

## A G E N D A

### SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

**January 24, 2022, 10:30 a.m.**

The meeting will be conducted electronically via Zoom with the Commissioners participating from different locations. Individuals who want to attend the meeting may do so by using the following link: <https://us02web.zoom.us/j/81329742782?pwd=UHd4d2NIK3ZkWnM4Q2tRdnFTU2hmdz09>  
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.

- |   |  |
|---|--|
| 1. CALL TO ORDER  | CHAIRMAN BECK  |
| 2. APPROVAL OF AGENDA OF BUSINESS MEETING<br>OF JANUARY 24, 2022  | CHAIRMAN BECK  |
| 3. APPROVAL OF MINUTES OF THE BUSINESS MEETING<br>OF December 20, 2021 (Tab 1)  | CHAIRMAN BECK  |
| 4. GENERAL ANNOUNCEMENTS  | MR. CANNON   |
| 5. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2)   | MS. BROWN  |
| 6. DEPARTMENT DIRECTORS' REPORTS<br>Human Resources (Tab 3)<br>Information Services (Tab 4)<br>Insurance and Medical Services (Tab 5)<br>Claims (Tab 6)<br>Judicial (Tab 7) | MS. WARD<br>MS. SPRANG<br>MR. DUCOTE<br>MS. SPANN<br>MS. BRACY |
| 7. DEPARTMENT OF VOCATIONAL REHABILITATION<br>Monthly Report (Tab 8)  | MR. CANNON   |
| 8. EXECUTIVE DIRECTOR'S REPORT (Tab 9)  | MR. CANNON   |
| 9. FINANCIAL REPORT (Tab 10)  | MR. CANNON   |
| 10. OLD BUSINESS<br>2022 Medical Service Provider Manual Responses (Tab 11)   | CHAIRMAN BECK  |
| 11. NEW BUSINESS  | CHAIRMAN BECK  |
| 12. ADJOURNMENT   | CHAIRMAN BECK  |

<b>1</b>	<b>Approval of Minutes of Business Meeting of December 20, 2021</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>MSPM Responses/Comments</b>

THE  
SOUTH CAROLINA WORKERS'  
COMPENSATION COMMISSION  
MINUTES OF THE BUSINESS MEETING

A Business Meeting of the South Carolina Workers' Compensation Commission was conducted on Monday, December 20, 2021 at 10:30 AM. The meeting agenda was posted prior to the meeting and proper advance notice was made in compliance with requirements in the Freedom of Information Act. The following Commissioners participated:

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

Also participating Gary Cannon Executive Director; Keith Roberts, General Counsel; Amy Bracy, Judicial Director, Claims Director; Christy Brown, Self-Insurance Director, Bridget Ward, Human Resource Manager; Sandee Sprang; IT Director Kristen Mcree, Staff Attorney and Amy Proveaux, Executive Assistant. Bonnie Anzelmo from Injured Workers' Advocates was also present.

Chairman Beck called the meeting to order at 10:34 AM

**AGENDA**

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

**APPROVAL OF MINUTES – SPECIAL BUSINESS MEETING OF November 18, 2021**

Commissioner Barden moved that the minutes of the Special Business Meeting of November 18, 2021 be approved. Commissioner Taylor seconded the motion, and the motion was approved.

**APPROVAL OF MINUTES – BUSINESS MEETING OF November 22, 2021**

Commissioner Barden moved that the minutes of the Business Meeting of November 22, 2021 be approved. Commissioner Taylor seconded the motion, and the motion was approved.

**GENERAL ANNOUNCEMENTS**

Mr. Cannon reminded the Commissioners that the holiday luncheon would be served after the Commission Business Meeting. Also, we have a new employee in Insurance and Medical Services. Mr. Blanding is currently out of the office; he will be introduced at the next Full Commission Business Meeting.

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

Self-insurance applications were presented by Christy Brown, Director of Insurance and Medical Services. Ten (10) prospective members of three (3) funds was presented to the Commission for approval.

### **Palmetto Timber Fund**

Twin City Forest Products LLC  
Tyler's Timber LLC

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

Abram's Construction LLC  
Ashmore Homes Inc.  
Eric J. Heeter  
R. T. Inc.  
Shades of Green Landscaping Inc.  
Valley Development LLC dba Baumgarner Builders  
Will's Remodeling LLC

### **South Carolina McDonald's Operators Self Insurance Fund**

James Futures Inc. dba McDonald's Restaurants

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 a motion to approve all members and funds application to self-insure, and Commissioner Barden seconded the motion. The motion was approved.

## **DEPARTMENT DIRECTORS' REPORTS**

Each Department report was submitted in written form and included in the Commission's agenda booklets

### **Human Resources**

Ms. Ward gave an overview of her report. There were no comments or questions from the Commission.

### **Information Services**

Ms. Sprang verbally presented her report. There were no comments or questions from the Commission.

### **Insurance and Medical Services**

Mr. Cannon presented Mr. Ducote's report that was submitted in writing. There were no questions from the Commission.

## **Claims**

Ms. Spann verbally presented her report that was submitted in writing. There were no questions from the Commission.

## **Judicial**

Ms. Bracy verbally presented her report that was submitted in writing. There were no questions from the Commission

## **VOCATIONAL REHABILITATION**

The Vocational Rehabilitation report submitted in written form. Mr. Cannon pointed out that there is an email attached to the report. Vocational Rehabilitation has informed me that they will begin tracking the initial contacts to determine the number of responses, referrals, individuals qualifying for services, etc. SCVRD anticipates having this system in place this year. There were no questions from the Commission.

## **EXECUTIVE DIRECTOR'S REPORT**

The Executive Director's report was submitted in written form. Mr. Cannon presented a few highlights from the report. Mr. Cannon wanted to add to his report, that we are currently planning and scheduling a Nuts & Bolts Workshop for our stakeholder's March 3, 2022 and March 10, 2022. There were no questions or comments from the Commission.

## **ADMINISTRATION – FINANCIAL REPORT**

Gary Cannon, Executive Director submitted the Financial Report to the Commission in written form. Mr. Cannon highlighted key data from the report.

## **OLD BUSINESS**

No old business.

## **NEW BUSINESS**

### **2022 Medical Services Provider Manual Proposal**

Mr. Cannon presented the 2022 Medical Services Provider Manual Proposal to the Commission. Mr. Cannon presented the following dates for the review and approval of the 2022 Medical Services Provider Manual.

**December 21, 2021** – Issue Advisory Notice for stakeholder comment period.

**January 19, 2022** – Deadline for submission of stakeholder comment.

**January 24, 2022** – Commission Business Meeting - Public Hearing for 2022 MSPM

**February 14, 2022** – Commission Business Meeting

**March 21, 2022** – Commission Business Meeting – Adoption of 2022 MSPM

**April 1, 2022** – Effective date of 2022 MSPM

Mr. Cannon advised this is presented for the Commission to accept the information with no further action at this time.

### Average Weekly Wage

The new calculated average weekly wage that was certified by the SC Department of Employment and Workforce for July 1, 2020 through June 30, 2021 is \$963.37.

Commissioner Barden made the motion to approve the Average Weekly Wage of \$963.37, and Commissioner Campbell seconded the motion. The motion was unanimously approved. All Commissioners signed the order.

### **EXECUTIVE SESSION**

Commissioner Barden made a motion to Executive Session to discuss a pending ligation; Commissioner McCaskill seconded the motion, and the motion was approved. The Commission went into Executive Session at 10:53 a.m.

Commissioner Barden made the Motion to leave Executive Session at 11:22 a.m.; notating that no action was taken. Commissioner Taylor seconded the motion, and the motion was approved.

### **ADJOURNMENT**

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

The December 20, 2021, meeting of the South Carolina Workers' Compensation Commission adjourned at 11:23 a.m.

Reported: January 18, 2022  
Amy Proveaux  
Office of the Executive Director

*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  
FAX: (803) 737-5764

*Workers' Compensation Commission*

**TO:** Gary Cannon

**FROM:** Bridget Ward

**DATE:** January 12, 2022

**SUBJECT: Monthly Human Resources Report for January 2022 Business Meeting**

This report summarizes the activities of Human Resources during the period of December 1, 2021 through December 31, 2021.

At the end of December, the Commission had 48 full time employees, one part-time employee, one temporary legal intern.

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

In the month of December 16 SCEIS personnel transactions and 34 SCEIS time/leave transactions were processed. Detailed payroll and time reports were run as scheduled and all issues that arose were corrected with the collaborative effort of either the SCIES team or the Comptroller General Office. HR attended the December virtual DSHR Advisory meeting.

Four "All Employee" emails were sent by HR during the month of December, and 8 travel reports were processed. HR responded to all other leave and benefit questions and made changes as needed or requested. HR received and reviewed 926 emails and sent 293 emails.

There were two building issue for the month, and they were both resolved in a timely manner. The commission had two parking issues during December and there were two updates to the parking assignments.

There were 3 COVID cases in the month of December. The employees returned to work after protocol was followed, contact tracing was done and the appropriate quarantine/isolation period was observed.

New Program Coordinator I in IMS started December 17 and will be introduced at the January meeting. Interviews will continue in January for the Program Assistant for Judicial, and we hope to hire a candidate and have them start work by the end of the January.

# State of South Carolina

1333 Main St, Suite 500  
P.O. Box 1715  
Columbia, S.C. 29202-1715



Tel: (803) 737-5700  
Fax: (803) 737-1258  
www.wcc.sc.gov

## Workers' Compensation Commission

---

To: Gary Cannon  
SCWCC Executive Director  
From: Sandee Sprang, IT Director  
Date: January 14, 2022  
Subject: IT Department December 2021 Full Commission Report

---

This report summarizes the activities and accomplishments for projects and initiatives in the IT department during December 2021.

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

#### EDI

The team worked with multiple EDI Trading Partners identify specific reasons for data rejections on Claims and POC submissions. We continue our participation in IAIABC conference calls for: Jurisdiction Only meetings, EDI Claims Committee and the POC 3.0 taskforces.

#### Progress

Duane provided standard support for invoice and check reconciliation issues to end users. The new Progress development environment and production environment are both operational. DTO completed the firewall migration successfully and Duane was subsequently able to consolidate the testing processes of the new Progress version 12 for all agency users. The workstation client has been deployed but not activated and once all regression testing is complete, agency staff will be converted to the new version.

#### Systems Support

The IT team spent considerable time with Jason is cross-training and turnover in preparation for the team to assume his duties. The team also spend time testing the current version of Adobe with our suite of applications including Progress and OnBase.

#### Security

The agency had an unplanned firewall migration completed by the Department of Administration during December. There was a high-profile vulnerability which forced several additional patches to our infrastructure and endpoints. These firewall issues also impacted the operation of our Sonitrol security system.

#### Reporting

The IT team generated several Open Claims reports and Outstanding Carrier Fines for external stakeholders and provided Compliance reports for internal staff.



### Hardware

The balance of the hardware related to the upfit of Hearing Room A and B was received and Director Cannon will be managing the implementation of that project in January.

### Staffing

The IT Consultant helpdesk position was posted and 19 applications were received in response. These will be evaluated, and the top 5 candidates will be interviewed in January.

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

### Legacy Modernization

The EDI RFP responses were received on December 22<sup>nd</sup> and the bid review, scoring/evaluation dates were scheduled according to schedule.

The Claims Management RFP was delivered to the core project team, all commissioners and our SFAA representative, Zach Yarbrough for final review and approval. The last complete walk-through prior to the issuance of the solicitation will be held on January 28, 2022.

## **III. Meetings**

Sandee attended the WCI National Regulators College on December 13 – 14, 2021.

State of South Carolina



Workers' Compensation Commission

---

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

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

**Date:** 20-Jan-22

**Subj:** Insurance and Medical Services Department  
December 2021 Full Commission Report

---

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

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

- |                     |  |
|---------------------|--|
| Compliance Division | <ol style="list-style-type: none"><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: 21 new registrants; 0 notifications sent.</li></ol>                                       |
| Medical Services    | <ol style="list-style-type: none"><li>1. One new medical bill reviewer certification was completed and processing five medical bill reviewer certifications and renewals.</li><li>2. Eight medical bill pricing reviews were done in the month of December.</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 1 new RTSC cases and 6 total RTSC cases in the month of December. And, compelled 24 South Carolina employers to come into compliance with the Act. Year to date, 8 new RTSC cases and 18 total RTSC cases have been docketed.

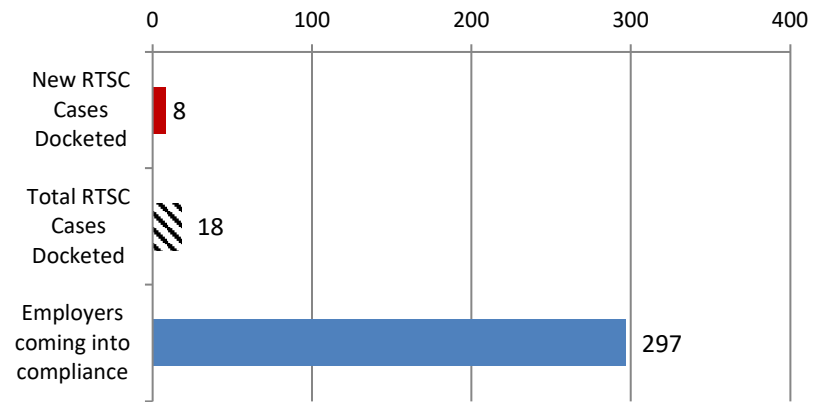
**Employers Obtaining Coverage**

Year to date, the Compliance Division has compelled 297 South Carolina employers to come into compliance with the Act. In so doing, approximately 2,377 previously uninsured workers are now properly covered.

**Penalties Waived**

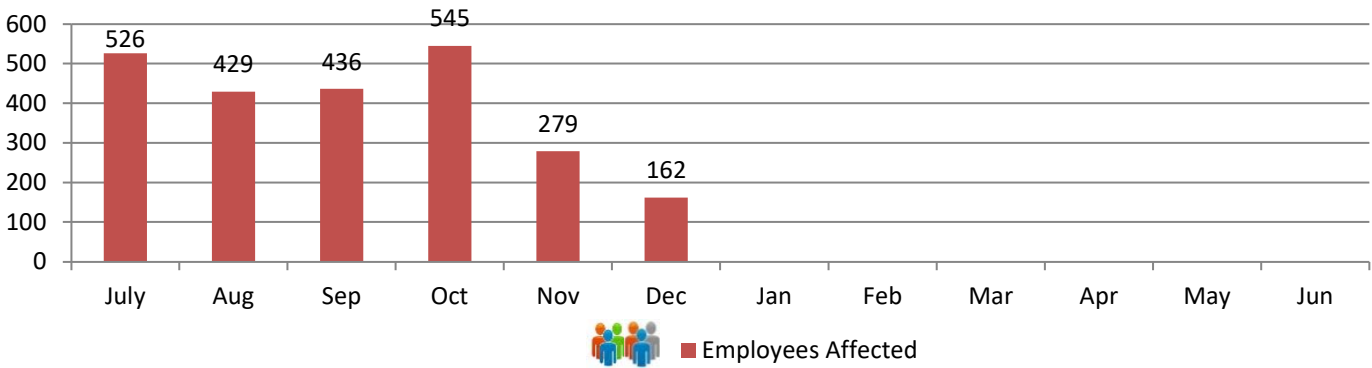
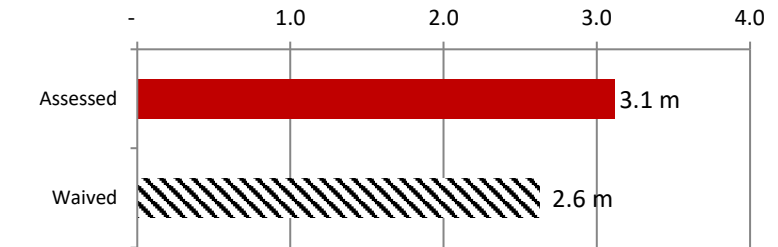
Although the Division has assessed \$3.1 m in fines this fiscal year, \$2.6 m have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

**RTSC and Compliance Activity**



**Fines and Penalties**

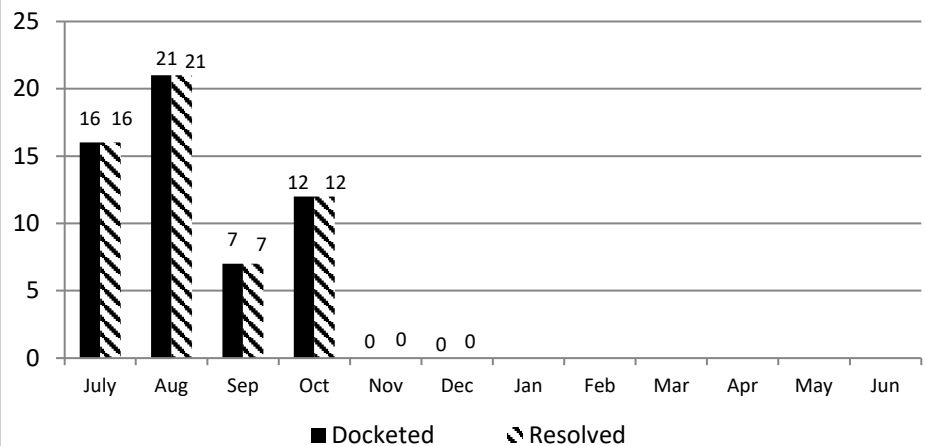
Millions



**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 December 2021, 0 carrier RTSC cases were docketed; 0 cases were resolved for a total of \$0.

Year to date, a total of 56 carrier RTSC cases have been docketed, 56 cases for a total of \$26,650 have been resolved.

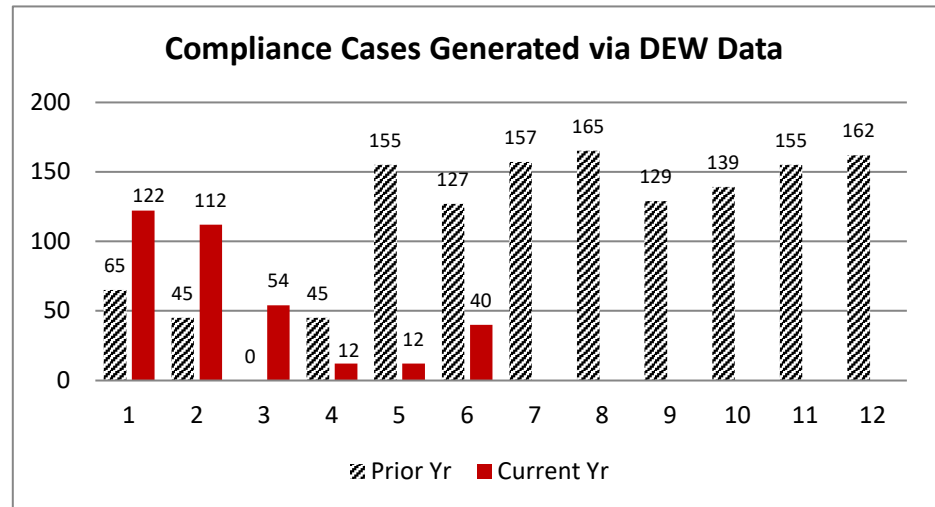
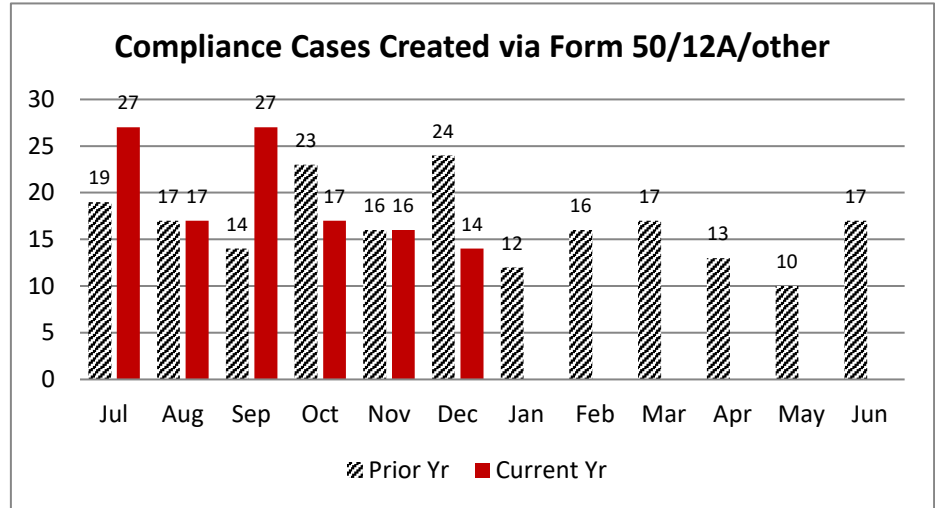


In December 2021, 14 compliance files were created from the combined filings of Form 50's, 12A's, and stakeholder reporting involving uninsured employers.

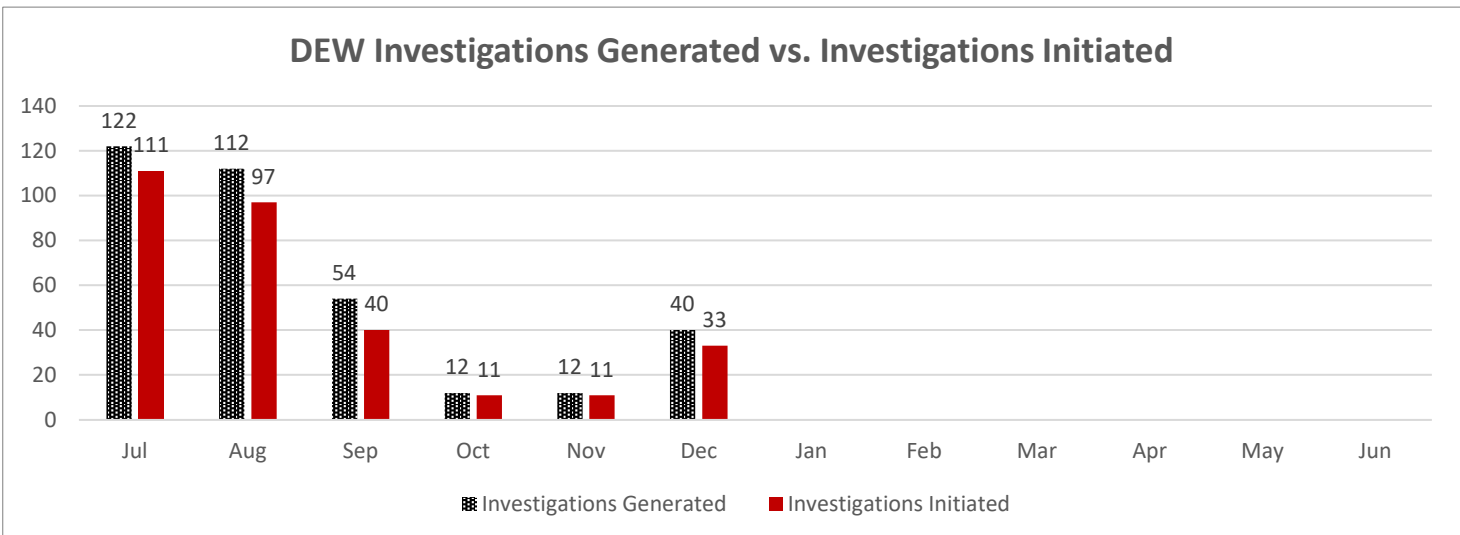
YTD vs. Prior Year total (198): 60%  
 Dec 2020 to Dec 2021: 58%  
 Current Yr End trend: 119% of 2020-2021  
 YTD 2021-2022 v. YTD 2020-2021: 104%

In December 2021, 40 compliance files were generated from the DEW data process.

YTD vs. Prior Year total (1,344): 26%  
 Dec 2020 to Dec 2021: 32%  
 Current Yr End trend: 52% of 2019-2020  
 YTD 2021-2022 v. YTD 2020-2021: 81%



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.



**Carryover Caseload:**

The Compliance Division closed December 2021 with 173 cases active, compared to an active caseload of 259 at the close of December 2020.

**Cases Resolved:**

For the month of December 2021, Compliance Division staff closed-out 65 cases.

**Compliance Fines:**

In December 2021, the Compliance Division collected \$43,995 in fines and penalties. Year to Date, the Compliance Division has collected \$415,092 in fines and penalties.

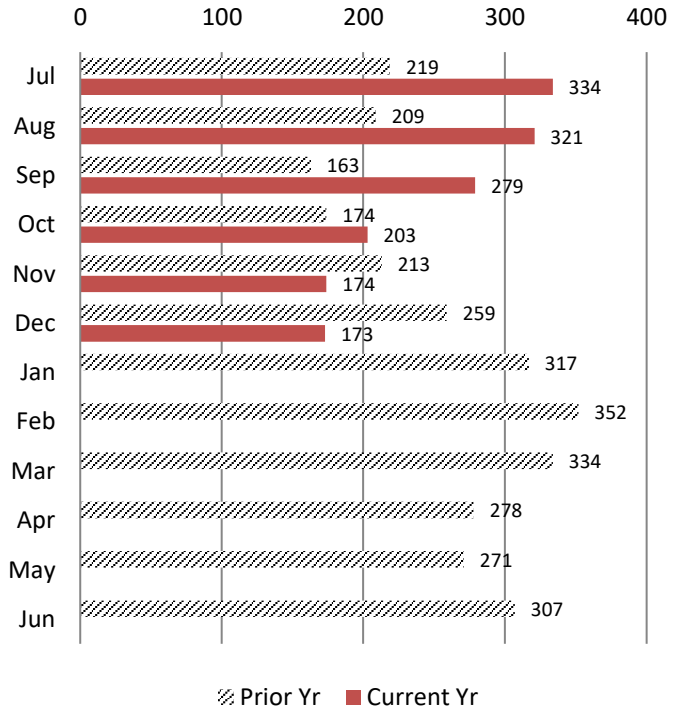
Year to Date vs Prior Year Total (\$785,893): 53%

Dec 2020 vs. Dec 2021: 196%

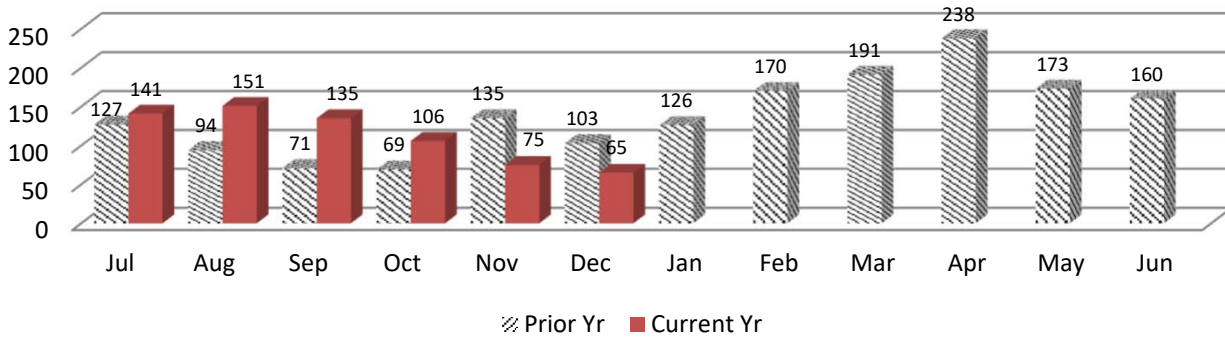
Current Year End trend is 106% of 2020-2021

YTD 2020-21 (Nov - June) vs YTD 2021-2022: 138%

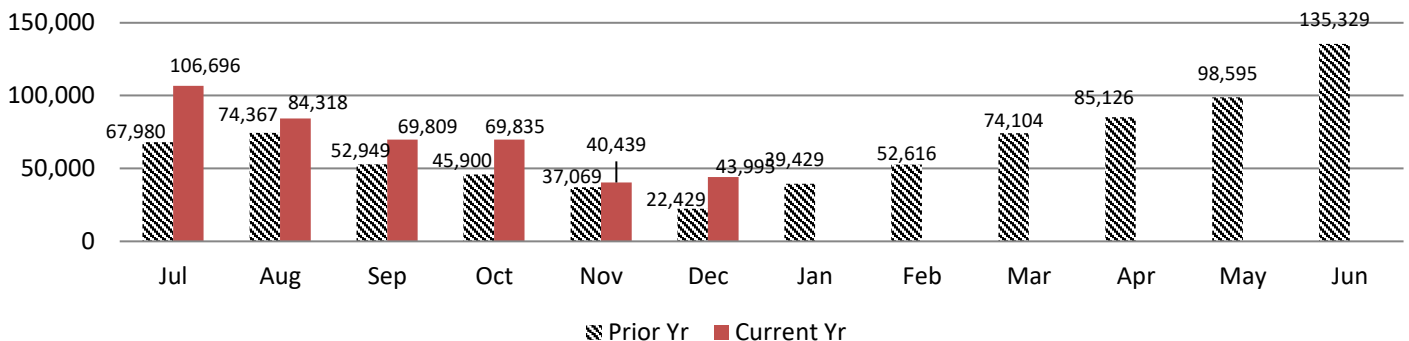
**Caseload Pending v. Prior Year**



**Cases Resolved v. Prior Year**



**Compliance Fines Collected v. Prior Year**

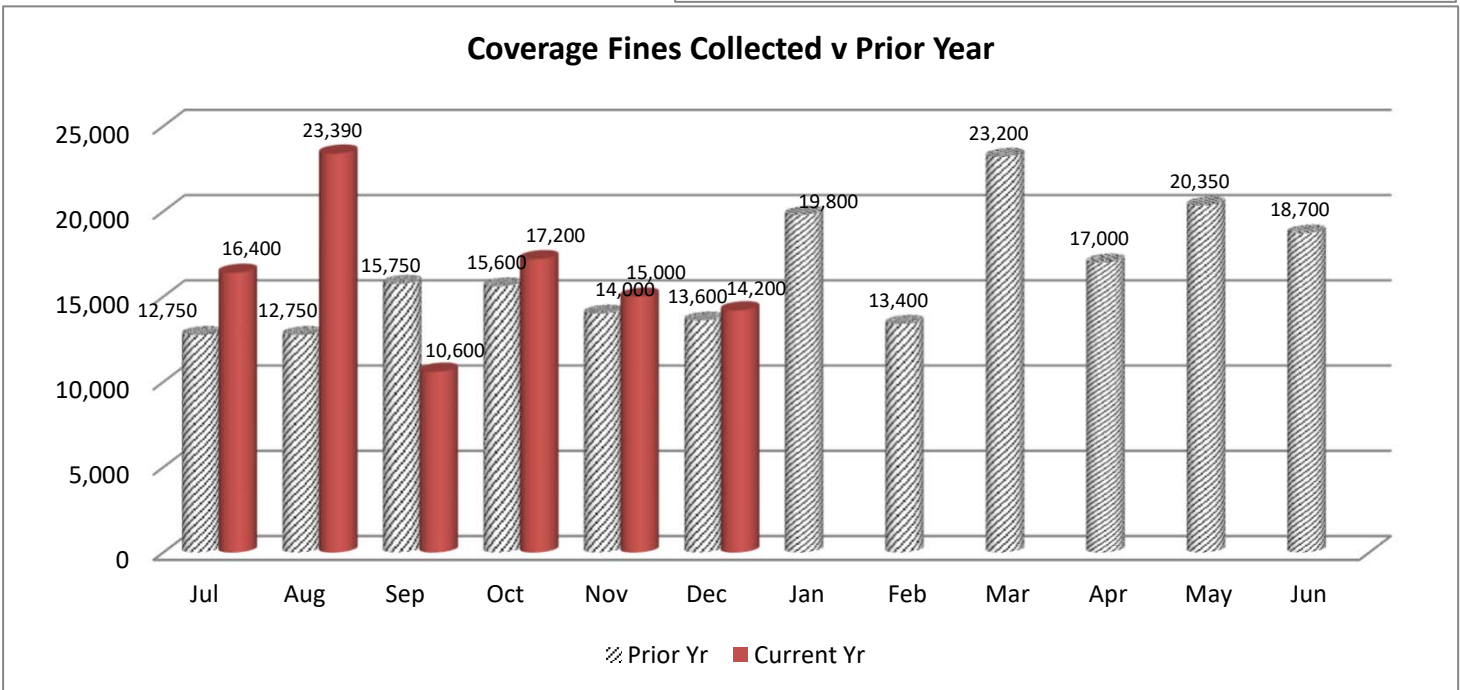
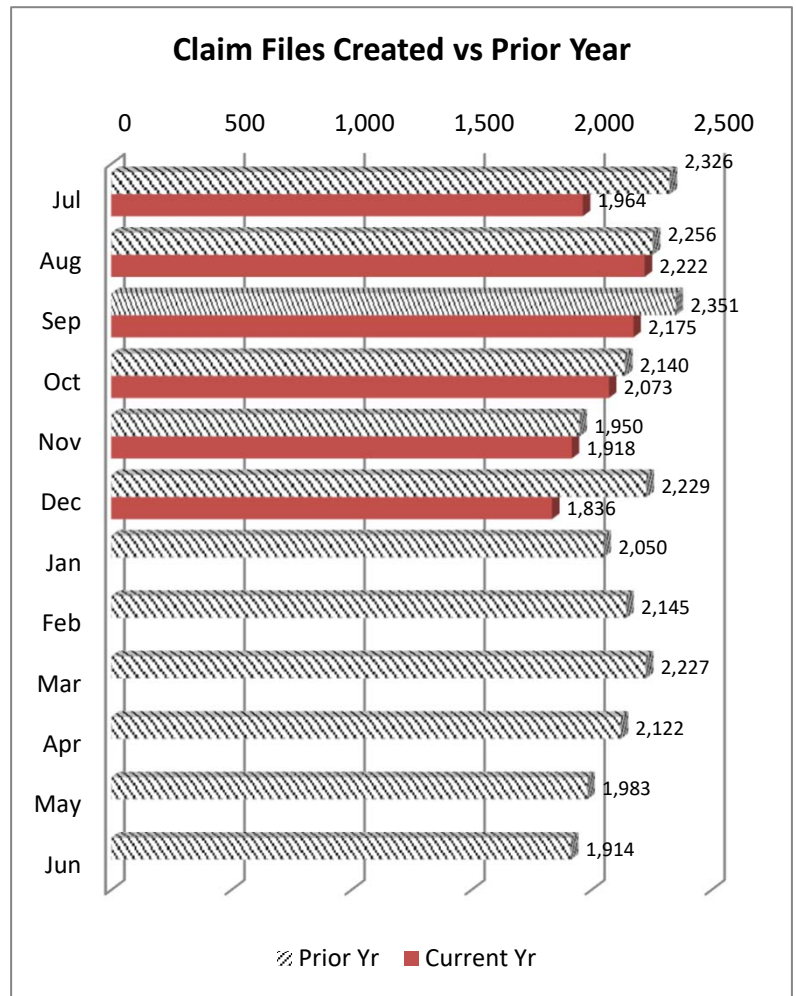


**WCC Claim Files:**

In December 2021, the Coverage Division received a total of 1,836 WCC Claim files. Of these, 1,576 were created through proper carrier filing of a 12A, and 260 were generated as a result of a Form 50 claim filing. Year to Date 12,188 Claim files have been created which is 47% of claim file volume prior year (25,693).

**Coverage Fines:**

The Coverage Division collected \$14,200 in fine revenue in December 2021, as compared to \$13,600 in Coverage fines/penalties accrued during December 2020. Year on Year, Coverage fines are at 49% of collections for prior year.



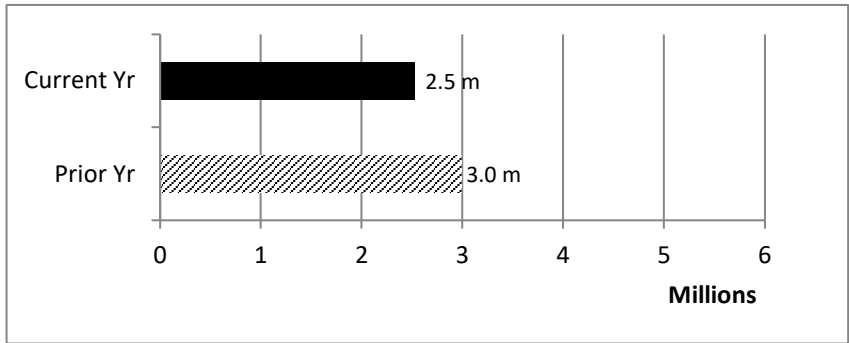
**IMS SELF INSURANCE DIVISION**

December 2021

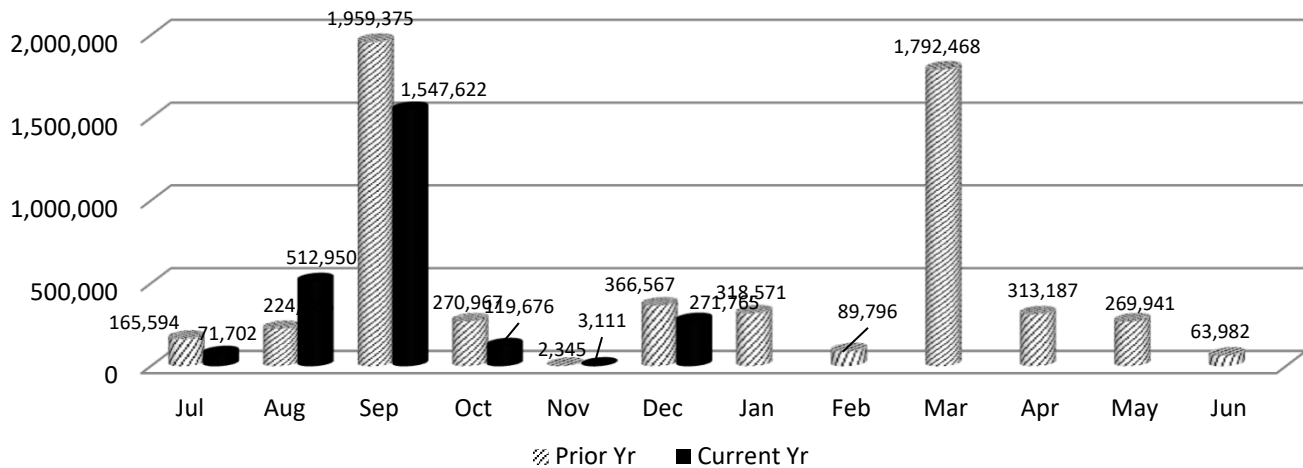
During the month of December 2021, the Self Insurance Division:

- \* collected \$271,765 in self-insurance tax.
- \* added 10 new self-insurers.
- \* conducted 4 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 85% of prior year and 24 Self Insurance audits have been completed.



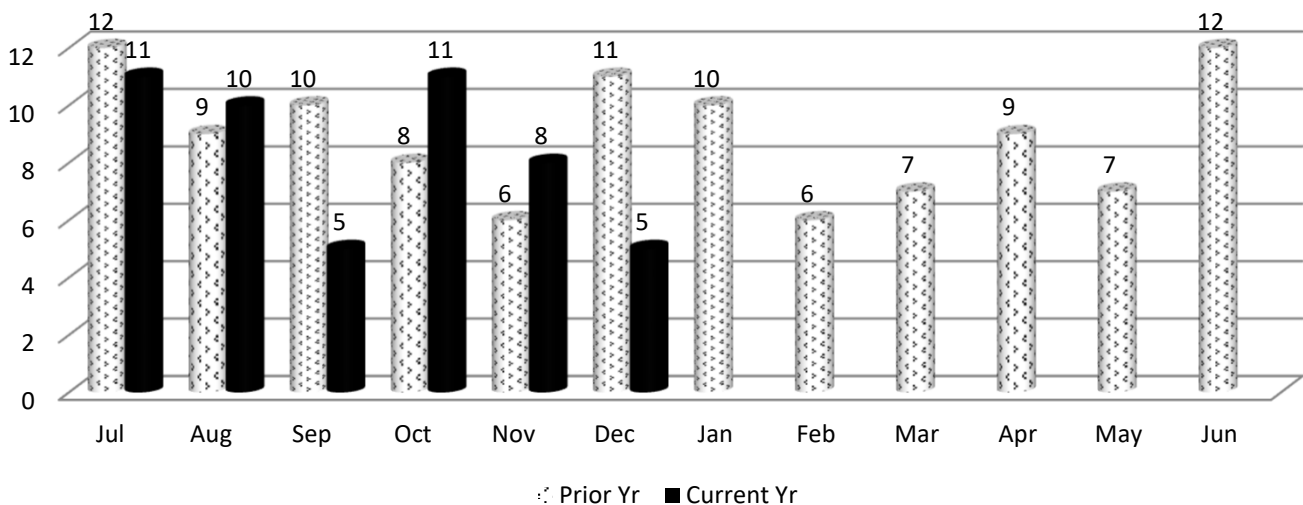
**Self Insurance Tax Collections v. Prior Year**



**IMS MEDICAL SERVICES DIVISION**

In December 2021, the Medical Services Division began the month with 8 bills pending review, received an additional 7 bills for review, conducted 10 bill reviews and ended the month with 5 bills pending.

**Medical Bills Pending Review v. Prior Year**



# *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: Gary Cannon, Executive Director**

**From: Sonji Spann, Claims Director**

**Date: December 20, 2021**

**Re: Claims Department December 2021 Full Commission Report**

Attached is the Statistical Report for the Claims Department for the period July 1, 2021 through - December 31, 2021 for the Business Meeting on January 24, 2022. Please note the slightly different format using row numbers and column letters for ease of use when referencing data.

Claims activities are in Column (a) with the totals for the six-month period for FY21-22 in column (g). Column (i) reflects the percentage change when comparing the totals for same period in the current fiscal at the totals for the same period in last fiscal year. The number of Form 20s, Form 50 Claim Only and the SSA Requests for Info are the only items with increases over last years' numbers.

The number of Total Fines assessed are down 6%, compared to last year, however the Total Fines paid Col. (g) Row (18) is up 29% compared to the same period last year

I will be happy to answer any questions you or the Commissioners have.



# Claims Department Statistcal Report

## FY2021-2022

July 1, 2021 - December 31, 2021

	Claims Activities	July	August	Sept	Oct	Nov	Dec	FY21-22 Total	FY20-21 Total	% Chg same period FY20-21
Col. > Row v	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(g)	(h)	(i)
1	Forms 15-I	1,023	1,157	1,153	1,077	1,073	1,030	6,513	7,408	-12%
2	Forms 15-II/Forms 17	933	1,028	922	970	897	856	5,606	6,225	-10%
3	Forms 16 for PP/Disf	187	216	215	236	180	289	1,323	1,287	3%
4	Forms 18	4,325	4,511	4,491	4,073	4,310	4,121	25,831	26,726	-3%
5	Forms 20	546	591	559	589	574	2,111	4,970	3,590	38%
6	Form 50 Claims Only	291	316	241	286	290	504	1,928	1,740	11%
7	Form 61	652	655	607	656	672	751	3,993	4,384	-9%
8	Letters of Rep	251	258	219	201	204	169	1,302	1,405	-7%
9	Clinchers	831	744	818	786	798	872	4,849	5,511	-12%
10	Third Party Settlements	14	24	19	17	12	15	101	80	26%
11	SSA Requests for Info	64	49	35	42	42	29	261	236	11%
12	Cases Closed	2,028	2,233	2,275	2,136	2,049	2,111	12,832	15,236	-16%
13	Cases Reviewed	2,849	3,742	2,694	2,261	2,228	2,435	16,209	20,365	-20%
14	<b>Total</b>	<b>13,994</b>	<b>15,524</b>	<b>14,248</b>	<b>13,330</b>	<b>13,329</b>	<b>13,433</b>	<b>83,858</b>	<b>70,425</b>	<b>19%</b>
15								-	-	
16	Total Fines Assessed	297	338	221	184	119	310	1,469	1,571	-6%
17	Form 18 Fines	331	321	211	184	118	310	1,475	1,463	1%
18	Total Amt Paid	\$38,650	\$60,800	\$59,450	\$33,400	\$23,800	\$34,400	250,500	194,300	29%

State of South Carolina



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

Tel: (803) 737-5700  
Fax: (803) 737-1234  
www.wcc.sc.gov

**Workers' Compensation Commission**

January 12, 2022

To: Gary Cannon  
Executive Director

From: Amy A. Bracy  
Judicial Director

**RE: Monthly Judicial Report for December 2021**

During the month of December, the Judicial Department processed seven hundred twenty-six (726) requests for hearings (claimant and defense pleadings). Comparing the numbers from the same period last year both are experiencing a 5% decrease and a 9% decrease in the respective categories. The department received ninety-four (94) Motions, a 13% decrease compared to the same period last year and one hundred forty (140) clincher conference requests, down about 5% compared to last year.

There were forty-five (45) Single Commissioner Hearings conducted during the past month, twelve (12) pre-hearing conferences held, and eight (8) Full Commission hearings held. A total of three hundred ninety-two (392) Orders (Single Commissioner Orders, Consent Orders and Administrative Orders) were served at the single Commissioner level, forty-two (42) of those were Decision and Orders that resulted from hearings that went on the record and one hundred twenty-four (124) were Motion Orders that were a result of Motions ruled upon by Commissioners.

There were 250 Informal Conferences requested during December and 289 were conducted.

There were twenty (20) regulatory mediations scheduled and twenty-four (24) requested mediations. Totals are down about 28% and 3% in the respective categories for the same period last year. The Judicial Department was notified of forty-four (44) matters resolved in mediation, with the receipt of Forms 70. This category's total is down about 3% compared to the same period last year

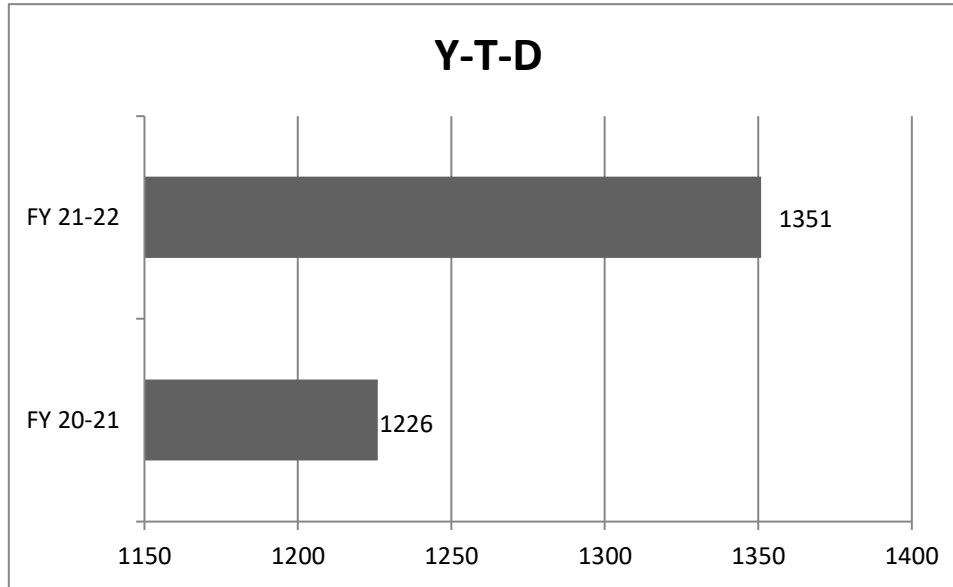
In the month of December, Judicial received one (1) Notice of Intent to Appeal to the Court of Appeals and zero (0) to the Circuit Court.

**Judicial Department Statistcal Report  
Statistics For Fiscal Year 2021-2022**

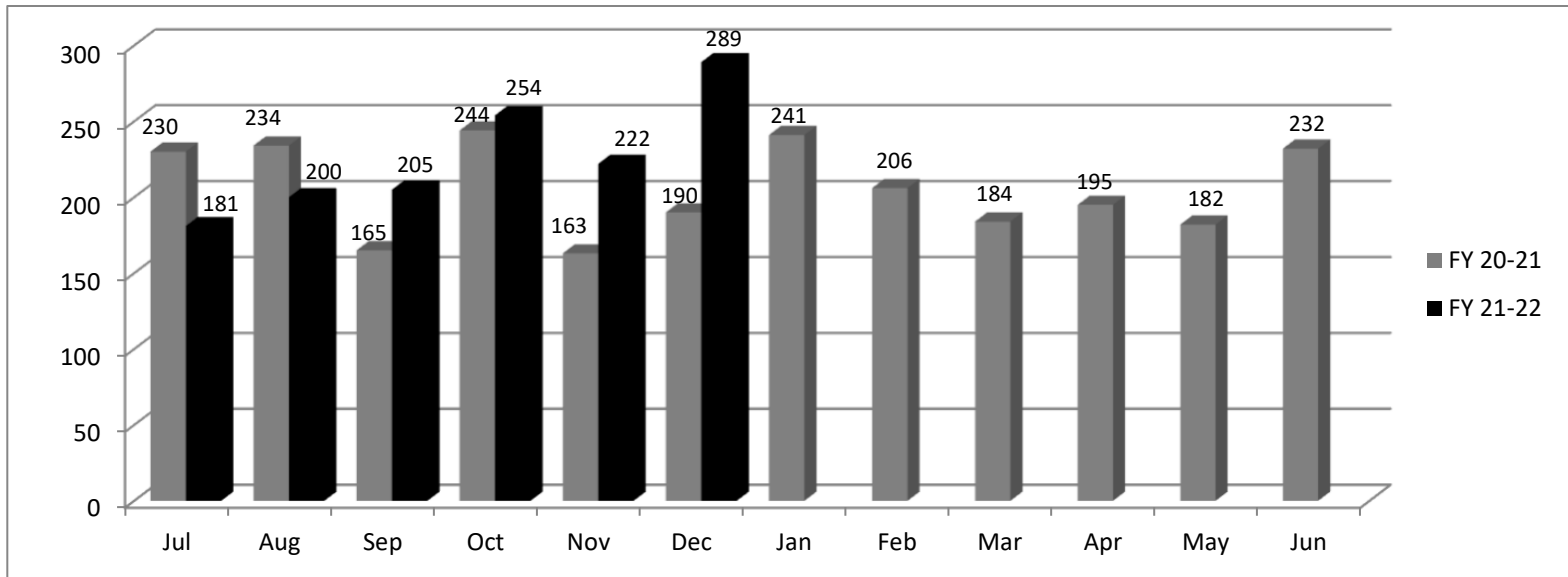
	July	Aug	Sept	Oct	Nov	Dec	Totals YTD 2021-2022	Totals YTD 2020-2021	% Diff from prev year	YTD Diff + (-)	FY21-22 Mth Avg	FY20-21 Mth Avg
Claimant Pleadings	484	560	496	512	502	469	3,023	3172	-5%	(149)	504	529
Defense Response to Pleadings	409	406	466	376	407	441	2,505	2738	-9%	(233)	418	456
Defense Pleadings	287	285	310	266	229	257	1,634	1787	-9%	(153)	272	298
Motions	140	120	109	107	109	94	679	784	-13%	(105)	113	131
Form 30	14	21	6	9	15	9	74	61	21%	13	12	10
FC Hearings Held	7	8	8	7	10	8	48	22	118%	26	8	4
FC Orders Served	14	14	11	8	9	5	61	44	39%	17	10	7
Single Comm. Hearings Held	40	61	52	67	55	45	320	414	-23%	(94)	53	69
Single Comm. Orders Served	215	189	204	154	141	180	1,083	1103	-2%	(20)	181	184
Single Comm. Pre-Hearing Conf Held	14	11	26	13	14	12	90	163	-45%	(73)	15	27
Consent Orders	211	218	256	229	239	207	1,360	1644	-17%	(284)	227	274
Adminstrative Orders	4	19	12	21	13	5	74	121	-39%	(47)	12	20
Clincher Conference Requested	109	149	154	145	136	140	833	881	-5%	(48)	139	147
Informal Conference Requested	228	278	274	247	195	250	1,472	1549	-5%	(77)	245	258
Informal Conference Conducted	181	200	205	254	222	289	1,351	1226	10%	125	225	204
Regulatory Mediations	26	21	32	27	26	20	152	212	-28%	(60)	25	35
Requested Mediations	65	65	52	55	43	24	304	315	-3%	(11)	51	53
Ordered Mediations	0	0	0	0	0	0	0	4	-100%	(4)	0	1
Mediation Resolved	44	63	59	47	44	44	301	310	-3%	(9)	50	52
Mediation Impasse	22	19	11	14	8	14	88	97	-9%	(9)	15	16
Mediation Held; Issues Pending	0	2	2	0	5	0	9	4	0%	5	2	1
Claim Settled Prior to Mediation	7	14	14	9	10	13	67	58	16%	9	11	10
Mediation Not Complete in 60 days	4	1	2	1	3	2	13	12	8%	1	2	2

**Informal Conf. Conducted**

	FY 20-21	FY 21-22
Jul	230	181
Aug	234	200
Sep	165	205
Oct	244	254
Nov	163	222
Dec	190	289
Jan	241	
Feb	206	
Mar	184	
Apr	195	
May	182	
Jun	232	
<b>Total</b>	<b>2466</b>	<b>1351</b>

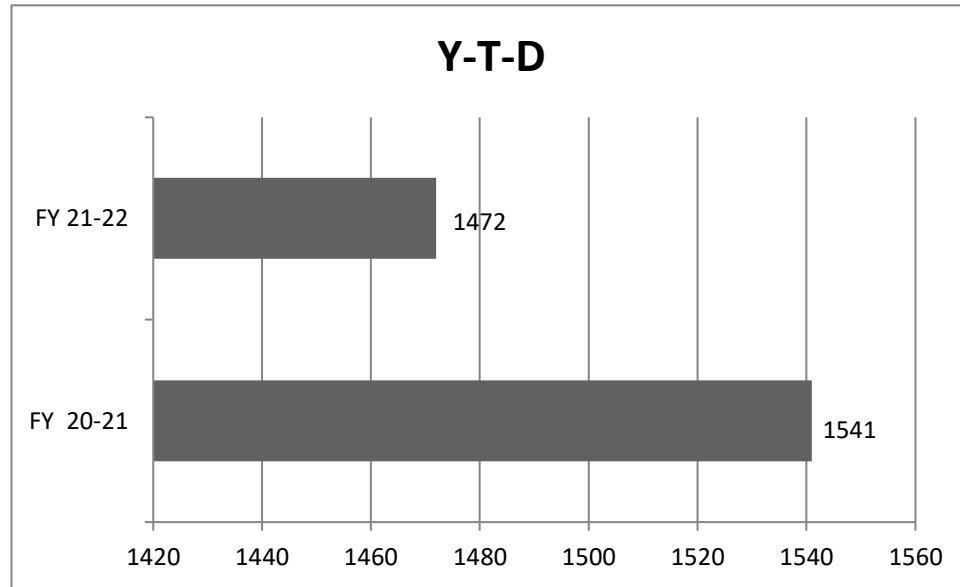


	FY 20-21	FY 21-22
<b>Y-T-D</b>	<b>1226</b>	<b>1351</b>

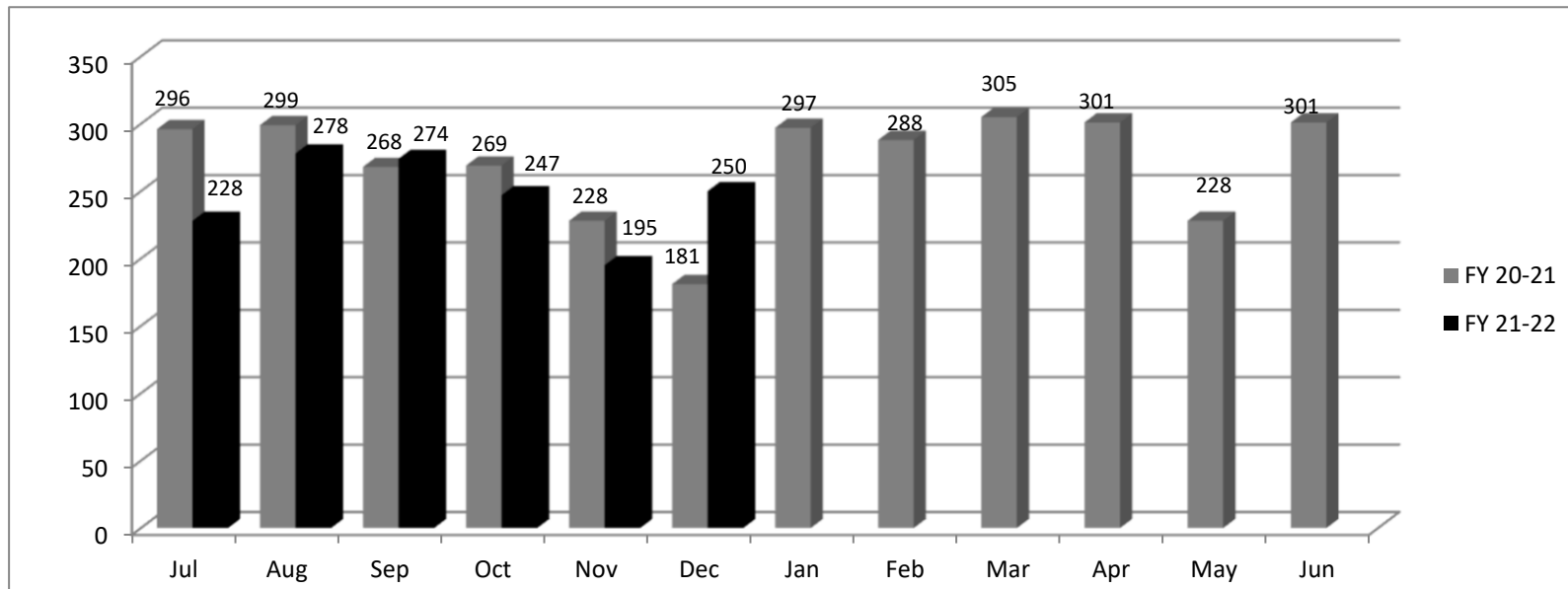


**Informal Conf. Requested**

	FY 20-21	FY 21-22
Jul	296	228
Aug	299	278
Sep	268	274
Oct	269	247
Nov	228	195
Dec	181	250
Jan	297	
Feb	288	
Mar	305	
Apr	301	
May	228	
Jun	301	
<b>Total</b>	<b>3261</b>	<b>1472</b>



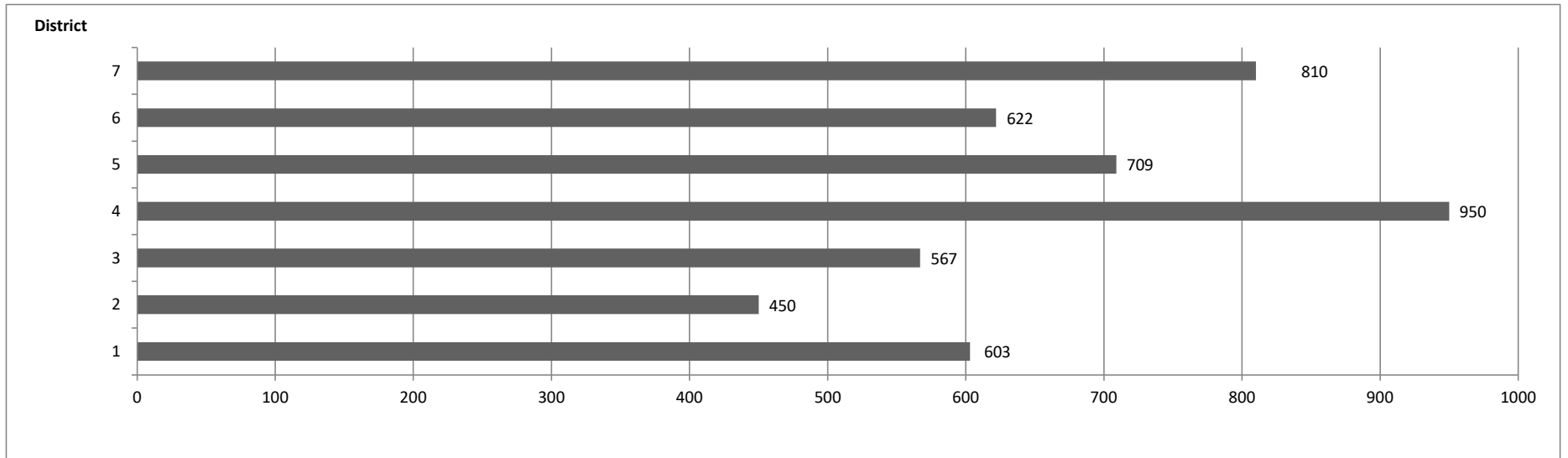
	FY 20-21	FY 21-22
<b>Y-T-D</b>	<b>1541</b>	<b>1472</b>



### Pleadings Assigned - Three Year Comparison by Month

	District 1			District 2			District 3			District 4			District 5			District 6			District 7		
	Greenville			Anderson			Orangeburg			Charleston			Florence			Spartanburg			Richland		
	21-22	20-21	19-20	21-22	20-21	19-20	21-22	20-21	19-20	21-22	20-21	19-20	21-22	20-21	19-20	21-22	20-21	19-20	21-22	20-21	19-20
Jul	112	120	99	87	81	84	72	85	123	166	151	183	109	126	136	122	112	137	156	154	140
Aug	93	88	99	67	73	85	101	105	78	174	142	168	112	125	153	101	95	104	134	133	147
Sep	109	87	101	77	70	77	96	107	98	158	162	174	143	128	108	112	113	104	143	169	131
Oct	89	93	115	73	81	90	103	125	76	152	175	187	110	115	124	95	104	121	130	159	142
Nov	96	92	83	66	88	74	95	100	108	144	176	155	112	96	116	84	104	78	116	134	148
Dec	104	90	81	80	68	65	100	115	80	156	168	140	123	132	99	108	96	104	131	141	117
Jan		79	98		56	69		96	78		172	186		110	104		88	88		124	110
Feb		84	91		88	85		86	78		133	143		101	132		93	126		118	166
Mar		125	112		93	96		118	134		201	187		132	131		106	111		164	183
Apr		94	90		63	78		100	90		138	150		112	136		106	100		134	140
May		90	100		69	80		85	80		134	126		110	103		98	104		126	125
Jun		95	112		74	75		98	91		164	170		117	97		103	109		134	175
<b>Totals</b>	<b>603</b>	<b>1137</b>	<b>1181</b>	<b>450</b>	<b>904</b>	<b>958</b>	<b>567</b>	<b>1220</b>	<b>1114</b>	<b>950</b>	<b>1916</b>	<b>1969</b>	<b>709</b>	<b>1404</b>	<b>1439</b>	<b>622</b>	<b>1218</b>	<b>1286</b>	<b>810</b>	<b>1690</b>	<b>1724</b>

### Pleadings Assigned by District Year to Date



SC WCC Referrals  
SFY 2020

COUNTY	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	County Total	% of State Total
Abbeville	0	0	0	1	1	1	0	0	0	0	0	0	3	0.23%
Aiken	7	7	10	7	7	2	0	0	0	0	0	0	40	3.13%
Allendale	1	2	0	0	0	0	0	0	0	0	0	0	3	0.23%
Anderson	13	10	10	10	10	12	0	0	0	0	0	0	65	5.09%
Bamberg	2	1	1	1	1	1	0	0	0	0	0	0	7	0.55%
Barnwell	0	3	0	2	2	1	0	0	0	0	0	0	8	0.63%
Beaufort	10	9	7	8	11	8	0	0	0	0	0	0	53	4.15%
Berkeley	5	5	7	5	5	10	0	0	0	0	0	0	37	2.90%
Calhoun	0	1	2	0	1	0	0	0	0	0	0	0	4	0.31%
Charleston	11	13	15	13	15	15	0	0	0	0	0	0	82	6.42%
Cherokee	3	1	2	1	5	5	0	0	0	0	0	0	17	1.33%
Chester	0	2	1	0	3	3	0	0	0	0	0	0	9	0.70%
Chesterfield	1	1	1	1	2	1	0	0	0	0	0	0	7	0.55%
Clarendon	3	1	1	1	0	1	0	0	0	0	0	0	7	0.55%
Colleton	1	3	0	4	3	3	0	0	0	0	0	0	14	1.10%
Darlington	2	8	2	1	5	5	0	0	0	0	0	0	23	1.80%
Dillon	3	1	2	0	0	0	0	0	0	0	0	0	6	0.47%
Dorchester	5	5	8	5	7	5	0	0	0	0	0	0	35	2.74%
Edgefield	0	0	0	1	1	5	0	0	0	0	0	0	7	0.55%
Fairfield	3	2	2	3	2	0	0	0	0	0	0	0	12	0.94%
Florence	7	9	12	7	7	7	0	0	0	0	0	0	49	3.83%
Georgetown	2	1	1	1	4	5	0	0	0	0	0	0	14	1.10%
Greenville	15	15	15	13	15	15	0	0	0	0	0	0	88	6.89%
Greenwood	6	2	7	6	3	3	0	0	0	0	0	0	27	2.11%
Hampton	0	5	0	1	2	2	0	0	0	0	0	0	10	0.78%
Horry	8	9	14	9	11	10	0	0	0	0	0	0	61	4.77%
Jasper	1	1	3	2	0	2	0	0	0	0	0	0	9	0.70%
Kershaw	5	3	7	4	1	5	0	0	0	0	0	0	25	1.96%
Lancaster	1	2	3	3	3	5	0	0	0	0	0	0	17	1.33%
Laurens	2	1	3	5	7	6	0	0	0	0	0	0	24	1.88%
Lee	1	0	0	2	0	1	0	0	0	0	0	0	4	0.31%
Lexington	15	17	15	13	15	15	0	0	0	0	0	0	90	7.04%
Marion	0	2	1	0	1	5	0	0	0	0	0	0	9	0.70%
Marlboro	3	1	1	1	1	0	0	0	0	0	0	0	7	0.55%
McCormick	0	1	1	0	0	1	0	0	0	0	0	0	3	0.23%
Newberry	2	1	4	5	1	2	0	0	0	0	0	0	15	1.17%
Oconee	2	3	2	5	9	6	0	0	0	0	0	0	27	2.11%
Orangeburg	5	8	7	9	4	8	0	0	0	0	0	0	41	3.21%
Pickens	8	9	4	6	5	2	0	0	0	0	0	0	34	2.66%
Richland	12	10	15	15	16	15	0	0	0	0	0	0	83	6.49%
Saluda	1	2	2	1	0	2	0	0	0	0	0	0	8	0.63%
Spartanburg	13	15	10	15	15	15	0	0	0	0	0	0	83	6.49%
Sumter	11	4	9	7	4	5	0	0	0	0	0	0	40	3.13%
Union	0	0	4	3	2	0	0	0	0	0	0	0	9	0.70%
Williamsburg	1	6	3	2	5	1	0	0	0	0	0	0	18	1.41%
York	9	6	6	7	9	7	0	0	0	0	0	0	44	3.44%
Monthly Totals	200	208	220	206	221	223	0	0	0	0	0	0	1278	100.00%

# State of South Carolina



## Workers' Compensation Commission

### Executive Director's Report January 24, 2022

#### Meetings/Activities

During the month of December, the Executive Director met with an adjuster with regard to a claimant slip and fall in Hearing room B; attended the National Regulators College in Orlando, FL; and attended the SFAA meeting regarding renewal of the Commission's lease for office space.

#### COVID

The following is data related to the number of workers' compensation claims filed as COVID related. The data is for the period February 1, 2020 to December 31, 2021.

<b>COVID-19 Claims for December 2021</b>	
Total Claims Filed from 2/1/2020 12/31/21	4,157
Claims reported to the Commission in November, 2021	77
Total Reported Fatalities from 2/1/2020 – 11/30/21	29
Open Claims denied on Form 19	10
Closed Claims denied on a Form 19	2,682
Total Claims closed	3,928
Claims with attorney representation	139
Claims with active Judicial Activity	17
Claims with closed Judicial Activity	84
Total Medical Paid on closed claims thru 11/30/2021	\$664,754.88
Total Non-Medical Paid on closed claims thru 11/30/2021	\$2,864,887.46
Counties reporting highest number of claims	Greenville (513) Charleston (451) Richland (307)
Occupation reporting the highest number of claims	Registered Nurse (471)



**Constituent /Public Information Services**

For the period December 1, 2021 to December 31, 2021, the Executive Director's Office and the General Counsel's office had 284 contacts with claimants or constituents, state agencies, federal agencies, attorneys, service providers, business partners, and letters with congressional offices.

**Financial Transactions Activity**

For the period December 1, 2021 to December 31, 2021, the Director's office processed and approved 30 travel expense reports, 116 invoices, and 26 deposits for DOA to process in the SCIES system.

**SCWCC Stakeholder Electronic Distribution List**

For the period December 1, 2021 to December 31, 2021, we added three (3) individuals. Due to the receipt of email delivery failures, a total of twelve (12) email addresses were deleted. A total of 717 individuals currently receives notifications from the Commission. We are continuing to see a large increase in email failures. Upon verification, a lot are from stakeholders that have been on the list for many years, that have retired or have decided to move on.

**Advisory Notices**

During the month of December, the office posted four (4) notices on the Commission's website and emailed it to the distribution list.

**Mid-Year Statistics**

Attached is a chart containing the data for the categories in the Annual Statistical Recap for the first six months of the FY2021-22. The FY2021-22 numbers are projected through June 30, 2022 by taking a monthly average of the six-month total and multiplying it by twelve. The last column is the percent change in the projected FY21-22 number and the FY20-21 actual number.

South Carolina Workers' Compensation Statistical Summary				
FY21-22 Midyear Projections				
Description	FY2020-21	FY021-22 (six mths)	FY21-22 Projected 6/30/22	% Difference
Investigations Active Beginning of Fiscal Year	253	173	346	37%
Investigations Initiated	1,711	539	1,078	-37%
Investigations Set for Show Cause Hearings/Consent Agreements Received	582	378	756	30%
Show Cause Roster	186	80	160	-14%
Consent Agreements Received	396	298	596	51%
Total Investigations Closed	1,630	709	1,418	-13%
Investigations Active at Close of Fiscal Year	307	173	346	13%
Number of Accident Cases Filed with the Commission	58,327	13,390	26,780	-54%
New Cases (SUM - includes 12M)	55,553	12,118	24,236	-56%
12A number	25,545	12,118	24,236	-5%
12M number	30,008	0	-	-100%
Reopened cases	2,774	1,272	2,544	-8%
Number of Cases Closed During FY	58,206	12,523	25,046	-57%
Individually Reported Accidents	28,198	12,523	25,046	-11%
Minor Medical Only Accidents Reported in Summary	30,008	0	0	-100%
Total Compensation & Medical Cost Paid on closed cases	\$ 1,083,921,589	\$ 454,680,736	\$ 909,361,472	-16%
Medical Costs (including 12M data)	\$ 457,015,882	\$ 166,659,335	\$ 333,318,669	-27%
Medical (Progress only)	\$ 429,364,037	\$ 166,659,335	\$ 333,318,669	-22%
12M Medical Amount	\$ 27,651,845	\$ -	\$ -	-100%
Compensation	\$ 626,905,707	\$ 288,021,401	\$ 576,042,802	-8%
Temporary Compensation Agreements	14,602	6,491	12,982	-11%
Agreements for Permanent Disability	2,559	1,322	2,644	3%
Applications for Stop Payment	1,392	622	1,244	-11%
Cases Docketed for Hearings	9,480	4,706	9,412	-1%
Cases Assigned for Informal Conference	3,188	1,437	2,874	-10%
Hearings Conducted by Single Commissioners	834	319	638	-24%
Informal Conferences Conducted	2,466	1,351	2,702	10%
Form 16 Approved at Conference	1,938	1,064	2,128	10%
Informal Conference Held, Deemed Premature	142	76	152	7%
No Agreement Reached	270	155	310	15%
View Awaiting Further Disposition	111	51	102	-8%
Form 16 (IC) Not Approved by Commissioner	5	5	10	100%
Decisions, Opinions & Orders, Single Commissioner	2,432	1,088	2,176	-11%
Cases Appealed to Full Commission or Panel - Total	166	91	182	10%
Reviews Conducted by Full Commission or Panel	59		-	-100%
Decisions and Opinions by Full Commission or Panel	70	44	88	26%
Commission Decisions Appealed to Circuit Court	19	22	44	132%
Appeals to Circuit Court (pre 7/1/2007 accidents)	0	0	0	0
Appeals to Court of Appeals (post 7/1/2007 accidents)	19	22	44	132%
Common Law Settlements	10,976	4,844	9,688	-12%
Settlement Mailed (post 7/1/2007 accidents)	7,776	3,533	7,066	-9%
Settlement Approved (pre 7/1/2007 accidents)	3,200	1,311	2,622	-18%
Attorney Fee Approvals	8,337	3,760	7,520	-10%
Self-Insurance Tax Collected	\$ 5,837,586	\$ 2,526,829	\$ 5,053,658	-13%

# 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

## Workers' Compensation Commission

### MEMORANDUM

**TO: COMMISSIONERS**

**FROM: Gary Cannon  
Executive Director**

**DATE: January 24, 2022**

**RE: FINANCIAL REPORT - Period ending December 31, 2022**

Attached is the Budget vs. Actual Report for the General Fund and Earmarked Fund for the fiscal year period ending December 31, 2021. The benchmark for this period is 50%.

#### Expenditures

The expenditures for the General Fund are on pages 1-2 of the attached report "Budget vs. Actual Report FY2022. The year-to-day expenditures in the General Fund (10010000) for this period is \$1,275,397. The amount budgeted in the IT Management Project account is \$1,695,084, which is not a part of the daily operations. Adjusting the total Current Budget in the General Fund by removing \$1,695,084 leaves an adjusted budget for operations \$2,845,196. The year-to-date operational expenditures is \$1,275,397 or 28% of the adjusted budgeted amount.

The Earmarked Fund (38440000) financials begin on page 4 with the total expenditures found on page 9. The total expenditures for this period is \$1,938,899 or 35% of budgeted amount.

#### Revenues

The Earmarked Fund budgeted \$3,170,991 for operating revenues. Year to date the Fund received \$ 1,227,279 or 39% of budgeted revenues.

#### Self-Insurance Tax Funds

To date we have received \$ 2,258,024 of Self-Insurance Tax funds.

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2022 As of 12/31/2021**  
**50% of year elapsed**

**Fund 10010000 - GENERAL FUND**

**Administration**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501015	DIRECTOR	138,686	71,076	51%		67,610
501058	CLASSIFIED POS	48,034				48,034
512001	OTHER OPERATING	323,033				
Total OTHER OPERATING:		323,033				323,033
<b>Total Administration:</b>		<b>509,753</b>	<b>71,076</b>	<b>14%</b>		<b>438,676</b>

**Inform. services**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
5030067130	EQUIP&SUPP- EUC		12,054		10,774	
Total OTHER OPERATING:			12,054		10,774	-22,828
<b>Total Inform. services:</b>			<b>12,054</b>		<b>10,774</b>	<b>-22,828</b>

**Claims**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	80,565	41,289	51%		39,276
<b>Total Claims:</b>		<b>80,565</b>	<b>41,289</b>	<b>51%</b>	<b>0</b>	<b>39,276</b>

**Commissioners**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501026	CHAIRMAN	168,057	86,129	51%		81,928
501033	COMMISSIONER	978,964	501,717	51%		477,247
501050	TAXABLE SUBS	70,000	31,583	45%		38,417
501058	CLASSIFIED POS	345,000	174,120	50%		170,880
501070	OTH PERS SVC		14,145			-14,145
<b>Total Commissioners:</b>		<b>1,562,021</b>	<b>807,694</b>	<b>52%</b>	<b>0</b>	<b>754,327</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2022 As of 12/31/2021**  
**50% of year elapsed**

**Fund 10010000 - GENERAL FUND**

**Information Services FY18**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
561000	Special Item	1,695,084	0	0	0	1,695,084
<b>Total Information Services FY18:</b>		<b>1,695,084</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,695,084</b>

**Insurance & Medical**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	30,600	15,682	51%		14,918
<b>Total Insurance &amp; Medical:</b>		<b>30,600</b>	<b>15,682</b>	<b>51%</b>		<b>14,918</b>

**Judicial**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
512001	OTHER OPERATING	29,852				
Total OTHER OPERATING:		29,852				29,852
<b>Total Judicial:</b>		<b>29,852</b>				<b>29,852</b>

**Employer Contributions**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	632,405	327,601	52%		304,804
<b>Total Employer Contributions:</b>		<b>632,405</b>	<b>327,601</b>	<b>52%</b>		<b>304,804</b>

<b>Total GENERAL FUND:</b>		<b>4,540,280</b>	<b>1,275,397</b>	<b>28%</b>	<b>10,774</b>	<b>3,254,109</b>
----------------------------	--	------------------	------------------	------------	---------------	------------------

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2022 As of 12/31/2021**  
**50% of year elapsed**

**Fund 31C30000 - COVID-19 RESP RESERV**

**Inform. services**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
512001	OTHER OPERATING	100,000				
5030067130	EQUIP&SUPP- EUC		11,273			
	Total OTHER OPERATING:	100,000	11,273	11%	0	88,727
	<b>Total Inform. services:</b>	<b>100,000</b>	<b>11,273</b>	<b>11%</b>	<b>0</b>	<b>88,727</b>
	<b>Total COVID-19 RESP RESERV:</b>	<b>100,000</b>	<b>11,273</b>	<b>11%</b>	<b>0</b>	<b>88,727</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2022 As of 12/31/2021**  
**50% 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	102,264	13%		689,721
501070	OTH PERS SVC	41,000	3,188	8%		37,812
512001	OTHER OPERATING	2,282,671				
5020030000	PRINT / BIND / ADV		106			
5020120000	CELLULAR PHONE SVCS		1,863			
5021010003	LEGAL SRV-TRANSCRIPT		0			
5021020000	ATTORNEY FEES		4,712			
5021450000	MOTOR VEHICLE SVCS		18			
5021479207	JANITORIAL		62			
5021490000	AUDIT ACCT FINANCE		130			
5021540001	PROF SRV-LANG INTER		55		97	
5024990000	OTH CNT-NON-IT & REA		842			
5030010000	OFFICE SUPPLIES		2,761			
5030010002	OFF SUP - MIN OFF EQ		9			
5030010004	SUBSCRIPTIONS		54			
5030030000	PRINTED ITEMS		1,878			
5030050000	PHOTO & VISUAL SUPP		134			
5030067101	PRGM LIC - APP SUPP		21,131		21,190	
5030067130	EQUIP&SUPP- EUC		101,952			
5030067170	EQUIP&SUPP- PRINT EU		3,222			
5030070000	POSTAGE		13,961			
5031479203	JANITORIAL SUPPLIES		117			
5032410000	MED/SCIENT/LAB SUPP		93			
5033090000	EMPLOYEE RECOG AWARD		2,472			
5040060000	ST RENT-NON ST BLDG		2,933		2,262	
5040070000	RENT-ST OWN RL PROP		120			
5040490003	RENT PO BOX		1,544			
5040490009	RENT PARKING		7,838		8,505	
5041010000	DUES & MEMBER FEES		5,609			
5041020001	FF - BACKGRD CK		26			
5041840000	LEASE BLDG PRINCIPAL		241,223		74,582	
5041850000	LEASE BLDG INTEREST		640		49	

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2022 As of 12/31/2021**  
**50% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

5050010000	IN ST-MEALS-NON-REP		1,201			
5050020000	IN ST-LODGING		4,512			
5050041000	HR-IN ST-AUTO MILES		2,485			
5050060000	IN ST-MISC TR EXP		153			
5050070000	IN ST-REGISTR FEES		979			
5050510000	OUT ST-MEALS-NON-REP		170			
5050570000	OUT ST-REGISTR FEES		930			
5051520000	REPORTABLE MEALS		17			
5051540000	LEASED CAR-ST OWNED		16,773			

Total OTHER OPERATING:	2,282,671	442,724	19%	106,686	1,733,261
------------------------	-----------	---------	-----	---------	-----------

<b>Total Administration:</b>	<b>3,115,656</b>	<b>548,177</b>	<b>18%</b>	<b>106,686</b>	<b>2,460,794</b>
------------------------------	------------------	----------------	------------	----------------	------------------

**Executive director**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
<b>Total Executive director:</b>					<b>0</b>	<b>0</b>

**Inform. services**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS		185,265			-185,265
5020077100	SERVICES- APP SUP		17,545		815	
5020077110	SERVICES- DATA NET		125			
5020077170	SERVICES- PRINT EU		1,130			
5020077200	SERVICES- SERVERS		2,990			
5020077220	SERVICES- VOICENET		9,917		15,120	
5020077240	DP SERVICES – STATE		118,915			
5021469316	SECURITY ALARM SRVC		2,625			
5030010000	OFFICE SUPPLIES		2,765			
5030010004	SUBSCRIPTIONS		386			
5030067100	EQUIP&SUPP- APP SUP				10,530	
5030067110	EQUIP&SUPP- DATA NET		1,271			
5030067130	EQUIP&SUPP- EUC		4,222		4,650	
5030067131	PLM- EUC		1,175			
5030067141	PLM- ITSD		9,590			



**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2022 As of 12/31/2021**  
**50% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

5030067170	EQUIP&SUPP- PRINT EU		4,723		2,440	
5030067211	PLM- STORAGE		50			
5030090000	COMMUNICATION SUPP		848			
5031010000	LAUNDRY SUPPLIES		53			
5040057000	CONTINGNT RENT - IT		2,466		60	
5041010000	DUES & MEMBER FEES		100			
5050010000	IN ST-MEALS-NON-REP		285			
5050020000	IN ST-LODGING		1,323			
5050041000	HR-IN ST-AUTO MILES		554			
5050050000	IN ST-OTHER TRANS		554			
5050070000	IN ST-REGISTR FEES		1,524			
5050510000	OUT ST-MEALS-NON-REP		100			
5050520000	OUT ST-LODGING		1,032			
5050531000	HR-OUT ST-AIR TRANS		498			
5050550000	OUT ST-OTHER TRANS		260			
5050560000	OUT ST-MISC TR EXPEN		120			
<b>Total OTHER OPERATING:</b>			<b>187,148</b>		<b>33,615</b>	<b>-220,763</b>
<b>Total Inform. services:</b>			<b>372,413</b>		<b>33,615</b>	<b>-406,029</b>

**Claims**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	280,850	115,536	41%		165,314
501070	OTH PERS SVC		4,000			-4,000
512001	OTHER OPERATING	19,700				
5050020000	IN ST-LODGING		164			
<b>Total OTHER OPERATING:</b>		<b>19,700</b>	<b>164</b>	<b>1%</b>	<b>0</b>	<b>19,536</b>
<b>Total Claims:</b>		<b>300,550</b>	<b>119,700</b>	<b>40%</b>	<b>0</b>	<b>180,850</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2022 As of 12/31/2021**  
**50% 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				70,000
512001	OTHER OPERATING	230,700				
5020077112	NCV- DATA NET		1,026			
5020080000	FREIGHT EXPRESS DELV		100			
5020120000	CELLULAR PHONE SVCS		9,660			
5021010003	LEGAL SRV-TRANSCRIPT		1,431			
5021010005	LEGAL SRV-REPORTER		33,229			
5021410000	EDUC & TRNG-STATE		150			
5021540000	NON-IT OTHER PRO SRV		240			
5030010000	OFFICE SUPPLIES		76			
5050010000	IN ST-MEALS-NON-REP		445		130	
5050020000	IN ST-LODGING		2,711			
5050031000	HR-IN ST-AIR TRANS		82			
5050041000	HR-IN ST-AUTO MILES		7,286		283	
5050060000	IN ST-MISC TR EXP		180			
5050080000	IN ST-SUBSIST ALLOW		1,742			
5050510000	OUT ST-MEALS-NON-REP		85			
5050570000	OUT ST-REGISTR FEES		565			
Total OTHER OPERATING:		230,700	59,007	26%	413	171,279
<b>Total Commissioners:</b>		<b>300,700</b>	<b>59,007</b>	<b>20%</b>	<b>413</b>	<b>241,279</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2022 As of 12/31/2021**  
**50% 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	435,902	184,310	42%		251,592
501070	OTH PERS SVC	31,200	12,425	40%		18,775
512001	OTHER OPERATING	54,500				
5020080000	FREIGHT EXPRESS DELV		10			
5021540000	NON-IT OTHER PRO SRV		10,500			
5024990000	OTH CNT-NON-IT & REA		440			
5030010000	OFFICE SUPPLIES		24			
5030010004	SUBSCRIPTIONS		782			
5030070000	POSTAGE		7			
5050010000	IN ST-MEALS-NON-REP		149		75	
5050020000	IN ST-LODGING		1,851		496	
5050031000	HR-IN ST-AIR TRANS				288	
5050041000	HR-IN ST-AUTO MILES		780		99	
5050050000	IN ST-OTHER TRANS				87	
5050060000	IN ST-MISC TR EXP		42		60	
5050510000	OUT ST-MEALS-NON-REP		85			
5050570000	OUT ST-REGISTR FEES		415			
Total OTHER OPERATING:		54,500	15,084	28%	1,106	38,310
<b>Total Insurance &amp; Medical:</b>		<b>521,602</b>	<b>211,819</b>	<b>41%</b>	<b>1,106</b>	<b>308,677</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2022 As of 12/31/2021**  
**50% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Judicial**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	470,084	229,655	49%		240,429
501070	OTH PERS SVC	62,193	24,111	39%		38,082
512001	OTHER OPERATING	12,800				
5021010003	LEGAL SRV-TRANSCRIPT		155			
5021010005	LEGAL SRV-REPORTER		1,155			
5030010000	OFFICE SUPPLIES		149			
5030067130	EQUIP&SUPP- EUC		167			
5040490008	RENT POSTAGE EQUIP		2,145			
5050020000	IN ST-LODGING		164			
Total OTHER OPERATING:		12,800	3,935	31%	0	8,865
<b>Total Judicial:</b>		<b>545,077</b>	<b>257,701</b>	<b>47%</b>	<b>0</b>	<b>287,376</b>

**Employer Contributions**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	724,260	370,082	51%	0	354,178
<b>Total Employer Contributions:</b>		<b>724,260</b>	<b>370,082</b>	<b>51%</b>	<b>0</b>	<b>354,178</b>

<b>Total EARMARKED FUND:</b>		<b>5,507,845</b>	<b>1,938,899</b>	<b>35%</b>	<b>141,820</b>	<b>3,427,126</b>
------------------------------	--	------------------	------------------	------------	----------------	------------------

**South Carolina Workers' Compensation Commission**

**Commitments**

**FY 2022 As of 12/31/2021**

**Fund 10010000 - GENERAL FUND**

**Inform. services**

Commitment Item	Commitment Item Description	Vendor	Commitment
5030067130	EQUIP&SUPP- EUC	DELL MARKETING LP	10,774
<b>Total Inform. services:</b>			<b>10,774</b>

<b>Total GENERAL FUND:</b>	<b>10,774</b>
----------------------------	---------------

**Fund 38440000 - EARMARKED FUND**

**Administration**

Commitment Item	Commitment Item Description	Vendor	Commitment
5021540001	PROF SRV-LANG INTER	GLOBAL INTERPRETING NETWORK INC	97
5030067101	PRGM LIC - APP SUPP	WEST PUBLISHING CORPORATION	21,190
5040060000	ST RENT-NON ST BLDG	GALIUM 1333 MAIN LLC	2,262
5040490009	RENT PARKING	REPUBLIC PARKING SYSTEM INC	8,505
5041840000	LEASE BLDG PRINCIPAL	GALIUM 1333 MAIN LLC	74,582
5041850000	LEASE BLDG INTEREST	GALIUM 1333 MAIN LLC	49
<b>Total Administration:</b>			<b>106,686</b>

**Inform. services**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020077220	SERVICES- VOICENET	NWN CORPORATION	15,120
5030067100	EQUIP&SUPP- APP SUP	PROGRESS SOFTWARE CORP	10,530
5030067130	EQUIP&SUPP- EUC	KEYMARK INC	4,650
5030067170	EQUIP&SUPP- PRINT EU	US INK AND TONER INC	2,440
5040057000	CONTINGNT RENT - IT	XEROX	60
<b>Total Inform. services:</b>			<b>32,800</b>

<b>Total EARMARKED FUND:</b>	<b>140,301</b>
------------------------------	----------------

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*

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

**DATE:** January 24, 2021

**RE:** Medical Services Provider Manual (MSPM)

**At the Business Meeting on January 24 Christine O'Donnell, project leader from FairHealth will review the analysis and recommendations for changes to the MSPM presented at the Business Meeting in December 2021.**

**A public comment period for the proposed changes to the MSPM is scheduled for the Business Meeting to the opportunity for you to review the comments submitted and hear from any other stakeholders who wish to comment. The following is a list of organizations and individuals who submitted comments on the proposed changes: :**

**SC Orthopedic Association  
Palmetto Pain Management  
Hubert Wood, Esq.  
Physicians Research Institute  
Optum  
SC Medical Association**

**The comments are attached.**

**Also attached are the analysis and recommendations prepared by FairHealth and presented at the December 21 Business Meeting. and posted on the Commission's website requesting stakeholder comment.**

January 18, 2022

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



Dear Director Cannon:

The South Carolina Orthopaedic Association, representing orthopaedic surgeons throughout South Carolina who are both employed by health systems and working in private practice, is pleased to offer comments related to the proposed Medical Services Provider Manual (MSPM) update.

SCOA was honored to participate in the Ad Hoc MSPM Advisory Committee last year. We were encouraged by the Committee's recommendations – particularly that SC's Maximum Allowable Payment (MAP) to authorized providers be increased to mirror the percentage paid by neighboring states and be more closely aligned to the multi-state median values as depicted by the "WCRI Medical Price Index for Workers' Compensation, 13<sup>th</sup> Edition, May 2021." The current disparity is well-documented in the Committee's recommendations.

Unfortunately, we do not believe this recommendation can be achieved by a "fee schedule-neutral" conversion factor designed to reflect a similar level of spending based on 2021 MAP amounts as Fair Health has been instructed to calculate.

The cost incurred by physicians to treat injured workers has not been "neutral" for many years; therefore, expecting them to continue providing medical services for neutral payment is unrealistic. Audience commentary during the Commissioners' Roundtable at the 2021 SCWCEA Educational Conference made it clear that adjusters are already struggling to find musculoskeletal physicians to accept new appointments in a timely manner. The administrative burden of workers' compensation coupled with increasingly low payment for those services are directly correlated to this disruption.

Particularly concerning is Fair Health's observation that the 9.5% statutory cap on fee schedule increases artificially compresses the conversion factor in several ways:

- "The impact of the 9.5% statutory cap on increases to the fee schedule. This effect may be compounded when increases to the conversion factor cannot be recognized over the course of several years and may result in the MAP never reaching the calculated formula amount."
- "2021 increases to the RVUs for office visits, which are among the most frequently billed codes. The full RVU increase could not be recognized due to the 9.5% cap on increases to the MAP."

**South Carolina Orthopaedic Association**  
522 S. Hunt Club Blvd #412, Apopka, FL 32703  
844.234.7800 | [www.scoanet.org](http://www.scoanet.org)

Since the SC MAP relies on Medicare's RBRVS calculations as its foundation, it's disturbing that the full RVU increases endorsed by Medicare are not being realized. We understand the Commission is limited by Statute to a single conversion factor and the 9.5% cap, but we are compelled to reiterate that current and proposed MAP amounts are inadequate and are eroding access to musculoskeletal care for injured workers.

SCOA agrees that additional collaboration among stakeholders is required before updates are made to the Copies of Records and Reports provisions in the MSPM.

SCOA supports the proposed updates for Medical Testimony for depositions linked to IMEs.

We look forward to future collaboration with Stakeholders and the Commission to pursue the Ad Hoc MSPM Committee's recommendations not addressed in the 2022 update.

Respectfully,

A handwritten signature in black ink, appearing to read 'J. Benjamin Jackson, III', with a stylized flourish extending to the right.

J. Benjamin Jackson, III, MD, MBA  
President  
South Carolina Orthopaedic Association



**PALMETTO PAIN MANAGEMENT  
PAIN MANAGEMENT & SPINAL DIAGNOSTICS  
EZRA B. RIBER, M.D.  
Board Certified in Anesthesiology,  
Pain Medicine & Addiction**

2611 Forest Drive, Suite 200  
Columbia, SC 29204

Office: 803-779-3263  
Fax: 803-779-3207

January 18, 2022

T. Scott Beck, Chairman  
South Carolina Workers' Compensation Commission  
Post Office Box 1715  
1333 Main Street  
Columbia, South Carolina 29202-1715

RE: Proposed Changes to the 2022 Medical Services Provider Manual

Dear Chairman and Members of the Commission,

I have been treating injured workers in South Carolina for more than 30 years. My training includes board certification in anesthesiology, pain medicine, and addiction medicine. I have previously worked with the medical board on protocols for physician prescribing and fully support the various policies South Carolina has implemented over the years to address medication misuse (implementation of pain management guidelines, limiting initial opioid prescriptions in certain instances, requiring all dispensers report dispensing activity of Schedule II-IV controlled substances to the SCRIPTS program, etc.) Over the years, I have had the opportunity to participate in various advisory committees established by this Commission and appreciate the Commission's continued willingness to engage with stakeholders for input.

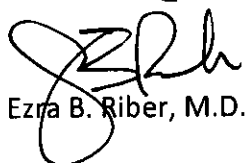
Most recently, I was involved in the Ad Hoc Advisory Committee for the 2022 Medical Services Provider Manual. In addition to those recommendations made by the Ad Hoc Advisory Committee to the upcoming Manual, Fair Health has proposed further changes, including a new section to the Manual called "Prescription Strength Topical Compounds".

At first review, this appears to only address prescription topical compounds. However, the proposed language goes much further. This section also seeks to address other prescription medications and includes a requirement that "physicians shall prescribe therapeutically equivalent over-the-counter medications when available in lieu of a prescription or custom compound." To expand this section to address other prescription medications, which serve as supplemental and / or alternative treatment to opioids for addressing pain, and to include a mandate on how or what a physician should prescribe is not appropriate and should be removed from the proposed Manual changes under consideration.

As a standard practice, if an injured worker would be best served with over-the-counter medications, I already recommend those medications. However, if in my professional judgment I believe a prescription medication is medically necessary for the injured worker, it is that medication I prescribe. An injured worker's physician is in the best position to determine what is most appropriate for any particular patient and pain issue. Our training and expertise guide us through the complexity and nuance that distinguishes treatment alternatives from one another. With the appropriate autonomy, we are able to leverage our experience to ensure that each patient receives the safest and most effective care. Patient care-related decision making, including whether a prescription medication is warranted, should remain between the physician and the patient.

Over the years, my focus has been on diagnosing and safely treating injured workers to bring them to maximum medical improvement (MMI) as quickly as possible. We physicians and our injured worker patients already face many hurdles when it comes to treatment. Please do not saddle us with additional directives that can delay and jeopardize patient care.

Thank you for your consideration.



Ezra B. Riber, M.D.

Pain Society of the Carolinas, Past President (2017-2019), Founding and Current Board Member  
South Carolina Society of Interventional Pain Physicians, President and CEO  
South Carolina Society of Anesthesiologists, Executive Committee (Pain)

cc: Gary M. Cannon, Executive Director

## Proveaux, Amy

---

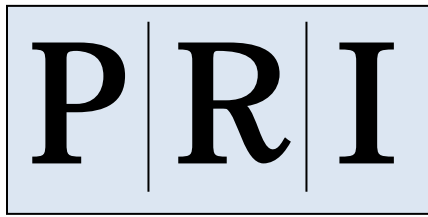
**From:** Hubert Wood <hubie@woodgroupllc.com>  
**Sent:** Tuesday, December 21, 2021 5:07 PM  
**To:** Proveaux, Amy  
**Cc:** Kate Fiehrer Walton  
**Subject:** [External] Revisions to MSPM- Comment on Proposal to Exclude IME Providers from Limitation on Fees for Medical Testimony

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Amy: Please relay to the Commission my strong opposition to the proposed revision excluding IME providers from the fee schedule limitation on medical testimony via deposition or hearing appearance. Such would allow IME providers to charge exorbitant deposition or hearing appearance fees that will make it prohibitive for the parties to cross-examine or otherwise question statements/opinions contained an IME report effectively insulating an IME provider from cross-examination by the opposing party. Such would be particularly detrimental in situations where the opposing side has obtained an IME in connection with which cross-examination is essential to the fair and proper adjudication of the claim. I plan to attend the business meeting on 1/24/22 and request permission to address this subject with the Commission. Thank you for your attention to the matter,

Hubie

Sent from my iPad



PHYSICIANS RESEARCH INSTITUTE  
1211 Cathedral Street  
Baltimore, Maryland 21201

Tel: 443.449.2287

Fax: 443.449.2290

---

#### MEMORANDUM

To: Honorable T. Scott Beck, Chair  
Honorable Susan S. Barden, Vice Chair  
Honorable R. Michael Campbell, II  
Honorable Avery B. Wilkerson, Jr  
Honorable Melody L. James  
Honorable Aisha Taylor  
Honorable Gene McCaskill

From: Joseph A. Schwartz, III

Date: January 19, 2022

RE: Objection to Certain Provisions of Proposed 2022 Medical Services Provider Manual

The Physicians Research Institute (PRI) is presently comprised of 38 State Medical Societies including the South Carolina Medical Association. Since its creation in 2016, its main concentration has been on workers compensation laws and regulations in the various states. To that end, PRI was an active participant in the Ad Hoc Advisory Committee convened by this Commission in the summer and fall of 2021 to make proposed improvements for Commission consideration of the 2022 Medical Services Provider Manual (proposed 2022 Manual).

PRI was particularly concerned about the low reimbursements paid to South Carolina doctors treating workers' compensation patients. According to the 2021 Report of the Workers' Compensation Research Institute (WCRI) reporting on 2020 data, South Carolina placed 35th lowest out of 36 states sampled. Where a median state paid \$100 (Alabama for example) and Georgia paid \$108, South Carolina paid \$75. The Ad Hoc Committee unanimously supported efforts to increase the \$75 to \$100. While this support was aspirational, it is against this background that PRI is particularly alarmed by the proposed reductions in reimbursements paid to treating doctors.

The Ad Hoc Committee had several meetings and all of its agreed proposals were discussed at each and every meeting with the exception of a late raised proposal from Pharmacy Benefit Managers (PBMs) which was brought up at the final meeting. The final meeting was designed not to discuss new proposals but to agree on the various proposals discussed throughout. When objections were raised, the PBMs withdrew the proposal, apparently in the correct belief that it would be promoted by FAIR Health. These PBM proposals now appear in Sections 6 and 10 of the proposed 2022 Manual.

## Section 10. Prescription Strength Topical Compounds

The most troublesome provisions occur in Section 10. This was the same language proposed by PBMs to the Ad Hoc Committee which was met with strenuous objection and was then withdrawn. Even though the Ad Hoc Committee did not endorse this proposal, FAIR Health has elected to include it in the current proposal.

As currently Titled by FAIR Health, the Section purports to deal only with “Prescription Strength Topical Compounds” but that is clearly misleading. Even though that Title occurs throughout, a reading of the actual text indicates this section addresses all topical medicines not just “topical compounds.” This language goes beyond that proposed for the 2021 Manual which sought to address “topical compounds,” not all topical medications. It also includes a mandate that physicians prescribe “therapeutically equivalent over the counter medications” in certain situations.

Opioid usage has declined dramatically over the years in South Carolina as physicians work with patients to find alternative avenues to treat pain. Attempts to limit physicians’ ability to treat patients with appropriate medication should not be permitted. The physician community has embraced the use of non-narcotic treatment for pain management. This proposal seeks to deter use of these alternative medications and imposes an unreasonable mandate on physicians. This not only creates additional burdens on physicians but also jeopardizes appropriate treatment. Requiring usage of “therapeutically equivalent over the counter medications” (whatever that means) not only undermines physician medical judgment but is likely to delay treatment and increase disputes in instances where the physician and the payor’s adjuster disagree. Will the Commission then be called upon to settle their dispute? Limiting a physician’s ability to properly treat a patient should never be sanctioned.

PRI suggests two changes to Section 10:

- Paragraph 1: In order to effectuate the Title of this Section and FAIR Health’s representation that the language addresses topical compounds (FAIR Health Preliminary Summary of Changes, December 17, 2021, page 4), it is necessary to strike “topical medications and” as follows:

1. Payment for prescription-strength [~~topical medications and~~] topical compounded medication, shall be the lesser of:

With that amendment, the proposal will be the same that was before you in 2021 without the state specific codes which scuttled it at that time.

- Paragraph 3: This paragraph would impose the **first ever** legally required treatment mandate on South Carolina physicians. It removes physician discretion in the treatment of patients and will likely result in substandard care. It needs to be removed.

~~3. Physicians shall prescribe therapeutically equivalent over the counter medications when available in lieu of a prescription or custom compound.~~

## Section 6. Over-The-Counter Preparations

The change to Section 6 exempts “non-prescription strength patches” from the current fee structure and proposes a new reimbursement of the “actual cost plus 20% or \$70 for 30 day supply....” This change was also part of the PBM proposal to the Ad Hoc Committee which was withdrawn. According to FAIR Health (Fee Schedule Analysis, December 17, 2021, page 4), a similar update was considered in 2021. PRI has been unable to find a document to confirm that assertion but, if true, it is a change that this Commission rejected last year. The basis for the formula is certainly not apparent but it does not take much imagination to understand that the PBMs will pay less than they are now paying.

### Conclusion

The Ad Hoc Committee received information that workers compensation premiums in South Carolina have been reduced 30% since 2017. This Commission should be rightfully proud of this accomplishment.

PRI appreciates the Commission’s attempt to adopt rules to promote efficiency within the system but those rules cannot be at the expense of the injured worker. PRI believes that the proposed changes to Section 6 and Section 10 run counter to the need to raise physician reimbursement rates to an appropriate level so South Carolina is not such an outlier.

JAS;jsm

cc: Gary M. Cannon, Executive Director, South Carolina Workers’ Compensation  
Commission  
Richele Taylor, Chief Executive Officer, South Carolina State Medical Association



January 19, 2022

Amy Proveaux  
South Carolina Workers' Compensation Commission  
1333 Main Street, 5<sup>th</sup> Floor  
P.O. Box 1715  
Columbia, SC 29202

Via email: [aproveaux@wcc.sc.gov](mailto:aproveaux@wcc.sc.gov)

**Re: Comments on proposed changes to the South Carolina Medical Services Provider Manual**

Optum Workers' Compensation and Auto No-fault (Optum) appreciates the opportunity to comment on proposed changes to the South Carolina Medical Services Provider Manual. We support the Workers' Compensation Commission's (WCC) efforts to update and keep current the fee schedule and the open dialogue between the WCC and stakeholders during this process.

We continue to support WCC efforts to reign in unique, over-the-counter and topical medications as well as current system practices which allow over-utilization of these drugs. Processes driving this type of medication utilization are completely contrasted by stakeholders who drive cost effective and efficient care. With public policy engagement in numerous states Optum observes similar concerns raised by many workers' compensation agencies. In concert with our previous comments filed in 2021, we renew our backing and offer our assistance during this rule-making process. Thus we respectfully offer these comments and questions for clarification.

**Over-The-Counter Preparations**

Optum supports this change. However, we assume the term "provider" is intended to cover medical providers who dispense/provide these medications from their office. We suggest this might need clarification. Finally, has the WCC considered any billing requirements which would require the dispensing provider to make available a copy of the cost invoice to justify a reimbursement rate?

**Section 10. Pharmacy**

Optum supports this change. However, we believe the structure of the reimbursement rates may cause some confusion when pricing prescription-strength topical medications compared to topical compounded medication. Optum respectfully suggests the following structure changes to the existing language and addition of new language as indicated by underline.

1. Payment for prescription-strength topical medications shall be, plus a single dispensing fee of \$5.00:
  - a. \$240.00 for a 30-day supply, pro-rated based on the number of days supply dispensed, not to exceed 90 days
2. Payment for topical compounded medications shall be, plus a single dispensing fee of \$5.00:
  - a. The sum of the average wholesale price by gram weight for each ingredient based on the original manufacturer's NDC number for each ingredient
3. Any component in a compounded medication for which there is no NDC or that is not FDA approved for topical use shall not be reimbursed
4. Physician are urged to prescribe therapeutically equivalent medications or over-the-counter medications when



available in lieu of a prescription-strength topical or custom compound.

As a workers' compensation PBM and an impacted stakeholder, we remain committed to develop positive policy outcomes with the Commission. We offer our continued assistance including the insight of our Clinical and Data teams. We greatly appreciate the Commission allowing us to provide insight and we look forward to our lasting strong relationship as we move forward. Should you need anything from me or our various Optum teams, please feel free to reach out to me at any time.

Sincerely,

Kevin C. Tribout  
Vice President, Public Policy & Regulatory Affairs  
Optum Workers' Comp and Auto No-fault  
[kevin.tribout@optum.com](mailto:kevin.tribout@optum.com)





P.O. Box 11188  
Columbia, SC 29211  
1-800-327-1021  
803-772-6783 Fax  
www.scmedical.org

Richele K. Taylor  
General Counsel & Senior Vice President

January 19, 2022

To: Honorable T. Scott Beck, Chair  
Honorable Susan S. Barden, Vice Chair  
Honorable R. Michael Campbell, II  
Honorable Avery B. Wilkerson, Jr  
Honorable Melody L. James  
Honorable Aisha Taylor  
Honorable Gene McCaskill

RE: *Objections to Proposed Fee Schedule*

The South Carolina Medical Association (SCMA) is reaching out on the proposed improvements for the 2022 Medical Services Provider Manual. We are supportive of the Physicians Research Institute (PRI) and its participation in the Commission's Ad Hoc Advisory Committee convened to help make needed improvements. As we understand, the Ad Hoc Advisory Committee allowed participants to offer proposed changes to the Manual in advance of publishing a 2022 version. PRI take on arduous tasks such as these to ensure that physicians are fairly represented. They provide their time and expertise in these matters on behalf of all physicians, to which we are grateful.

When we learned that the Pharmacy Benefit Managers (PBMs) brought a proposal at the last meeting, after all submissions were made, we were disappointed. Although the PBMs withdrew the proposal, we have learned these proposals appeared in the proposed 2022 Manual.

The SCMA supports PRI's objections to the proposed fee schedule and last minute modifications brought by the PBMs. Specifically, the SCMA echoes PRI's statements on Section 10 in objecting to a mandate that physicians prescribe "therapeutically equivalent over the counter medications" first. While we all agree that costs of care must be considered in treatment, third parties should never mandate a physician's clinical judgement.

The SCMA supports PRI's objections as filed in its January 19, 2022, letter regarding Sections 6 and 10. We appreciate your consideration of these concerns.

Sincerely,

Richele K. Taylor

cc: Gary M. Cannon, Executive Director, South Carolina WCC  
Joseph A. Schwartz, III, President, Physicians Research Institute

# *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*

### *MEMORANUM*

**TO: Commissioners**

**FROM: Gary Cannon**

**DATE: December 20, 2021**

**RE: Medical Services Provider Manual (MSPM)**

Attached you will find three documents provided by FairHealth. The "Fee Schedule Analysis" is the analysis of the medical data and proposed Conversion Factors. The "Preliminary Summary of Changes, 2022 Medical Services Provider Manual" includes the recommendations for the policy changes in the MSPM. The "Analysis of Anesthesia Conversion Factor – Preliminary Draft" is comparative analysis of the Commission's Anesthesia rate to other states using data from the American Society of Anesthesiologists' (ASA) survey.

The following is a proposed schedule for the Commissioners review of receipt and review of stakeholder comment and adoption:

**December 20, 2021** – Commission Business Meeting receipt of 2022 MSPM proposed changes

**December 21, 2021** – Issue Advisory Notice for stakeholder comment period.

**January 19, 2022** – Deadline for submission of stakeholder comment.

**January 24, 2022** – Commission Business Meeting - Public Hearing for 2022 MSPM

**February 14, 2022** – Commission Business Meeting

**March 21, 2022** – Commission Business Meeting – Adoption of 2022 MSPM

**April 1, 2022** – Effective date of 2022 MSPM



## Fee Schedule Analysis

December 17, 2021

FAIR Health appreciates the opportunity to assist the South Carolina Workers' Compensation Commission in updating the Medical Services Provider Manual (MSPM). This analysis uses medical call data (2020 dates of service) provided by the National Council on Compensation Insurance, Inc. (NCCI) and South Carolina maximum allowable payment (MAP) amounts to develop conversion factors and propose MAP values for the 2022 fee schedule.

FAIR Health received paid amounts from NCCI for the 2020 calendar year, aggregated at the procedure code/modifier level. FAIR Health used the data from 2020 to:

1. Develop a "fee schedule-neutral" conversion factor designed to reflect a similar level of spending based on 2021 MAP amounts; and
2. Project paid amounts for 2022 based on multiple conversion factor alternatives.

### 2020 Paid Data and Frequencies

The following is a summary of the 2020 data received from NCCI:

#### NCCI Data - 2020 Calendar Year

Service Type	Total Paid	Total Charged	Transactions	Units
CPT (Less Anesthesia)	\$54,751,003.88	\$118,533,235.35	663,721	941,149
Anesthesia*	\$1,294,918.12	\$8,097,318.69	5,137	568,777
HCPCS (Less Ambulance)	\$19,677,712.73	\$27,961,206.65	76,127	681,986
Ambulance**	\$2,340,216.45	\$3,934,994.61	13,076	260,781
<b>Total</b>	<b>\$78,063,851.18</b>	<b>\$158,526,755.30</b>	<b>758,061</b>	<b>2,452,693</b>

\* Assumes most units are minutes

\*\* Assumes most units are miles

### Data Used in the Analysis

FAIR Health used the following methodology to analyze the NCCI data and project future payments based on fee schedule MAPs:

- The NCCI paid data from 2020 were used to determine the number of occurrences (frequency) for each service.

- Services were reviewed at the procedure code/modifier level to account for differences in paid amounts based on fee schedule MAP amounts and policies. For example:
  - The occurrences for codes reported with modifier 26 and TC were projected separately, based on the MAP amounts in the fee schedule.
  - HCPCS Codes reported with modifiers NU (new), UE (used) and RR (rental) were projected separately based on the occurrences in the NCCI data and fee schedule MAP values.
  - Records with other modifiers or with modifiers NU, UE and RR appended to codes where these modifiers are not applicable and/or expected were considered as though the records did not contain modifiers.
  - Services containing modifiers that are paid at adjusted amounts according to South Carolina policies (assistant surgeon modifiers 80-82 and AS) were projected based on 2020 occurrences and adjusted MAP amounts.

### Fee Schedule-Neutral Conversion Factor - 2021 Projections

- Total dollar amounts were projected based on 2020 occurrences and 2021 relative value units (RVUs).
- Using these frequencies and RVUs and incorporating the +/- 9.5% cap on MAP increases and decreases compared to the prior year where applicable, FAIR Health calculated a conversion factor designed to maintain spending at the 2020 level for each service area.
- The total fee schedule budget neutral conversion factor is 38.97.
- Ambulance data is paid at 100% of Medicare and is not included in this analysis.
- Please see the separate analysis for anesthesia.

### 2021 Projections

Category	Frequency	Total 2021		Budget Neutral Conversion Factor
		RVUs	NCCI Payment	
Evaluation and Management	114,626	327,685	\$ 12,437,429.00	37.96
HCPCS Level II	162,325	123,298	\$ 4,307,648.80	34.94
Medicine & Injection	12,805	28,984	\$ 1,217,166.70	41.99
Pathology & Laboratory	9,894	8,557	\$ 398,839.44	46.61
Physical Medicine	708,933	644,807	\$ 23,348,208.00	36.21
Radiology	46,443	87,115	\$ 4,437,912.60	50.94
Special Reports	990	1,030	\$ 46,792.34	45.43
Surgery	30,145	237,507	\$ 10,658,747.00	44.88
<b>Total</b>	<b>1,086,161</b>	<b>1,458,983</b>	<b>\$ 56,852,743.88</b>	<b>38.97</b>

The relatively low conversion factor in this analysis may be influenced by several factors including:

- The impact of the 9.5% statutory cap on increases to the fee schedule. This effect may be compounded when increases to the conversion factor cannot be recognized over the course of several years and may result in the MAP never reaching the calculated formula amount.
- The impact of COVID-19 and telemedicine on office visits, surgical and imaging procedures.
- 2021 increases to the RVUs for office visits, which are among the most frequently billed codes. The full RVU increase could not be recognized due to the 9.5% cap on increases to the MAP.

- Negotiated rates that are below fee schedule MAPs; especially high frequency codes in the HCPCS and Physical Medicine sections.

### Comparison of Alternate Conversion Factors – 2022 Projections

- The projections of paid amounts for the 2022 fee schedule are based on 2020 frequencies and 2022 RVUs, to which conversion factors of 50, 51, 51.5 (the current South Carolina conversion factor), 52, 53 and 54 were applied. The cap of +/- 9.5% of the prior year's MAP value for each service was applied, when appropriate, in providing these projections.
- Certain 2022 MAP values used for these projections were calculated based on the following assumptions:
  - If a service is not valued in the Medicare Physician Fee Schedule, FAIR Health determined whether the service was valued by another Medicare fee schedule (e.g., the Clinical Laboratory, DMEPOS or Average Sales Price fee schedule). FAIR Health used Medicare values in the analysis whenever a Medicare value was available.
  - If Medicare did not provide a professional value in *any* fee schedule for a service, FAIR Health gap filled the value using RVUs calculated by FAIR Health based on our repository of private claims data.
  - FAIR Health does not gap fill values for new codes effective January 1, 2022 that were not valued by Medicare. FAIR Health requires a minimum threshold of claims for a procedure before we can establish an RVU. FAIR Health will evaluate these codes for the 2023 MSPM to determine if we are able to value these codes at that time.

### 2022 Projections

Category	Total \$ 2022 CF=50	CF50	Total \$ 2022 CF=51	CF51	Total \$ 2022 CF=51.5	CF51.5	Total \$ 2022 CF=52	CF52	Total \$ 2022 CF=53	CF53	Total \$ 2022 with CF=54	CF54
Evaluation and Management	15,915,961	48.4	\$16,013,541	48.7	\$16,062,458	48.8	\$16,110,940	49.0	\$16,205,399	49.3	\$16,298,371	49.6
HCPCS Level II	6,560,280	51.1	\$6,577,317	51.2	\$6,585,956	51.3	\$6,594,470	51.3	\$6,611,576	51.5	\$6,628,664	51.6
Medicine & Injection	1,435,516	49.5	\$1,462,904	50.5	\$1,476,624	51.0	\$1,490,267	51.4	\$1,516,079	52.3	\$1,537,217	53.0
Pathology & Laboratory	432,950	48.5	\$439,976	49.3	\$443,709	49.7	\$446,455	50.0	\$453,525	50.8	\$461,735	51.8
Physical Medicine	31,993,344	49.9	\$32,559,059	50.8	\$32,843,980	51.3	\$33,121,819	51.7	\$33,682,157	52.6	\$34,241,530	53.5
Radiology	4,303,437	50.1	\$4,388,464	51.1	\$4,431,078	51.6	\$4,473,459	52.1	\$4,558,154	53.0	\$4,624,423	53.8
Special Reports	50,526	50.0	\$51,535	51.0	\$52,041	51.5	\$52,545	52.0	\$53,555	53.0	\$54,560	54.0
Surgery	12,004,061	50.0	\$12,233,692	51.0	\$12,347,927	51.5	\$12,460,880	52.0	\$12,684,564	52.9	\$12,899,761	53.8
<b>Total</b>	<b>\$72,696,075</b>	<b>49.7</b>	<b>\$73,726,488</b>	<b>50.4</b>	<b>\$74,243,773</b>	<b>50.8</b>	<b>\$74,750,835</b>	<b>51.1</b>	<b>\$75,765,009</b>	<b>51.8</b>	<b>\$76,746,261</b>	<b>52.5</b>

Upon approval of a conversion factor for 2022, FAIR Health will provide an updated Medical Services Provider Manual, which will include all approved changes in policies and a final set of rate tables.

Please let us know if you have any questions.

Chris O'Donnell  
 Executive Director, Business Operations  
 codonnell@fairhealth.org  
 212-257-2367 (office)  
 212-710-0646 (mobile)



## Preliminary Summary of Changes 2022 Medical Services Provider Manual

December 17, 2021

FAIR Health has reviewed the policies in the fee schedule under the direction of the South Carolina Workers' Compensation Commission (WCC). This is a preliminary version of the summary and will be updated when final changes are approved.

The codes in the fee schedule will be made current by including codes established for 2022 and deleting obsolete codes. Maximum allowable payment (MAP) amounts will be updated based on the conversion factors adopted by the Workers' Compensation Commission. In addition to administrative changes such as updating copyright dates and URL links, substantive changes to the text, which are outlined below, are included in the proposed version of the 2022 Medical Services Provider Manual (MSPM). Page numbers refer to the pages in the South Carolina MSPM effective April 1, 2021.

The Commission's Ad Hoc Advisory Committee presented seven recommendations at the Commission's Business Meeting in October 2021. Two recommendations are included in this summary with recommendations. The other five recommendations are not included herein because they are not directly related to the fee schedule and will require further study and a statutory or regulatory change. They will be addressed at a later date.

Where applicable, new text is underlined and deleted text is marked with a ~~strike through~~.

### 1. Chapter 2. General Policy

**Copies of Records and Reports (page 9)** – The Ad Hoc Committee proposed adopting a change which requires any party to furnish medical records and other records and reports free of charge. However, the Commission received additional feedback that this proposal places a burden on providers who receive multiple requests to provide the same documentation to different parties. Providing copies free of charge may exacerbate this problem, which already presents a significant administrative cost driver to medical practices.

The Commission's staff recommends delaying adoption of this recommendation because of the comments from stakeholders concerned about the potential financial impact on the medical service providers.

There are no proposed changes to the policy for copies of reports and records on page 9.

### 2. Part II: Fee Schedule

**Telemedicine (Page 32)** – If the Commission decides to make the telemedicine policy permanent after the end of the COVID-19 pandemic emergency and continues to allow applicable services to be provided via telehealth, language about the expiration date of the policy will be deleted. The Telemedicine section will be updated as follows:

## Telemedicine

Telemedicine is the use of electronic information and telecommunication technologies to provide care when the provider and patient are in different locations. Technologies used to provide telemedicine include telephone, video, the internet, mobile app and remote patient monitoring. Services provided by telemedicine are identified by the use of location code 02 (telemedicine) and Modifier 95, Synchronous Telemedicine Service, on the bill.

Certain services that are eligible for reimbursement under the South Carolina Medical Services Provider Manual when provided by telehealth during the COVID-19 pandemic emergency are identified with an star (★) in the rate tables. Telemedicine may not be used for emergent conditions. The maximum payment for telemedicine services is 100% of the billed charge, not to exceed the non-facility maximum allowable payment (MAP) listed in the rate tables. Service level adjustment factors are applicable based on the licensure of the healthcare professional providing the telemedicine service.

Additional services may be provided via telemedicine with pre-authorization by the payer.

The location for the telemedicine service is defined as the location of the patient/injured worker. Providers must be licensed to practice in South Carolina and telemedicine services may be provided by physicians, physician assistants, psychologists, nurse practitioners, physical therapists, occupational therapists, speech therapists and social workers. Telemedicine activities provided by physical therapy assistants and occupational therapy assistants must be supervised and directed by a physical therapist or occupational therapist, as appropriate, whose license is in good standing in South Carolina.

~~The South Carolina Workers' Compensation Commission will determine the expiration date of this policy, which will be aligned with the suspension of the COVID-19 Pandemic Emergency.~~

~~If the pandemic emergency is lifted prior to March 31, 2022, telemedicine services may be provided with pre-authorization through March 31, 2022.~~

### 3. Section 1. Evaluation and Management (E/M) Services

**Footnote on Heading “Levels of E/M Services<sup>1</sup>” (Page 35)** – The footnote reference was included in the 2021 MSPM, however, the language in the footnote was omitted. We will restore the footnote language by adding the following footnote at the bottom of the page:

<sup>1</sup> Adapted from CPT 2022, pp 6-12

**Independent Medical Evaluation IME (page 37)** – See # 5, proposed update for Medical Testimony below. If this change is adopted, the IME language below will be updated to clarify that medical testimony related to IMEs is part of the IME and therefore not subject to the reimbursement cap that applies to other medical testimony.

#### **INDEPENDENT MEDICAL EVALUATION (IME)**

An Independent Medical Evaluation is an objective medical or chiropractic evaluation of the injured employee's medical condition and work status which is requested by the insurance carrier, self-insured employer, an attorney, or a Workers' Compensation Commissioner. An IME includes the review of available records and test reports, examination of the patient, and a written report regarding the medical condition and work status of the injured worker.

The employer or carrier may schedule an IME with a medical provider of its choice to assist in determining the status of an injured employee's condition. Acceptable reasons for conducting an IME include, but are not limited to:

1. Instances when the authorized treating physician has not provided current medical reports;
2. Determining whether a change in medical provider is necessary;
3. Determining whether treatment is necessary or the employee appears not to be making appropriate progress in recuperation;
4. Determining whether over-utilization by a medical provider has occurred.

The medical provider performing the IME may not be the medical provider selected to provide the treatment or follow-up care, unless the carrier or self-insurer and the employee agree to this, or unless an emergency exists.

Before performing an IME, a physician must have a written request from the Commission, the employer/insurance carrier, the injured worker or his/her attorney, or other appropriate third party. To report an IME, use CPT code 99456. Payment for this service (including medical testimony related to IMEs) varies and is based on individual consideration (IC) or negotiation between the carrier and provider.

#### 4. Section 6. Medicine and Injections

**Independent Medical Evaluations (page 455)** – Same as above in #3, the Evaluation and Management section. See # 5, proposed updated for Medical Testimony below. If this change is adopted, the IME language below will be updated to clarify that medical testimony related to IMEs is part of the IME and therefore not subject to the reimbursement cap that applies to other medical testimony.

##### **INDEPENDENT MEDICAL EVALUATION (IME)**

An Independent Medical Evaluation is an objective medical or chiropractic evaluation of the injured employee's medical condition and work status which is requested by the insurance carrier, self-insured employer, an attorney, or a Workers' Compensation Commissioner. An IME includes the review of available records and test reports, examination of the patient, and a written report regarding the medical condition and work status of the injured worker.

The employer or carrier may schedule an IME with a medical provider of its choice to assist in determining the status of an injured employee's condition. Acceptable reasons for conducting an IME include, but are not limited to:

1. Instances when the authorized treating physician has not provided current medical reports;
2. Determining whether a change in medical provider is necessary;
3. Determining whether treatment is necessary or the employee appears not to be making appropriate progress in recuperation;
4. Determining whether over-utilization by a medical provider has occurred.

The medical provider performing the IME may not be the medical provider selected to provide the treatment or follow-up care, unless the carrier or self-insurer and the employee agree to this, or unless an emergency exists.

Before performing an IME, a physician must have a written request from the Commission, the employer/insurance carrier, the injured worker or his/her attorney, or other appropriate third party. To report an IME, use CPT code 99456. Payment for this service (including medical testimony related to IMEs) varies and is based on individual consideration (IC) or negotiation between the carrier and provider.



**Over the Counter Preparations (page 456)** – The changes proposed below are not part of the formal recommendation of the Ad Hoc Committee. However, members of the committee who work with prescription drug bills requested that reimbursement for non-prescription strength patches be included. This proposed change builds on language that was considered and deferred from last year.

#### **OVER-THE-COUNTER PREPARATIONS**

Over-the-counter preparations dispensed by the provider must be preauthorized prior to dispensing. With the exception of non-prescription strength patches, CPT code 99070 must be used to bill for over-the-counter (proprietary) preparations. The name of the preparation, dosage, and package size must be listed either on the claim form or in the attached office report. The charge must not exceed actual cost plus an additional 20 percent. Payment will not be made for nutrient preparations and other dietary supplements.

Non-prescription strength patches shall be reimbursed at the lesser of actual cost plus 20% or \$70.00 for a 30-day supply, pro-rated based on the number of days dispensed.

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

**Medical Testimony (page 526)** – The language added to the policy below is in response to a recommendation from the Ad Hoc Advisory Committee. The intent is to clarify that medical testimony provided with respect to an independent medical examination (IME) is not subject to the maximum payment cap.

#### **MEDICAL TESTIMONY**

Medical testimony by personal appearance of a physician, whether before a Commissioner or in a court of law, is reported using South Carolina specific codes SC001 and SC002. Payment is based on the time spent “in court” only. Time for preparation or travel is not considered when determining payment. Use South Carolina specific code SC001 to report the initial hour, and South Carolina specific code SC002 to report each additional quarter hour of medical testimony by personal appearance by a physician. For all other providers, use South Carolina specific code SC003.

Medical testimony by deposition of a physician is reported using South Carolina specific service codes SC004 and SC005. Use South Carolina specific code SC004 to report the initial hour and code SC005 to report each additional quarter hour of medical testimony by deposition of a physician. Time is measured based on the actual time spent in deposition. Time spent reviewing records is not considered when determining payment. For all other providers, use South Carolina specific code SC006.

Independent Medical Examinations (IME) and costs and fees associated with an IME are not subject to the MAP.

### **6. Section 10. Pharmacy**

**Prescription Strength Topical Compounds (page 740)** – The Ad Hoc Committee did not include a recommendation on prescription strength topical compounds. However, members of the Ad Hoc Committee who work with prescription drugs proposed the following language. Last year, a similar update was considered, but not adopted due to feedback about the difficulty of administering claims with state-specific codes. The language proposed below addresses topical compounds without the need for new codes and would be added at the end of the Pharmacy section of the MSPM.

#### **PRESCRIPTION STRENGTH TOPICAL COMPOUNDS**

Compound drugs must be preauthorized for each dispensing. In order to qualify as a compound under this section, the medication must require a prescription; the ingredients must be combined,

mixed, or altered by a licensed pharmacist or a pharmacy technician being overseen by a licensed pharmacist, a licensed physician, or, in the case of an outsourcing facility, a person under the supervision of a licensed pharmacist; and it must create a medication tailored to the needs of an individual patient. All ingredient materials must be listed by quantity used per prescription. Continued use (refills) may require documentation of effectiveness including functional improvement. Fees include materials, shipping and handling, and time. Automatic refilling is not allowed.

1. Payment for prescription-strength topical medications and topical compounded medication, shall be the lesser of:
  - a. The sum of the average wholesale price by gram weight for each ingredient based on the original manufacturer's NDC Number for the ingredient; or
  - b. \$240.00 for a 30-day supply, pro-rated based on the number of days supply dispensed, not to exceed 90 days;  
Plus a single dispensing fee of \$5.00.
2. Any component ingredient in a compound medication for which there is no NDC or that is not FDA approved for topical use, shall not be reimbursed.
3. Physicians shall prescribe therapeutically equivalent over-the-counter medications when available in lieu of a prescription or custom compound.



## Analysis of Anesthesia Conversion Factor – Preliminary Draft

December 17, 2021

The South Carolina Workers' Compensation Commission requested FAIR Health to review the conversion factor that determines reimbursement for anesthesia services under the South Carolina Medical Services Provider Manual.

FAIR Health reviewed the anesthesia conversion factor from several aspects:

- Comparison to Medicare
- Comparison to private health insurance
  - Billed charges
  - Contracted amounts
- ASA survey results from 2021
- Comparison to other states' workers' compensation fee schedules

The current anesthesia conversion factor in the South Carolina Medical Services Provider Manual (MSPM) is \$30.00. The anesthesiology maximum allowable payment (AMAP) is the sum of the Basic MAP amount plus the Time Value Amount payment. The Basic MAP amount is set in the fee schedule based on the conversion factor x base units. The Time Value amount is calculated based on the \$30 conversion factor x each 15-minute time unit.

For example:

CPT 01380 – anesthesia for all closed procedures on knee joint

	60-Minute Surgery (4 Time Units)	120-Minute Surgery (8 Time Units)
Basic MAP (3 base units)	\$ 90.00	\$ 90.00
Time Value Amount	\$ 120.00	\$ 240.00
Total AMAP	\$ 210.00	\$ 330.00

### Medicare

CMS reduced the Medicare anesthesia conversion factor in 2022 to maintain budget neutrality for professional fees. This reduction helps to offset increased costs for office visits that were introduced in 2021. As a result, the South Carolina anesthesia conversion factor of \$30 compares more favorably to the CMS conversion factor than it did last year. The comparison below is based on the Medicare conversion factor published in the 2022 Final Rule.

On December 10, 2021, the Protecting Medicare and American Farmers from Sequester Cuts Act was signed into law. This law restores some of the cuts to the conversion factor that were included in the Final Rule. It is expected that the updated conversion factor will be approximately .8% less than the 2021 conversion factor, however, CMS has not yet published the final rate. FAIR Health will provide an updated report to reflect the final conversion factor in this Medicare comparison.

	Anesthesia – National Comparison	Anesthesia – South Carolina Comparison	Other Professional Services
South Carolina Conversion Factor	\$30.00	\$30.00	\$51.50
2021 Medicare Conversion Factor	\$20.9343 (National)	\$20.21 (Adjusted by CMS for South Carolina)	\$33.5983
Ratio	143.31%	148.44%	153.28%

## Private Health Insurance

FAIR Health collects data for anesthesia services from private payors (more than 40 payors contribute data for services performed in South Carolina) and uses this data to develop benchmarks, including benchmarks for anesthesia conversion factors. Insurers and administrators that participate in the FAIR Health Data Contribution Program are required to submit all of their data; they cannot selectively choose which data to contribute to FAIR Health. We are providing benchmarks for anesthesia conversion factors in two different ways:

- Charge benchmarks based on the non-discounted charges billed by providers before any network discounts are applied; and
- Allowed benchmarks based on imputed allowed amounts, which reflect network rates that have been negotiated between the payor and the provider.

The benchmarks below are based on anesthesia services in the FAIR Health database provided in the state of South Carolina. Charge benchmarks are based on claims from July 2020 through June 2021 and allowed benchmarks are based on imputed allowed amounts from claims incurred from January through December 2020. These are the latest releases available at the time of developing this report.

Type	Release	Average	Percentiles													
			5th	10th	15th	20th	25th	30th	35th	40th	45th	50th	60th	70th	80th	90th
Billed Anesthesia	Nov 2021	131.40	50.03	63.20	72.79	80.52	88.96	98.98	107.72	113.57	119.37	124.83	142.17	164.58	175.54	194.37
Allowed Anesthesia	Aug 2021	61.80	23.98	29.94	34.94	39.21	43.05	47.70	51.37	54.11	56.63	58.94	65.30	76.50	84.43	92.47

The benchmarks for allowed anesthesia may be compared to the South Carolina conversion factor, as the allowed line represents the amounts allowed by payors under their network contracts. This aligns to what is paid to anesthesiologists and certified registered nurse anesthetists (CRNAs) for patients covered by workers' compensation.

In this analysis, a \$30 conversion factor approximately aligns to the 10th percentile for private insurance. That means that 90% of the imputed allowed values in the FAIR Health database are equal to or greater than \$30. The 50th percentile (conversion factor of \$56.63) is the median conversion factor value in the private insurance data and the average allowed conversion factor benchmark is \$61.80.

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

The American Society of Anesthesiologists (ASA) publishes an annual study on conversion factors. FAIR Health downloaded the 2021 study from the ASA website at <https://pubs.asahq.org/monitor/article/84/10/1/110713/ASA-Survey-Results-Commercial-Fees-Paid-for>.

A copy of the ASA Monitor newsletter containing the 2021 survey is appended to this report.

According to the publication, the ASA anonymously surveys anesthesiology practices across the country, asking them to report the conversion factors for up to five of their largest commercial managed care contracts. This study publishes the results of that survey, which are normalized based on 15-minute time units. That is the same time unit used by South Carolina in the MSPM.

South Carolina practices are included in the Southeast Region in the ASA survey.

Conversion Factor	National		Southeast Region		South Carolina	
	2020	2021	2020	2021	2020	2021
Low	31.50	25.65	32.00	36.00	33.00	50.00
Median	73.00	78.00	78.68	92.00	72.00	73.30
Average	82.14	85.23	87.33	98.64	82.02	88.43
High	323.22	292.00	184.50	292.00	162.00	162.00

### State Workers' Compensation Fee Schedules

FAIR Health reviewed anesthesia conversion factors documented in state workers' compensation fee schedules.

State	Conversion Factor (per 15-minute time unit)
<b>South Carolina</b>	<b>\$30.00</b>
Alabama	\$57.63
Colorado	\$44.18
Florida	\$29.49
Georgia	\$61.23
Kentucky	\$78.53
Louisiana	\$50.00
Maryland	\$22.81
Mississippi	\$50.00
North Carolina	\$58.20 – first 60 min \$30.75 – after 60 min
Oklahoma	\$48.50
North Dakota	\$66.87
Tennessee	\$75.00
Virginia (6 regions)	\$48.00 - \$77.00

FAIR Health assists Colorado, Georgia, Kentucky, Louisiana, Mississippi, North Dakota, Oklahoma and Tennessee in updating their fee schedules. As we are doing for the South Carolina Workers' Compensation Commission, we provide research and analysis to support decision making. FAIR Health does not make or recommend fee schedule changes.

### Summary

FAIR Health presents this analysis to the Commission to assist with decision making. In summary:

- The current South Carolina anesthesia conversion factor is \$30 or 148.44% of the 2021 Medicare conversion factor for South Carolina and 143.31% of the national Medicare conversion factor.
- The ratio of the South Carolina workers' compensation anesthesia to Medicare is slightly less than the 153.28% ratio of the conversion factor for other professional services (\$51.50) in comparison to Medicare (\$33.5983). However, the MAP amounts in the MSPM may also be limited by the +/- 9.5 percent cap on increases or decreases each year, and the formula-based conversion factors would not be applicable to those services.
- The \$30 conversion factor is low in comparison to contracted amounts paid through private health insurance as reflected in FAIR Health benchmarks and ASA survey results.

- The mean and median conversion factor benchmarks developed by FAIR Health, which are based on data contributions for services performed in South Carolina, are lower than the ASA survey results, which are based on up to five of the largest commercial contracts reported by anesthesiology practices responding to the ASA survey.
- South Carolina's \$30 conversion factor falls within the range of conversion factors used by other states' workers' compensation programs; however, it is on the lower end of the range.

A copy of the ASA publication *ASA Survey Results for Commercial Fees Paid for Anesthesia Services – 2022* appears on the following pages.



# ASA Monitor®

THE LEADING SOURCE FOR PERIOPERATIVE HEALTH CARE NEWS

ASA Survey Results:



## Commercial Fees Paid for Anesthesia Services – 2021

Stanley W. Stead, MD, MBA, FASA

Sharon K. Merrick, MS, CCS-P

**A**SA is pleased to present the annual commercial conversion factor survey for 2021. Each summer we survey anesthesiology practices across the country. We ask them to report up to five of their largest managed care (commercial) contract conversion factors (CF) and the percentage each contract represents of 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 2021 ASA commercial conversion factor survey results, the national average commercial conversion factor was \$85.23, ranging between \$79.04 and \$90.23 for the five contracts. The national median

*Continued on page 6*



## Caring for the Injured and Acutely Ill

Arman Dagal, MD, FRCA, MHA

Marc P. Steurer, MD, MHA, DESA

Michael J. Murray, MD, PhD, MCCM

**D**eath and disability caused by injuries remain a significant public health issue. For both children and adults younger than age 45, traumatic injuries continue to be the leading cause of death in the United States. Injury-associated deaths furthermore lead to substantial economic consequences. Given the major impact that trauma and acute care can subsequently have, in the late 2000s a

number of dedicated and enthusiastic anesthesiologists felt that a dedicated platform was needed to facilitate much-needed support and growth for this emerging subspecialty. This reflected the early casual inception of the Trauma Anesthesiology Society (TAS). The initial annual meetings were small and full of energy. Steady growth in subsequent years mirrored the need and desire of a

*Continued on page 9*



## Get Vaccinated and Still Get COVID-19

Richard Simoneaux

Steven L. Shafer, MD

*Editor-in-Chief*

**R**ecent news reports describe high-profile “breakthrough” cases of COVID-19 in *fully vaccinated* individuals. In one prominent case, a fully vaccinated Australian socialite was infected and became a superspreader (asamonitor.pub/3k1YEUt). Over a busy weekend in Los Angeles, he transmitted COVID-19 to approximately 60 people.

tested positive for the Delta variant. The infection spread to three additional wards, infecting three patients and 21 health care workers. Some patients were transferred to other hospitals prior to identifying their exposure, transmitting the Delta variant to four other hospitals before the outbreak was identified.

By the time the outbreak was controlled, 58 patients were infected with the Delta variant. Contact tracing identified several patients infected by health care workers despite high vaccination rates and universal use of PPE. Eighteen patients died. Of the deceased patients, six were unvaccinated, 11 had received one dose, and one was fully vaccinated. All had underlying medical conditions.

There were 45 cases among health care workers. None had serious illness.

*Continued on page 12*

### Hospital breakout in Finland

In May 2021, a patient with COVID-19-associated pneumonia was admitted to the central hospital of the Tavastia Proper health district in Finland (*Euro Surveill* 2021;26:2100636). RT-PCR demonstrated the Delta variant. The patient was discharged four days later. Six days after discharge, two patients in the same ward developed symptoms of infection. Both



### SPECIAL SECTION

## Anesthesia in Low- and Middle-Income Countries 28-38

Guest Editors: Muhammad B. Rafique, MD, FASA;  
Lalitha Sundararaman, MD; and Elizabeth T. Drum, MD, FASA







**Payment & Practice Management:  
ASA Survey Results**

*Continued from previous page*

practicing anesthesiologists, nurse anesthetists, and AAs. We were pleased to have respondents report across a broad geographic basis, 47 states and D.C., allowing us to provide detailed regional responses. The number of practices reporting allowed us to report state-specific data from 18 states. Most practices included complete demographic information, and we are hopeful that this trend will continue and all respondents will

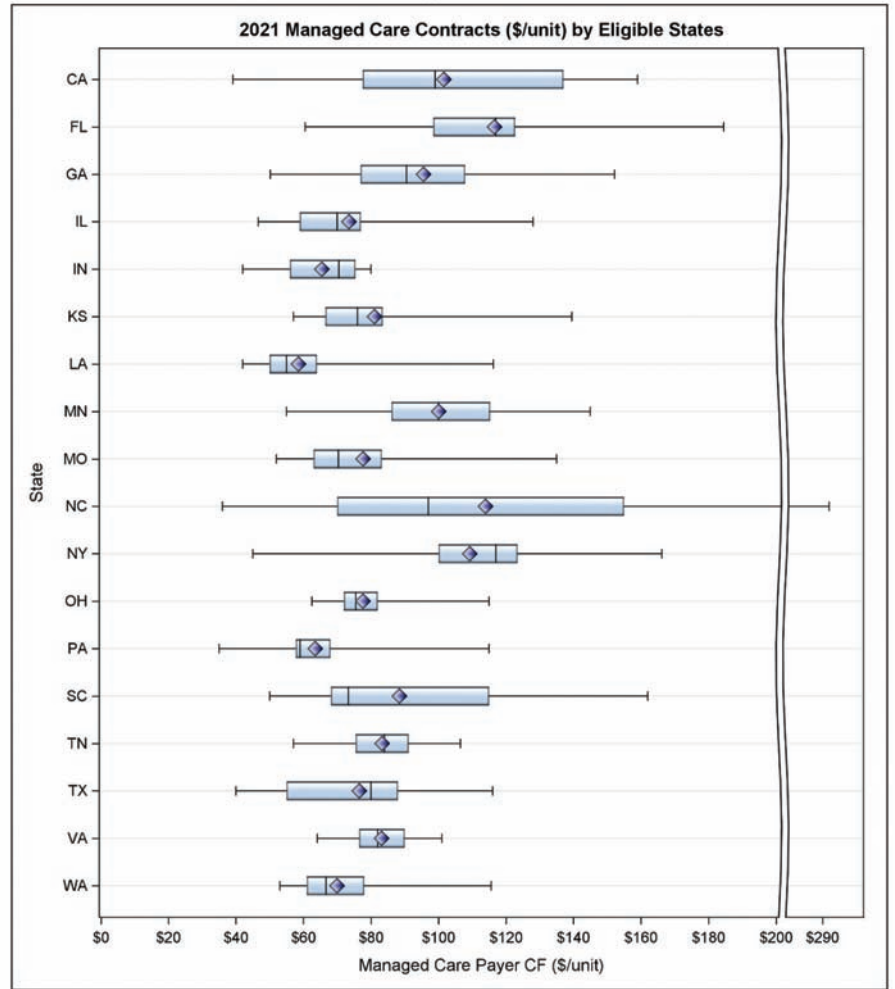
supply complete information in future surveys.

We will continue to monitor trends in the commercial conversion factor survey results and will launch the survey again in June 2022. It is important that as many practices as possible participate in the 2022 survey to help us obtain an accurate representation of the anesthesia commercial conversion factor. We hope that a significant growth in participants will allow us to publish data for every state. We look forward to your future participation and thank all of the practices that contributed to the 2021 results. ■

**Table 8: Eligible States Managed Care Anesthesia Conversion Factors (\$/unit), 2021**

State	Contracts	Low	25 <sup>th</sup> Percentile	Median	Mean	75 <sup>th</sup> Percentile	High
CA	50	\$39.10	\$77.59	\$99.00	\$101.59	\$137.03	\$159.00
FL	56	\$60.50	\$98.50	\$116.99	\$116.59	\$122.72	\$184.50
GA	41	\$50.16	\$76.92	\$90.53	\$95.58	\$107.92	\$152.20
IL	21	\$46.62	\$58.92	\$70.00	\$73.49	\$77.00	\$128.00
IN	24	\$42.00	\$56.00	\$70.50	\$65.45	\$75.43	\$80.00
KS	28	\$57.00	\$66.50	\$76.00	\$81.03	\$83.50	\$139.50
LA	33	\$42.00	\$50.00	\$55.00	\$58.52	\$64.00	\$116.25
MN	35	\$55.00	\$86.08	\$100.00	\$100.07	\$115.28	\$145.00
MO	24	\$52.00	\$63.00	\$70.35	\$77.66	\$83.25	\$135.00
NC	31	\$36.00	\$70.00	\$97.00	\$113.93	\$155.00	\$292.00
NY	41	\$45.00	\$100.06	\$117.00	\$109.27	\$123.43	\$166.20
OH	46	\$62.50	\$72.00	\$75.50	\$77.63	\$82.00	\$115.00
PA	37	\$35.00	\$57.75	\$59.00	\$63.48	\$68.00	\$115.00
SC	45	\$50.00	\$68.15	\$73.30	\$88.43	\$115.00	\$162.00
TN	20	\$57.00	\$75.50	\$84.00	\$83.30	\$91.15	\$106.50
TX	27	\$40.00	\$55.00	\$80.00	\$76.54	\$88.00	\$116.10
VA	23	\$64.10	\$76.50	\$82.00	\$83.13	\$90.00	\$101.00
WA	53	\$53.00	\$61.00	\$66.70	\$69.94	\$78.00	\$115.62

**Figure 4**



# Introducing Anestand

The world's first anesthesia stand



Try Anestand yourself at **ANESTHESIOLOGY® 2021** • Booth 3017



Visit our website to set up your trial and join facilities across the country adopting Anestand



anestand.com  
(800) 768-7061  
info@anestand.com