCCI's report of the top 50 anesthesia codes sorted by service year for the period 2013-2017 reflecting the paid percentage of total anesthesia payments and median paid per unit. The second chart is the Transactions and Units associated with the top 50 anesthesia codes in the first chart. According to NCCI the median numbers reflect 50% of units paid were below the amount shown and 50% of the units were above it. The second chart entitled

“Transactions and Units for the Top 50 Anesthesia Codes in South Carolina” reflects the number of transactions and units. Units are defined as minutes in this chart. It is necessary to convert the units this chart to billable units by dividing by 15.

The second group of charts, Summary Totals, Summary Top 50 CF and Example are Optum’s calculations of the anesthesia charges and payments for 2017. In the Summary Totals chart Optum uses an average of the records to reflect the charge and the amount paid; the Summary Top 50 CF chart reflects the minimum and maximum of the amount charged and paid; and Example chart reflects the conversion factor summarized, weighted average and average across all procedures.

Also attached is information provided by Mike Bowe since the Business Meeting in February on behalf of the SC Society of Anesthesiologist and the information provided you at the January and February Business Meetings.

**Top 50 Anesthesia Codes Sorted by Service Year 2017 Paid Percentage in South Carolina**

Service Year	2013			2014			2015			2016			2017		
	Paid Percentage of Anesthesia Payments	Median Paid per Unit	Paid Percentage of Anesthesia Payments	Median Paid per Unit	Paid Percentage of Anesthesia Payments	Median Paid per Unit	Paid Percentage of Anesthesia Payments	Median Paid per Unit	Paid Percentage of Anesthesia Payments	Median Paid per Unit	Paid Percentage of Anesthesia Payments	Median Paid per Unit	Paid Percentage of Anesthesia Payments	Median Paid per Unit	
01630	16.2%	\$ 30.22	14.2%	\$ 29.12	15.5%	\$ 29.31	15.0%	\$ 27.66	15.5%	\$ 28.72					
01400	9.2%	\$ 33.13	8.1%	\$ 32.22	8.5%	\$ 32.20	8.6%	\$ 33.20	9.1%	\$ 32.01					
00670	9.7%	\$ 35.04	9.5%	\$ 36.67	9.7%	\$ 34.98	10.0%	\$ 35.69	8.1%	\$ 33.41					
01830	6.3%	\$ 25.17	5.7%	\$ 25.00	6.3%	\$ 25.46	6.3%	\$ 24.55	6.8%	\$ 25.44					
01810	7.3%	\$ 35.63	6.7%	\$ 30.00	7.0%	\$ 30.00	7.0%	\$ 29.40	6.7%	\$ 29.40					
01480	4.8%	\$ 23.68	4.8%	\$ 23.52	5.3%	\$ 23.02	5.0%	\$ 22.50	5.1%	\$ 22.50					
01952	1.7%	\$ 113.88	6.6%	\$ 89.33	3.1%	\$ 86.55	5.8%	\$ 90.28	4.6%	\$ 92.65					
00630	7.3%	\$ 30.49	5.2%	\$ 30.25	5.8%	\$ 31.83	4.8%	\$ 30.57	4.0%	\$ 29.88					
00400	3.4%	\$ 33.75	4.7%	\$ 30.00	4.7%	\$ 29.72	3.3%	\$ 29.17	3.7%	\$ 30.00					
ANT01	3.1%	\$ 47.06	2.9%	\$ 47.56	2.6%	\$ 47.25	2.4%	\$ 45.07	2.7%	\$ 45.20					
00300	1.0%	\$ 32.14	1.1%	\$ 30.00	1.9%	\$ 35.67	2.7%	\$ 36.16	2.7%	\$ 34.32					
01951	2.3%	\$ 74.44	1.9%	\$ 75.18	1.9%	\$ 49.11	1.4%	\$ 42.86	1.8%	\$ 59.21					
ANT02	1.8%	\$ 28.86	1.6%	\$ 27.75	1.5%	\$ 30.85	1.5%	\$ 31.00	1.8%	\$ 30.48					
01402	1.5%	\$ 27.13	1.6%	\$ 26.94	1.4%	\$ 29.09	1.7%	\$ 27.26	1.8%	\$ 27.32					
01710	1.7%	\$ 27.45	1.8%	\$ 24.96	1.4%	\$ 25.63	1.2%	\$ 24.51	1.7%	\$ 24.00					
01740	1.0%	\$ 26.04	1.2%	\$ 34.44	0.8%	\$ 23.69	1.4%	\$ 22.87	1.2%	\$ 26.46					
01392	0.8%	\$ 21.72	0.9%	\$ 23.20	1.0%	\$ 22.34	1.4%	\$ 24.75	1.2%	\$ 22.62					
00840	0.9%	\$ 30.29	0.5%	\$ 29.25	1.0%	\$ 31.47	0.9%	\$ 30.00	1.1%	\$ 29.70					
01610	1.0%	\$ 34.48	0.7%	\$ 26.59	0.9%	\$ 30.00	0.8%	\$ 30.00	1.1%	\$ 28.13					
01638	1.0%	\$ 31.68	0.6%	\$ 32.10	1.1%	\$ 30.35	0.9%	\$ 31.90	1.0%	\$ 29.86					
00600	2.3%	\$ 30.14	1.6%	\$ 28.95	1.3%	\$ 31.91	1.8%	\$ 30.00	1.0%	\$ 31.68					
00830	1.2%	\$ 29.35	1.2%	\$ 27.00	1.3%	\$ 26.46	0.9%	\$ 26.07	1.0%	\$ 26.25					
01936	0.9%	\$ 71.18	1.0%	\$ 35.36	0.7%	\$ 33.75	0.8%	\$ 31.42	0.9%	\$ 36.64					
01470	1.3%	\$ 27.25	1.1%	\$ 25.71	1.1%	\$ 25.70	0.8%	\$ 26.05	0.9%	\$ 26.16					
01464	0.7%	\$ 26.10	0.5%	\$ 23.49	0.8%	\$ 24.19	0.7%	\$ 23.42	0.8%	\$ 26.94					
01230	0.5%	\$ 33.33	0.9%	\$ 26.69	0.7%	\$ 25.07	1.2%	\$ 32.14	0.8%	\$ 25.20					
00620	0.9%	\$ 41.86	0.4%	\$ 35.42	0.5%	\$ 36.60	0.4%	\$ 31.03	0.6%	\$ 33.75					
01716	0.2%	\$ 42.00	0.3%	\$ 42.86	0.2%	\$ 26.97	0.3%	\$ 34.09	0.5%	\$ 26.95					
01820	0.5%	\$ 31.41	0.3%	\$ 24.00	0.6%	\$ 27.63	0.3%	\$ 29.72	0.5%	\$ 30.00					
01840	0.4%	\$ 32.90	0.4%	\$ 23.21	0.1%	\$ 32.93	0.2%	\$ 31.00	0.5%	\$ 141.53					
01992	0.2%	\$ 105.00	1.2%	\$ 89.25	0.6%	\$ 76.29	0.4%	\$ 71.80	0.5%	\$ 103.85					
01160	0.0%	\$ 41.84	0.1%	\$ 108.00	0.0%	\$ 9.73	0.0%	\$ 17.15	0.4%	\$ 51.37					

01214	0.2%	\$	30.25	0.4%	\$	30.07	0.4%	\$	29.42	0.6%	\$	26.92	0.4%	\$	30.85
00752	0.2%	\$	31.07	0.2%	\$	27.00	0.3%	\$	32.73	0.2%	\$	51.08	0.4%	\$	32.44
01712	0.2%	\$	37.50	0.3%	\$	30.22	0.6%	\$	39.20	0.4%	\$	34.65	0.4%	\$	34.04
01474	0.1%	\$	39.26	0.0%	\$	21.46	0.0%	\$	56.30	0.1%	\$	29.28	0.3%	\$	96.50
00790	0.2%	\$	29.82	0.5%	\$	32.14	0.3%	\$	25.40	0.4%	\$	25.50	0.3%	\$	33.01
00190	0.1%	\$	38.94	0.4%	\$	23.08	0.5%	\$	25.74	0.4%	\$	27.08	0.3%	\$	27.94
01320	0.3%	\$	26.33	0.2%	\$	23.59	0.2%	\$	29.61	0.4%	\$	26.46	0.3%	\$	22.79
01215	0.1%	\$	56.62	-	\$	-	0.1%	\$	445.50	-	\$	-	0.3%	\$	227.75
01620	0.3%	\$	54.15	0.3%	\$	50.00	0.2%	\$	51.92	0.3%	\$	63.45	0.3%	\$	52.50
01472	0.2%	\$	29.42	0.2%	\$	27.50	0.5%	\$	27.81	0.2%	\$	28.42	0.3%	\$	25.71
01360	0.2%	\$	34.62	0.3%	\$	33.31	0.4%	\$	51.69	0.1%	\$	26.58	0.3%	\$	28.56
00160	0.4%	\$	39.71	0.5%	\$	40.15	0.5%	\$	38.25	0.4%	\$	37.97	0.2%	\$	33.75
01173	0.0%	\$	32.31	0.3%	\$	42.74	0.3%	\$	27.53	0.2%	\$	32.34	0.2%	\$	34.48
00140	0.2%	\$	37.09	0.3%	\$	29.46	0.4%	\$	26.40	0.5%	\$	61.11	0.2%	\$	25.00
01120	0.0%	\$	22.67	0.2%	\$	30.38	0.1%	\$	23.36	0.3%	\$	43.27	0.2%	\$	28.90
01202	0.2%	\$	24.53	0.3%	\$	23.04	0.2%	\$	23.10	0.1%	\$	21.88	0.2%	\$	21.23
01922	0.3%	\$	55.57	0.4%	\$	36.00	0.6%	\$	50.74	0.3%	\$	63.08	0.2%	\$	43.13
01953	0.1%	\$	32.24	0.4%	\$	70.00	0.2%	\$	77.00	0.3%	\$	38.99	0.2%	\$	38.50



Source: NCCI Medical Data Call for South Carolina Service Years 2013 - 2017.

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### Transactions and Units\* for the Top 50 Anesthesia Codes in South Carolina

Service Year	2013		2014		2015		2016		2017	
	Number of Transactions	Number of Units	Number of Transactions	Number of Units	Number of Transactions	Number of Units	Number of Transactions	Number of Units	Number of Transactions	Number of Units
01630	1,185	114,846	1,146	126,644	1,254	141,087	1,327	159,584	1,127	130,921
01400	858	72,300	887	102,008	917	108,449	880	109,096	825	99,993
00670	320	57,376	343	55,939	390	61,906	375	61,417	294	50,284
01830	596	59,266	534	58,578	605	64,303	593	62,989	583	58,250
01810	916	56,462	798	113,330	834	110,489	908	118,263	750	84,011
01480	374	40,991	393	47,211	424	49,381	406	48,371	385	46,849
01952	38	3,678	88	14,506	55	8,836	76	11,186	69	8,793
00630	328	46,197	291	39,828	280	35,057	269	34,386	213	27,896
00400	288	21,607	389	32,620	340	33,195	238	24,374	249	25,084
ANT01	161	18,031	157	16,652	150	15,254	135	15,040	145	15,688
00300	69	6,043	81	8,320	120	12,909	133	12,596	142	11,580
01951	84	5,632	76	7,138	92	8,201	85	7,693	64	6,239
ANT02	175	17,597	148	16,031	120	13,066	136	13,675	144	15,564
01402	77	11,195	97	13,731	89	11,225	111	13,688	99	13,517
01710	192	19,628	178	27,210	160	24,298	122	18,452	143	17,781
01740	66	7,717	50	6,006	67	7,338	90	13,620	85	11,607
01392	52	7,448	72	10,941	78	10,389	77	10,893	89	11,384
00840	60	6,918	46	4,263	75	7,171	69	7,265	81	8,886
01610	58	6,112	50	5,557	65	6,388	53	4,981	70	7,044
01638	32	4,865	28	3,570	52	7,742	52	7,831	52	7,451
00600	106	16,717	87	13,695	66	9,608	97	14,694	52	7,389
00830	107	8,745	118	11,174	122	13,314	100	10,350	88	9,448
01936	55	3,759	67	5,105	56	4,452	59	6,268	62	4,067
01470	101	10,825	105	9,576	94	9,871	67	6,988	65	6,289
01464	62	5,407	52	5,849	86	10,255	57	5,630	60	6,792
01230	23	3,404	46	7,167	51	7,963	57	7,566	54	6,354
00620	35	4,234	24	2,698	26	3,615	21	2,873	35	4,423

01716	20	1,700	16	1,564	18	1,759	31	2,526	37	4,461
01820	52	4,964	35	4,984	73	9,994	53	5,108	57	4,673
01840	11	2,004	10	3,473	5	919	4	1,104	4	705
01992	15	1,031	111	10,687	56	4,587	34	2,331	35	1,526
01160	3	360	2	160	1	285	3	531	4	450
01214	11	1,531	25	2,974	23	3,305	27	3,981	23	2,463
00752	14	1,638	21	3,806	27	2,734	18	2,531	28	4,737
01712	23	2,913	29	7,576	44	10,815	44	6,881	32	5,709
01474	4	475	3	522	4	300	6	1,125	6	780
00790	12	1,422	25	3,190	16	2,290	14	2,147	18	1,931
00190	6	607	24	3,890	25	4,855	23	2,910	16	2,172
01320	19	1,923	22	2,622	17	1,505	35	4,215	22	3,915
01215	6	654	-	-	2	30	-	-	6	484
01620	36	2,038	49	4,324	40	2,053	43	2,427	43	2,565
01472	16	2,206	17	1,675	33	3,096	21	2,100	13	1,367
01360	12	1,443	9	1,589	20	2,031	8	720	19	2,411
00160	34	1,956	26	2,996	37	4,806	29	2,574	25	1,664
01173	2	350	6	1,318	10	2,815	9	1,293	10	1,619
00140	17	1,683	30	1,993	36	2,977	27	2,145	28	2,008
01120	3	357	10	1,365	7	999	13	1,757	13	1,718
01202	10	1,572	19	2,529	15	2,043	8	1,089	15	2,017
01922	20	1,501	31	2,526	42	3,484	23	2,651	16	957
01953	15	583	45	1,496	35	1,748	29	1,411	43	1,521

\*Units are the number of minutes. One unit is equal to one minute.

Summary Totals

all transactions (>= 1)

Total Charges	Total Payments	Records	Total Transactions	Total Base Units	Total Minute Units	CF Charge	CF Paid
\$10,348,709	\$1,662,631	1,749	6,964	33,442	97,232	79.19	12.72

Charge CF = total charge / (total base + total minutes)  
 Paid CF = total payments / (total base + total minutes)

Average CF of 1,749 Records	CF Charge	CF Paid
	120.84	20.64

transactions = 1

Total Charges	Total Payments	Records	Total Transactions	Total Base Units	Total Minute Units	CF Charge	CF Paid
\$1,629,799	\$288,352	987	987	5,190	14,503	82.76	14.64

Charge CF = total charge / (total base + total minutes)  
 Paid CF = total payments / (total base + total minutes)

Average CF of 987 Records	CF Charge	CF Paid
	126.03	22.31

Summary Top 50 CF transactions = 1

all transactions (>= 1)		CF Charged		Count (top 10)		min CF Charged		max CF Charged	
130.00	63	130.00	56	130.00	56	0.72	1343.00	0.72	1343.00
165.00	59	165.00	54	165.00	54				
109.00	50	109.00	43	109.00	43				
111.00	36	111.00	30	111.00	30				
110.00	30	110.00	27	125.00	27				
125.00	30	90.00	24	90.00	24				
90.00	26	110.00	24	110.00	24				
100.00	25	150.00	23	150.00	23				
150.00	24	105.00	21	105.00	21				
105.00	23	120.00	20	120.00	20				
CF Paid		CF Paid		Count		min CF Paid		max CF Paid	
15.00	331	15.00	291	15.00	291	0.25	444.03	0.25	444.03
30.00	118	30.00	108	30.00	108				
13.50	101	13.50	93	13.50	93				
14.70	83	14.70	72	14.70	72				
14.25	43	14.25	38	14.25	38				
12.75	36	12.75	31	12.75	31				
27.00	33	27.00	31	27.00	31				
28.50	24	28.50	21	28.50	21				
14.55	7	14.55	6	14.55	6				
29.40	7	16.15	6	16.15	6				

all transactions (>= 1)		CF Charged		Count (top 10)		min CF Charged		max CF Charged	
130.00	63	130.00	56	130.00	56	0.72	1343.00	0.72	1343.00
165.00	59	165.00	54	165.00	54				
109.00	50	109.00	43	109.00	43				
111.00	36	111.00	30	111.00	30				
110.00	30	110.00	27	125.00	27				
125.00	30	90.00	24	90.00	24				
90.00	26	110.00	24	110.00	24				
100.00	25	150.00	23	150.00	23				
150.00	24	105.00	21	105.00	21				
105.00	23	120.00	20	120.00	20				
CF Paid		CF Paid		Count		min CF Paid		max CF Paid	
15.00	331	15.00	291	15.00	291	0.25	444.03	0.25	444.03
30.00	118	30.00	108	30.00	108				
13.50	101	13.50	93	13.50	93				
14.70	83	14.70	72	14.70	72				
14.25	43	14.25	38	14.25	38				
12.75	36	12.75	31	12.75	31				
27.00	33	27.00	31	27.00	31				
28.50	24	28.50	21	28.50	21				
14.55	7	14.55	6	14.55	6				
29.40	7	16.15	6	16.15	6				

**Example**

claims data procedure	billed	paid	units (min)	base unit	billed CF	SC value	
00001	300	100	90	5	27.27	330	
00001	450	200	75	5	45.00	300	
00001	300	50	60	5	33.33	270	
00001	300	100	105	5	25.00	360	
00001	500	360	105	5	41.67	360	
00001	600	300	90	5	54.55	330	
00001	550	250	90	5	50.00	330	
00002	350	175	60	4	43.75	240	
00002	250	150	45	4	35.71	210	
00003	500	200	75	6	45.45	330	
00003	600	450	120	6	42.86	420	
00003	650	500	135	6	43.33	450	
00003	550	350	90	6	45.83	360	
<b>Rolled up</b>	<b>tot billed</b>	<b>tot paid</b>	<b>tot units(min)</b>	<b>base unit</b>	<b>transactions</b>	<b>billed CF</b>	<b>SC total</b>
00001	3000	1360	615	5	7	39.47	2280
00002	600	325	105	4	2	40.00	450
00003	2300	1500	420	6	4	44.23	1560

Across procedures

- 41.26 summarized CF
- 41.02 weighted average CF
- 41.23 average CF

Because the NCCI data has a lot of variance in the data the different averages spread out quite a bit more than in this example. Similar formulas when calculating the conversion factor using paid amount versus billed

**From:** [Mike Bowe](#)  
**To:** [DeBruhl, Shawn](#); [Skarbek, Barbara](#); [Cheeseboro, Barbara](#); [Hutto, Deborah](#); [Morris, Tamara](#); [Smith, Renee](#); [Lindler, Kellie](#)  
**Cc:** [Cannon, Gary](#); [Margarita Pate](#)  
**Subject:** Anesthesia fee schedule  
**Date:** Thursday, February 28, 2019 9:52:58 AM  
**Attachments:** [Medicare is still the wrong benchmark.pdf](#)

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Thank you for the opportunity to present information about the undervaluing of anesthesia to the Workers Compensation Commission. I located an old article that bring some facts about anesthesia and Medicare into focus:

In 1991 the Medicare anesthesia conversion factor was \$19.27 in 2019 the South Carolina Medicare Anesthesia conversion factor is \$21.36. A 9.8% increase over 28 years.

At the time of the article the calculated hourly rate for anesthesia was \$88.53 vs non physician services hourly rate of \$98.48 for orthotics fitting and training, \$115.84 for Aquatic Therapy and physician services 99211 of \$243.24 per hour.

When comparing 1995 net income with other specialties for 100% Medicare services Cariology was \$276,000, General Surgery \$269,000, ObGyn \$131,000, Gastroenterology 123,000, Psychiatry \$96,000 and anesthesia \$53,000 . At the time of the article "the 2002 net annual income for an anesthesiologist would be \$54,073."

When looking at the components of anesthesia for a hernia repair the total payment would be \$491.96 vs the anesthesia payment of \$166.

As I address in my presentation this disparity between anesthesia and other medical services has persisted to present day.

Once again thank you for the opportunity to present detailed and frequently misunderstood facts about anesthesia reimbursement. I will be glad to address any questions you may have relating to anesthesia billing and reimbursement.

Michael Bowe MBS, CMA  
President ResourceOne Medical Billing, LLC

Print Close



American Society of Anesthesiologists Article

October 2002 Volume 66, Number 10

**PRACTICE MANAGEMENT: Medicare Is Still the Wrong Benchmark** Karin Bierstein, J.D.  
Assistant Director of Governmental Affairs (Regulatory)

Payers continue to seek anesthesia rates based on the Medicare conversion factor (CF), which, as we know all too well, is \$16.60 at national level. In 1999, ASA published a slide set with full narrative titled "Medicare and Anesthesia Reimbursement Methods: Why the Medicare Fee Schedule is the Wrong Benchmark for Commercial Anesthesia Payments." This monograph, developed by Alexander Hannenberg, M.D., chair of the ASA Committee on Economics, contained a number of analyses based on 1998 payment data, which is obsolete. An August trip to West Virginia to explain why Medicare is the wrong benchmark to several state governmental payers provided an opportunity to update some of the models developed three years ago.

1. Difference in Medicare Rates for Anesthesia Versus Other Services

According to our 2001 commercial reimbursement survey, the national average CF (unweighted) for anesthesia services was \$45.75. Medicare CF was \$17.83. For all other services paid under the Resource-Based Relative Value Scale (RBRVS), the unweighted average Medicare CF was \$45.98. The corresponding Medicare rate was \$38.26.

	Medicare/Commercial
Anesthesia	38.9%
Other services	83.2%

As a percentage of commercial payment levels, therefore, Medicare payment for anesthesia services is less than half of Medicare payment for other medical and surgical services.

2. In Absolute Dollars, the 2002 Anesthesia CF Is 14 Percent Lower Than It Was in 1991

In 1991, the last year before Medicare implemented the RBRVS-based Fee Schedule, the national average CF for anesthesia services was \$19.27. In 2002, it is \$16.60, a 14-percent decrease.

These are absolute dollar amounts, not adjusted for inflation. \$19.27 in 1991 dollars has the same buying power as \$25.48 in 2002 dollars. If there were no inflation, the 1991 anesthesia CF would have been 46 percent higher than it is today.

3. Hourly Rate for Anesthesia Versus Nonphysician Services

Payment for anesthesia is based in part on the time that it takes to provide the service. There are quite a few other codes in the Current Procedural Terminology (CPT) system with descriptors that depend on the amount of time involved in providing the service (e.g., "t

minutes" or "30 minutes or less"). Multiplying the Medicare payment for some of these codes by 4 or 2 or another appropriate factor -hour rate, which we can compare to one-third of the payment for a three-hour anesthetic for open reduction and internal fixation (OF ankle fracture:

When the time that it takes to perform one of these services is normalized to one hour, the Medicare Fee Schedule (MFS) places a higher value on orthotics fittings and aquatic therapy than on a typical anesthesia service. An office visit for an established patient with minimal problems "that may not require the presence of a physician" and where "typically, five minutes or less are spent performing or supervising services" is worth 2.75 times five minutes of the anesthesiologist's time in the operating room.

Medicare payment for the office visit above is calculated using the higher relative values allowed for a private office's overhead. Even if the service takes place in the hospital and the allowable, minus the office overhead and normalized to an hour, is just \$104.28, it is still worth 18 times more than the anesthetic.

CHART 1

Code	Procedure	Total RBRVS Units	Minutes	Per-hour Medicare Rate
01484	Anesthesia, ORIF ankle fracture	—	180	\$88.53
97504	Orthotics fitting and training	0.68	15	\$98.48
97113	Aquatic therapy/exercise	0.80	15	\$115.84
99211	Office visit, established patient (may not require presence of physician)	0.56	5	\$243.24

4. Cross-Specialty Comparison of Medicare-Based Net Income  
Health economist Peter McMenamain, Ph.D., calculated the annual net income for anesthesiology and other specialties using a model developed by the architect of the RBRVS, Harvard economist William C. Hsiao, Ph.D. For each specialty studied, Dr. Hsiao computed a typical service, computed the Medicare payment for that service, determined the annual hours worked, calculated an annual net income based on providing only that one service to Medicare patients, subtracted practice expenses and came up with a net income figure.

Dr. McMenamain updated Dr. Hsiao's figures and added anesthesiology using colectomy as a typical service. In 1995, net incomes based on Medicare payments for 46 times 45 hours of providing the single service per specialty are as follows:

CHART 2

Cardiology	\$276.06
General Surgery	\$269.28
Ob/Gyn	\$131.22
Gastroenterology	\$123.74
Psychiatry	\$98.00
Anesthesiology	\$53.76

Updating the McMenamain analysis to 2002, we find that anesthesiologists would be earning just \$304 more than they were in 1995. If we take the annual number of colectomies by the 2002 Medicare CF and subtracting practice expenses projected to 2002 through the inflation factor on the Bureau of Labor Statistics' Web site, the 2002 net annual income for an anesthesiologist would be \$54,073.

5. RBRVS-Based Payments for the Components of an Anesthesia Service

Any given anesthesia service as described in CPT or in the Relative Value Guide includes many components. The code covers preoperative and postoperative care; only a very few procedures, such as pulmonary artery catheterization or epidurals for postoperative



management, are separately payable. Many of the procedures performed during the course of a normal anesthetic correspond (with degrees of precision) to separate CPT codes.

Looking at the individual components or building blocks of an anesthetic for ventral hernia repair (00832), we find that their RBRVS r value units add up to a total of 13.59:

CHART 3

CPT		Total RVUs
99202	<b>Preop Visit</b> Outpatient visit, new patient Level 2	1.26
99141	<b>Day of Surgery:</b> <b>Preparation for Anesthesia</b> I.V. conscious sedation	1.23
90780	<b>Intraoperative Care</b> I.V. infusion, by physician, up to one hour	1.12
31500	Endotracheal intubation	3.17
94770	Expired carbon dioxide analysis	1.13
94761	Pulse oximetry, multiple determinations	0.19
94656	Mechanical ventilation, initiation (first day)	1.61
99358	Prolonged physician service (e.g., fetal monitoring), first hour	2.38
91105	Gastric intubation	0.60
99231	<b>Postoperative Care:</b> <b>PACU/Postop Visit</b> Subsequent hospital visit, Level 1	0.90
	<b>TOTAL</b>	<b>13.59</b>

The total payment for the above components anesthesia service would be \$491.96 (13.59 RBRVS x \$36.30).

In contrast, Medicare payment for a one-hour hernia repair would be as follows: 00752 (6 RBRVS x 4 Time Units) x \$16.60 = \$166

Breaking down an anesthesia service into its components and applying the RBRVS-based allowable to each of those CPT codes would result in payment almost three times greater than billing service using the anesthesia code.

**Conclusion**  
The above analyses show that Medicare greatly undervalues anesthesia services relative to other medical and surgical services in the MFS.

- The ratio of Medicare:commercial payments for anesthesia services is less than half the ratio for other services;

- The minute-for-minute payment for a typical anesthesia service is lower than that for such nonphysician services as aquatics therapy;

- Annual net income for an anesthesiologist, calculated on the model of a single Medicare case, is less in 2002 than it was for all non-anesthesia specialties in 1995;

- Breaking down an anesthesia service into its component services on the RBRVS and comparing the Medicare payment for the total component services produces a Medicare allowable three times greater than the payment for the all-inclusive anesthesia code. In other words, the MFS is internally inconsistent as well as inequitable across specialties.

The simplest demonstration of the inadequacy of the Medicare conversion factor for anesthesia services can be made without reference to other specialties. Had it kept pace with inflation since the implementation of the MFS, the CF today would have been nearly 1.5 times what it is.

## ASA Argues the Case for an Increase One More Time

In our efforts to persuade the Centers for Medicare & Medicaid Services (CMS) to increase the Medicare CF, we have been limited to the method that CMS recognizes in showing that anesthesia "work" is undervalued. After nearly three years of hard work at the AMA/Specialty Society Relative Value Update Committee (RUC), we are now trying to make sure that CMS at least implements the RUC's data and showing that our services are undervalued by an average of about 10 percent. This is obviously far less than the increase needed to gap between anesthesia and other services. Because the physicians representing the various specialties on the RUC are acutely aware that any increase in the valuation of one specialty's "work" will come out of their own pockets, the RUC ultimately refused to make an affirmative recommendation that CMS apply its findings but instead sent its data and analyses to CMS.

In our formal "comments" on the proposed rule for the 2003 physician fee schedule, we recently urged CMS to take the final step in giving meaning to the entire RUC process by translating the analyses into a CF increase. A copy of Dr. Glazer's letter is available. We are now seeking the help of key members of Congress to inspire CMS to take the appropriate action.

## No, Aetna's Payment Levels Are Not Perfect

Editor Mark J. Lema, M.D., Ph.D., and the Washington Office have received several complaints about the August "Practice Manager" column describing ASA's ongoing dialogue with Aetna and the payment policy changes that we have persuaded Aetna to make. We understand that many anesthesiologists are legitimately dissatisfied with Aetna's payment amounts.

ASA cannot compel any payer to raise its rates. What we have been able to accomplish is to convince Aetna to change some of the policies that affect payment amounts, e.g., to cover monitored anesthesia care in more circumstances than originally planned and to reinstate separate payments for invasive monitoring lines and postoperative pain management.

Aetna has just granted our request for an explicit statement that it will not attempt to apply the medical direction payment reductions involving residents. Readers will recall that other large payers, notably United Healthcare, have taken advantage of the Medicare rule regarding payment for teaching anesthesiologists and reduced reimbursement by 50 percent in concurrent cases. The following statement, forwarded on September 16, 2002, by Aetna's Jeffrey Livovich, M.D., is an important confirmation and example for other payers:

The [medical direction] modifiers should be used to report the supervision of CRNAs. These modifiers should not be used to report the supervision of residents in an academic institution within an anesthesia-training program. Aetna will pay up to two rooms of resident anesthesia services providing the attending physician is present for all critical portions of the anesthesia service (induction, etc.).

All of this took considerable effort on the part of several physicians inside Aetna (as well as ASA's part). We certainly appreciate Aetna's willingness to work with us even though we may not gain every policy change or action that we discuss, and we would be delighted if other payers were equally forthcoming.

Negotiating higher CFs must be, under the terms of the federal antitrust laws, up to individual physicians and integrated groups. ASA encourages its members to negotiate as forcefully as they believe appropriate.

Don't forget about the Ninth ASA Practice Management Conference in San Antonio, Texas, January 31-February 2, 2003! For more contact Jeff R. Schultz at (847) 825-5586, ext. 45.

**Source Materials:**

- Hannenberg AA. *Medicare and Anesthesia Reimbursement Methods: Why the Medicare Fee Schedule is the Wrong Benchmark for Commercial Anesthesia Payments*. ASA, 1999.
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Next Article / Pre

Anesthesiologists: Physicians providing the lifeline of modern medicine

**From:** [Mike Bowe](#)  
**To:** [Cannon, Gary](#); [Margarita Pate](#)  
**Cc:** [DeBruhl, Shawn](#); [Skarbek, Barbara](#); [Cheeseboro, Barbara](#); [Hutto, Deborah](#); [Morris, Tamara](#); [Smith, Renee](#); [Lindler, Kellie](#); [Ducote, Wayne](#)  
**Subject:** RE: Anesthesia fee schedule  
**Date:** Thursday, February 28, 2019 3:54:29 PM  
**Attachments:** [Median weighted average top 50.xlsx](#)

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Hi Gary,

Did you ever get an explanation of why the NCCI report had a pay per unit ranging between \$21.23 and \$227.75 in 2017? I doesn't make any sense why the pay per unit fluctuates more than a few pennies. If you are being paid \$10 an hour it does not matter if you are mowing the yard, washing the car or doing the dishes the pay per hour should still be \$10. According to the report not only does the pay per unit fluctuate by CPT code but also by year. Example: code 01840 pay per unit is \$32.90 in 2013 and the pay per unit in 2017 is \$141.53.

I took the Median Weighted Average based on the NCCI report of the top 50 Anesthesia codes and came up with a rate of \$33.56 per unit, see attached. This represent only 92.5% of the total anesthesia payments so if you included 100% of the payments the rate would be even higher. If the median weighted average is over 100% of the W/C fee schedule for 92.5% of the anesthesia payments it would be impossible for anesthesia to be collecting only 91% of the allowed amount.

Because of the numerous unexplained inconsistencies in the NCCI reports I would suggest not using them as a reference for anesthesia. I believe using the State Health Plan rate of \$58 per anesthesia unit keeps anesthesia in line with other physicians services that, on average, pay higher than the State Health Plan rate. The State Health Plan rate of \$58 per unit is still well below the \$71.81 Median and the \$76.32 Mean managed care contracted rates identified in the ASA survey.

If you have questions or if I can be of further assistance please let me know.

Thanks  
Michael Bowe

---

**From:** Cannon, Gary <[gannon@wcc.sc.gov](mailto:gannon@wcc.sc.gov)>  
**Sent:** Thursday, February 28, 2019 1:25 PM  
**To:** Margarita Pate <[mpscsa@gmail.com](mailto:mpscsa@gmail.com)>  
**Cc:** Mike Bowe <[michaelb@resourceone-llc.com](mailto:michaelb@resourceone-llc.com)>; DeBruhl, Shawn <[sdebruhl@wcc.sc.gov](mailto:sdebruhl@wcc.sc.gov)>; Skarbek, Barbara <[BSkarbek@wcc.sc.gov](mailto:BSkarbek@wcc.sc.gov)>; Cheeseboro, Barbara <[BCheeseboro@wcc.sc.gov](mailto:BCheeseboro@wcc.sc.gov)>; Hutto, Deborah <[dhutto@wcc.sc.gov](mailto:dhutto@wcc.sc.gov)>; Morris, Tamara <[TMorris@wcc.sc.gov](mailto:TMorris@wcc.sc.gov)>; Smith, Renee <[rgsmith@wcc.sc.gov](mailto:rgsmith@wcc.sc.gov)>; Lindler, Kellie <[klindler@wcc.sc.gov](mailto:klindler@wcc.sc.gov)>; Ducote, Wayne <[wducote@wcc.sc.gov](mailto:wducote@wcc.sc.gov)>  
**Subject:** RE: Anesthesia fee schedule

Margarita  
I will contact you and Mike if I need additional information.

The Commissioners will make a decision at their Business Meeting on March 18.

Thanks.

Gary M Cannon  
Executive Director

---

**From:** Margarita Pate [<mailto:mpscscsa@gmail.com>]  
**Sent:** Thursday, February 28, 2019 12:28 PM  
**To:** Cannon, Gary <[gcannon@wcc.sc.gov](mailto:gcannon@wcc.sc.gov)>  
**Cc:** Mike Bowe <[michaelb@resourceone-llc.com](mailto:michaelb@resourceone-llc.com)>; DeBruhl, Shawn <[sdebruhl@wcc.sc.gov](mailto:sdebruhl@wcc.sc.gov)>; Skarbek, Barbara <[BSkarbek@wcc.sc.gov](mailto:BSkarbek@wcc.sc.gov)>; Cheeseboro, Barbara <[BCheeseboro@wcc.sc.gov](mailto:BCheeseboro@wcc.sc.gov)>; Hutto, Deborah <[dhutto@wcc.sc.gov](mailto:dhutto@wcc.sc.gov)>; Morris, Tamara <[TMorris@wcc.sc.gov](mailto:TMorris@wcc.sc.gov)>; Smith, Renee <[rgsmith@wcc.sc.gov](mailto:rgsmith@wcc.sc.gov)>; Lindler, Kellie <[klindler@wcc.sc.gov](mailto:klindler@wcc.sc.gov)>; Ducote, Wayne <[wducote@wcc.sc.gov](mailto:wducote@wcc.sc.gov)>  
**Subject:** Re: Anesthesia fee schedule

Gary, Please let us know if you need anything else. Also, when can we expect a response to our requests of the Commission?

Margarita

Dr. Margarita Pate

On Feb 28, 2019, at 8:18 AM, Cannon, Gary <[gcannon@wcc.sc.gov](mailto:gcannon@wcc.sc.gov)> wrote:

Mike

Thank you for the additional information. I will make sure the Commissioners receive it.

Gary M Cannon  
Executive Director

---

**From:** Mike Bowe [<mailto:michaelb@resourceone-llc.com>]  
**Sent:** Thursday, February 28, 2019 9:53 AM  
**To:** DeBruhl, Shawn <[sdebruhl@wcc.sc.gov](mailto:sdebruhl@wcc.sc.gov)>; Skarbek, Barbara <[BSkarbek@wcc.sc.gov](mailto:BSkarbek@wcc.sc.gov)>; Cheeseboro, Barbara <[BCheeseboro@wcc.sc.gov](mailto:BCheeseboro@wcc.sc.gov)>; Hutto, Deborah <[dhutto@wcc.sc.gov](mailto:dhutto@wcc.sc.gov)>; Morris, Tamara <[TMorris@wcc.sc.gov](mailto:TMorris@wcc.sc.gov)>; Smith, Renee <[rgsmith@wcc.sc.gov](mailto:rgsmith@wcc.sc.gov)>; Lindler, Kellie <[klindler@wcc.sc.gov](mailto:klindler@wcc.sc.gov)>  
**Cc:** Cannon, Gary <[gcannon@wcc.sc.gov](mailto:gcannon@wcc.sc.gov)>; Margarita Pate <[mpscscsa@gmail.com](mailto:mpscscsa@gmail.com)>  
**Subject:** Anesthesia fee schedule

Thank you for the opportunity to present information about the undervaluing of anesthesia to the Workers Compensation Commission. I located an old article that bring some facts about anesthesia and Medicare into focus:

In 1991 the Medicare anesthesia conversion factor was \$19.27 in 2019 the South Carolina Medicare Anesthesia conversion factor is \$21.36. A 9.8% increase over 28 years.

At the time of the article the calculated hourly rate for anesthesia was \$88.53 vs non physician services hourly rate of \$98.48 for orthotics fitting and training, \$115.84 for Aquatic Therapy and physician services 99211 of \$243.24 per hour.

When comparing 1995 net income with other specialties for 100% Medicare services Cariology was \$276,000, General Surgery \$269,000, ObGyn \$131,000, Gastroenterology 123,000, Psychiatry \$96,000 and anesthesia \$53,000 . At the time of the article "the 2002 net annual income for an anesthesiologist would be \$54,073."

When looking at the components of anesthesia for a hernia repair the total payment would be \$491.96 vs the anesthesia payment of \$166.

As I address in my presentation this disparity between anesthesia and other medical services has persisted to present day.

Once again thank you for the opportunity to present detailed and frequently misunderstood facts about anesthesia reimbursement. I will be glad to address any questions you may have relating to anesthesia billing and reimbursement.

Michael Bowe MBS, CMA  
President ResourceOne Medical Billing, LLC

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**2017 Top 50 Anesthesia Codes Sored by service Year 2017 paid percentage in South Carolina  
With Median Weighted Average**

<b>Paid Percentage of Anesthesia Payments</b>	<b>Median Paid per Unit</b>	<b>Median Weighted Average Paid per Unit</b>
15.5%	\$28.72	\$4.45
9.1%	\$32.01	\$2.91
8.1%	\$33.41	\$2.71
6.8%	\$25.44	\$1.73
6.7%	\$29.40	\$1.97
5.1%	\$22.50	\$1.15
4.6%	\$92.65	\$4.26
4.0%	\$29.88	\$1.20
3.7%	\$30.00	\$1.11
2.7%	\$45.20	\$1.22
2.7%	\$64.32	\$1.74
1.8%	\$59.21	\$1.07
1.8%	\$30.48	\$0.55
1.8%	\$27.32	\$0.49
1.7%	\$24.00	\$0.41
1.2%	\$26.46	\$0.32
1.2%	\$22.62	\$0.27
1.1%	\$29.70	\$0.33
1.1%	\$28.13	\$0.31
1.0%	\$29.86	\$0.30
0.9%	\$36.64	\$0.33
0.9%	\$26.16	\$0.24
0.8%	\$26.94	\$0.22
0.8%	\$25.20	\$0.20
0.6%	\$33.75	\$0.20
0.5%	\$26.95	\$0.13
0.5%	\$30.00	\$0.15
0.5%	\$141.53	\$0.71
0.5%	\$103.85	\$0.52
0.4%	\$51.37	\$0.21
0.4%	\$30.82	\$0.12
0.4%	\$32.44	\$0.13
0.3%	\$96.50	\$0.29
0.3%	\$33.01	\$0.10
0.3%	\$27.94	\$0.08
0.3%	\$22.79	\$0.07
0.3%	\$227.75	\$0.68
0.3%	\$52.50	\$0.16
0.3%	\$25.71	\$0.08

0.3%	\$28.56	\$0.09
0.2%	\$33.75	\$0.07
0.2%	\$25.00	\$0.05
0.2%	\$28.90	\$0.06
0.2%	\$21.23	\$0.04
0.2%	\$43.13	\$0.09
0.2%	\$38.50	\$0.08

**Median Weighted Average Pay per Unit**

**\$33.56**



*State of South Carolina*

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



TEL: (803) 737-5700  
[www.wcc.sc.gov](http://www.wcc.sc.gov)

*Workers' Compensation Commission*

*MEMORANDUM*

**TO:** COMMISSIONERS

**FROM:** Gary Cannon  
Executive Director

**DATE:** February 19, 2018

**RE:** Medical Services Provider Manual

Attached you will find comments from Concentra, Midlands Orthopedics, the SC Anesthesiologists Association and NCCI with respect to the proposed Medical Services Provider Manual.

## Cannon, Gary

---

**From:** Mike Bowe <michaelb@resourceone-llc.com>  
**Sent:** Wednesday, February 13, 2019 11:49 AM  
**To:** Cannon, Gary  
**Cc:** Margarita Pate  
**Subject:** FYI US Department of Labor Office of Workers' Compensation Anesthesia Fee Schedule Effective\_October\_15\_2018  
**Attachments:** \_Anesthesia\_Procedure\_Codes\_with\_base\_units\_zip\_code\_conversion\_factor\_anesthesia\_modifiers\_tab2.pdf

Hi Gary,

Below are links to the United States Department of Labor Office of Workers' Compensation.

Main Page

<https://www.dol.gov/owcp/regs/feeschedule/fee/feeOct1518/view.htm>

Anesthesia Fee Schedule

[https://www.dol.gov/owcp/regs/feeschedule/fee/feeOct1518/Effective\\_October\\_15\\_2018\\_Anesthesia\\_Procedure\\_Codes\\_with\\_base\\_units\\_zip\\_code\\_conversion\\_factor\\_anesthesia\\_modifiers\\_tab2.pdf](https://www.dol.gov/owcp/regs/feeschedule/fee/feeOct1518/Effective_October_15_2018_Anesthesia_Procedure_Codes_with_base_units_zip_code_conversion_factor_anesthesia_modifiers_tab2.pdf)

The anesthesia fee schedule is reported by zip code and Effective October 15 2018 for South Carolina the anesthesia fee scheduled is \$53.20, see attached file.

I hope the commissioners will have an opportunity to review the data and consider the significant amount of evidence documenting \$30 per unit is far below market rates.

Thanks

Mike

From: Mike Bost  
To: George Siler  
Cc: Michaela Pitts  
Subject: FY1 US Department of Labor Office of Workers' Compensation Anesthesia Fee Schedule  
Date: Wednesday, February 13, 2019 11:50:09 AM  
Attachments: Effective\_October\_15\_2018\_Anesthesia\_Procedure\_Codes\_with\_base\_units\_zip\_code\_conversion\_factor\_anesthesia\_modifiers\_tab2.pdf

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Hi Gary,

Below are links to the United States Department of Labor Office of Workers' Compensation.

Main Page

<https://www.dol.gov/owcp/regs/feeschedule/fee/feeOct1518/view.htm>

Anesthesia Fee Schedule

[https://www.dol.gov/owcp/regs/feeschedule/fee/feeOct1518/Effective\\_October\\_15\\_2018\\_Anesthesia\\_Procedure\\_Codes\\_with\\_base\\_units\\_zip\\_code\\_conversion\\_factor\\_anesthesia\\_modifiers\\_tab2.pdf](https://www.dol.gov/owcp/regs/feeschedule/fee/feeOct1518/Effective_October_15_2018_Anesthesia_Procedure_Codes_with_base_units_zip_code_conversion_factor_anesthesia_modifiers_tab2.pdf)

The anesthesia fee schedule is reported by zip code and Effective October 15 2018 for South Carolina the anesthesia fee scheduled is \$53.20, see attached file.

I hope the commissioners will have an opportunity to review the data and consider the significant amount of evidence documenting \$30 per unit is far below market rates.

Thanks

Mike

# **Analysis and Comments on the South Carolina Workers Compensation Anesthesia Fee Schedule**

**February 11, 2019**

**Prepared by:**

**Dr. Margareta Pate**

**Executive Director, SC Society of Anesthesiologists**

**and**

**Michael Bowe, MBA, CMA**

**President ResourceOne Medical Billing LLC**

# Table of Contents:

<b>Letter from President, SCSA and Executive Director, SCSA</b>	<b>1</b>
<b>Comments</b>	<b>3</b>
<b>Exhibit A Reference Table of CPT codes and Allowed Amounts</b>	<b>4</b>
<b>Exhibit B GAO Report Medicare and Private Payment Differences for Anesthesia Services *</b>	<b>6</b>
<b>Exhibit C ASA Survey Results for Commercial Fees Paid for Anesthesia Services - 2018 *</b>	<b>7</b>
<b>Exhibit D 2019 Blue Cross State Health Plan Fee Schedule Anesthesia</b>	<b>8</b>
<b>Exhibit E 2019 South Carolina Medicare fee schedule</b>	<b>9</b>
<b>Exhibit F NCCI report on Anesthesia calculation and Top 50 Anesthesia Codes</b>	<b>10</b>

**Complete Government Accounting Office “Medicare and Private Payment Differences for Anesthesia Services” and “ASA Survey Results for Commercial Fees Paid for Anesthesia Services – 2018” available upon request \***

**SOUTH CAROLINA SOCIETY OF ANESTHESIOLOGISTS  
P.O. BOX 20189 \* CHARLESTON, S.C. 29413**

**[www.scsadr.com](http://www.scsadr.com)  
843-697-3114**

**February 11, 2019**

**South Carolina Workers' Compensation Commission  
Attention: Gary Cannon  
1333 Main Street, Suite 500  
Columbia, SC 29202**

**RE: Proposed Changes to the Medical Services Provider**

**Manual Dear Commissioners:**

**The following comments are submitted on behalf of the physician members of the South Carolina Society of Anesthesiologists (SCSA). Our comments are directed to (1) the continued exclusion of any regular review of the conversion factor (AMAP) for anesthesia services and (2) the lack of any upward adjustment to the AMAP since 2010.**

**This year, the Commission's consultants, pursuant to Section 42-15-90(C)(1), have proposed several changes to the Maximum Allowable Payments (MAP) in the MSPM. What is not included in the consultants' recommendations is any review or proposed changes to the Anesthesia MAP.**

**Anesthesia reimbursement is different from all other physician services, in that a unit is defined on an entirely different system consisting of a base and time unit calculation. The current MAP for anesthesia services is \$30/unit. We have requested changes to the Commission's methodology and rates since 1998. In 2010, we received an update of our rate. Since 2010, the Commission has not updated nor implemented a regular review of the AMAP, unlike the regular review and updates to the MAP for all other physicians.**

**To give you an idea of how much the Commission's \$30/unit is well below the marketplace see below:**

<b>SC State Health Plan</b>	<b>\$58.00/unit</b>
<b>Average Managed Care</b>	<b>\$76.32 / unit (Mean)</b>

We use the State Health Plan as a reasonable proxy because it is a publicly financed program and is highly regulated by the State of South Carolina through the budget process of the General Assembly. (Reference table of CPT codes and allowed amount Exhibit A.)

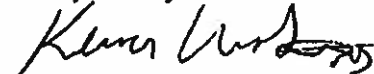
The 1998 changes to the Commission's methodology exacerbated an undisputed error by the Medicare program, which undervalued anesthesia services (Exhibit B GAO Report). The Commission seemed to recognize this lack of parity when they adjusted our rate up in 2010. Since then, we have received neither regular reviews nor any adjustments to the AMAP.


The Commission's statute Section 42-15-90(C)(1) reads that the Commission '*...may adopt criteria to establish a new fee schedule or adjust an existing fee schedule ...based in whole or in part on the requirements of a federally funded program...*' Commission staff has referred to this portion of the statute as a requirement to use Medicare as the benchmark. The Commission may certainly use the Medicare formula (RBRVS), as do almost all payers, but the language of the statute does not in fact require using the Medicare unit values. The Commission in fact does not use the Medicare unit value. Just as it did in 2010, the Commission has the ability to increase the AMAP unit value.

Please find several attachments that address the parity issue with the AMAP versus MAP; comparison of other payers in the market; issues with the methodology used by the Commission's consultants; and research conducted by our national organization, the American Society of Anesthesiologists (Exhibit C) and the Government Accounting Office (Exhibit B).

We are asking the Commission to (1) increase the AMAP from the current \$30/unit to \$58/unit, which would be comparable to the State Health Plan and (2) implement an annual review and analysis of the AMAP, in the same schedule and process as the MAP.

Thank you for your consideration.

  
Kevin Walker, M.D.  
President, SCSA

  
Margarita M. Pate, PhD  
Executive Director, SCSA

## Comments:

South Carolina Workers Compensation's \$30 per anesthesia unit undervalues anesthesia based on:

GAO report documenting Medicare pays one third of commercial rates for anesthesia. South Carolina's Medicare 2019 anesthesia fee schedule is \$21.36 (3 X 21.36 = \$64.08) Exhibit B&E

ASA peer reviewed survey documenting the Mean market rate per anesthesia unit is over \$76. Exhibit C

The Blue Cross State Health Plan published fee schedule's anesthesia unit is \$58. Exhibit D

The Blue Cross State Health Plan individual code analysis indicating the South Carolina Workers Compensation rate for anesthesia is 51% of the State Health Plan Rate and was the only code paying less than the State Health Plan of the codes reviewed. Exhibit A

All of South Carolina Workers compensation fee schedule might not exceed the Blue Cross State Health Plan fee schedule because the anesthesia unit value represents 100% of the anesthesia services.

After several discussions about the report provided by National Council on Compensation Insurance (NCCI), we were unable to identify the source data or the methods of calculation. Several significant inconsistencies exist in this report and were unexplained as of 2-11-19.

If the MAP is \$30 per unit why did the Median Paid per Unit vary from the low \$20 to over \$227 for the top 50 anesthesia procedures reported by NCCI? Exhibit F



## EXHIBIT A

### SC Workers Compensation Allowed Amount VS. State Health Plan Allowed Amount

CPT	State	W-C	W-C/State
Anesthesia	58.00	30.00	52%

99211	19.78	26.00	131%
199281	22.32	29.00	130%
99231	38.60	53.50	139%
99224	28.44	54.00	190%
99282	40.74	56.50	139%
99201	40.69	57.50	141%
99212	41.88	57.50	137%
99241	50.55	63.50	126%
99251	52.80	66.50	126%
99283	81.84	84.50	103%
99238	69.99	95.00	136%
99213	69.40	97.00	140%
99217	69.99	98.00	140%
99232	71.09	98.00	138%
99225	50.31	98.50	196%
99202	71.79	99.00	138%
99252	80.87	102.00	126%
99218	65.61	109.12	166%
99242	95.49	120.00	126%
99221	95.14	137.00	144%
99233	100.61	141.00	140%
99226	75.46	142.50	189%
99203	102.91	143.50	139%
99214	105.30	143.50	136%
99239	101.70	145.00	143%
99253	123.56	156.50	127%
99284	127.55	160.50	126%
99243	131.42	164.50	125%
99292	132.87	166.00	125%
99234	133.41	181.00	136%
99219	109.35	182.25	167%

99222	129.05
99215	142.02
99220	153.10
99204	160.34
99254	178.60
99235	170.07
99285	199.84
99244	196.57
99255	217.91
99223	190.28
99205	202.01
99236	217.61
99245	241.50
99291	296.57
27403	829.10
29827	\$ 1,190.50
49505	\$ 673.91

185.50	144%	
193.50	136%	
215.50	141%	
220.00	137%	
227.50	127%	
229.00	135%	
236.50	118%	
247.00	126%	
274.00	126%	
274.50	144%	
276.50	137%	
295.00	136%	
301.00	125%	
361.50	122%	
859.00	104%	arthrotomy with meniscus repair, knee
1,429.50	120%	rotator cuff repair
703.00	104%	hernia

## EXHIBIT B

July 2007

**GAO**  
Accountability Integrity Reliability  
**Highlights**

Highlights of GAO-07-463, a report to the Subcommittee on Health, Committee on Ways and Means, House of Representatives

### Why GAO Did This Study

In 2005 Medicare paid over \$1.4 billion for anesthesia services. These services are generally provided by anesthesia practitioners, such as anesthesiologists and certified registered nurse anesthetists (CRNAs). A government-sponsored study found that Medicare payments for anesthesia services are lower than private payments. Congress is concerned that this difference may create regional discrepancies in the supply of anesthesia practitioners, and asked GAO to explore this issue.

GAO examined (1) the extent to which Medicare payments for anesthesia services were lower than private payments across Medicare payment localities in 2004, (2) whether the supply of anesthesia practitioners across Medicare payment localities in 2004 was related to the differences between Medicare and private payments for anesthesia services or the concentration of Medicare beneficiaries, and (3) compensation levels for anesthesia practitioners in 2005 and trends in graduate training. GAO used claims data from two anesthesia service billing companies that bill private insurance payers and Medicare to calculate payments by payer for seven anesthesia services in 41 Medicare payment localities. GAO also used data from the Centers for Medicare & Medicaid Services (CMS) and other sources to determine practitioner supply and Medicare beneficiary concentration in 87 Medicare payment localities.

[www.gao.gov/cgi-bin/gettr?GAO-07-463](http://www.gao.gov/cgi-bin/gettr?GAO-07-463)

To view the full product, including the scope and methodology, click on the link above. For more information, contact Kathleen King at (202) 512-7114 or [kkngk@gao.gov](mailto:kkngk@gao.gov).

## MEDICARE PHYSICIAN PAYMENTS

### Medicare and Private Payment Differences for Anesthesia Services

#### What GAO Found

GAO found that in 2004 average Medicare payments for a set of seven anesthesia services provided by anesthesiologists alone were 67 percent lower than average private insurance payments in 41 Medicare payment localities—geographic areas established by CMS to account for geographic variations in the relative costs of providing physician services.

In 2004, there was no correlation between the overall supply of anesthesia practitioners—that is, the total number of both anesthesiologists and CRNAs per 100,000 people—and either the difference between Medicare and private insurance payments for anesthesia services or the concentration of Medicare beneficiaries in the Medicare payment localities included in GAO's analyses. However, when GAO examined the supply of anesthesiologists and CRNAs separately, GAO found correlations between practitioner supply and payment differences and practitioner supply and beneficiary concentration. Specifically, GAO found that in 2004, the supply of CRNAs tended to decrease as the difference between Medicare and private insurance payments for anesthesia services increased in 41 Medicare payment localities. GAO also found that in 2004 the supply of anesthesiologists tended to decrease as the concentration of Medicare beneficiaries increased across 87 Medicare payment localities, while the supply of CRNAs tended to increase as the concentration of Medicare beneficiaries increased across these Medicare payment localities.

For 2005, compensation for anesthesia practitioners was reported to compare favorably with other practitioners, according to information from medical group practices from across the country that responded to a survey of Medical Group Management Association (MGMA) member organizations. The 2005 median annual compensation for general anesthesiologists—approximately \$354,240—was over 10 percent higher than the median annual compensation for specialists and over twice the compensation for generalists. For 2005, MGMA-reported median annual compensation for CRNAs—approximately \$131,400—was over 40 percent higher than the MGMA-reported median annual compensation for either nurse midwives or nurse practitioners and over 35 percent higher than the MGMA-reported median annual compensation for physician assistants. The number of anesthesiology residency positions offered through the National Resident Matching Program and the number of nurse anesthesia graduates have increased in recent years.

CMS stated that the study provided a good summary of information collected from a variety of sources on anesthesia payments and the supply of anesthesia practitioners.

## EXHIBIT C

### ASA Survey Results for Commercial Fees Paid for Anesthesia Services – 2018

Stanley W. Stead, M.D., M.B.A., FASA  
 ASA Vice President for Professional Affairs  
 Sharon K. Merrick, M.S., CCS-P

ASA is pleased to present the annual commercial conversion factor survey for 2018. Each summer we anonymously survey anesthesiology practices across the country. We ask them to report up to five of their largest managed care (commercial) contracts conversion factors (CF) and the percentage each contract represents their commercial population, along with some demographic information. Our objectives for the survey are to report to our members the average contractual amounts for the top five contracts and to present a view of regional trends in commercial contracting.

#### Summary

Based on the 2018 ASA commercial conversion factor survey results, the national average commercial conversion factor was \$76.32, ranging between \$73.26 and \$81.32 for the five contracts. The national median was \$71.81, ranging between \$68.00 and \$76.34 for the five contracts (Figure 1, Table 1). In the 2017 survey, the mean conversion factor ranged between \$70.87 and \$83.38 and the median ranged between \$67.00 and \$76.30. In contrast, the current national Medicare conversion factor for anesthesia services is \$22.1887, or about 29.1 percent of the 2018 overall mean commercial conversion factor.

Figure 1: 2018 National Managed Care Contracts (\$/unit)

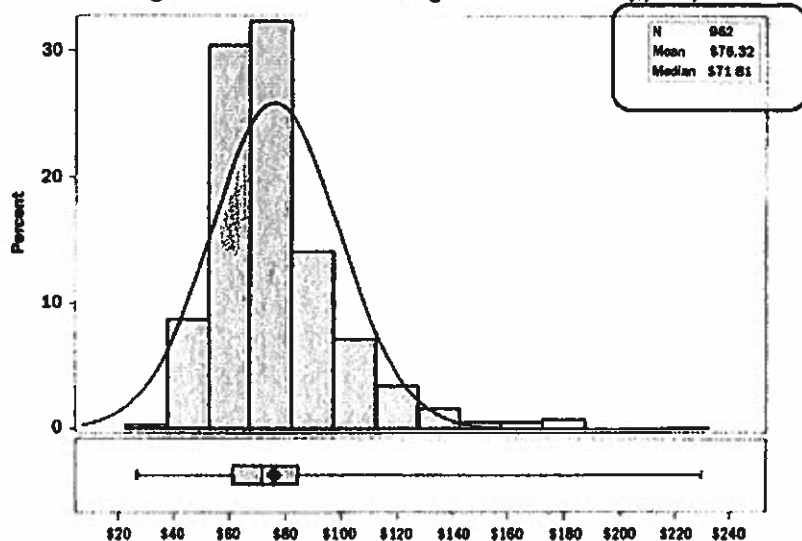


Figure 1 shows the frequency in percent and distribution of contract values. The estimated normal distribution is the solid blue line. We have added a box-and-whiskers plot of the same data immediately below the histogram. The left and right whiskers delineate the minimum and maximum values. The box represents the interquartile range, the left edge of the box is the 25th percentile, the vertical line in the box is the median, and the right edge of the box is the 75th percentile. The solid diamond in the box is the mean.



Stanley W. Stead, M.D., M.B.A., FASA is ASA Vice President for Professional Affairs and CEO of the Stead Health Group, Inc.



Sharon K. Merrick, M.S., CCS-P, is ASA Director of Payment and Practice Management.

## EXHIBIT D

### 2019 State Health Plan Fee Schedule Anesthesia

Effective Beginning January 2019

Anesthesia Conversion Factor	Allowance
Anesthesiologist	\$ 58.00
Independent CRNA	\$ 37.28
Medically Directed CRNA	\$ 27.96

#### Epidural Allowable

01967 - AA	\$ 592.22
01968 - AA	\$ 250.15

Concurrency reductions will apply to QK, QX and QY modifiers.

#### Anesthesiologist Modifiers

AA - Anesthesia services performed personally by anesthesiologist (includes reimbursement of any employed CRNA)

QK - Medical direction of two, three or four concurrent anesthesia procedures involving non-employed CRNAs

QY - Medical direction of one non-employed CRNA by an anesthesiologist

AD - Medical supervision by a physician; more than four concurrent anesthesia procedures

Time Units will be based upon 15 minute units rounded to the nearest tenth.

Minutes should be reported in the Days/Units field of the claim form.

#### CRNA Modifiers

QX - CRNA service: with medical direction by a physician.

QZ - CRNA service: without medical direction by a physician.

P3 – 1 Relative Value Unit

P4 – 2 Relative Value Units

P5 – 3 Relative Value Units

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## EXHIBIT E

### Medicare

Date

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CPT codes and modifiers begin with a numeric character and HCPCS codes and modifiers begin with an alpha character.

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## South Carolina Part B Fee Schedules - 2019

# - These amounts apply when services is performed in a facility setting.<sup>1</sup>

C - The payment for the technical component is capped at the OPPS amount.<sup>2</sup>

Limiting Charge applies to unassigned claims by non-participating providers.<sup>3</sup>

Notes	Proc. Code	Mod	Par Fee	Non-Par Fee	Limiting Charge	Effective Date
	ANSCF		\$21.36	\$20.29	\$23.33	20190101
	01996		\$64.08	\$60.88	\$70.01	20190101
	0054T		\$141.32	\$134.25	\$154.39	20190101
	0055T		\$141.32	\$134.25	\$154.39	20190101
	0075T		\$1,175.06	\$1,116.31	\$1,283.76	20190101
	0075T	26	\$884.90	\$840.66	\$966.76	20190101
	0100T		\$1,748.73	\$1,661.29	\$1,910.48	20190101
	0191T		\$308.17	\$292.76	\$336.67	20190101
	0202T		\$2,212.44	\$2,101.82	\$2,417.09	20190101
#	0202T		\$1,345.45	\$1,278.18	\$1,469.91	20190101
	0213T		\$191.92	\$182.32	\$209.67	20190101
#	0213T		\$108.81	\$103.37	\$118.88	20190101
	0214T		\$95.22	\$90.46	\$104.03	20190101
#	0214T		\$61.63	\$58.55	\$67.33	20190101
	0215T		\$96.22	\$91.41	\$105.12	20190101
#	0215T		\$62.64	\$59.51	\$68.44	20190101
	0216T		\$171.46	\$162.89	\$187.32	20190101
#	0216T		\$92.01	\$87.41	\$100.52	20190101
	0217T		\$86.13	\$81.82	\$94.09	20190101
#	0217T		\$52.57	\$49.94	\$57.43	20190101
	0218T		\$87.47	\$83.10	\$95.57	20190101
#	0218T		\$53.21	\$50.55	\$58.13	20190101

# EXHIBIT F

From: Raj Chaderawan  
 To: Cannon, Gary <gcannon@wcc-sc.gov>  
 Cc: Susan Schulte <Susan.Schulte@ncc.com>  
 Subject: RE: Conference call today at 2  
 Date: Monday, February 01, 2016 9:56:45 PM  
 Attachment: image001.png

Good evening Gary,

Here is an example with no reported modifiers, and thus the payment is for an anesthesiologist

Transaction	DT_OF SERV	PROC_CD_DEB	PLD_PROC_CD_MODFY	PAID_AMT	CHRG_AMT	UNIT_QTY_DEB	CMR_2016_BASE_UNIT	TIME_UNITS_BOUNDEDUP	TOTAL_UNITS	MAP - Total Units * 20
1	1/29/2017	01400		216.20	1130.00	60	4	4	3	240

No adjustment to the MAP has paid amount.

Per SC rules:

Calculating the AMAP (MAP) for each service requires two value components: a Basic MAP amount and a time value amount (time units are calculated by dividing the reported anesthesia time by fifteen and are rounded up to the next highest unit)

For this visit, I call the Basic MAP a Time Value Amount the Total Units

The conversion factor for SC is 30

Calculated liability

Paid to MAP = 216/240 = 90%

The next example illustrates transactions with reported modifiers reflecting a supervising anesthesiologist and a CRNA.

Transaction	DT_OF SERV	PROC_CD_DEB	PLD_PROC_CD_MODFY	PAID_AMT	CHRG_AMT	UNIT_QTY_DEB	CMR_2016_BASE_UNIT	TIME_UNITS_BOUNDEDUP	TOTAL_UNITS	MAP - Total Units * 20	Adjusted MAP
1	1/29/2017	01020	QK	126.00	690.00	65	3	5	5	240	270
2	1/29/2017	01020	QI	126.00	468.00	65	3	5	2	240	240
Total				252.00	1158.00	130	6	10	7	480.00	510

Per SC rules:

Calculating the AMAP (MAP) for each service requires two value components: a Basic MAP amount and a time value amount (time units are calculated by dividing the reported anesthesia time by fifteen and are rounded up to the next highest unit)

For this visit, I call the Basic MAP a Time Value Amount the Total Units

The conversion factor for SC was 30

When a physician supervises a CRNA and each bill separately, each is entitled to the lesser of billed charges or 51 percent of the total amount

QK - Physician provides medical direction of concurrent anesthesia procedures involving qualified individuals

QI - Anesthesia services performed by CRNA with medical direction by a physician

Calculated liability

Paid to MAP = 216/240 = 90%

Thank you,

Raj

Raj Chaderawan  
 Director, Medical Regulation and Informatics, Actuarial and Economic Services  
 National Council on Compensation Insurance  
 The Source You Trust  
 901 Peninsula Corporate Circle, Boca Raton, FL 33487-1362  
 561-897-2486 (W) 813-687-4709 (M) 561-490-1523 (F)  
 raj\_chaderawan@ncc.com | NCCI.com

From: Cannon, Gary <gcannon@wcc-sc.gov>  
 Sent: Friday, February 01, 2016 3:53 PM  
 To: Susan Schulte <Susan.Schulte@ncc.com>; Raj Chaderawan <Raj.Chaderawan@Ncc.Com>  
 Subject: FW: Conference call today at 2

Sue and Raj

Bill was an email from the Mike Bowe on behalf of the anesthesiologists with a compelling document. Please review so that we can discuss Monday at 10:30 AM

Thank you for all you do for us

Gary M Cannon  
 Executive Director

From: Mike Bowe <mbowe@scana.com>  
 Sent: Friday, February 03, 2016 3:43 PM  
 To: Cannon, Gary <gcannon@wcc-sc.gov>; Schulte, Susan <Susan.Schulte@ncc.com>  
 Cc: Duke, Wayne <wayne.duke@scana.com>  
 Subject: RE: Conference call today at 2

Hi Gary,

Thanks for the information. I have several questions and requests.

- 1 Please ask NCCI to provide specific details on how they calculated the reports. It lists "Paid Percentage of South Carolina 2015 MAP" and that is open to lots of interpretations. It could be saying 91% of claims had were paid and 9% were received but not paid.
- 2 How do they gather the data? We send claims directly to the insurance company not one central location. Is this just SC W/C claims?
- 3 When requesting "anesthesia codes" I would specify ASA/CPT codes 00100 to 01999
- 4 I would ask them to list the code, billed amount, allowed amount, and paid amount FOR BOTH MD AND CRNA. This will show how far under billed charges W/C are.

Bottom line something is wrong with the way they are responding to the question.

You can see from the ASA survey the Median Managed Care contracted amount is over \$70. The GAO confirms Medicare (\$23) is 1/3 of managed care rates in 2004 (\$21 \* 3 = \$63 per unit)



Source: NCCI Medical Data Call for South Carolina Service Years 2013 - 2017  
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Top 50 Anesthesia Codes Sorted by Service Year 2017 Paid Percentage in South Carolina

Service Year	2013		2014		2015		2016		2017	
	Paid Percentage of Anesthesia Payments	Median Paid per Unit	Paid Percentage of Anesthesia Payments	Median Paid per Unit	Paid Percentage of Anesthesia Payments	Median Paid per Unit	Paid Percentage of Anesthesia Payments	Median Paid per Unit	Paid Percentage of Anesthesia Payments	Median Paid per Unit
01630	16.2%	\$ 30.22	14.2%	\$ 29.12	15.5%	\$ 29.31	15.0%	\$ 27.66	15.5%	\$ 28.72
01400	9.2%	\$ 33.13	8.1%	\$ 32.22	8.5%	\$ 32.20	8.6%	\$ 31.20	9.1%	\$ 32.01
00670	9.2%	\$ 35.04	9.5%	\$ 36.67	9.7%	\$ 34.98	10.0%	\$ 35.69	8.1%	\$ 31.41
01830	6.3%	\$ 25.17	5.7%	\$ 25.00	6.3%	\$ 25.46	6.3%	\$ 24.55	6.8%	\$ 25.44
01810	7.3%	\$ 35.63	6.7%	\$ 30.00	7.0%	\$ 30.00	7.0%	\$ 29.40	6.7%	\$ 29.40
01480	4.8%	\$ 23.68	4.8%	\$ 23.52	5.3%	\$ 23.02	5.0%	\$ 22.50	5.1%	\$ 22.50
01952	1.7%	\$ 113.88	6.0%	\$ 89.33	3.1%	\$ 86.55	5.6%	\$ 90.28	4.6%	\$ 92.65
00630	7.3%	\$ 30.49	5.2%	\$ 30.25	5.8%	\$ 31.83	4.8%	\$ 30.57	4.0%	\$ 29.88
00400	3.4%	\$ 33.73	4.7%	\$ 30.00	4.7%	\$ 29.72	3.3%	\$ 29.17	3.7%	\$ 30.00
ANT01	3.1%	\$ 47.06	2.9%	\$ 47.56	2.6%	\$ 47.25	2.4%	\$ 45.07	2.7%	\$ 45.20
00900	1.0%	\$ 37.14	1.1%	\$ 30.00	1.9%	\$ 35.67	2.7%	\$ 36.16	2.7%	\$ 34.32
01951	2.3%	\$ 74.44	1.9%	\$ 75.18	1.9%	\$ 49.11	1.4%	\$ 42.86	1.8%	\$ 59.21
ANT02	1.8%	\$ 28.86	1.6%	\$ 27.75	1.9%	\$ 30.85	1.5%	\$ 31.00	1.8%	\$ 30.48
01402	1.5%	\$ 27.13	1.6%	\$ 26.94	1.4%	\$ 29.09	1.7%	\$ 27.26	1.8%	\$ 27.32
01710	1.7%	\$ 27.43	1.8%	\$ 24.96	1.4%	\$ 25.63	1.2%	\$ 24.51	1.7%	\$ 24.00
01740	1.0%	\$ 26.04	1.2%	\$ 34.44	0.8%	\$ 23.69	1.6%	\$ 22.87	1.2%	\$ 26.46
01392	0.8%	\$ 21.72	0.9%	\$ 23.20	1.0%	\$ 22.34	1.4%	\$ 24.75	1.2%	\$ 22.62
00840	0.9%	\$ 30.29	0.5%	\$ 29.25	1.0%	\$ 31.47	0.9%	\$ 30.00	1.1%	\$ 29.70
01610	1.0%	\$ 34.40	0.7%	\$ 26.59	0.9%	\$ 30.00	0.8%	\$ 30.00	1.1%	\$ 28.13
01638	1.0%	\$ 31.68	0.6%	\$ 32.10	1.1%	\$ 30.35	0.9%	\$ 31.90	1.0%	\$ 29.86
00600	2.3%	\$ 30.14	1.6%	\$ 28.95	1.3%	\$ 31.91	1.8%	\$ 30.00	1.0%	\$ 31.68
00830	1.1%	\$ 29.35	1.2%	\$ 27.00	1.3%	\$ 26.46	0.9%	\$ 26.07	1.0%	\$ 26.25
01936	0.9%	\$ 71.18	1.0%	\$ 33.36	0.7%	\$ 33.75	0.8%	\$ 31.42	0.9%	\$ 36.64
01470	1.3%	\$ 27.25	1.1%	\$ 25.71	1.1%	\$ 25.70	0.8%	\$ 26.05	0.9%	\$ 26.16
01464	0.7%	\$ 26.10	0.5%	\$ 23.49	0.8%	\$ 24.19	0.7%	\$ 23.42	0.8%	\$ 26.94
01230	0.5%	\$ 33.33	0.9%	\$ 26.69	0.7%	\$ 25.07	1.2%	\$ 32.14	0.6%	\$ 25.20
00620	0.9%	\$ 41.84	0.4%	\$ 35.42	0.5%	\$ 36.60	0.4%	\$ 31.03	0.6%	\$ 33.78
01716	0.2%	\$ 42.00	0.3%	\$ 42.86	0.2%	\$ 26.97	0.3%	\$ 34.09	0.5%	\$ 26.95
01820	0.5%	\$ 31.41	0.3%	\$ 24.00	0.6%	\$ 27.63	0.3%	\$ 29.71	0.5%	\$ 30.00
01840	0.4%	\$ 32.90	0.4%	\$ 23.21	0.1%	\$ 32.93	0.2%	\$ 31.00	0.5%	\$ 141.53
01992	0.2%	\$ 105.00	1.2%	\$ 89.25	0.6%	\$ 76.29	0.4%	\$ 71.80	0.5%	\$ 103.85
01160	0.0%	\$ 41.84	0.1%	\$ 108.00	0.0%	\$ 9.73	0.0%	\$ 17.15	0.4%	\$ 51.37
01214	0.2%	\$ 30.25	0.4%	\$ 30.07	0.4%	\$ 29.42	0.6%	\$ 26.92	0.4%	\$ 30.85
00752	0.2%	\$ 31.07	0.2%	\$ 27.00	0.3%	\$ 32.73	0.2%	\$ 51.08	0.4%	\$ 32.44
01712	0.2%	\$ 37.50	0.3%	\$ 30.22	0.6%	\$ 38.20	0.4%	\$ 34.65	0.4%	\$ 34.04
01474	0.1%	\$ 39.26	0.0%	\$ 21.46	0.0%	\$ 56.30	0.1%	\$ 29.28	0.3%	\$ 96.50
00790	0.2%	\$ 29.82	0.5%	\$ 32.14	0.3%	\$ 25.40	0.4%	\$ 25.50	0.3%	\$ 33.01
00190	0.1%	\$ 38.94	0.4%	\$ 23.08	0.5%	\$ 25.74	0.4%	\$ 27.08	0.3%	\$ 27.94
01320	0.3%	\$ 26.33	0.2%	\$ 23.59	0.2%	\$ 29.61	0.4%	\$ 26.46	0.3%	\$ 22.79
01215	0.1%	\$ 56.62			0.1%	\$ 445.50			0.3%	\$ 227.75
01620	0.3%	\$ 54.15	0.3%	\$ 30.00	0.2%	\$ 51.92	0.3%	\$ 63.45	0.3%	\$ 32.50
01472	0.2%	\$ 29.42	0.2%	\$ 27.50	0.5%	\$ 27.81	0.2%	\$ 28.42	0.3%	\$ 25.71
01360	0.2%	\$ 34.62	0.3%	\$ 33.31	0.4%	\$ 51.69	0.1%	\$ 26.58	0.3%	\$ 28.56
00160	0.4%	\$ 39.71	0.5%	\$ 40.15	0.5%	\$ 38.25	0.4%	\$ 37.97	0.7%	\$ 33.75
01173	0.0%	\$ 32.31	0.3%	\$ 42.74	0.3%	\$ 27.53	0.2%	\$ 32.34	0.2%	\$ 34.48
00140	0.2%	\$ 37.09	0.3%	\$ 29.46	0.4%	\$ 26.40	0.5%	\$ 61.11	0.2%	\$ 25.00
01120	0.0%	\$ 22.67	0.2%	\$ 30.38	0.1%	\$ 23.36	0.3%	\$ 43.27	0.2%	\$ 28.90
01202	0.2%	\$ 24.53	0.3%	\$ 23.04	0.2%	\$ 23.10	0.1%	\$ 21.88	0.2%	\$ 21.23
01922	0.3%	\$ 55.57	0.4%	\$ 36.00	0.6%	\$ 50.74	0.3%	\$ 63.08	0.2%	\$ 43.13
01953	0.1%	\$ 32.24	0.4%	\$ 70.00	0.2%	\$ 77.00	0.3%	\$ 38.99	0.2%	\$ 38.50





## RESPONSES TO QUESTIONS REGARDING THE MEDICAL DATA REPORT FOR THE STATE OF SOUTH CAROLINA

NCCI provides an annual Medical Data Report for the state of South Carolina. The South Carolina Workers' Compensation Commission has submitted a request for additional information regarding the 2018 Medical Data Report for the state of South Carolina. The requests and responses are below.

**Request 1** – Please provide a 5-year comparison of the anesthesia payments for the top 50 anesthesia codes.

**Response 1** – Please see the attached excel file for a comparison of Service Years 2013-2017 of the top 50 anesthesia codes for Service Year 2017 ranked by payments.

**Request 2** – Please provide a 3-year history of anesthesia payments as a percentage of the South Carolina maximum allowable reimbursement (MAR).

**Response 2** – The chart below provides the payments for anesthesia services for Service Years 2015-2017 as a percentage of the 2018 South Carolina MAR.

Service Year	Paid Percentage of South Carolina 2018 MAR <sup>1</sup>
2015	88%
2016	87%
2017	91%

Source: NCCI Medical Data Call, Service Years 2015-2017.

---

<sup>1</sup> Reimbursement amounts have been adjusted for South Carolina specific procedure code modifiers.

**From:** [Mike Bowe](#)  
**To:** [Cannon, Gary](#)  
**Cc:** [Margarita Pate](#)  
**Subject:** State vs WC  
**Date:** Thursday, February 14, 2019 12:35:39 PM  
**Attachments:** [WC vs State.pdf](#)

---

Hi Gary,

I looked at the top 5 anesthesia codes on NCCI's report and cross-walked them to the common surgical CPT codes. I then looked up the State vs WC rates and came up with the corresponding table. A few of the codes are below the State but on average they are 107% of the B/C State allowed amount. I did this to get more data for Exhibit A. 107% of the B/C State anesthesia allowed amount would be \$62.06. Once again 100% of the W/C anesthesia allowed amount is based on the \$30 per unit rate.

Thanks

Mike

**SC Workers Compensation Allowed Amount  
VS. State Health Plan Allowed Amount  
CPT codes for top 5 Anesthesia codes**

ASA Code	CPT	State	W-C	W-C/State	
	<b>Anesthesia</b>	<b>58.00</b>	<b>30.00</b>	<b>52%</b>	
01830	11012	483.00	577.50	125%	Debridement including removal of foreign material at the site of an open fracture and/or an open dislocation (eg, excisional debridement); skin, subcutaneous
00670	22585	564.12	448.50	80%	Arthrodesis, anterior interbody technique, including minimal discectomy to prepare interspace (other than for decompression); each additional interspace
01630	24516	1,104.40	1,157.50	105%	Treatment of humeral shaft fracture, with insertion of intramedullary implant, with or without cerclage and/or locking screws
01810	25020	713.23	764.00	107%	Decompression fasciotomy, forearm and/or wrist, flexor OR extensor compartment; without debridement of nonviable muscle and/or nerve
01810	25248	601.63	656.00	92%	Exploration with removal of deep foreign body, forearm or wrist
01830	25526	1,305.30	1,278.50	98%	Open treatment of radial shaft fracture, includes internal fixation, when performed, and open treatment of distal radioulnar joint dislocation
01830	25609	1,125.66	1,406.50	125%	Open treatment of distal radial intra-articular fracture or epiphyseal separation, with internal fixation of 3 or more fragments
01810	26542	860.98	887.50	103%	Reconstruction, collateral ligament, metacarpophalangeal joint, single; with local tissue (eg, adductor advancement)
01830	28765	494.27	668.00	135%	Open treatment of distal phalangeal fracture, finger or thumb, includes internal fixation, when performed, each
01400	27310	923.71	982.50	106%	Arthrotomy, knee, with exploration, drainage, or removal of foreign body (eg, infection)
01400	27403	829.10	859.00	104%	Arthrotomy with meniscus repair, knee
01400	27409	1,229.83	1,284.50	104%	Repair, primary, torn ligament and/or capsule, knee; collateral and cruciate
01630	29807	1,124.59	1,396.00	124%	Arthroscopy, shoulder, surgical; repair of SLAP lesion
01630	29827	1,180.50	1,429.50	120%	Arthroscopy, shoulder, surgical, with rotator cuff repair
00670	63045	1,501.94	1,734.50	115%	Laminectomy, facetectomy and foraminotomy (unilateral or bilateral with decompression of spinal cord, cauda equina and/or nerve root[s], [eg, spinal or lateral
00670	63047	1,829.32	1,486.00	81%	Laminectomy, facetectomy and foraminotomy (unilateral or bilateral with decompression of spinal cord, cauda equina and/or nerve root[s], [eg, spinal or lateral
01810	64721	512.59	573.00	112%	Neuroplasty and/or transposition; median nerve at carpal tunnel
<b>Total</b>		<b>\$ 16,374.17</b>	<b>\$ 17,489.00</b>	<b>107%</b>	



NCCI provides an annual Medical Data Report for the state of South Carolina. The South Carolina Workers' Compensation Commission has submitted a request for additional information regarding the 2018 Medical Data Report for the state of South Carolina. The request and response are contained in this workbook.

**Request - Please provide a 5-year comparison of the total transactions and total units for the top 50 anesthesia codes.**

**Response - The requested information for transactions and units for the top 50 anesthesia codes in South Carolina is provided for Service Years 2013-2017 in the subsequent tab.**

Transactions and Units\* for the Top 50 Anesthesia Codes in South Carolina

Service Year	2013		2014		2015		2016		2017	
	Number of Transactions	Number of Units	Number of Transactions	Number of Units	Number of Transactions	Number of Units	Number of Transactions	Number of Units	Number of Transactions	Number of Units
01630	1,185	114,846	1,146	126,644	1,254	141,087	1,327	159,584	1,127	130,921
01400	858	72,300	887	102,008	917	108,449	880	109,096	825	99,993
00670	320	57,376	343	55,939	390	61,906	375	61,417	294	50,284
01830	596	59,266	534	58,578	605	64,303	593	62,989	583	58,250
01810	916	56,462	798	113,330	834	110,489	908	118,263	750	84,011
01480	374	40,991	393	47,211	424	49,381	406	48,371	385	46,849
01952	38	3,678	88	14,506	55	8,836	76	11,186	69	8,793
00630	328	46,197	291	39,828	280	35,057	269	34,386	213	27,896
00400	288	21,607	389	32,620	340	33,195	238	24,374	249	25,084
ANT01	161	18,031	157	16,652	150	15,254	135	15,040	145	15,688
00300	69	6,043	81	8,320	120	12,909	133	12,596	142	11,580
01951	84	5,632	76	7,138	92	8,201	85	7,693	64	6,239
ANT02	175	17,597	148	16,031	120	13,066	136	13,675	144	15,564
01402	77	11,195	97	13,731	89	11,225	111	13,688	99	13,517
01710	192	19,628	178	27,210	160	24,298	122	18,452	143	17,781
01740	66	7,717	50	6,006	67	7,338	90	13,620	85	11,607
01392	52	7,448	72	10,941	78	10,389	77	10,893	89	11,384
00840	60	6,918	46	4,263	75	7,171	69	7,265	81	8,886
01610	58	6,112	50	5,557	65	6,388	53	4,981	70	7,044
01638	32	4,865	28	3,570	52	7,742	52	7,831	52	7,451
00600	106	16,717	87	13,695	66	9,608	97	14,694	52	7,389
00830	107	8,745	118	11,174	122	13,314	100	10,350	88	9,448
01936	55	3,759	67	5,105	56	4,452	59	6,268	62	4,067
01470	101	10,825	105	9,576	94	9,871	67	6,988	65	6,289
01464	62	5,407	52	5,849	86	10,255	57	5,630	60	6,792
01230	23	3,404	46	7,167	51	7,963	57	7,566	54	6,354
00620	35	4,234	24	2,698	26	3,615	21	2,873	35	4,423
01716	20	1,700	16	1,584	18	1,759	31	2,526	37	4,461
01820	52	4,964	35	4,984	73	9,994	53	5,108	57	4,673
01840	11	2,004	10	3,473	5	919	4	1,104	4	705
01992	15	1,031	111	10,687	56	4,587	34	2,331	35	1,526
01160	3	360	2	160	1	285	3	531	4	450
01214	11	1,531	25	2,974	23	3,305	27	3,981	23	2,463
00752	14	1,638	21	3,806	27	2,734	18	2,531	28	4,737
01712	23	2,913	29	7,576	44	10,815	44	6,881	32	5,709
01474	4	475	3	522	4	300	6	1,125	6	780
00790	12	1,422	25	3,190	16	2,290	14	2,147	18	1,931
00190	6	607	24	3,890	25	4,855	23	2,910	16	2,172

01320	19	1,923	22	2,622	17	1,505	35	4,215	22	3,915
01215	6	654	-	-	2	30	-	-	6	484
01620	36	2,038	49	4,324	40	2,053	43	2,427	43	2,565
01472	16	2,206	17	1,675	33	3,096	21	2,100	13	1,367
01360	12	1,443	9	1,589	20	2,031	8	720	19	2,411
00160	34	1,956	26	2,996	37	4,806	29	2,574	25	1,664
01173	2	350	6	1,318	10	2,815	9	1,293	10	1,619
00140	17	1,683	30	1,993	36	2,977	27	2,145	28	2,008
01120	3	357	10	1,365	7	999	13	1,757	13	1,718
01202	10	1,572	19	2,529	15	2,043	8	1,089	15	2,017
01922	20	1,501	31	2,526	42	3,484	23	2,651	16	957
01953	15	583	45	1,496	35	1,748	29	1,411	43	1,521

\*Units are the number of minutes. One unit is equal to one minute.

# Concentra®

South Carolina Workers' Compensation Commission  
Attn: Amy Proveaux  
1333 Main Street, 5<sup>th</sup> Floor  
PO Box 1715  
Columbus, SC 29202-1715

January 29, 2019

Ms. Proveaux:

Please let this letter serve as Concentra's written comments on the proposed 2019 Medical Services Provider Manual (MSPM). We are in support of all the proposed changes and have no further input on those changes. Our key comment relates to the conversion factor update.

The South Carolina medical fee schedule conversion factor has been unchanged since 2010. During this time, certain Medicare RVUs have changed, however, no inflationary adjustment has been applied to the South Carolina conversion factor.

The impact of 9 years of no inflationary increases has moved the SC fee schedule, as benchmarked by WCRI<sup>1</sup>, as one at the median levels of all fee schedules in July 2011 to one that is now below the median of states with fee schedules.

As it relates to the potential adjustment to the current conversion factor of \$50, it should be noted that from 2010 to 2019, the Medicare Economic Index (MEI), grew approximately 8.2%.

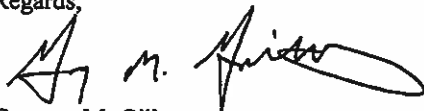
The MEI<sup>2</sup> is a measure of practice cost inflation that was developed in by CMS 1975 to estimate annual changes in physicians' operating costs and earnings levels. Of note, many states use the MEI (Texas, Georgia, Maryland and California) to annually adjust their RBRVS workers' conversation fee schedule as does Medicare. The Medicare RBRVS system was developed to use the MEI each year in its update and to use an RBRVS based system without this annual update distorts the original design of that system.

Because of the MEI changes referenced above, we believe a fair and defensible increase to the South Carolina conversion factor would be 6%, or \$53 as proposed in Chart 2.

It should be noted that if the conversion is left unchanged as it was when last reviewed in 2-017, it would result in an overall decrease to our reimbursement by approximately .50%. I'm sure this is not the intention of your fee schedule update process. Given our costs of doing business goes up each year, this model will be hard to sustain for most providers providing care to injured workers in South Carolina

Thank you for the opportunity to comment on the proposed rules and welcome any further questions you may have on our proposal.

Regards,



Gregory M. Gilbert  
SVP Reimbursement and Government Relations

CC: Mike Kosuth

<sup>1</sup> WCRI's *Designing Workers' Compensation Medical Fee Schedules, 2016*

<sup>2</sup> Refence CMS Web Site for Market Basket Indices at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareProgramRatesStats/MarketBasketData.html>

February 10, 2019

Gary Cannon  
Executive Director  
SC Workers' Compensation Commission  
Via email: [aproveaux@wcc.sc.gov](mailto:aproveaux@wcc.sc.gov)



Dear Mr. Cannon:

I appreciate the Commission's commitment to providing annual updates to the Medical Services Provider Manual. Keeping the CPT and HCPCS codes in synch with the AMA manuals and the rest of the medical community is extremely helpful. I also appreciate the Commission's willingness to receive input from stakeholders throughout the year and this particular opportunity to provide comments on the Proposed Changes to the Medical Services Provider Manual that will be effective April 1, 2019.

#### Conversion Factor

I respectfully request that the Commission select a conversion factor that results in an increase for all provider types.

Workers' compensation remains the most administratively burdensome type of care healthcare providers deliver. In 2018, our practice filed 143,601 claims for services rendered: 10% (14,430) of those claims were for workers' compensation patients and 90% (129,171) were for all other patients. To meet the administrative requirements of workers' compensation, we employ 5 full-time staff members compared to 10 full-staff members to handle the authorization and claims administration for the other 90% of our business. We have maintained a dedicated workers' compensation team within our practice for many years in an effort to serve the comp community as efficiently as possible, but the cost of doing so is drifting ever closer to the benefit. As medical practices continue to be acquired by hospitals and hospitals begin to consolidate, dedicated workers' compensation departments within those organizations are likely in danger of being phased out unless a clear ROI exists to maintain them. We also feel that pressure.

I recognize that Medical Services Provider rate calculations are currently guided by statutory requirements that are not easy to change. That being said, I encourage the Commission to consider alternatives to the current methodology in the future. In addition to significant variations in the workers' compensation population as compared to the Medicare population overall, even Medicare's payment methodologies are changing.

Providers currently have their Medicare rates adjusted up or down based on their performance in CMS' Quality Payment Program. Additionally, CMS has several value-based models underway in which providers are incentivized to work together to achieve high quality outcomes at an overall lower cost. Midlands is currently participating in the Bundled Payments for Care Improvement (BPCI) Initiative for total joint and spine surgery. While this program is not directly applicable to workers' compensation, I bring it up to highlight that even Medicare is quickly evolving from its traditional payment models and private insurers are following suit – some much more quickly than Medicare. As provider focus shifts to maximizing value-based opportunities and building the infrastructure needed to succeed in that realm, resources currently devoted to workers' compensation may be reallocated to meet needs with a higher rate of return.

#### Section 7. Physical Medicine

Medicare has indeed announced its intent to reduce payment for services rendered by a physical therapy assistant (PTA) or an occupational therapy assistant (OTA) effective January 1, 2020. At a minimum, I request that the Commission delay implementation of this provision to coincide with CMS' implementation date because implementing it now will require yet another administrative task that applies only to workers' compensation claims.

Two other factors should be considered in this decision. First, workers' compensation patients need and benefit from therapy services more urgently than Medicare patients simply due to the nature of injuries versus more chronic conditions. The use of PTAs and OTAs who are directly supervised by physical and occupational therapists allows us to enhance access without sacrificing quality or outcomes.



Second, the vast majority of employers and/or their TPAs or insurance carriers utilize third party therapy networks that require steep discounts from the Provider Manual rates. While providers are not required to participate in these networks, we lose the opportunity to provide therapy services if we do not. Therefore, practically speaking, therapy reimbursement is already steeply discounted from the current Provider Manual rates making it unaffordable to fully staff a therapy clinic without utilizing licensed therapy assistants. Additional discounts are simply not sustainable.

#### Section 8. Special Reports and Services

The proposed change for this Section eliminates the per page copying cost for records delivered in an electronic format. As with most aspects of care, workers' compensation is not comparable to any other payer type in terms of the demand for records. These requests occur much more frequently than in other types of care, requiring us to have a staff member for this purpose.

Records release remains a labor-intensive activity. While less time is spent standing at a copy machine, more time is spent searching the electronic chart for the appropriate records and compiling them for extraction. As a result of federal mandates for providers to improve continuity of care, our electronic health record systems receive large amounts of unsolicited information from a patient's other providers. Culling through that information to isolate and compile the requested documentation into a secure electronic format offsets any reduction in time previously spent making copies. I realize that the copying costs were intended to pay for toner, paper and copiers more than the labor, but we now incur the costs of licensing fees for our EHRs as well as scanners and computers; and the \$15.00 allowed as a clerical and handling fee is not adequate.

I acknowledge that neither the proposed therapy or special reports proposals are monumental in and of themselves; and yet, from the perspective of a private orthopaedic and neurosurgery practice that has strived to be an engaged and constructive participant in the workers' compensation community, it feels like death by a thousand cuts. Broadly speaking, healthcare delivery and the healthcare marketplace are transforming at a dizzying pace. Providers must be wholly focused on redefining themselves to survive (and hopefully thrive) in an ever-evolving landscape. To the extent that workers' compensation fails to keep pace with the healthcare marketplace, becomes a distraction and/or is requiring resources that could be better utilized in other departments to further our broader goals, we will continually evaluate the extent of our participation as providers in the system.

I am hopeful all workers' compensation stakeholders will be able to work together in the near future to modernize care delivery to injured workers, and I am always ready to collaborate toward that end.

Respectfully,

*Ann Margaret McCraw*

AnnMargaret McCraw  
Chief Executive Officer  
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## Workers' Compensation Commission

January 22, 2019

**TO: Commissioners**

**FROM: Proposed Changes**

**DATE: January 22, 2019**

**RE: Medical Services Provider Manual**

In response to your request last year, attached you will find the documents related to the update of the Medical Services Provider Manual (Fee Schedule). The letter from Optum, Inc. contains the evaluation to consider any changes in the Conversion Factor. The second document contains the proposed text changes to the Fee Schedule policy manual.

The effective date of the updated Fee Schedule is April 1, 2019. The documents will be distributed to stakeholders and posted on the Commission's website. We recommend receiving public comment at the Business Meeting on February 19, 2019 with the Commission action on the updated Fee Schedule at the March 18, 2019 Business Meeting.



January 16, 2019

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 2018 fee schedule to a proposed fee schedule using 2019 RBRVS and Optum's Essential RBRVS gap-fills. The National Council on Compensation Insurance, Inc. (NCCI) provided summary bill information for calendar year 2017 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.

NCCI Data (Before Validation)				
	Total Paid	Total Charged	Transactions	Units
CPT (Less Anesthesia)	\$58,138,443	\$121,719,537	688,968	924,308
Anesthesia*	\$1,665,945	\$10,364,252	6,980	1,448,742
HCPCS (Less Ambulance)	\$13,584,103	\$20,917,157	61,769	499,579
Ambulance**	\$2,812,989	\$4,014,128	11,054	203,769
Total	\$76,201,480	\$157,015,075	768,771	3,076,398

\* 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

1. Using the NCCI frequency, Optum conducted an analysis of the 2018 Medical Services Provider fee schedule to the 2019 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 \$49.5. Records were only compared where the 2018 fee schedule and the 2019 relative values and frequency were all greater than zero.

2. Frequencies from deleted codes 97001 – 97004 were again cross walked to the corresponding new codes 97161-97168. Other deleted and new codes did not factor into overall totals.
3. Optum created draft fee schedules based on the 2019 relative values and conversion factors of \$49, \$50, \$51, and \$52 with caps of +/- 9.5%. The results are displayed below.
4. Ambulance data was not analyzed with this set of data.
5. 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 RVUs	Total \$\$ SC 2018 FS	CF
EM	129,310	314,162	\$15,590,495	49.6
HCP	251,362	131,147	\$6,436,051	49.1
Lab	11,049	6,678	\$355,657	53.3
Med	18,434	35,337	\$1,769,829	50.1
PT	647,231	574,841	\$28,024,332	48.8
Rad	50,851	92,612	\$4,703,119	50.8
SPR	502	658	\$33,232	50.5
Sur	32,702	224,682	\$11,439,753	50.9
<b>Grand Total</b>	<b>1,141,441</b>	<b>1,380,118</b>	<b>\$68,352,468</b>	<b>49.5</b>

Category	Frequency	Total RVUs	Total \$\$ 2019 w/ CF 49 & Caps	CF49	Total \$\$ 2019 w/ CF 50 & Caps	CF50	Total \$\$ 2019 w/ CF 51 & Caps	CF51	Total \$\$ 2019 w/ CF 52 & Caps	CF52
EM	129,310	314,162	\$15,393,925	49.0	\$15,708,087	50.0	\$16,022,226	51.0	\$16,336,305	52.0
HCP	270,150	132,127	\$6,565,369	49.7	\$6,666,623	50.5	\$6,763,785	51.2	\$6,860,072	51.9
Lab	12,468	7,544	\$372,580	49.4	\$375,650	49.8	\$379,634	50.3	\$386,516	51.2
Med	18,436	35,345	\$1,747,625	49.4	\$1,781,028	50.4	\$1,814,414	51.3	\$1,847,774	52.3
PT	653,200	575,904	\$27,755,487	48.2	\$28,285,323	49.1	\$28,815,093	50.0	\$29,344,909	51.0
Rad	50,851	92,612	\$4,590,991	49.6	\$4,679,894	50.5	\$4,767,215	51.5	\$4,850,751	52.4
SPR	502	658	\$32,263	49.0	\$32,921	50.0	\$33,579	51.0	\$34,237	52.0
Sur	32,703	224,759	\$11,174,843	49.7	\$11,389,655	50.7	\$11,604,395	51.6	\$11,818,582	52.6
<b>Grand Total</b>	<b>1,167,620</b>	<b>1,383,111</b>	<b>\$67,633,081</b>	<b>48.9</b>	<b>\$68,919,180</b>	<b>49.8</b>	<b>\$70,200,342</b>	<b>50.8</b>	<b>\$71,479,146</b>	<b>51.7</b>

Sincerely,



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

# State of South Carolina

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## Workers' Compensation Commission

January 22, 2019

### Medical Services Provider Manual Proposed Changes Effective April 1, 2019

Attached is a summary of proposed text changes for the 2019 Medical Services Provider Manual and the fee schedule comparative analysis from Optum with the Conversion Factor calculations. The analysis reflects the impact on each category using the 2017 medical data from NCCI, the Center for Medicare and Medicaid Studies (CMS) Relative Values for 2019, and Optum's Essential RBRVS gap-fills. 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).

A summary of the proposed text changes to the MSPM follows.

~~Deleted language~~

New language

1. Overview Section Chapter V. Completing and Submitting Claims (p. 23) - Update instructions for Element number 9 on the CMS 1500 Claims Form.

~~9. Other Insured's Name: If known, enter the insurance carrier's 3-digit code.~~

9. Other Insured's Name: Not applicable

2. Section 1. Evaluation and Management (E/M) Services (p. 31) & Section 6. Medicine and Injections (p. 375) – The Commission has not adopted a telemedicine policy at this time, therefore codes and services specific to telemedicine, will be changed from a MAP to an "IC" and negotiated between parties.

3. Section 7. Physical Medicine (p. 423) – CMS adopted two new therapy modifiers to be paid at 85% of MAP (one for PT Assistants (PTA) and another for OT Assistant (OTA)) when services are furnished in whole or in part by a PTA or OTA. Proposed verbiage and insertion point within the MSPM is shown below:

CO - Outpatient occupational therapy services furnished in whole or in part by an occupational therapy assistant

CO - Outpatient physical therapy services furnished in whole or in part by a physical therapist assistant

### Physical Therapy and Occupational Therapy Assistants

When the services of a physical therapy assistant (PTA) or occupational therapy assistant (OTA) provide patient care the services are reported with the addition of modifiers CO or CQ. PTA services are reported with modifier CQ and OTA services are reported with modifier CO. Reimbursement is the lesser of the amount billed or 85 percent of the MAP.

*P. 423 insert language after Billing Guidelines*

*The two new modifiers will also be added to the back of each section where Modifiers are referenced.*

#### 4. **Section 8. Special Reports and Services (p. 431) – Copies of Reports and Records**

*It is the IMS Director's recommendation for this policy to more closely mirror the Physicians' Patient Records Act Section §44-115-80.*

### **Section 8. Special Reports and Services**

#### **Copies of Reports and Records**

Providers are required to include supporting documentation when submitting claims, or when required by an insurance carrier, self-insured employer, or the Commission to submit substantiating documentation, and may not charge for these required reports. (See Regulation 67-1302 B(2).) However, when the records or reports are not for the purposes listed above, providers may charge for copying costs. Copying charges are sixty-five cents per page for the first thirty pages provided in an electronic format, and fifty cents per page thereafter provided in an electronic format, which may not exceed one hundred fifty dollars per request, plus a clerical and handling fee of \$15.00 plus tax and actual postage costs. Providers must respond to a request for copies within fourteen days of receipt or face a penalty of up to \$200.00. Section 42-15-95 of the S.C. Code, which governs charges for copies, can be found in Appendix A. Providers are entitled to charge for the cost of copying records and reports except when such documents are requested by the Commission or for the purpose of substantiating a charge and /or medical necessity.

Providers are required to include supporting documentation when submitting claims, or when required by an insurance carrier, self-insured employer, or the Commission to submit substantiating documentation, and may not charge for these required reports. (See Regulation 67-1302 B(2).) However, when the records or reports are not for the purposes listed above, providers may charge for copying costs. Copying charges are sixty-five cents per page for the first thirty printed pages, and fifty cents per printed page thereafter, which may not exceed two hundred dollars per request, plus a clerical and handling fee of \$15.00 plus tax and actual postage costs. Providers must respond to a request for copies within fourteen days of receipt or face a penalty of up to \$200.00. Section 42-15-95 of the S.C. Code, which governs charges for copies, can be found in Appendix A. Providers are entitled to charge for the cost of copying records and reports except when such documents are requested by the Commission or for the purpose of substantiating a charge and /or medical necessity.

Providers who use a medical records company to make and provide copies of medical records must ensure that neither the Commission nor the reviewer is billed for the cost of copies when the purpose of the copies is to substantiate a charge and/or medical necessity.

NOTE: Providers do not need to obtain authorization from the injured worker to release medical records relating to a workers' compensation claim. An employee who seeks treatment under the provisions of the Workers' compensation Act is considered to have given consent for the release of medical records relating to the examination or treatment.

5. **Section 9. HCPCS Level II (p. 435) & Section 10. Pharmacy (p. 633)** - Address issue of physicians' billing, pharmacy dispensing companies, and DME suppliers who are combining two or more products together as "Drug/Supply Kits". These packaged kits should be valued based on the individual products contained in the package that have an assigned CPT/HCPCS code with relative value (RV) amounts or non-payable supplies (bundled items) which are part of practice expense (PE) and are not separately billable supply items. The proposed verbiage and suggested insertion points within the MSPM are shown below:

**Administration Kits**

Administration kits packaged by the manufacturer and assigned a single National Drug Code (NDC) may be reimbursed the Average Wholesale Price (AWP) of the kit without additional mark-up. Kits packaged by the provider or other source are considered to be part of the administration of the pharmaceutical and are not separately reimbursed even if reported with an NDC or HCPCS Level II code. Only those supplies and materials "over and above" those usually provided in the physician or other qualified health care professional office may be reported in addition to the pharmaceutical drug and administration as discussed above and in Part I of the 2019 South Carolina Workers' Compensation Medical Services Provider Manual.

*P. 12 insert language after Injectable Pharmaceuticals, Supplies, and Durable Equipment section*

*P. 32 insert language after Injectable Pharmaceuticals section*

*P. 378 insert language after Injectable Pharmaceuticals section*

*P. 435 insert language after HCPCS Modifiers section*

*P. 633 after Compound Drugs section*

6. **Section 9. HCPCS Level II (p. 435)** – Physicians' routine office supplies are included their services and some of these have a zero value even for the physician. However, other valid supplies that are provided should be reimbursed. The proposed verbiage and suggested insertion points within the MSPM are shown below:

Medically unlikely edits (MUE's) are applied according to the provider type. If the supply is provided in the physician office use the physician MUE, if the medical service is in the inpatient or outpatient facility we use the facility MUE. For DME supply only a Medicare approved provider is not required to dispense the DME. The place of service (physician or facility) MUE schedule would be referenced for coverage. Significant supplies dispensed in the physician office may be reimbursed according to the guidelines in this Fee Schedule even if the MUE is 0. See Part I Chapter IV. Payment Policy for more details regarding reimbursing supplies.

*P. 12 insert language after Injectable Pharmaceuticals, Supplies, and Durable Equipment section*

*P. 30 insert language after Services Not Listed in this Schedule*

*P. 435 insert language after Air/Ground Ambulance Transportation Service*