

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

January 25, 2021, 10:30 a.m.

The meeting will be conducted electronically via Zoom with the Commissioners participating from different locations. 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. Individuals who want to attend the meeting may do so by contacting Gary Cannon, Executive Director at GCannon@wcc.sc.gov.

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| 1. CALL TO ORDER | CHAIRMAN BECK |
| 2. APPROVAL OF AGENDA OF BUSINESS MEETING
OF JANUARY 25, 2021 | CHAIRMAN BECK |
| 3. APPROVAL OF MINUTES OF THE BUSINESS MEETING
OF DECEMBER 14, 2020 (Tab 1) | CHAIRMAN BECK |
| 5. GENERAL ANNOUNCEMENTS | MR. CANNON |
| 6. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) | MS. BOGGS |
| 7. DEPARTMENT DIRECTORS' REPORTS
Human Resources (Tab 3)
Information Services (Tab 4)
Insurance and Medical Services (Tab 5)
Claims (Tab 6)
Judicial (Tab 7) | MS. STUART
MS. SPRANG
MR. DUCOTE
MS. SPANN
MS. BRACY |
| 8. DEPARTMENT OF VOCATIONAL REHABILITATION
Monthly Report (Tab 8) | MR. CANNON |
| 9. EXECUTIVE DIRECTOR'S REPORT (Tab 9) | MR. CANNON |
| 10. FINANCIAL REPORT (Tab 10) | MR. CANNON |
| 11. OLD BUSINESS | CHAIRMAN BECK |
| 12. NEW BUSINESS
Medical Services Provider Manual (Tab 11) | CHAIRMAN BECK |
| 13. ADJOURNMENT | CHAIRMAN BECK |

1	Approval of Minutes of the Business Meeting of December 14, 2020
2	Self-Insurance
3	Human Resources
4	Information Services
5	Insurance and Medical Services
6	Claims
7	Judicial
8	Vocational Rehabilitation
9	Executive Director's Report
10	Financial Report
11	Medical Service Provider Manual

Tab 1

THE
SOUTH CAROLINA WORKERS'
COMPENSATION COMMISSION
MINUTES OF THE BUSINESS MEETING
December 14, 2020

A Business Meeting of the South Carolina Workers' Compensation Commission was conducted electronically via ZOOM on Monday, December 14, 2020 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 electronically via ZOOM from different locations:

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 electronically from different locations via ZOOM were: Gary Cannon Executive Director; Keith Roberts, General Counsel; Sandee Sprang, Information Technology Director; Alexa Stuart, Human Resources Manager; Amy Bracy, Judicial Director; Wayne Ducote; Insurance & Medical Services, Claims Director; Emillie Boggs, Self-Insurance Director; David Durant, Attorney; Breanne Jolly, Director of Coverage and Compliance; Amy Proveaux, Executive Assistant. Bonnie Anzelmo, Injured Workers Advocates was also present.

Chairman Beck called the meeting to order at 10:46 AM.

AGENDA

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

APPROVAL OF MINUTES – BUSINESS MEETING OF NOVEMBER 9, 2020

Commissioner Barden made a motion that that the minutes of the Business Meeting of November 9, 2020, be amended to state the purpose of the Executive Session Commissioner McCaskill seconded the motion.

Commissioner Barden moved to that minutes of the Business Meeting be approve ad amended. Commissioner Taylor seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

Ms. Sprang announced that Breanne Jolly had been selected as the Director of Coverage and Compliance. The Commissioners congratulated Ms. Jolly.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by Emillie Boggs, Self-Insurance Director. Two (2) prospective members of two (2) funds was presented to the Commission for approval.

New Applications:

SC Automobile Dealers Association SIF
Sumter Chrysler Dodge Jeep Ram

South Carolina Home Builders SIF
Seneca Sweeps & Gas Logs Services, LLC

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

DEPARTMENT DIRECTORS' REPORTS

The Department Directors submitted to the Commission in written form and included in the minutes.

No questions, concerns, or comments were made by the Commission.

VOCATIONAL REHABILITATION

Chairman Beck had a few questions as to the updated Vocational Rehabilitation report. Ms. Sprang responded that was the last one that had been provided.

EXECUTIVE DIRECTOR'S REPORT

Sandee Sprang, Interim Executive Director, submitted her report to the Commission in written form.

There were no questions from the Commission.

ADMINISTRATION – FINANCIAL REPORT

Sandee Sprang, Interim Executive Director submitted the Financial Report to the Commission in written form. Ms. Sprang pointed out a few highlights from the report.

OLD BUSINESS

No new business.

NEW BUSINESS

Average Weekly Wage

The new calculated average weekly wage that was certified by the SC Department of Employment and Workforce for July 1, 2019 through June 30, 2020 is \$903.40

Commissioner Barden made the motion to approve the Average Weekly Wage, and Commissioner Campbell seconded the motion. The motion was unanimously approved. All Commissioners signed the order after the meeting.

EXECUTIVE SESSION

Commissioner Barden made a motion to Executive Session to discuss a contractual matter; Commissioner Taylor 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 11:08 a.m.; noting that no action was taken. Commissioner Taylor seconded the motion and the motion was approved.

ADJOURNMENT

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

The December 14, 2020, meeting of the South Carolina Workers' Compensation Commission adjourned at 11:09 a.m.

Reported January 20, 2021
Amy Proveaux
Office of the Executive Director

Tab 2

Tab 3

State of South Carolina

1333 Main Street, 5th Floor
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Columbia, S.C. 29202-1715



TEL: (803) 737-5700
FAX: (803) 737-5764

Workers' Compensation Commission

TO: Gary Cannon, Executive Director

FROM: Alexa Stuart

DATE: December 31, 2020

SUBJECT: Monthly Human Resources Report for January 2021 Business Meeting

This report summarizes the activities of Human Resources during the period of December 1, 2020 through December 31, 2020.

In December the Commission had 52 full time employees. We have 1 part-time employee. And, we have 1 legal intern and 1 legal extern.

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

My primary focus again in December was to document the SCWCC COVID-19 Play Book. Gary Cannon, Sandee Sprang, and I have revised the SCWCC COVID-19 Play Book numerous times and we completed the Playbook on December 30, 2020. Because of the nature of COVID-19 and what we learn about, this is a fluid document which will be revised as needed.

I was able to work from home in December while I recuperated from surgery. Much of my time was spent on COVID-related work.

December was slow month as a result of three days off for holidays and for those employees using their annual leave. We sent 17 "All Agency" emails during the month. In SCEIS, I had 10 SCEIS transactions. I responded to 3 benefit questions and made changes. Payroll and time reports were run as scheduled. We processed 12 travel reports in the month of December.

I completed the research involving a long-term employee whose information was not found in PEBA's records. It was in PEBA's records under the accurate social security number. A request was submitted to SCEIS to correct the number in the system.

We had 3 building issues. Corrected invoices have been submitted to the Department of Administration for payment. These payments will catch us up on our balance. We had two access issues and we corrected the information in the parking company's records. The names were incorrect.

Since March 23rd, I have been reporting to the State HR department data regarding who was working onsite, telecommuting, and taking leave. This is done daily.

We continued to obtain and maintain the necessary PPE to safely work onsite as needed. At this time, we have plenty of PPE in stock. We provided information on what we have ordered since July 1, 2020 to management for statewide reimbursement.

I continued to track employees work activities from home. Once a week, I receive lists of the daily activities of those working from home. I take that data, summarize daily activities into a weekly summary by employee and add it to a spreadsheet for management's review.

Tab 4

State of South Carolina

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Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director
From: Sandee Sprang, IT Director
Date: January 20, 2021
Subject: IT Department January 2021 Full Commission Report

This report summarizes the activities and accomplishments of departmental projects and initiatives for the IT department during December 2020.

I. Systems Operations, Maintenance and Support

EDI

We completed the migration of all EDI trading partner accounts to a new server with enhanced security. 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: Jurisdictions Only meetings, EDI Claims Committee and the XML Taskforces.

Progress

Liz and Duane imported additional data from the DEW quarterly employer wage report and generated X-files for the Compliance department. Duane provided standard support for invoice and check reconciliation issues to end users. The IT team began developing a project plan for getting our Progress server to the latest operating system release. This will require the re-establishment of a support contract with the vendor.

Systems Support

Jason continue to support staff with hardware/software needs and building efficiencies in our work from home processes. He also completed several additional required account management changes related to the agency's new hires and staff changes.

The DUO multifactor authentication implementation continued in December with the onboarding of all staff.

Reporting

Kim completed the COVID report as part of our monthly reporting schedule and included some additional categories. Liz made some enhancements to the Claims report developed for outstanding carrier fines. Additionally, we generated several Open Claims reports and Outstanding Carrier Fines for external stakeholders and provided Compliance reports for internal staff.

Hardware

Jason completed the Apple hardware ordering and continued his work on the laptop replacement. His next steps are to evaluate Dell and HP's laptops.

II. Projects, Enhancements and Development

Legacy Modernization

We continue our working engagement with Microsoft as part of the gap analysis of our KERMIT project. Microsoft expects it will take several more weeks to complete their Gap Analysis.

Tab 5

State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Wayne Ducote, Jr.
IMS Director

Date: 22-Jan-21

Subj: Insurance and Medical Services Department
December 2020 Full Commission Report

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

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

- | | |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Compliance Division | <ol style="list-style-type: none">1. Reviewing revenue metrics / projections.2. Working with staff to review workflow processes and additional training opportunities.3. Continuing to explore outreach opportunities with stakeholders. |
| Coverage Division | <ol style="list-style-type: none">1. Working with staff to review workflow processes and explore opportunities to enhance service provision.2. Lapse in Coverage: 16 new registrants; 0 notifications sent. |
| Medical Services | <ol style="list-style-type: none">1. Working with Fair Health on 2021 MSPM updates.2. Processing four Medical Bill Reviewer certifications and renewals.3. There were no medical bill pricing reviews for the month of December. |

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 3 new RTSC cases and 3 total RTSC cases in the month of December. And, compelled 16 South Carolina employers to come into compliance with the Act. Year to date, 6 new RTSC cases and 15 total RTSC cases have been docketed.

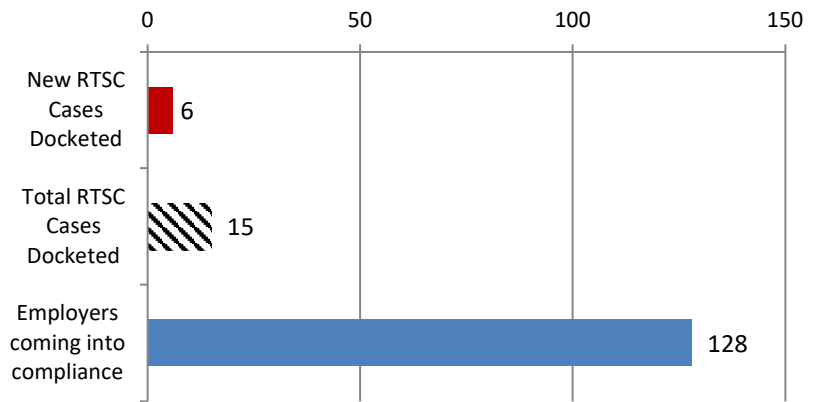
Employers Obtaining Coverage

Year to date, the Compliance Division has compelled 128 South Carolina employers to come into compliance with the Act. In so doing, approximately 1,185 previously uninsured workers are now properly covered.

Penalties Waived

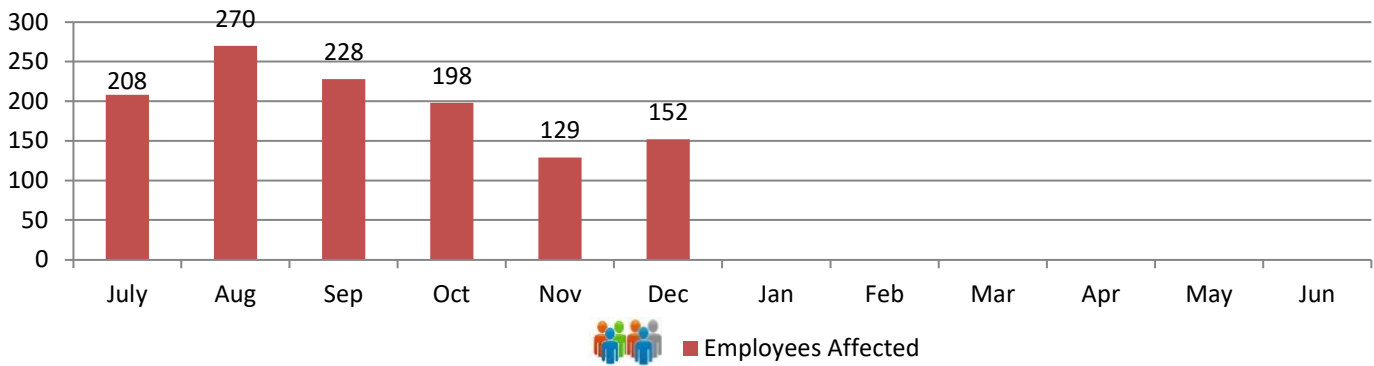
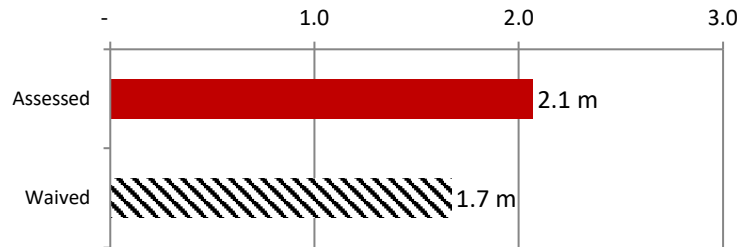
Although the Division has assessed \$2.1 m in fines this fiscal year, \$1.7 m have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

RTSC and Compliance Activity



Fines and Penalties

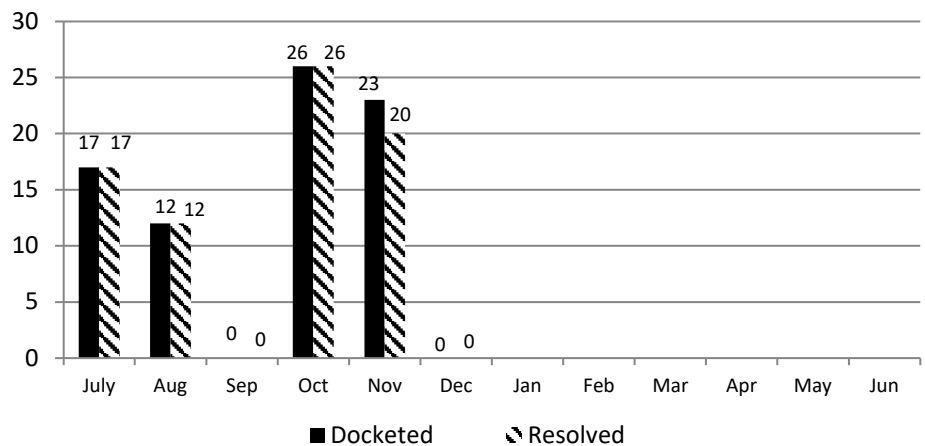
Millions



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 2020, 0 carrier RTSC cases were docketed; 0 cases were resolved for a total of \$0.

Year to date, a total of 78 carrier RTSC cases have been docketed, 75 cases for a total of \$89,122 have been resolved.

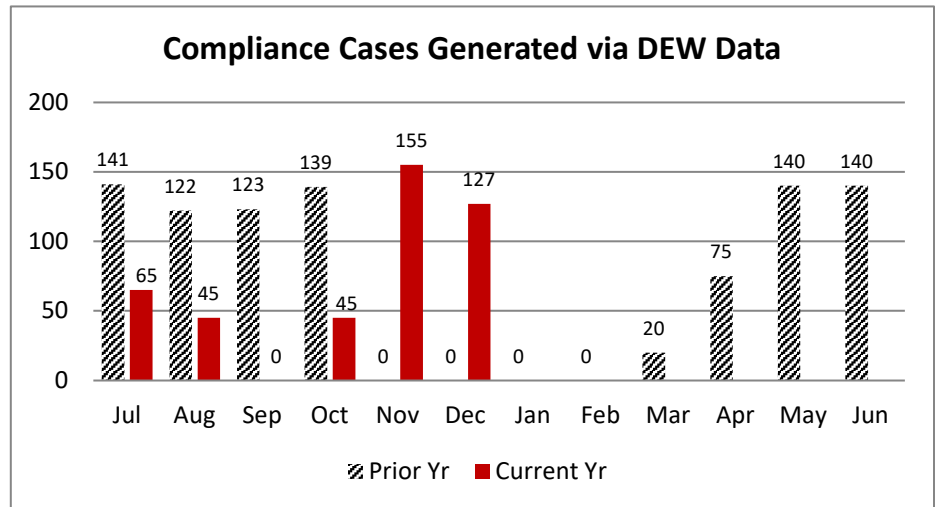
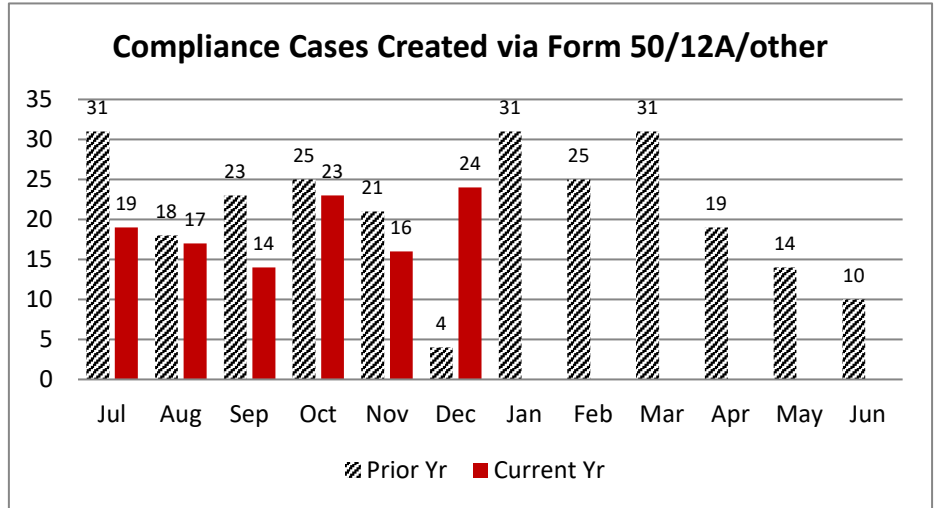


In December 2020, 24 compliance files were created from the combined filings of Form 50's, 12A's, and stakeholder reporting involving uninsured employers.

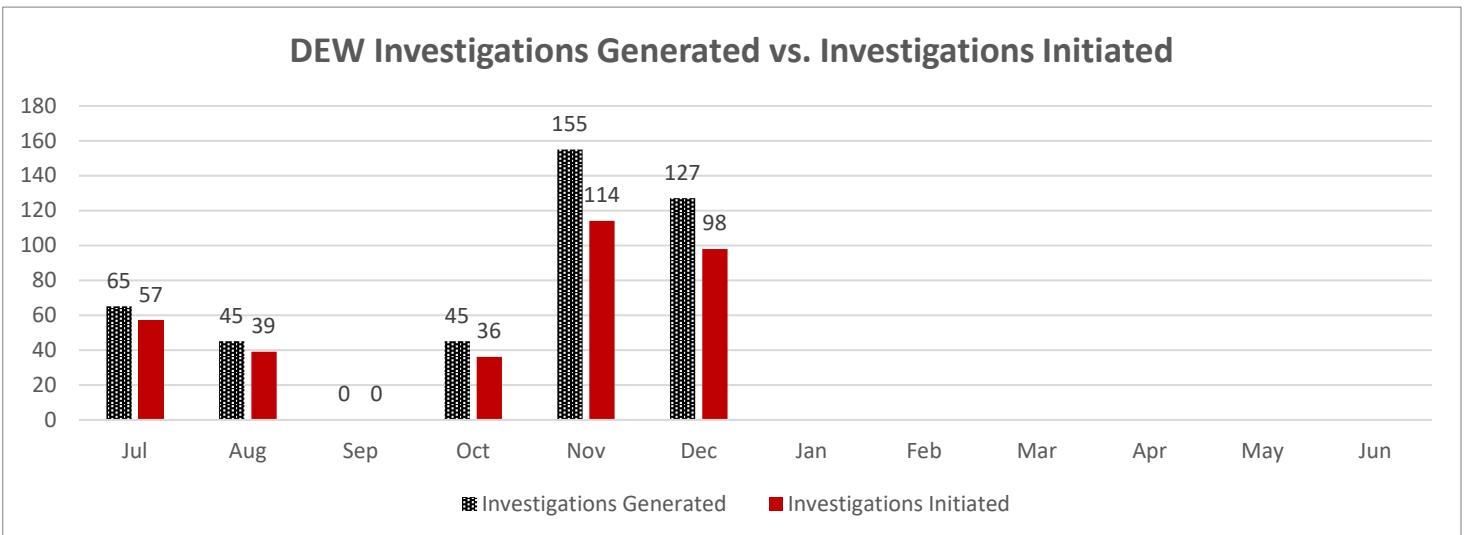
YTD vs. Prior Year total (252): 45%
 Dec 2019 to Dec 2020: 600%
 Current Yr End trend: 90% of 2019-2020
 YTD 2020-2021 v. YTD 2019-2020: 93%

In December 2020, 127 compliance files were generated from the DEW data process.

YTD vs. Prior Year total (900): 49%
 Dec 2019 to Dec 2020: NA% +127
 Current Yr End trend: 97% of 2019-2020
 YTD 2020-2021 v. YTD 2019-2020: 83%



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



Carryover Caseload:

The Compliance Division closed December 2020 with 259 cases active, compared to an active caseload of 388 at the close of December 2019.

Cases Resolved:

For the month of December 2020, Compliance Division staff closed-out 103 cases.

Compliance Fines:

In December 2020, the Compliance Division collected \$22,429 in fines and penalties. Year to Date, the Compliance Division has collected \$300,694 in fines and penalties.

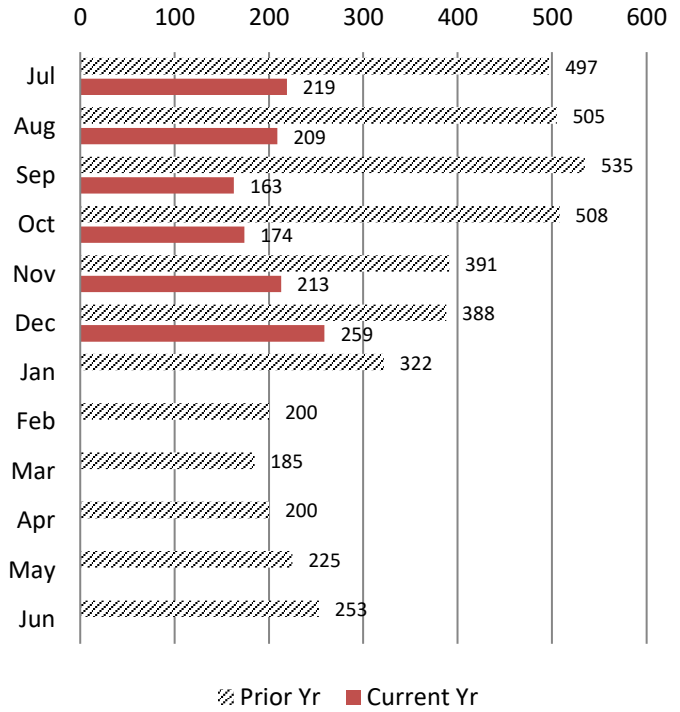
Year to Date vs Prior Year Total (\$1,072,940): 28%

Dec 2019 vs. Dec 2020: 56%

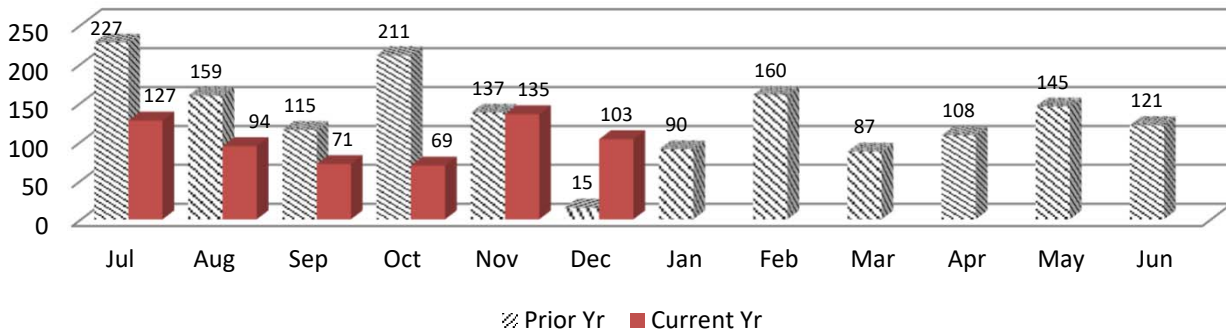
Current Year End trend is 56% of 2019-2020

YTD 2019-20 (July - Dec) vs YTD 2020-2021: 41%

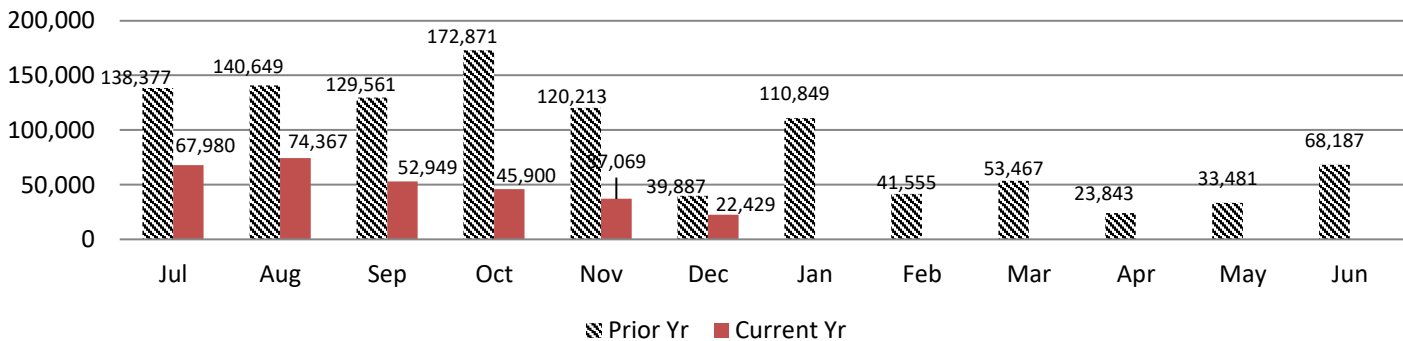
Caseload Pending v. Prior Year



Cases Resolved v. Prior Year



Compliance Fines Collected v. Prior Year

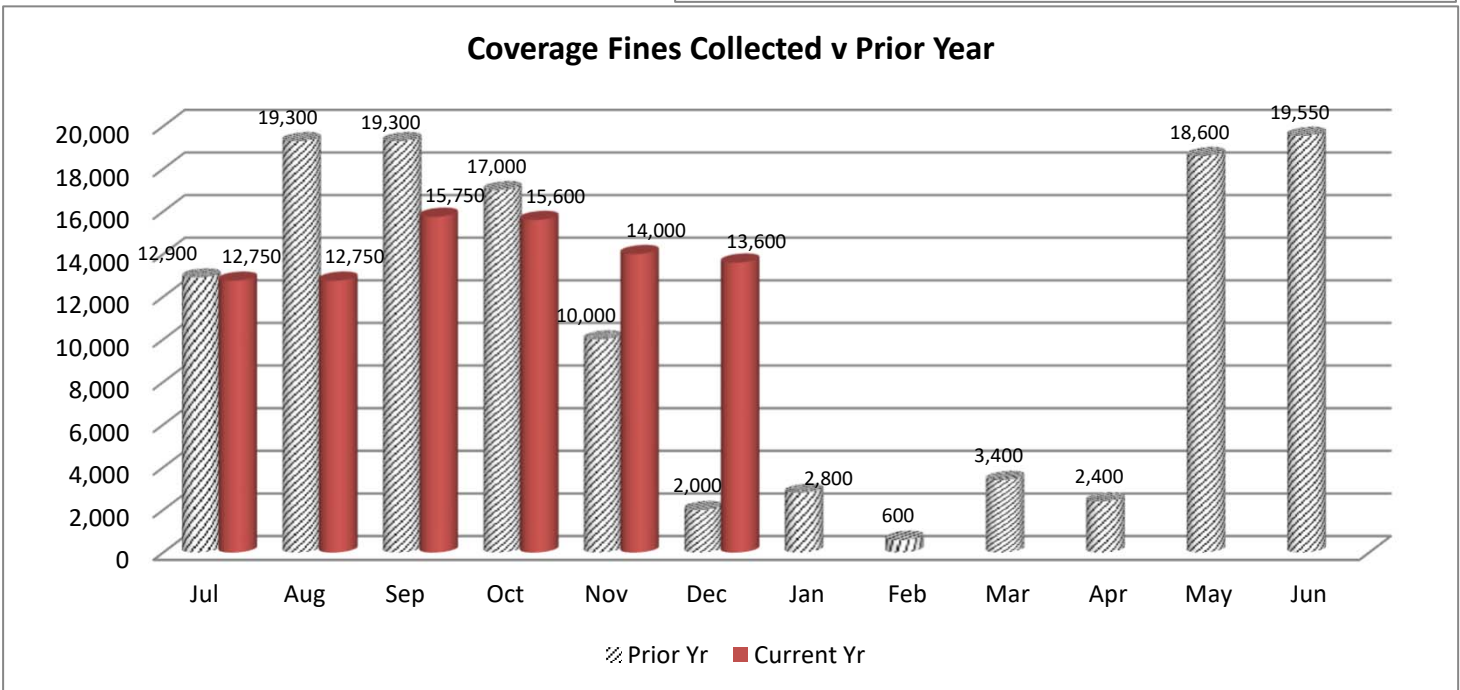
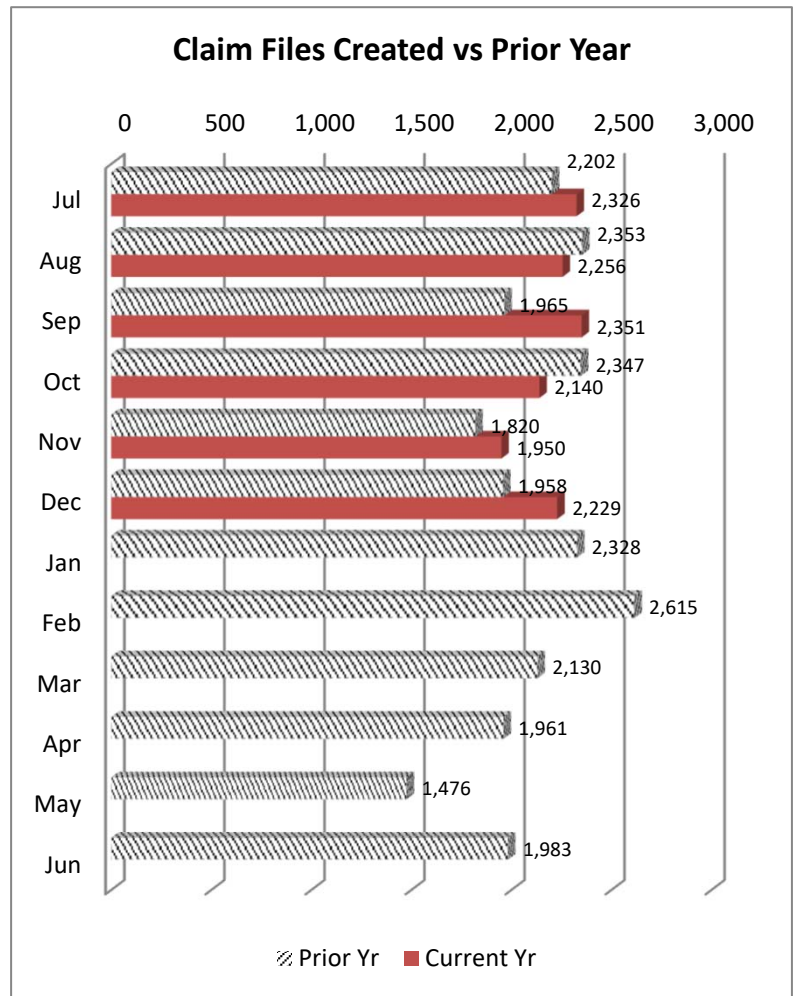


WCC Claim Files:

In December 2020, the Coverage Division received a total of 2,229 WCC Claim files. Of these, 1,953 were created through proper carrier filing of a 12A, and 276 were generated as a result of a Form 50 claim filing. Year to Date 13,252 Claim files have been created which is 53% of claim file volume prior year (25,138).

Coverage Fines:

The Coverage Division collected \$13,600 in fine revenue in December 2020, as compared to \$2,000 in Coverage fines/penalties accrued during December 2019. Year on Year, Coverage fines are at 66% of collections for prior year.



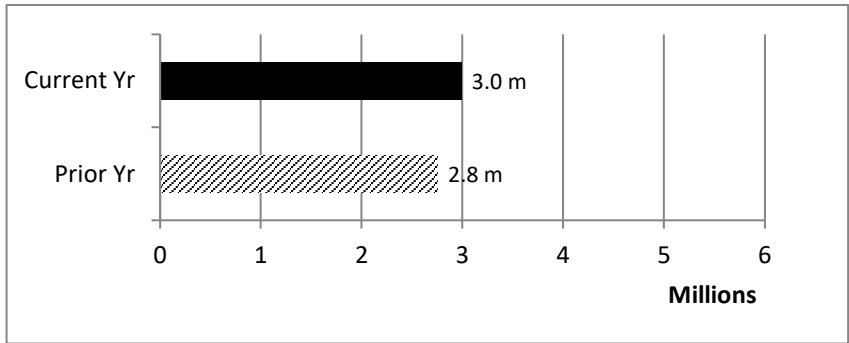
IMS SELF INSURANCE DIVISION

Dec 2020

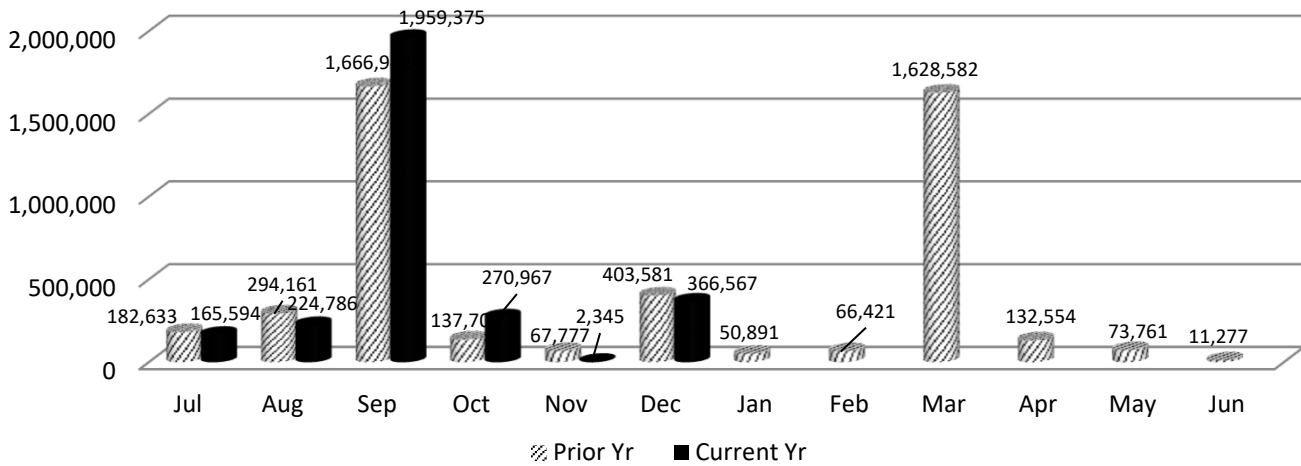
During the month of December 2020, the Self Insurance Division:

- * collected \$366,567 in self-insurance tax.
- * added 2 new self-insurers.
- * conducted 4 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 109% of prior year and 24 Self Insurance audits have been completed.



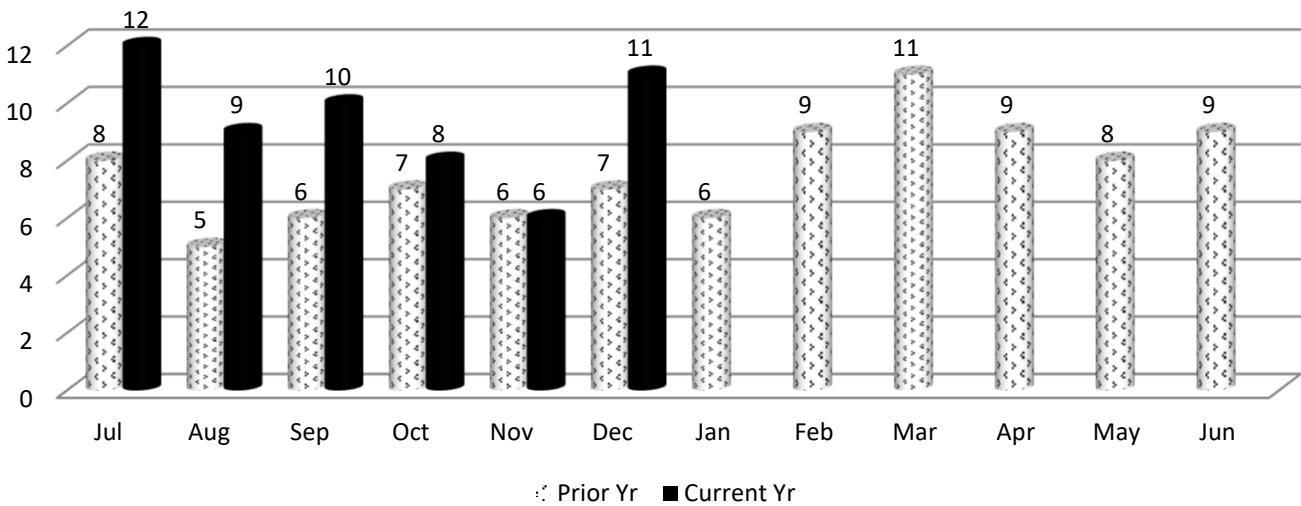
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In December 2020, the Medical Services Division began the month with 6 bills pending review, received an additional 11 bills for review, conducted 6 bill reviews and ended the month with 11 bills pending.

Medical Bills Pending Review v. Prior Year



Tab 6

State of South Carolina

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Workers' Compensation Commission MEMORANDUM

To: Gary Cannon, Executive Director
From: Sonji Spann, Claims Director
Date: January 19, 2021
Re: Claims Department December 2020 Full Commission Report

Attached is Claims Department activity for the period ending December 31, 2020. The format of the Claims Department report highlights the key workflow benchmarks. Comparison to last month and last year can be found on the attached excel spread sheet.

Processed	15,397
Closed	2,323
Reviewed	3,301
Revenue	\$22,200
Total Fines	203
Form 18 Fines	201
EDI – 18's	2,721
Emailed -18's	1,698
USPS-18's	78
Form 61's Rec'd	758
Form 61's App	760
Third Party Settlements Rec'd	17
Third Party Settlements Processed	14

Claims Department Statistical Report Statistics For FY20-21

Period ending , November 30,2020

Claims Services	July	August	Sept	Oct	Nov	Dec	FY20-21 Total	FY19-20 Total	% Cng same period FY20-21	YTD Diff + (-) FY20 v FY21	FY20-21 Mth Avg	FY19-20 Mth Avg
Forms 15-I	1,203	1,287	1,309	1,310	1,151	1,148	7,408	6,527	13%	881	1,482	2,746
Forms 15-II/Forms 17	1,032	1,026	1,043	1,163	980	981	6,225	5,370	16%	855	1,245	2,305
Forms 16 for PP/Disf	235	257	181	238	173	203	1,287	1,208	7%	79	257	2,746
Forms 18	4,720	4,524	4,438	4,305	4,144	4,595	26,726	27,128	-1%	(402)	5,345	2,305
Forms 20	587	623	572	625	598	585	3,590	3,805	-6%	(215)	718	501
Form 50 Claims Only	300	283	326	277	263	291	1,740	1,570	11%	170	348	11,745
Form 61	765	788	700	723	650	758	4,384	4,150	6%	234	877	1,520
Letters of Rep	219	216	259	246	260	205	1,405	1,209	16%	196	281	666
Clinchers	890	945	978	972	774	952	5,511	4,423	25%	1,088	1,102	1,692
Third Party Settlements	10	17	11	17	8	17	80	86	-7%	(6)	16	502
SSA Requests for Info	35	36	45	48	34	38	236	410	-42%	(174)	47	1,996
Cases Closed	2,660	3,162	2,471	2,457	2,163	2,323	15,236	12,596	21%	2,640	3,047	33
Cases Reviewed	4,099	3,580	3,247	3,260	2,878	3,301	20,365	14,589	40%	5,776	4,073	140
										-	-	-
										-	-	-
Total Fines Assessed	413	309	255	196	195	203	1,571	1,061	48%	510	314	-
Form 18 Fines	409	307	166	192	188	201	1,463	944	55%	518	293	-
Total Amt Paid	\$43,250	\$30,800	\$ 33,050	\$ 29,600	\$ 35,400	\$ 22,200	\$ 194,300	\$ 194,300	0%	\$ -	38,860	493

Tab 7

State of South Carolina



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Workers' Compensation Commission

January 15, 2021

To: Gary Cannon
Executive Director

From: Amy A. Bracy
Judicial Director

RE: Monthly Judicial Report for December 2020

During the month of December, the Judicial Department processed seven hundred thirty-two (732) requests for hearings, ninety-six (96) Motions and one hundred fifty-six (156) clincher conference requests that were sent to the Jurisdictional Commissioners.

There were sixty-three (63) Single Commissioner Hearings conducted during the past month, twenty-eight (28) pre-hearing conferences held and one (1) Full Commission hearings held. A total of four hundred seventy-six (476) Orders were served at the single Commissioner level, thirty-two (32) of those were Decision and Orders that resulted from hearings that went on the record and one hundred five (105) were Motion Orders that were a result of Motions ruled upon by Commissioners.

The Informal Conference system conducted one hundred ninety (190) hearings during the last month.

There were thirty (30) regulatory mediations scheduled and thirty (30) requested mediations. The Judicial Department was notified of sixty-four (64) matters resolved in mediation, with the receipt of Forms 70.

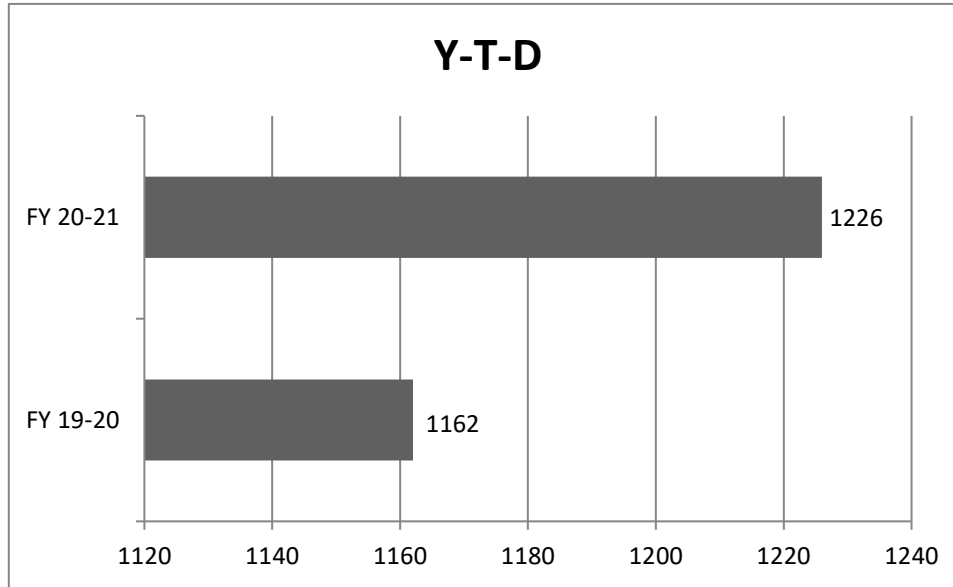
In the month of December, Judicial received one (1) Notice of Intent to Appeal to the Court of Appeals and zero (0) to the Circuit Court.

**Judicial Department Statistcal Report
Statistics For Fiscal Year 2020-2021**

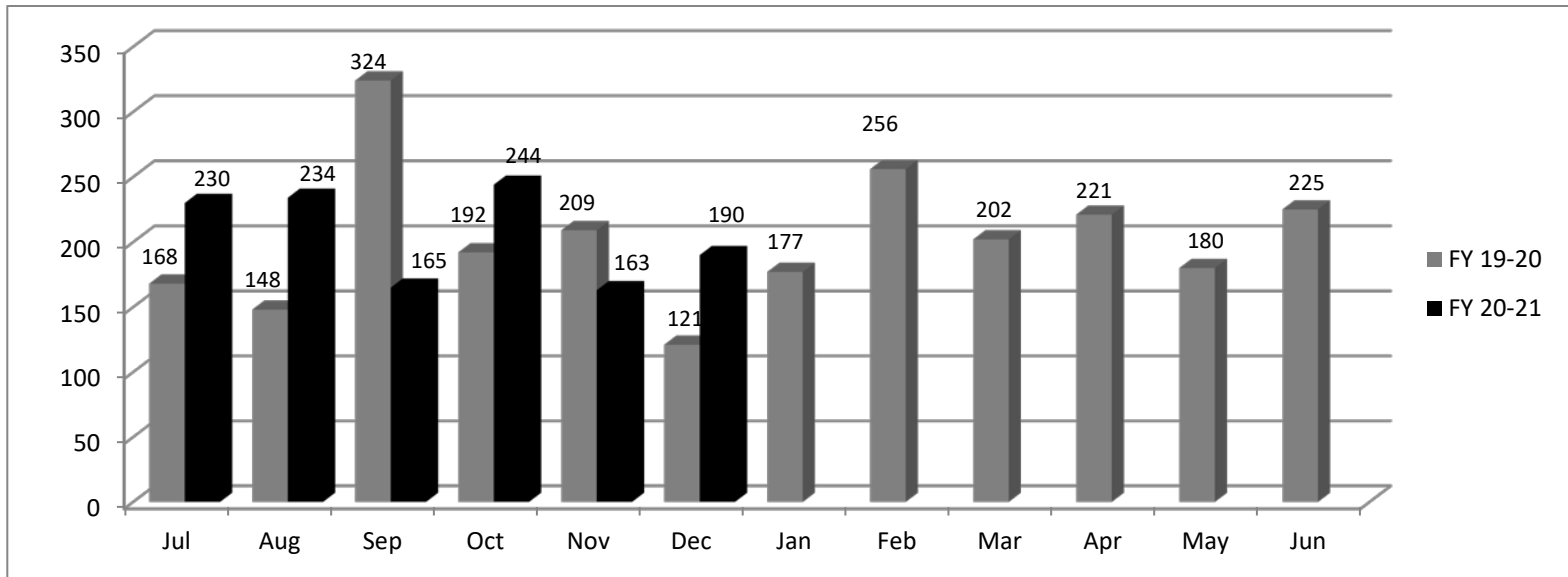
	July	Aug	Sept	Oct	Nov	Dec	Totals YTD 2020-2021	Totals YTD 2019-2020	% Diff from prev year	YTD Diff + (-)	FY20-21 Mth Avg	FY19-20 Mth Avg
Claimant Pleadings	550	544	567	607	459	445	3,172	3176	0%	(4)	529	529
Defense Response to Pleadings	440	435	497	470	473	423	2,738	2769	-1%	(31)	456	462
Defense Pleadings	334	261	288	329	288	287	1,787	1566	14%	221	298	261
Motions	133	196	131	117	111	96	784	686	14%	98	131	114
Form 30	5	18	11	5	12	10	61	66	-8%	(5)	10	11
FC Hearings Held	4	4	5	2	6	1	22	46	-52%	(24)	4	8
FC Orders Served	15	4	7	10	4	4	44	83	-47%	(39)	7	14
Single Comm. Hearings Held	68	86	82	59	56	63	414	386	7%	28	69	64
Single Comm. Orders Served	201	221	169	188	170	154	1,103	1248	-12%	(145)	184	208
Single Comm. Pre-Hearing Conf Held	38	18	19	36	24	28	163	161	1%	2	27	27
Consent Orders	316	272	283	248	264	261	1,644	1563	5%	81	274	261
Adminstrative Orders	13	15	9	18	5	61	121	136	-11%	(15)	20	23
Clincher Conference Requested	148	117	162	155	143	156	881	854	3%	27	147	142
Informal Conference Requested	304	299	268	269	228	181	1,549	1648	-6%	(99)	258	275
Informal Conference Conducted	230	234	165	244	163	190	1,226	1162	6%	64	204	194
Regulatory Mediations	38	26	40	43	35	30	212	217	-2%	(5)	35	36
Requested Mediations	60	54	47	58	66	30	315	269	17%	46	53	45
Ordered Mediations	1	0	2	0	1	0	4	8	-50%	(4)	1	1
Mediation Resolved	47	64	37	56	42	64	310	314	-1%	(4)	52	52
Mediation Impasse	10	15	12	14	24	22	97	100	-3%	(3)	16	17
Mediation Held; Issues Pending	0	0	1	1	2	0	4	1	0%	3	1	0
Claim Settled Prior to Mediation	8	8	8	8	6	20	58	68	-15%	(10)	10	11
Mediation Not Complete in 60 days	0	3	0	3	1	5	12	16	-25%	(4)	2	3

Informal Conf. Conducted

	FY 19-20	FY 20-21
Jul	168	230
Aug	148	234
Sep	324	165
Oct	192	244
Nov	209	163
Dec	121	190
Jan	177	
Feb	256	
Mar	202	
Apr	221	
May	180	
Jun	225	
Total	2423	1226

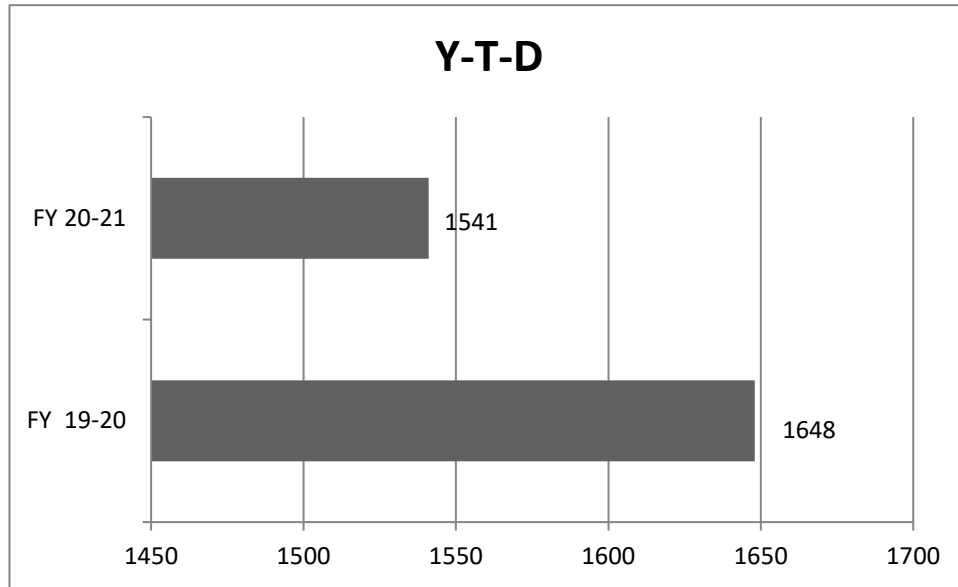


	FY 19-20	FY 20-21
Y-T-D	1162	1226

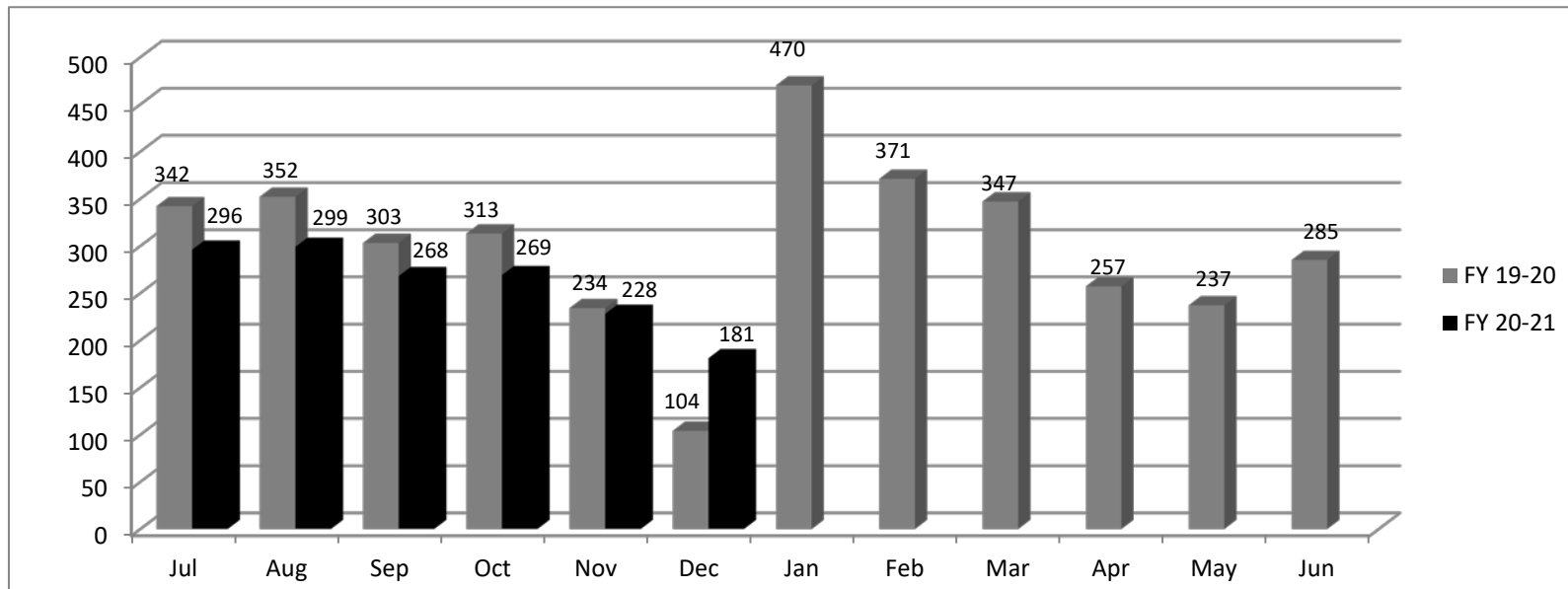


Informal Conf. Requested

	FY 19-20	FY 20-21
Jul	342	296
Aug	352	299
Sep	303	268
Oct	313	269
Nov	234	228
Dec	104	181
Jan	470	
Feb	371	
Mar	347	
Apr	257	
May	237	
Jun	285	
Total	3615	1541



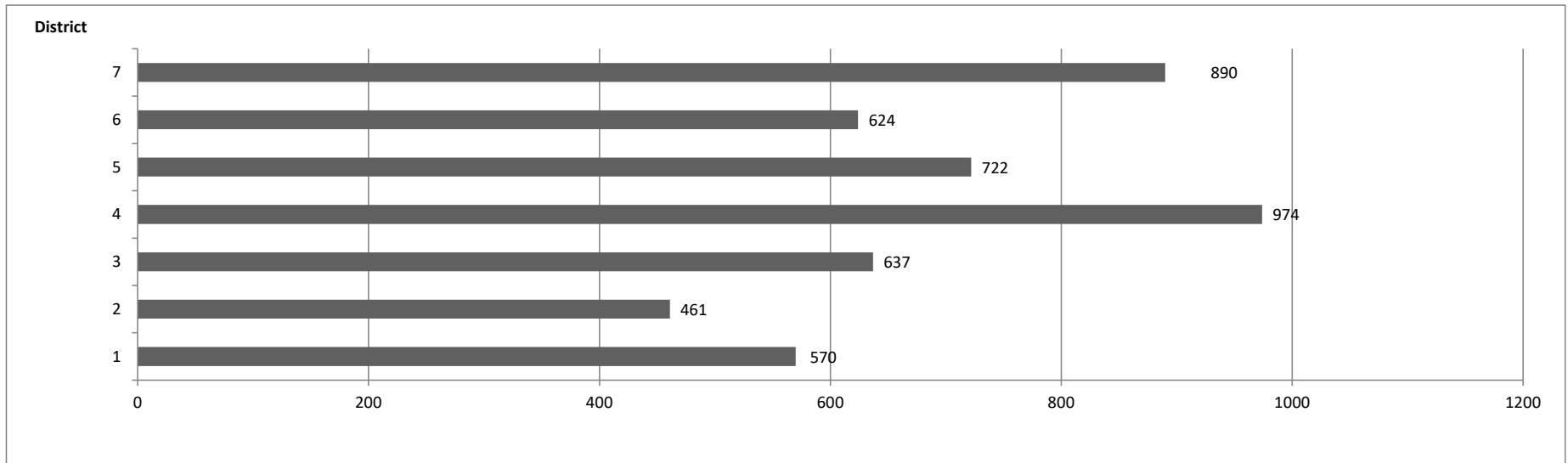
	FY 19-20	FY 20-21
Y-T-D	1648	1541



Pleadings Assigned - Three Year Comparison by Month

	District 1 Greenville			District 2 Anderson			District 3 Orangeburg			District 4 Charleston			District 5 Florence			District 6 Spartanburg			District 7 Richland		
	20-21	19-20	18-19	20-21	19-20	18-19	20-21	19-20	18-19	20-21	19-20	18-19	20-21	19-20	18-19	20-21	19-20	18-19	20-21	19-20	18-19
Jul	120	99	88	81	84	98	85	123	114	151	183	183	126	136	147	112	137	110	154	140	144
Aug	88	99	118	73	85	71	105	78	87	142	168	187	125	153	124	95	104	149	133	147	138
Sep	87	101	92	70	77	78	107	98	83	162	174	148	128	108	98	113	104	91	169	131	132
Oct	93	115	112	81	90	98	125	76	115	175	187	204	115	124	119	104	121	130	159	142	160
Nov	92	83	116	88	74	87	100	108	114	176	155	161	96	116	130	104	78	119	134	148	150
Dec	90	81	92	68	65	66	115	80	93	168	140	116	132	99	121	96	104	94	141	117	115
Jan		98	89		69	69		78	114		186	170		104	104		88	114		110	134
Feb		91	102		85	80		78	102		143	156		132	111		126	126		166	116
Mar		112	92		96	81		134	97		187	192		131	142		111	115		183	131
Apr		90	84		78	76		90	76		150	157		136	103		100	86		140	123
May		100	112		80	114		80	189		126	211		103	151		104	138		125	183
Jun		112	94		75	103		91	89		170	153		97	121		109	100		175	145
Totals	570	1181	1191	461	958	1021	637	1114	1273	974	1969	2038	722	1439	1471	624	1286	1372	890	1724	1671

Pleadings Assigned by District Year to Date



Tab 8

SC WCC Referrals

SFY 2020

SC Department of Vocational Rehabilitation
Referral Report
12/31/2020

COUNTY	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	CY Total
Abbeville	3	2	1	1	2	4	0	0	0	0	0	0	13
Aiken	8	9	7	8	4	8	0	0	0	0	0	0	44
Allendale	1	1	0	0	0	2	0	0	0	0	0	0	4
Anderson	10	10	10	10	10	10	0	0	0	0	0	0	60
Bamberg	1	0	2	3	0	0	0	0	0	0	0	0	6
Barnwell	2	1	1	2	4	1	0	0	0	0	0	0	11
Beaufort	8	10	9	10	8	8	0	0	0	0	0	0	53
Berkeley	5	9	5	5	8	6	0	0	0	0	0	0	38
Calhoun	0	2	1	0	1	1	0	0	0	0	0	0	5
Charleston	10	10	10	10	10	11	0	0	0	0	0	0	61
Cherokee	6	3	4	7	4	7	0	0	0	0	0	0	31
Chester	3	0	3	0	1	1	0	0	0	0	0	0	8
Chesterfield	3	4	7	4	1	5	0	0	0	0	0	0	24
Clarendon	2	2	1	1	1	2	0	0	0	0	0	0	9
Colleton	6	7	6	6	5	5	0	0	0	0	0	0	34
Darlington	6	5	3	6	2	1	0	0	0	0	0	0	23
Dillon	1	0	2	1	0	1	0	0	0	0	0	0	5
Dorchester	6	1	5	5	2	4	0	0	0	0	0	0	23
Edgefield	0	0	2	0	1	1	0	0	0	0	0	0	4
Fairfield	1	2	2	3	1	2	0	0	0	0	0	0	11
Florence	15	7	12	8	7	7	0	0	0	0	0	0	56
Georgetown	1	3	0	3	3	2	0	0	0	0	0	0	12
Greenville	10	11	10	10	10	11	0	0	0	0	0	0	62
Greenwood	6	5	6	8	6	3	0	0	0	0	0	0	34
Hampton	3	2	4	3	2	2	0	0	0	0	0	0	16
Horry	9	7	10	8	7	8	0	0	0	0	0	0	49
Jasper	2	0	1	0	2	2	0	0	0	0	0	0	7
Kershaw	5	7	8	7	6	7	0	0	0	0	0	0	40
Lancaster	1	2	2	1	5	1	0	0	0	0	0	0	12
Laurens	4	6	5	6	7	8	0	0	0	0	0	0	36
Lee	4	1	1	0	0	0	0	0	0	0	0	0	6
Lexington	10	10	10	10	10	11	0	0	0	0	0	0	61
Marion	0	3	1	3	3	2	0	0	0	0	0	0	12
Marlboro	1	1	2	1	1	2	0	0	0	0	0	0	8
McCormick	0	1	1	0	0	0	0	0	0	0	0	0	2
Newberry	5	4	5	4	3	2	0	0	0	0	0	0	23
Oconee	3	8	3	7	5	6	0	0	0	0	0	0	32
Orangeburg	9	8	7	7	9	9	0	0	0	0	0	0	49
Pickens	12	5	11	3	7	9	0	0	0	0	0	0	47
Richland	10	10	10	10	10	10	0	0	0	0	0	0	60
Saluda	1	2	2	1	2	3	0	0	0	0	0	0	11
Spartanburg	10	10	10	10	10	10	0	0	0	0	0	0	60
Sumter	8	8	9	9	9	8	0	0	0	0	0	0	51
Union	4	3	4	3	3	2	0	0	0	0	0	0	19
Williamsburg	4	2	3	0	6	6	0	0	0	0	0	0	21
York	6	8	4	7	4	8	0	0	0	0	0	0	37
Monthly Totals	225	212	222	211	202	219	0	0	0	0	0	0	1,290

Tab 9

State of South Carolina

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



Workers' Compensation Commission

Executive Director's Report

January 25, 2021

COVID-19

For the period December 1 through December 31, 2020, there have been 2,259 COVID-related claims filed with the Commission. One-hundred and forty-four (144) were filed during the month of December. Twenty (20) fatalities have been reported. Of the closed cases, \$183,000 was paid for medical care and \$1.1 million was paid for non-medical care. The counties reporting the highest number of claims were Greenville, Charleston, and Richland. No claims were denied. Nursing staff is the occupation category reporting the highest number of cases.

Meetings/Activities

The Executive Director participated in 2 conference calls with Fair Health regarding the updates to the Medical Services Provider Manual and 2 conference calls with the Kermit team and Microsoft regard the Gap Analysis.

Constituent /Public Information Services

For the period December 1, 2020 to December 31, 2020, the Executive Director's Office and the General Counsel's office had 203 electronic and personal contacts with claimants or constituents, state agencies, federal agencies, attorneys, service providers, business partners, and letters with congressional offices. This number is slightly down from other months as Gary Cannon's contacts are not included.

Financial Transactions Activity

For the period December 1, 2020 to December 31, 2020, the Director's office processed and approved 24 travel expense reports, 120 invoices, and 22 deposits for DOA to process in the SCIES system.

SCWCC Stakeholder Electronic Distribution List

For the period December 1, 2020 through December 31, 2020 we added one (1) individual. Due to the receipt of email delivery failures, a total of five (5) email addresses were deleted. A total of 774 individuals currently receive notifications from the Commission.

Advisory Notices

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

Tab 10

State of South Carolina

1333 Main Street, 5th 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 18, 2021

RE: FINANCIAL REPORT - Period ending December 31, 2020

Attached is the Budget vs. Actual Report for the General Fund and Earmarked Fund for the fiscal year period ending December 31, 2020. 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 FY2021. The year-to-day expenditures in the General Fund (10010000) for this period is \$1 million or 23% of budget.

The Earmarked Fund financials may be found on pages 3-6 of the report. The year-to-date expenditures for the Earmarked Fund (38440000) is \$1.5 million or 27% of budget. The fund has \$449,621 of Commitments.

Revenues

The Earmarked Fund received \$ 891,321 in Operating Revenues or 28% of expected revenues through November 30, 2020.

To date we have received \$2.6 million Self-Insurance Tax funds.

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2021 As of 12/31/2020
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	69,343	50%		69,343
501058	CLASSIFIED POS	48,034				48,034
512001	OTHER OPERATING	315,587				
Total OTHER OPERATING:		315,587				315,587
Total Administration:		502,307	69,343	14%		432,964

Inform. services

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
5030067131	PLM- EUC				5,080	
Total OTHER OPERATING:					5,080	-5,080
Total Inform. services:					5,080	-5,080

Claims

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	78,767	40,282	51%		38,485
Total Claims:		78,767	40,282	51%		38,485

Commissioners

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501026	CHAIRMAN	168,057	84,028	50%		84,029
501033	COMMISSIONER	978,964	489,480	50%		489,484
501050	TAXABLE SUBS		34,892			-34,892
501058	CLASSIFIED POS	320,113	171,969	54%		148,144
Total Commissioners:		1,467,134	780,369	53%	0	686,765

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2021 As of 12/31/2020
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			1,246,396	448,688
Total Information Services FY18:		1,695,084			1,246,396	448,688

Insurance & Medical

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	27,697	15,300	55%		12,397
Total Insurance & Medical:		27,697	15,300	55%		12,397

Judicial

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	29,852				29,852
Total Judicial:		29,852				29,852

Employer Contributions

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	713,269	313,691	44%		399,578
Total Employer Contributions:		713,269	313,691	44%		399,578

Total GENERAL FUND:		4,514,110	1,218,985	27%	1,251,476	2,043,649
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South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2021 As of 12/31/2020
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	94,792	12%		697,193
501070	OTH PERS SVC	41,000				41,000
512001	OTHER OPERATING	2,625,713				
5020080000	FREIGHT EXPRESS DELV		15		296	
5020120000	CELLULAR PHONE SVCS		2,172			
5021010005	LEGAL SRV-REPORTER		421			
5021020000	ATTORNEY FEES		217			
5024990000	OTH CNT-NON-IT & REA		631			
5030010000	OFFICE SUPPLIES		3,242		26	
5030010002	OFF SUP - MIN OFF EQ		194			
5030010004	SUBSCRIPTIONS		9,122		8,356	
5030030000	PRINTED ITEMS		2,345		29	
5030067101	PRGM LIC - APP SUPP		15,750		17,785	
5030067130	EQUIP&SUPP- EUC		18		1	
5030067170	EQUIP&SUPP- PRINT EU		3,350		2,200	
5030070000	POSTAGE		12,764		14,360	
5030090000	COMMUNICATION SUPP		-537			
5032410000	MED/SCIENT/LAB SUPP		239			
5032820000	INSTRUCTIONAL MAT				1,408	
5033990000	OTHER SUPPLIES		169			
5040057000	IT-OPER LS-CONT RENT				1,023	
5040060000	OPER-RENT-NON ST OWN		239,494		217,718	
5040070000	OPER-RNT-ST OWN RL P		120			
5040490000	OPER LSE-RENT-OTHER		6,563		16,929	
5040490003	OPER LSE-RENT-PO BOX		1,416			
5041010000	DUES & MEMBER FEES		4,835			
5050070000	IN ST-REGISTR FEES		400			
5051540000	LEASED CAR-ST OWNED		18,629			
Total OTHER OPERATING:		2,625,713	321,570	12%	280,132	2,024,011
Total Administration:		3,458,698	416,362	12%	280,132	2,762,204

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2021 As of 12/31/2020
50% of year elapsed

Fund 38440000 - EARMARKED FUND

Inform. services

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS		175,244			-175,244
5020077100	SERVICES- APP SUP				972	
5020077130	SERVICES- EUC		3,548			
5020077170	SERVICES- PRINT EU		375			
5020077200	SERVICES- SERVERS		48,011			
5020077220	SERVICES- VOICENET		13,712			
5020077230	IT CONTRACTORS				46,316	
5020077240	DP SERVICES – STATE		73,258			
5020080000	FREIGHT EXPRESS DELV		17		296	
5020120000	CELLULAR PHONE SVCS				1,806	
5021330000	CONTR-GOVT/NONPRFIT		39,000			
5021469316	SECURITY ALARM SRVC		2,625		46	
5021540000	NON-IT OTHER PRO SRV				15,825	
5030010000	OFFICE SUPPLIES		773		685	
5030067101	PRGM LIC - APP SUPP		32		11,367	
5030067130	EQUIP&SUPP- EUC		8,463			
5030067131	PLM- EUC				769	
5030067141	PLM- ITSD		9,590			
5030067170	EQUIP&SUPP- PRINT EU		6,174		5,052	
5030067210	EQUIP&SUPP- STORAGE		118			
5030090000	COMMUNICATION SUPP		569			
5040057000	IT-OPER LS-CONT RENT		671		6,148	
5041010000	DUES & MEMBER FEES		196			
5050070000	IN ST-REGISTR FEES		50			
5050570000	OUT ST-REGISTR FEES		975			
Total OTHER OPERATING:			208,156		89,283	-297,439
Total Inform. services:			383,400		89,283	-472,683

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2021 As of 12/31/2020
50% of year elapsed

Fund 38440000 - EARMARKED FUND

Claims

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	280,850	114,821	41%		166,029
512001	OTHER OPERATING	19,700				
5020080000	FREIGHT EXPRESS DELV		8		487	
5020120000	CELLULAR PHONE SVCS				77	
5030010000	OFFICE SUPPLIES		456		848	
5030030000	PRINTED ITEMS		643			
Total OTHER OPERATING:		19,700	1,107	6%	1,411	17,182
Total Claims:		300,550	115,927	39%	1,411	183,211

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				
5020080000	FREIGHT EXPRESS DELV		38		296	
5020120000	CELLULAR PHONE SVCS		10,665		160	
5021010003	LEGAL SRV-TRANSCRIPT		1,121			
5021010005	LEGAL SRV-REPORTER		46,286			
5021410000	EDUC & TRNG-STATE		75			
5030010000	OFFICE SUPPLIES		702		457	
5030067170	EQUIP&SUPP- PRINT EU		2,409			
5031479203	JANITORIAL SUPPLIES		181			
5033990000	OTHER SUPPLIES		311			
5050041000	HR-IN ST-AUTO MILES		12,446		-	
5050070000	IN ST-REGISTR FEES		50			
5050080000	IN ST-SUBSIST ALLOW		2,436			
Total OTHER OPERATING:		230,700	76,719	33%	912	153,069
Total Commissioners:		300,700	76,719	26%	912	223,069

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2021 As of 12/31/2020
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	459,463	169,421	37%		290,042
501070	OTH PERS SVC	22,881	19,200	84%		3,681
512001	OTHER OPERATING	54,500				
5020080000	FREIGHT EXPRESS DELV		25		487	
5021540000	NON-IT OTHER PRO SRV		9,995		11,539	
5024990000	OTH CNT-NON-IT & REA		470			
5030010000	OFFICE SUPPLIES		143		1,576	
5040060000	OPER-RENT-NON ST OWN				452	
5050070000	IN ST-REGISTR FEES		2,350			
Total OTHER OPERATING:		54,500	12,983	24%	14,054	27,464
Total Insurance & Medical:		536,844	201,604	38%	14,054	321,187

Judicial

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	302,294	229,309	76%		72,985
501070	OTH PERS SVC		21,396			-21,396
512001	OTHER OPERATING	12,800				
5020080000	FREIGHT EXPRESS DELV		8		487	
5020120000	CELLULAR PHONE SVCS				116	
5021010003	LEGAL SRV-TRANSCRIPT		171			
5021010005	LEGAL SRV-REPORTER		770			
5030010000	OFFICE SUPPLIES		60		1,861	
5050070000	IN ST-REGISTR FEES		50			
Total OTHER OPERATING:		12,800	1,059	8%	2,464	9,278
Total Judicial:		315,094	251,764	80%	2,464	60,866

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2021 As of 12/31/2020
50% of year elapsed

Fund 38440000 - EARMARKED FUND

Employer Contributions

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	695,959	360,968	52%	0	334,991
Total Employer Contributions:		695,959	360,968	52%	0	334,991
Total EARMARKED FUND:		5,607,845	1,806,744	32%	388,256	3,412,845

South Carolina Workers' Compensation Commission

Commitments

FY 2021 As of 12/31/2020

Fund 10010000 - GENERAL FUND

Inform. services

Commitment Item	Commitment Item Description	Vendor	Commitment
5030067131	PLM- EUC	SHI INTERNATIONAL CORP	5,080
Total Inform. services:			5,080

Information Services FY18

Commitment Item	Commitment Item Description	Vendor	Commitment
5020077230	IT CONTRACTORS	TAPFIN PROCESS SOLUTIONS	1,246,396
Total Information Services FY18:			1,246,396

Total GENERAL FUND:			1,251,476
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Fund 38440000 - EARMARKED FUND

Administration

Commitment Item	Commitment Item Description	Vendor	Commitment
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	26
5030010004	SUBSCRIPTIONS	WEST PUBLISHING CORPORATION	8,356
5030030000	PRINTED ITEMS	PINE PRESS PRINTING	29
5030067101	PRGM LIC - APP SUPP	WEST PUBLISHING CORPORATION	17,785
5030067130	EQUIP&SUPP- EUC	FORMS & SUPPLY INC	1
5030067170	EQUIP&SUPP- PRINT EU	FORMS & SUPPLY INC	1,641
5030067170	EQUIP&SUPP- PRINT EU	MAJOR BUSINESS MACHINES	559
5030070000	POSTAGE	NEOFUNDS BY NEOPOST	1,400
5030070000	POSTAGE	US POSTAL SERVICE	12,960
5032820000	INSTRUCTIONAL MAT	PINE PRESS PRINTING	1,408
5040057000	IT-OPER LS-CONT RENT	XEROX CORPORATION	1,023
5040060000	OPER-RENT-NON ST OWN	GALIUM 1333 MAIN LLC	217,718
5040490000	OPER LSE-RENT-OTHER	REPUBLIC PARKING SYSTEM INC	16,929
Total Administration:			279,836

Inform. services

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

South Carolina Workers' Compensation Commission

Commitments

FY 2021 As of 12/31/2020

Fund 38440000 - EARMARKED FUND

Commitment Item	Commitment Item Description	Vendor	Commitment
5020077100	SERVICES- APP SUP	BIS DIGITAL, INC.	972
5020077230	IT CONTRACTORS	TAPFIN PROCESS SOLUTIONS	46,316
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	1,806
5021469316	SECURITY ALARM SRVC	SONITROL SECURITY SYSTEMS	46
5021540000	NON-IT OTHER PRO SRV	HYLAND SOFTWARE INC	15,825
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	685
5030067131	PLM- EUC	SHI INTERNATIONAL CORP	769
5040057000	IT-OPER LS-CONT RENT	XEROX	4,455
5040057000	IT-OPER LS-CONT RENT	XEROX CORPORATION	1,693
Total Inform. services:			72,568

Claims

Commitment Item	Commitment Item Description	Vendor	Commitment
5020080000	FREIGHT EXPRESS DELV	FEDEX	487
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	77
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	812
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	36
Total Claims:			1,411

Commissioners

Commitment Item	Commitment Item Description	Vendor	Commitment
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	160
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	338
Total Commissioners:			497

Insurance & Medical

Commitment Item	Commitment Item Description	Vendor	Commitment
5021540000	NON-IT OTHER PRO SRV	A WOMANS TOUCH LLC	2,230
5021540000	NON-IT OTHER PRO SRV	LUMLEY INVESTIGATIONS LLC	756

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

**South Carolina Workers' Compensation Commission
Commitments
FY 2021 As of 12/31/2020**

Fund 38440000 - EARMARKED FUND

5021540000	NON-IT OTHER PRO SRV	TPT INVESTIGATIONS LLC	320
5021540000	NON-IT OTHER PRO SRV	UPSTATE LEGAL SUPPORT SERVICES L	1,696
5021540000	NON-IT OTHER PRO SRV	WHITESELL INVESTIGATIVE SERVICES	6,537
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	790
5040060000	OPER-RENT-NON ST OWN	GALIUM 1333 MAIN LLC	452
Total Insurance & Medical:			12,781

Judicial

Commitment Item	Commitment Item Description	Vendor	Commitment
5020080000	FREIGHT EXPRESS DELV	FEDEX	487
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	116
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	1,066
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	795
Total Judicial:			2,464

Total EARMARKED FUND:	388,256
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Any items with vendor "Not assigned" are pending financial adjustments. Any commitment on the Budget vs. Actual Report that is missing from this list is a travel commitment.

South Carolina Workers' Compensation Commission
Earmarked Fund Revenues
FY 2021 As of 12/31/2020
50% of year elapsed

Account	Acct No.	Budget	YTD Actual Revenue	% of Budget
WORKERS' COMP HEARING FEE	4110090000	1,091,322	525,790	48%
W COMP SELF INS APPL FEE	4160040000	26,577	2,150	8%
W COMP FILING VIOL PENALTY	4223030000	1,985,476	563,222	28%
PARKING FEE	4350040000	5,900	2,620	44%
W COMP AWARD REVIEW FEE	4350140000	32,251	10,220	32%
TRNG CONF REG FEE	4380020000	6,000	450	8%
PHOTOCOPYING FEE	4380050000	62,199	23,126	37%
SALE OF SERVICES	4480020000		300	
SALE OF LISTINGS & LABELS	4480060000	4,187	1,114	27%
REFUND PRIOR YR EXPENDITURE	4520010000		738	
RETURN CHECKS	4530010000			
ADJUSTMENT TO AGENCY DEPOSITS	4530020000		(100)	
MISC REVENUE	4530030000		200	
Total Revenues		3,213,912	1,129,830	35%

Self Insurance Tax		2,500,000	2,981,554	119%
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Total		5,713,912	4,111,383	72%
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Tab 11

The following
section has
been **ADDED** to
packet on
2/22/2021



Fee Schedule Analysis

January 13, 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 (2019 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 2021 fee schedule.

FAIR Health received paid amounts from NCCI for the 2019 calendar year, aggregated at the procedure code/modifier level. FAIR Health used the data from 2019 to:

1. Develop a "fee schedule-neutral" conversion factor designed to reflect a similar level of spending based on 2020 MAP amounts; and
2. Project paid amounts for 2021 based on multiple conversion factor alternatives.

For 2021, CMS increased RVUs for office visits for new and established patients, CPT codes 99202-99205 and 99212-99215. These codes reflect some of the most frequently performed services in the South Carolina workers' compensation program. To maintain budget neutrality and offset the increased reimbursement for evaluation and management services, CMS significantly reduced the 2021 conversion factors for both professional services and anesthesia. The South Carolina statutory cap of +/- 9.5% on changes from rates from the prior year's MSPM in part controls some of these changes. The updated RVUs and South Carolina caps on rate changes are embedded in the projections presented below.

On December 27, 2020 the Consolidated Appropriations Act, which includes pandemic relief and national budget provisions, was signed into law. The Act includes provisions that defer use of a complexity adjustment for evaluation and management procedures and mandates an increase to the Medicare conversion factors for 2021. To comply with these changes and maintain budget neutrality, CMS recalculated the conversion factors for 2021, which were updated on January 7.

The information in this report is based on conversion factors published by CMS on January 7, 2021.

2019 Paid Data and Frequencies

The following is a summary of the 2019 data received from NCCI:

NCCI Data Call - 2019 Calendar Year (Before Validation)

Service Type	Total Paid	Total Charged	Transactions	Units
CPT (Without Anesthesia)	\$56,724,510.07	\$121,604,885.32	693,636	962,897
Anesthesia*	\$1,595,861.29	\$9,166,281.92	6,072	666,175
HCPCS (Without Ambulance)	\$16,816,157.03	\$24,016,642.04	69,062	1,595,262
Ambulance**	\$2,613,438.44	\$4,792,517.52	13,917	346,230
Total	\$77,749,966.83	\$159,580,326.80	782,687	3,570,564

* 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 2019 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 2019 occurrences and adjusted MAP amounts.

Fee Schedule-Neutral Conversion Factor- 2020 Projections

- Total dollar amounts were projected based on 2019 occurrences and 2020 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 2019 level for each service area.
- The total fee schedule budget neutral conversion factor is 41.09.
- Ambulance data is paid at 100% of Medicare and is not included in this analysis.
- Please see the separate analysis for anesthesia data.

2020 Projections

Category	Frequency	Total 2020 RVUs	NCCI Payment	Budget Neutral Conversion factor
Evaluation and Management	127,182	307,602	\$13,815,061.31	44.91
HCPCS Level II	179,967	147,573	\$5,044,921.00	34.19
Medicine & Injection	14,830	28,971	\$1,336,460.26	46.13
Pathology & Laboratory	12,064	9,758	\$499,016.75	51.14
Physical Medicine	705,857	622,537	\$22,684,937.91	36.44
Radiology	51,896	89,301	\$4,571,755.77	51.19
Special Reports	1,114	1,281	\$58,787.28	45.89
Surgery	34,520	253,559	\$11,997,981.53	47.32
Total	1,127,430	1,460,582	\$60,008,921.81	41.09

The relatively low conversion factor in this analysis is influenced by payments that are lower than fee schedule MAPs for certain high frequency codes in the physical medicine and HCPCS service areas. The lower payments in the physical medicine section may be related to network contracts. Payment for boxes of alcohol wipes and pairs of electrodes at rates lower than fee schedule MAPs may be influencing the conversion factor for the HCPCS section. In addition, NCCI paid data reflect significant payments for codes that are paid based on “individual consideration”.

Because the HCPCS and Physical Medicine sections have high frequencies relative to other service areas, these anomalies have a large influence on the budget neutral conversion factor.

Comparison of Alternate Conversion Factors – 2021 Projections

- The projections of paid amounts for the 2021 fee schedule are based on 2019 frequencies and 2021 RVUs, to which conversion factors of 48.85* (equal to 140% of the CMS conversion factor), 49, 50, 50.3 (the current South Carolina conversion factor), 51 and 52 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.
 - * While not mandated, the South Carolina conversion factor has generally been targeted to 140% of the CMS conversion factor (or 48.85)
- The 2021 MAP values used for these projections include certain changes in how services not covered under the Medicare Professional Fee Schedule were valued:
 - 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 FAIR Health benchmark values or FAIR Health’s FH® Medicare GapFill PLUS product.
 - FAIR Health does not recommend that the State establish gap fill values for new codes effective January 1, 2021 that were not valued by Medicare. Setting a gap fill value before actual claims information has been received could set an inappropriate baseline against which the +/-9.5% cap would be applied in future years. FAIR Health will evaluate those codes and, based on the claims received during calendar year 2021, propose gap fill values for the 2022 MSPM.

2021 Projections

Category	Total \$ 2021 with CF = 48.85	CF48.85	Total \$ 2021 with CF = 49	CF49	Total \$ 2021 with CF = 50	CF50	Total \$ 2021 with CF = 50.3	CF50.3	Total \$ 2021 with CF = 51	CF51	Total \$ 2021 with CF = 52	CF52
Evaluation and Management	\$16,580,930	45.50	\$16,597,120	45.5	\$16,704,653	45.8	\$16,736,705	45.9	\$16,792,843	46.1	\$16,841,034	46.2
HCPCS Level II	\$7,586,940	51.10	\$7,592,333	51.1	\$7,628,523	51.3	\$7,639,381	51.4	\$7,664,718	51.6	\$7,699,361	51.8
Medicine & Injection	\$1,521,768	48.50	\$1,524,799	48.6	\$1,544,866	49.3	\$1,550,826	49.5	\$1,562,423	49.8	\$1,576,597	50.3
Pathology & Laboratory	\$503,374	49.30	\$504,869	49.4	\$513,738	50.3	\$516,728	50.6	\$523,477	51.2	\$529,189	51.8
Physical Medicine	\$31,026,622	48.80	\$31,109,533	48.9	\$31,671,765	49.8	\$31,840,650	50.0	\$32,231,889	50.7	\$32,791,291	51.5
Radiology	\$4,532,432	49.10	\$4,545,890	49.2	\$4,634,765	50.2	\$4,661,234	50.5	\$4,717,725	51.1	\$4,782,935	51.8
Special Reports	\$65,075	48.90	\$65,270	49.0	\$66,565	50.0	\$66,952	50.3	\$67,860	51.0	\$69,150	52.0
Surgery	\$12,921,333	49.00	\$12,959,079	49.1	\$13,209,367	50.1	\$13,284,334	50.4	\$13,454,249	51.0	\$13,677,471	51.8
Grand Total	\$74,738,474	48.26	\$74,898,893	48.36	\$75,974,242	49.06	\$76,296,810	49.27	\$77,015,184	49.73	\$77,967,028	50.34

Upon approval of a conversion factor for 2021, FAIR Health will provide an updated Medical Services Provider Manual, which will include any approved changes in policies and a final set of rate tables.

Please let us know if you have any questions.

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Summary of Changes

2021 Medical Services Provider Manual

January 13, 2021

FAIR Health has completed the revisions to the fee schedule under the direction of the South Carolina Workers' Compensation Commission (WCC). The codes in the existing fee schedule have been brought current by including codes established for 2021 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 2021 Medical Services Provider Manual (MSPM). Page numbers refer to the pages in the South Carolina MSPM effective April 1, 2020.

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

1. Chapter II. General Policy

Copies of Reports and Records (Page 9) - Language is updated to provide clarity and match the Copies of Reports and Records text on page 483 of in Section 8, Special Reports and Services.

COPIES OF REPORTS AND RECORDS

Providers are entitled to charge for the cost of copying records and reports except when such documents are requested by the Commission or for the purpose of substantiating a charge and/or medical necessity. (See Appendix A for S.C. Code Section 42-15-95 and Regulation 67-1301.)

~~The maximum charge for providing records and reports other than for substantiating medical necessity is \$25.00 for a clerical fee plus \$0.65 per page for the first 30 pages **in Print or Electronic format**, and \$0.50 per page thereafter provided *in an electronic format*, which may not exceed \$150.00 per request, plus sales tax, and actual cost for postage to mail the documents. Providers must respond to a request for copies within 14 days of receipt or face a penalty of up to \$200.00. Section 42-15-95 of the S.C. Code, which governs charges for copies, can be found in Appendix A.~~

Providers are required to include supporting documentation when submitting claims, or when required by an insurance carrier, self-insured employer, or the Commission to submit substantiating documentation, and may not charge for these required reports. (See Regulation 67-1302 B(2).) However, when the records or reports are not for the purposes listed above, providers may charge for copying costs. Copying charges are \$0.65 per page for the first 30 pages provided in *electronic format*, and \$0.50 per page thereafter provided *in an electronic format, which may not exceed \$150.00 per request, plus a clerical and handling fee of \$25.00 plus tax and actual postage costs. Providers must respond to a request for copies within 14 days of receipt or face a penalty of up to \$200.00. Section 42-15-95 of the S.C. Code, which governs charges for copies, can be found in Appendix A. Providers are entitled to charge for the cost of copying records and reports except when such documents are requested by the Commission or for the purpose of substantiating a charge and/or medical necessity.*

Providers are required to include supporting documentation when submitting claims, or when required by an insurance carrier, self-insured employer, or the Commission to submit substantiating documentation, and may not charge for these required reports. (See Regulation 67-1302 B(2).)

However, when the records or reports are not for the purposes listed above, providers may charge for copying costs. Copying charges are \$0.65 per page for the first 30 *printed* pages, and \$0.50 per *printed* page thereafter, *which may not exceed \$200.00 per request*, plus a clerical and handling fee of \$25.00 plus tax and actual postage costs. Providers must respond to a request for copies within 14 days of receipt or face a penalty of up to \$200.00. Section 42-15-95 of the S.C. Code, which governs charges for copies, can be found in Appendix A. Providers are entitled to charge for the cost of copying records and reports except when such documents are requested by the Commission or for the purpose of substantiating a charge and/or medical necessity.

A facility or provider may charge a patient or the patient's representative no more than the actual cost for duplicating an x-ray film or digital image. Actual cost means the cost of materials and supplies used to duplicate the x-ray film or digital image and the labor and overhead costs associated with the duplication.

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

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

2. Part II: Fee Schedule

Icons (page 31) – Language is added to the icon for state-specific code to bring attention to a change in code numbers for state specific codes. An additional icon, an asterisk (*), has been added to identify codes that are eligible to be performed via telemedicine.

∞ State-specific code. This code is unique to South Carolina Workers' Compensation Commission. Note that state-specific codes have been assigned new code numbers in the 2021 *Medical Services Provider Manual*.

* Telemedicine-eligible code. This code may be reimbursed when provided via telemedicine.

Telemedicine Policy (page 32) – A temporary telemedicine policy is inserted after the Surgical Assistant section.

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 asterisk (*) 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 (Page 33)**

Language is included to reflect a change to E/M office visits for new and established patients (CPT 99202-99205 and 99211-99215), effective January 1, 2021, which are defined based on the level of medical decision making defined for each service or the total time spent on the date of service.

Documentation must support the level of E/M service reported.

For complete instructions on identifying and billing E/M services, please refer to the Evaluation and Management Services Guidelines of the ~~2020~~ 2021 CPT book.

~~E/M service descriptors have seven components. These components are: history, examination, medical decision-making, counseling, coordination of care, nature of presenting problem, and time.~~
The appropriate level of E/M service is based on the level of medical decision making defined for each service or the total time spent on E/M services on the date of service.

Evaluation and Management Time

~~The times listed in the code descriptors are averages. Actual time spent by the provider may be slightly higher or lower depending upon the actual clinical circumstances; however, providers should select the CPT code that best describes the amount of time actually spent. Beginning in 2021, time alone may be used to select the appropriate code level of office or other outpatient evaluation and management services, codes 99202-99205 and 99212-99215. For office visits and other outpatient visits, time is based on the amount of time spent face to face with the patient and not the time the patient is in an examining room.~~

For inpatient hospital care, time is based on unit floor time. This includes the time the physician is present on the patient's hospital unit and at the bedside rendering services. This also includes time spent reviewing the patient's chart, writing additional notes, and communicating with other professionals and/or the patient's family.

Additional codes may be reported with the office or other outpatient visit codes to indicate a prolonged visit.

Time may be used to select a code level in office or other outpatient services whether or not counseling and/or coordination of care dominates the service. Time may only be used for selecting the level of the **other** E/M services when counseling and/or coordination of care dominates the service. The appropriate time should be documented in the medical record when it is used as the basis for code selection.

~~Time is used as the controlling factor to select a level of service when more than 50 percent of the patient encounter is spent in counseling and coordination of care. Time spent counseling and the extent of the counseling and/or coordination of care must be documented.~~

4. **Section 3: Surgery (Page 69)**

Correcting a typographical error in the numbering of modifiers for bilateral and multiple procedures.

~~54~~ 50 Bilateral Procedure

~~52~~ 51 Multiple Procedures

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

Special Reports (Page 483) – Update the language in the first two paragraphs as follows:

A special report may be billed and paid when the provider furnishes information above and beyond that which is required by Commission policy or by the laws and regulations of the South Carolina Workers' Compensation Act. ~~Special Reports~~, CPT® code 99080, special reports, should not be used to bill for completing a report which is included in the CPT descriptor of the service provided ~~or for reporting the results of an impairment rating made during an E/M service.~~ However, CPT code 99080 may be billed in conjunction with, and in addition to, CPT code 99455, work related or medical disability examination, to report the results of an impairment rating made developed during the examination.

Payment for a special report is \$55.00 for a checklist-type report which requires a review of the medical record, and \$70.00 for a written report or for completing the Commission's Form 14B. Prepayment for form or report completion is prohibited.

The purpose of WCC Form 14B Physician's Statement is to consolidate medical information, already existing in the patient's medical file, onto a single, easily referenced document. The Form 14B is a summary of information generated from the patient's previous medical exams, including the diagnosis, date of maximum medical improvement, permanent impairment, work restrictions, retained hardware, and need for future medical care and treatment. The Form 14B must be signed by the treating physician, who is a qualified physician or surgeon.

The Form 14B is required to be submitted when an employer's representative requests an informal conference to approve settlement on a Form 16A pursuant to R.67-802(A)(1)(a); when an employer's representative requests a Form 16A be approved in accordance with R.67-802(A)(2)(a); and when an employer's representative requests an informal conference to approve settlement on a full and final, clincher basis in accordance with R.67-803(B)(1)(a).

The Workers' Compensation Act provides that "...a physician or hospital may not collect a fee from an employer or insurance carrier until the physician or hospital has made the reports required by the Commission in connection with the case." S.C. Code Ann. § 42-15-90(A) (1976, as amended).

Copies of Reports and Records (Page 483) – Update language to provide clarity and match the Copies of Reports and Records language in the General Policies section on page 9.

COPIES OF REPORTS AND RECORDS

Providers are required to include supporting documentation when submitting claims, or when required by an insurance carrier, self-insured employer, or the Commission to submit substantiating documentation, and may not charge for these required reports. (See Regulation 67-1302 B(2).) However, when the records or reports are not for the purposes listed above, providers may charge for

copying costs. Copying charges are \$0.65 per page for the first 30 pages provided in ~~Print or~~ electronic format, and \$0.50 per page thereafter provided *in an electronic format, which may not exceed \$150.00 per request*, plus a clerical and handling fee of \$25.00 plus tax and actual postage costs. Providers must respond to a request for copies within 14 days of receipt or face a penalty of up to \$200.00. Section 42-15-95 of the S.C. Code, which governs charges for copies, can be found in Appendix A. Providers are entitled to charge for the cost of copying records and reports except when such documents are requested by the Commission or for the purpose of substantiating a charge and/or medical necessity.

Providers are required to include supporting documentation when submitting claims, or when required by an insurance carrier, self-insured employer, or the Commission to submit substantiating documentation, and may not charge for these required reports. (See Regulation 67-1302 B(2).) However, when the records or reports are not for the purposes listed above, providers may charge for copying costs. Copying charges are \$0.65 per page for the first 30 *printed* pages, and \$0.50 per *printed* page thereafter, *which may not exceed \$200.00 per request*, plus a clerical and handling fee of \$25.00 plus tax and actual postage costs. Providers must respond to a request for copies within 14 days of receipt or face a penalty of up to \$200.00. Section 42-15-95 of the S.C. Code, which governs charges for copies, can be found in Appendix A. Providers are entitled to charge for the cost of copying records and reports except when such documents are requested by the Commission or for the purpose of substantiating a charge and/or medical necessity. Providers who use a medical records company to make and provide copies of medical records must ensure that neither the Commission nor the reviewer is billed for the cost of copies when the purpose of the copies is to substantiate a charge and/or medical necessity.

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

Medical Testimony (Page 484) – Update to reflect new codes, which are not part of the American Medical Association's (AMA) schema.

MEDICAL TESTIMONY

Medical testimony by personal appearance of a physician, whether before a Commissioner or in a court of law, is reported using ~~CPT code 99075~~ South Carolina specific code ~~99076~~ 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 ~~CPT South Carolina specific code 99075~~ SC001 to report the initial hour, and South Carolina specific code ~~99076~~ 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 ~~99077~~ SC003.

Medical testimony by deposition of a physician is reported using South Carolina specific service codes ~~99072~~ SC004 and ~~99073~~ SC005. Use South Carolina specific code ~~99072~~ SC004 to report the initial hour and code ~~99073~~ 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 ~~99074~~ SC006.

6. Section 10: Pharmacy (Page 691)

This section stipulates only those policies and procedures that are unique to Pharmacy. Additional policies and procedures that apply to all providers are listed in Part I of this *Medical Services Provider Manual*.

PRESCRIPTION DRUG MONITORING PROGRAM

Treating physicians prescribing medication or drugs must comply with the requirements of Act 91 enacted by the SC General Assembly May 31, 2017.

REIMBURSEMENT

Payment for prescription drugs is limited to the lesser of the amount established by the following formula, or by the pharmacist's or health care provider's usual and customary charge. The formula applies to both brand name and generic drugs. However, all prescriptions must be filled using generic drugs, if available, unless the authorized treating physician directs that it be dispensed as written. Opioids/scheduled controlled substances that are prescribed for treatment shall be provided through a pharmacy. The dispensing provider shall keep a signature on file indicating the injured worker or his/her authorized representative has received the prescription.

Average Wholesale Price + \$5.00

All bills under this section shall be itemized for proper reimbursement. Bills submitted for reimbursement shall be based on the original manufacturer's Average Wholesale Price (AWP) of the drug product on the date the drug was dispensed, and must include the National Drug Code (NDC) of the product dispensed. Medi-Span, published by Wolters-Kluwer Health, or IBM Micromedex RED BOOK, shall be used as the source for determining the average wholesale price (AWP). Where the AWP of a medication is not published by Medi-Span or REDBOOK, any nationally published pharmacy price index may be used as a secondary source. In case of a dispute on AWP values for a specific NDC, the parties should take the lower of their referenced published values. If published AWP data becomes unavailable, substitute Wholesale Acquisition Cost (WAC) + 20%. Any issue arising as to the source of average wholesale price may be administratively reviewed by the Commission's Medical Services Division.

Any medication or drugs not specifically prescribed by the treating physician shall not be reimbursed. In the event the treating physician recommends and/or prescribes a particular drug or medication that can be purchased over-the-counter (without a prescription), and the injured employee pays for the drug or medication, the injured employee is entitled to reimbursement for the purchase upon submission of the appropriate receipts to the employer/insurance carrier.

The price determined by the formula will be the maximum allowable payment a provider can be paid under the Workers' Compensation Act. In instances where the pharmacy's charge is lower than the maximum allowable payment, or where the pharmacy has agreed by contract with an employer, insurance carrier, or their agent to a contractual amount that is lower than the maximum allowable amount, reimbursement shall be made at the lower amount in accordance with the terms of the contract.

REPACKAGED DRUGS

The entity packaging two or more products together makes an implied claim that the products are safe and effective when used together and shall be billed as individual line items identified by their original AWP and NDC. Bills for repackaged drug products must include the original manufacturer or distributor's stock package NDC used in the repackaging process. Reimbursement for a drug that has been repackaged or relabeled shall be calculated by multiplying the number of units dispensed times the per-unit AWP set by the original manufacturer for the underlying drug, plus a ~~single \$5.00~~ dispensing fee of \$5.00, **except** where the carrier/payer has contracted for a different amount. A repackaged NDC Number shall not be used and shall not be considered the original manufacturer's NDC Number.

If the original manufacturer's or distributor's stock package NDC information is not provided or is unknown, the payer shall select the most reasonable and closely associated AWP to use for reimbursement of the repackaged drug. In no case shall the repackaged or relabeled drug price

exceed the amount otherwise payable had the drug not been repackaged or relabeled. Supplies are considered integral to the package and are not separately reimbursable. Manufacturers of a repackaged or relabeled drug shall not be considered an "original manufacturer."

COMPOUND DRUGS

All medications must be reasonably needed to cure and relieve the injured worker from the effects of the injury. Compound drugs must be preauthorized for each dispensing, and shall be billed by listing each drug included in the compound by NDC, and calculating the charge for each drug separately. Any compounded drug product billed by the compounding pharmacy or dispensing physician shall be identified at the ingredient level and the corresponding quantity by their original manufacturer's National Drug Code (NDC) when submitted for reimbursement. Payment for compounded prescription drugs shall be based on the sum of the average wholesale price by gram weight fee for each ingredient, plus a single dispensing fee of \$5.00. If the NDC for any compounded ingredient is a repackaged medication NDC, reimbursement for the repackaged ingredient(s) shall be calculated as provided above. A compounded NDC Number shall not be used and shall not be considered the original manufacturer's NDC Number. No payment shall be required for an ingredient not identified by an NDC. Any component ingredient in a compound medication for which there is no NDC shall not be reimbursed. Any component ingredient in a topical compound medication that is not FDA approved for topical use shall not be reimbursed.

PRESCRIPTION STRENGTH TOPICAL COMPOUNDS

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. Category fees include materials, shipping and handling, and time. Regardless of how many ingredients or what type, compounded drugs cannot be reimbursed higher than the Category III fee. The 30-day Maximum Fee Schedule value shall be fractioned down to the prescribed and dispensed amount given to the injured worker. Automatic refilling is not allowed. All topical compounds shall be billed using the South Carolina Worker's Compensation Commission code corresponding with the applicable category as follows:

Category I SC0801, \$80.00 per 30-day supply

Any anti-inflammatory medication or any local anesthetic single agent.

Category II SC0802, \$160.00 per 30-day supply

Any anti-inflammatory agent or agents in combination with any local anesthetic agent or agents.

Category III SC0803, \$240.00 per 30-day supply

Any agent(s) other than anti-inflammatory or local anesthetic agents, either alone, or in combination with other anti-inflammatory or local anesthetic agents.

ADMINISTRATION KITS

Administration kits packaged by the manufacturer and assigned a single National Drug Code (NDC) may be reimbursed the Average Wholesale Price (AWP) of the kit without additional markup. Kits packaged by the provider or other source are considered to be part of the administration of the pharmaceutical and are not separately reimbursed even if reported with an NDC or HCPCS Level II code. Only those supplies and materials over and above those usually provided in the office of the physician or other qualified health care professional may be reported in addition to the pharmaceutical drug and administration as discussed above and in Part I Chapter III of the ~~2020~~ 2021 *Medical Services Provider Manual*.



Analysis of Anesthesia Conversion Factor

January 13, 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 2020
- 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

For 2021, CMS increased RVUs for office visits for new and established patients, CPT codes 99202-99205 and 99212-99215. To maintain budget neutrality and offset the increased reimbursement for evaluation and management services, CMS reduced the 2021 conversion factors for both professional services and anesthesia. The current South Carolina anesthesia conversion factor of \$30 is equal to 139.15% of the 2021 national Medicare anesthesia conversion factor of \$21.56 and 144.02% of Medicare's 2021 South Carolina anesthesia conversion factor of \$20.83. This relationship is similar to the South Carolina professional conversion factor, which is 144.16% of the Medicare 2021 conversion factor.

On December 27, 2020 the Consolidated Appropriations Act, which includes pandemic relief and national budget provisions, was signed into law. The Act includes provisions that defer use of a complexity adjustment for evaluation and management procedures and mandates an increase to the Medicare conversion factors for 2021. To comply with these changes and maintain budget neutrality, CMS recalculated the anesthesia and professional services conversion factors for 2021.

The information in this report is based on conversion factors that were updated by CMS on January 7, 2021.

	Anesthesia – National Comparison	Anesthesia – South Carolina Comparison	Other Professional Services
South Carolina Conversion Factor	\$30.00	\$30.00	\$50.30
2021 Medicare Conversion Factor	\$21.56 (National)	\$20.83 (Adjusted by CMS for South Carolina)	\$34.8931
Ratio	139.15%	144.02%	144.16%

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 select or “cherry pick” 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 2019 through June 2020 and allowed benchmarks are based on imputed allowed amounts from claims incurred during calendar year 2019.

Type	Average	Percentiles													
		5th	10th	15th	20th	25th	30th	35th	40th	45th	50th	60th	70th	80th	90th
Billed Anesthesia	128.33	50.77	60.64	70.28	79.70	88.65	97.09	104.44	109.89	114.70	119.72	131.95	154.66	172.99	190.32
Allowed Anesthesia	60.14	24.79	29.44	34.13	39.32	43.17	46.66	49.60	52.19	54.39	56.93	62.20	70.24	81.59	88.56

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 \$56.93) is the median conversion factor value in the private insurance data and the average allowed conversion factor benchmark is \$60.14.

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 2020 study from the ASA website at <https://monitor.pubs.asahq.org/journal.aspx>. A copy of the ASA Monitor newsletter containing the 2020 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. In the 2019 survey, an insufficient number of responses were received to include state-level results for South Carolina.

Conversion Factor	National		Southeast Region		South Carolina		
	2019	2020	2019	2020	2018	2019*	2020
Low	23.73	31.50	33.34	32.00	26.60	N/A	33.00
Median	72.00	73.00	77.00	78.68	80.00	N/A	72.00
Average	77.01	82.14	81.16	87.33	86.77	N/A	82.02
High	256.50	323.22	256.50	184.50	185.00	N/A	162.00

* In 2019, there were too few respondents to report results at the South Carolina state level, so comparisons to 2018 are included.

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)
South Carolina	\$30.00
Alabama	\$56.82
Colorado	\$46.50
Florida	\$29.49
Georgia	\$60.08
Kentucky	\$78.53
Louisiana	\$50.00
Maryland	\$21.69
Mississippi	\$50.00
North Carolina	\$58.20 – first 60 min \$30.75 – after 60 min
Oklahoma	\$48.50
North Dakota	\$64.92
Tennessee	\$75.00
Virginia (6 regions)	\$49.00 - \$77.00

FAIR Health assists Colorado, Georgia, Kentucky, Mississippi, North Dakota and Oklahoma 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 144.02% of the 2021 Medicare conversion factor for South Carolina and 139.15% of the national Medicare conversion factor.
- The ratio of the South Carolina workers' compensation anesthesia to Medicare is generally aligned with the 144.16% ratio of the conversion factor for other professional services (\$50.30) in comparison to Medicare (\$34.8931). 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 – 2020* appears on the following pages.



ASA Monitor®

THE LEADING SOURCE FOR PERIOPERATIVE HEALTH CARE NEWS

Remimazolam: Is the Sedative of the Future Here?

Dibash K. Das, PhD

Sedative and anesthetic safety is continuously reviewed as part of quality assessments. Yet, the market for sedation and anesthesia has been short on pharmaceutical development, and standard options for moderate sedation medications have not changed in three decades.

Typically, either propofol or a benzodiazepine (e.g., midazolam) with or without a narcotic (e.g., fentanyl) is used to obtain sedation for procedures. Both strategies have pros and cons. A disadvantage of propofol is the requirement of constant monitoring by an anesthesia provider due to its potential for respiratory- and cardio-depressive effects,

which results in additional costs and higher risks, since there is no reversal agent available for propofol to be able to quickly stop sedation if required. For midazolam, although these side effects are less pronounced, there is a slower onset and a longer duration of action that can impact patient throughput and overall efficiency. Consequently, the search for an elusive ideal anesthetic remains.

Remimazolam (BYFAVO™), developed by PAION AG, is a novel molecular, water-soluble, ultra-short-acting intravenous benzodiazepine that was developed to address the shortcomings of current sedation strategies. A key feature of remimazolam

Continued on page 12



Severe Sequelae, Chronic Headache Linked to PDPH

Jessica Ansari, MD Pamela Flood, MD, MA

Post-dural puncture headache (PDPH) is a well-known complication of neuraxial anesthetic procedures resulting in an acute postural headache within five days of a dural puncture (*Minerva Anesthesiol* 2019;85:543-53). Patients generally experience a severe, dull, frontal or occipital headache, often associated with neck pain, tinnitus or

Continued on page 15



ASA Survey Results: Commercial Fees Paid for Anesthesia Services, 2020

Stanley W. Stead, MD, MBA, FASA Sharon K. Merrick, MS, CCS-P

ASA is pleased to present the annual commercial conversion factor survey for 2020. 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 2020 survey results, the national average commercial conversion factor was \$82.14, ranging between \$76.09 and \$85.75 for the five contracts. The national median increased to \$73.00, ranging between \$69.00 and \$77.25 for the five contracts (Figure 1, Table 1). In the 2019 survey, the mean conversion factor ranged between \$73.79 and \$80.76, and the median ranged between \$69.00 and \$78.00. In contrast, the current national Medicare conversion factor for anesthesia services is \$22.2016, or about 27.03% of the

Continued on page 26



SPECIAL SECTION

Critical Care Medicine: Lessons From an Unprecedented Pandemic 30-35

Guest Editor: George Williams, MD, FASA, FCCM, FCCP

Payment and Practice Management

Continued from page 1

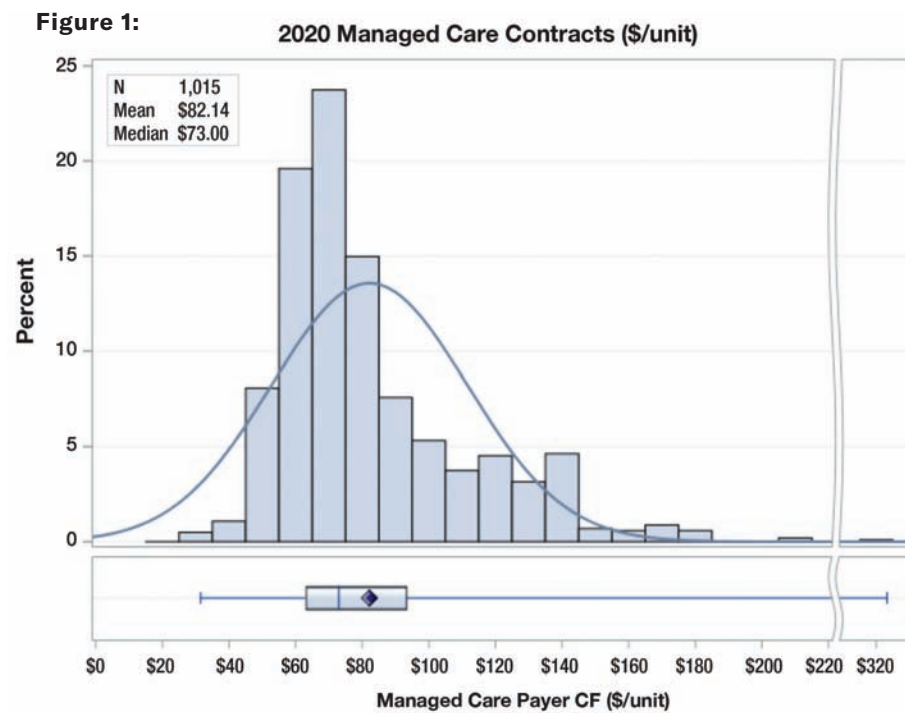
2020 overall mean commercial conversion factor.

Figure 1 shows the frequency in percent and distribution of contract values. In order to show all the values in limited space, we are using a broken axis for all plots. The ranges plotted are \$0-\$200, with a break indicated by wavy lines and then \$310-\$330. The estimated normal distribution is the solid blue line. We have added a box-and-whiskers plot of the same data immediately below the histogram. The left and right whiskers delineate the minimum and maximum values. The box represents the interquartile range, the left edge of the box is the 25th percentile, the vertical line in the box is the median, and the right edge of the box is the 75th percentile. The solid diamond in the box is the mean.

Table 1 provides the overall survey results by reported managed care contract. As with previous surveys, we requested that participants submit data on five commercial contracts. Most practices submitted three or more contracts. The survey reflects valid responses from 238 practices in 43 states. The 2019 survey results included data from 270 practices in 43 states.

Methodology

The survey was disseminated in June and July 2020. To comply with the principles established by the Department of Justice (DOJ) and the Federal Trade Commission



(FTC) in their 1996 Statements of Antitrust Enforcement Policy in Health Care, the survey requested participants provide data that were at least three months old. In addition, the following three conditions must be met:

1. There are at least five providers reporting data upon which each disseminated statistic is based, and
2. No individual provider's data represent more than 25% on a weighted basis of that statistic, and

3. Any information disseminated is sufficiently aggregated such that it would not allow recipients to identify the prices charged or compensation paid by any particular provider.

To comply with the statements, we are only able to provide aggregated data. Since some states did not respond, and other states had insufficient response rates, we are unable to provide specific data for all states. We term "Eligible States" those states that



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Sharon K. Merrick, MS, CCS-P
ASA Director of Payment and Practice Management.

submitted sufficient data to be compliant with DOJ and FTC principles, and we provide state-specific data for only those states. We have 17 Eligible States this year.

“Based on the 2020 survey results, the national average commercial conversion factor was \$82.14, ranging between \$76.09 and \$85.75 for the five contracts.”

Table 1: National Managed Care Anesthesia Conversion Factors (\$/unit), 2020

Conversion Factors	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5	ALL
Mean	\$76.09	\$80.73	\$85.30	\$85.06	\$85.75	\$82.14
Low	\$33.00	\$31.50	\$41.00	\$39.00	\$32.00	\$31.50
25th Percentile	\$60.72	\$63.00	\$63.55	\$64.00	\$65.00	\$62.95
Median	\$69.00	\$72.00	\$75.00	\$74.75	\$77.25	\$73.00
75th Percentile	\$85.00	\$90.00	\$98.47	\$97.50	\$104.00	\$93.61
High	\$209.75	\$166.00	\$323.22	\$184.50	\$211.71	\$323.22
Number of Responses	238	227	209	188	153	1,015
Percentage of Managed Care Business	21.1%	9.14%	5.41%	3.65%	2.74%	9.34%

Table 2: Respondent Information by Major Geographic Region, 2020

Region	Practices	Cases	Mean Units/ FTE MD	Mean Units/ Case	FTE MD	FTE Nurse Anesthetist	FTE AA
Eastern	35	1,540,302	11,865	10.98	1,555.5	1,056.2 (253.0)	11 (65)
Midwest	42	1,907,427	16,652	10.46	1,171.7	1,200.7 (136.2)	40 (0)
Southern	70	2,990,754	21,244	10.16	1,767.0	2,334.4 (415.0)	491.5 (0)
Western	50	1,930,614	8,742	11.01	2,678.5	503.7 (73)	15 (15)
ALL	197	8,369,097	15,310	10.58	7,172.7	5,094.8 (877.2)	557.5 (80)

(Number in brackets indicate the number of non-employed FTEs)
Note: 197 of the 238 practices reported case, unit or FTE data.

This is the tenth year we offered the survey electronically through the website www.surveymonkey.com. ASA urged participation through various electronic mail offerings, including ASA committee list serves, ASAP Weekly (all-member e-mail digest), Vital Signs, the Monday Morning Outreach, communications to state component societies and our Anesthesia Administrator and Executive (AAE) members, and via the ASA website.

The responses to the survey represented 246 unique practices. However, due to respondents providing incomplete data, we excluded eight responses from the overall analysis. Our results are based on the data from 238 practices.

Results

Table 2 presents respondent information for 197 practices (41 practices did not provide us with practice demographics) in the analytic sample per Major Geographic Region as identified by the Medical Group Management Association (MGMA) (asamonitor.pub/30PLj9B). These regions are as follows:

- Eastern: CT, DE, DC, ME, MD, MA, NH, NJ, NY, NC, PA, RI, VT, VA, WV
 - Southern: AL, AR, FL, GA, KS, KY, LA, MS, MO, OK, SC, TN, TX
 - Midwestern: IL, IN, IA, MI, MN, NE, ND, OH, SD, WI
 - Western: AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY
- These 197 practices employ or contract with 7,172.7 full-time equivalent (FTE) physician anesthesiologists, 5,094.8 FTE nurse anesthetists, and

557.5 FTE anesthesiologist assistants (AAs). The practices also work with an additional 877.2 FTE nurse anesthetists and 80 FTE AAs for whom the practice does not directly pay compensation (i.e., facility hires or contracts the nurse anesthetist or AA).

The 238 practices reported a total of 1,015 managed care contracts. This is fewer than the 1,125 contracts reported last year.

Table 3 provides the same respondent information by Minor Geographic Region as identified by the MGMA.

- CAAKHI: CA, AK, HI
- Eastern Midwest: IL, IN, KY, MI, OH
- Lower Midwest: AR, KS, LA, MO, OK, TX
- Mid Atlantic: DC, DE, MD, VA, WV
- North Atlantic: NJ, NY, PA
- Northeast: CT, MA, ME, NH, RI, VT
- Northwest: ID, OR, WA
- Rocky Mountain: AZ, CO, MT, NM, NV, UT, WY
- Southeast: AL, FL, GA, MS, NC, SC, TN
- Upper Midwest: IA, MN, ND, NE, SD, WI

Nine hundred eighty-two (982) of the contracts are based upon a 15-minute unit, 11 upon a 12-minute unit, 16 are based upon a 10-minute unit and six are based upon an 8-minute unit. We normalized all contract conversion factors with 8- 10- and 12-minute time units to the typical 15-minute time unit using an adjustment factor of 1.4208 for 8-minute units, 1.2404 for 10-minute units and 1.1202 for 12-minute units (Table 4).

Table 3: Respondent Information by Minor Geographic Region, 2020

Region	Practices	Cases	Mean Units/ FTE MD	Mean Units/ Case	FTE MD	FTE Nurse Anesthetist	FTE AA
CAAKHI	16	904,090	8,528	13.06	1,332.3	106 (58.0)	0 (0)
Eastern Midwest	37	1,420,934	19,245	11.04	866.0	910.9 (135.0)	40 (0)
Lower Midwest	29	1,332,869	19,921	9.87	928.8	1287 (0)	88 (0)
Mid Atlantic	9	273,780	13,747	13.29	253.1	236.0 (45.5)	0 (0)
North Atlantic	18	1,068,794	11,422	10.51	1,160.7	707.4 (90.5)	11 (65)
Northeast	6	101,307	8,161	9.75	90.5	34.8 (42)	0 (0)
Northwest	18	729,777	9,343	10.09	963.2	314.7 (0)	0 (0)
Rocky Mountain	16	296,747	8,271	10.12	383.0	83.0 (15)	15 (15)
Southeast	40	1,650,512	21,190	10.31	837.4	1034.5 (490)	403.5 (0)
Upper Midwest	8	590,287	6,506	6.66	357.7	380.8 (1.2)	0 (0)
ALL	197	8,369,097	15,310	10.58	7,172.7	5,094.8 (877.2)	557.5 (80)

(Number in brackets indicate the number of non-employed FTEs)
Note: 197 of the 238 practices reported case, unit or FTE data.

Table 4: Conversion Factor Adjustment Based on Time Units, 2020

Time Units	Time Units	Sum of Base and Time Units	CF Value Ratio based for 15-minute units
CMS PSPS 2018¹			
Mean Base Units	5.211		
Minutes/Case	72.405		
8-minute time units	9.051	14.262	1.4208
10-minute time units	7.241	12.452	1.2404
12-minute time units	6.034	11.245	1.1202
15-minute time units	4.827	10.038	1.0000

1. Mean Minutes per Case and Base Unit is determined from the 2018 CMS Physician/Supplier Procedure Summary (PSPS) Master File (“Master File”).

https://www.cms.gov/NonIdentifiableDataFiles/06_PhysicianSupplierProcedureSummaryMasterFile.asp

Table 5: Respondents Having Flat Fee Components, 2020

	Flat Fee (Any)	Labor & Delivery	Cataracts	Endoscopy	Pain	Other
Eastern	21	17	0	3	1	7
Midwest	25	19	0	13	0	1
Southern	32	25	0	6	2	4
Western	10	9	1	4	1	3
Total	88	70	1	26	4	15

Others include cosmetic and plastic surgery, bundled surgical procedures, Total Joint Replacement, spine surgery, general surgery, invasive monitoring and open heart surgery.

“The highest conversion factor reported was \$323.22. In 2019 the highest conversion factor reported was \$256.50.”

The adjustment factors are calculated as ratios based on the mean time and mean base units per case. To make these calculations, we have used the CMS Physician/Supplier Procedure Summary (PSPS) data set (asamonitor.pub/3gRrtQD), which represents over 21 million anesthesia claims.

The mean time was 72.405 minutes and mean base units per case were 5.211 base units. Making the same calculations described above, the adjustment factors are very similar to last year: 1.411 for 8-minutes units, 1.235 for 10-minute units, and 1.117 for 12-minute units.

Continued on page 28

Payment and Practice Management

Continued from page 27

Groups continue to report flat fee contracts for certain procedures. Table 5 shows respondents who identified that they had flat fee contracts. 88 of the 158 groups (55.7%) responding to this question negotiated at least one flat fee contract. 44.3% of the respondents have flat fee contracts for Labor and Delivery.

Table 6 reports the conversion factor by MGMA Major Region. Contract 1 reflected the highest percentage of the reported commercial business, Contract

“In the 2019 survey, the Medicare conversion factor was 28.9% of the overall commercial mean. In this year’s survey, it has fallen to 27.03%.”

2 reflected the second highest percentage, and so on. Thus, when looking at the data, you can see that Contract 1 not only reflects the greatest number of responses (238), but also the highest average percentage of managed care business (21.1%, Table 1). We also reported the total number of responses for each contract in Table 1. Figure 2 shows the contract data for each major region as a box-and-whiskers plot.

We had a sufficient data sample to provide detailed information for all ten MGMA Minor Regions (Figure 3). Table 7 shows contract data for the minor regions.

This is the sixth year we are presenting state-specific data. Although

Table 6: Major Region Managed Care Anesthesia Conversion Factors (\$/unit), 2020

	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5	ALL
Eastern	n=47	n=44	n=40	n=38	n=33	n=202
Mean	\$91.61	\$91.98	\$106.37	\$101.10	\$100.50	\$97.85
Low	\$53.00	\$54.83	\$51.00	\$45.00	\$52.43	\$45.00
25th Percentile	\$69.00	\$68.67	\$81.45	\$75.00	\$72.00	\$72.00
Median	\$91.24	\$90.03	\$100.50	\$97.00	\$89.68	\$93.00
75th Percentile	\$105.00	\$112.42	\$123.57	\$130.00	\$131.00	\$120.00
High	\$209.75	\$144.00	\$323.22	\$173.60	\$211.71	\$323.22
Midwest	n=50	n=48	n=45	n=41	n=34	n=218
Mean	\$68.34	\$72.54	\$71.41	\$71.47	\$68.01	\$70.44
Low	\$49.37	\$46.00	\$48.00	\$46.62	\$47.05	\$46.00
25th Percentile	\$60.72	\$64.00	\$60.00	\$61.00	\$57.00	\$60.72
Median	\$65.00	\$70.13	\$69.00	\$66.80	\$65.00	\$67.82
75th Percentile	\$72.00	\$76.25	\$75.00	\$74.25	\$76.00	\$74.25
High	\$136.00	\$144.00	\$136.00	\$117.60	\$124.00	\$144.00
Southern	n=86	n=83	n=75	n=63	n=46	n=353
Mean	\$70.87	\$80.06	\$82.11	\$84.14	\$87.82	\$80.00
Low	\$33.00	\$42.00	\$43.00	\$45.00	\$32.00	\$32.00
25th Percentile	\$54.00	\$58.00	\$60.00	\$60.00	\$65.00	\$59.04
Median	\$65.00	\$72.00	\$72.00	\$71.00	\$83.41	\$72.00
75th Percentile	\$83.00	\$88.54	\$95.00	\$102.83	\$104.00	\$90.50
High	\$169.00	\$162.00	\$184.50	\$184.50	\$155.00	\$184.50
Western	n=55	n=52	n=49	n=46	n=40	n=242
Mean	\$78.03	\$79.85	\$85.73	\$85.17	\$86.27	\$82.70
Low	\$40.75	\$31.50	\$41.00	\$39.00	\$57.85	\$31.50
25th Percentile	\$63.20	\$62.00	\$67.00	\$69.00	\$68.50	\$66.00
Median	\$69.75	\$71.27	\$79.54	\$76.96	\$76.63	\$74.48
75th Percentile	\$80.00	\$83.62	\$95.00	\$90.45	\$94.63	\$90.45
High	\$166.00	\$166.00	\$166.00	\$166.00	\$166.00	\$166.00

we had respondents from 43 states, only 17 states were identified as eligible states (Figure 4, Table 8). Eligible states were those that complied with the DOJ and FTC requirements, listed above. We believe by providing this data, we can encourage more participation in the 2021 CF study and

increase the state-level detail of our reporting.

Observations

Based on our review of the analysis, the most interesting findings include:

- The national average conversion factor increased to \$82.14, while the median,

\$73.00 and the range of mean values increased from a range of \$73.79 - \$80.76 in 2019 to a range of \$76.09 - \$85.75 in 2020.

- As was the case in our 2018 and 2019 surveys, the Eastern Region has the highest mean this year. The Eastern Region mean in 2019 was \$86.73 and this year it is \$97.85.

Table 7: Minor Region Managed Care Anesthesia Conversion Factors (\$/unit), 2020

MGMA Minor Region	Contracts	Low	25 th Percentile	Median	Mean	75 th Percentile	High
CAAKHI	79	\$39.00	\$67.91	\$78.73	\$94.20	\$126.00	\$166.00
Eastern Midwest	190	\$46.00	\$60.00	\$64.03	\$67.73	\$72.50	\$144.00
Lower Midwest	140	\$40.00	\$54.50	\$64.19	\$70.64	\$76.50	\$169.00
Mid Atlantic	43	\$53.10	\$66.17	\$75.00	\$82.09	\$87.00	\$169.00
North Atlantic	105	\$45.00	\$80.00	\$100.00	\$105.37	\$127.00	\$323.22
Northeast	40	\$51.00	\$85.50	\$94.96	\$97.45	\$110.00	\$144.00
Northwest	90	\$53.00	\$64.15	\$69.53	\$72.45	\$77.91	\$132.00
Rocky Mountain	73	\$31.50	\$68.00	\$76.00	\$82.89	\$97.00	\$144.00
Southeast	216	\$32.00	\$65.00	\$78.68	\$87.33	\$104.00	\$184.50
Upper Midwest	39	\$65.00	\$70.00	\$74.25	\$83.25	\$91.00	\$136.00

“We will continue to monitor the trends in the commercial conversion factor survey results and will launch the survey again in June.”

- The highest conversion factor reported was \$323.22. In 2019 the highest conversion factor reported was \$256.50.
- In the 2019 survey, the Medicare conversion factor was 28.9% of the overall commercial mean. In this year’s survey, it has fallen to 27.03%.

Table 8: Eligible States Managed Care Anesthesia Conversion Factors (\$/unit), 2020

State	Contracts	Low	25 th Percentile	Median	Mean	75 th Percentile	High
AL	12	\$55.00	\$63.00	\$63.00	\$71.13	\$75.75	\$104.00
CA	71	\$39.00	\$71.00	\$82.20	\$97.54	\$129.29	\$166.00
FL	65	\$32.00	\$74.00	\$104.00	\$103.98	\$127.35	\$184.50
GA	52	\$49.86	\$72.50	\$81.88	\$87.68	\$100.90	\$153.00
IN	30	\$49.37	\$64.00	\$74.00	\$74.10	\$78.00	\$114.75
KS	28	\$55.00	\$65.00	\$73.00	\$78.83	\$80.00	\$139.50
LA	38	\$42.00	\$52.00	\$53.50	\$53.91	\$55.50	\$72.00
MI	65	\$47.05	\$59.45	\$60.72	\$61.93	\$64.00	\$131.75
MS	21	\$34.00	\$50.00	\$57.00	\$52.60	\$58.00	\$61.00
NY	55	\$45.00	\$95.00	\$120.00	\$122.01	\$137.00	\$323.22
OH	64	\$46.00	\$62.75	\$69.00	\$68.90	\$72.67	\$144.00
OK	24	\$52.00	\$60.00	\$63.71	\$63.88	\$67.00	\$81.47
PA	33	\$50.00	\$59.00	\$69.36	\$74.90	\$89.00	\$139.50
SC	33	\$33.00	\$65.00	\$72.00	\$82.02	\$88.54	\$162.00
TX	34	\$40.00	\$60.93	\$82.50	\$85.21	\$117.00	\$169.00
UT	20	\$31.50	\$70.66	\$74.50	\$74.25	\$79.33	\$96.75
WA	70	\$53.50	\$64.00	\$69.00	\$71.28	\$79.00	\$104.00

Conclusions

This year’s survey was challenged as many practices were coping with the COVID-19 pandemic. Our sample size was slightly less this year, but still represents a significant portion of US practicing anesthesiologists, nurse anesthetists and anesthesiologist assistants. We were pleased to have

respondents report across a broad geographic basis, allowing us to provide detailed regional responses. The number of practices reporting allowed us to report state-specific data from 17 states. Most practices included complete demographic information and

Figure 2: 2020 Managed Care Contracts (\$/unit) by MGMA Major Region

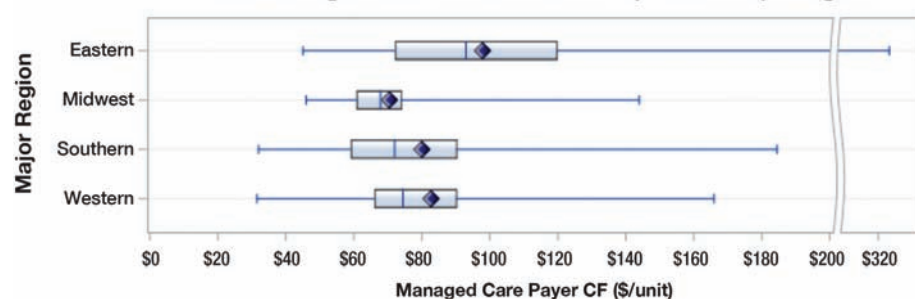


Figure 3: 2020 Managed Care Contracts (\$/unit) by MGMA Minor Region

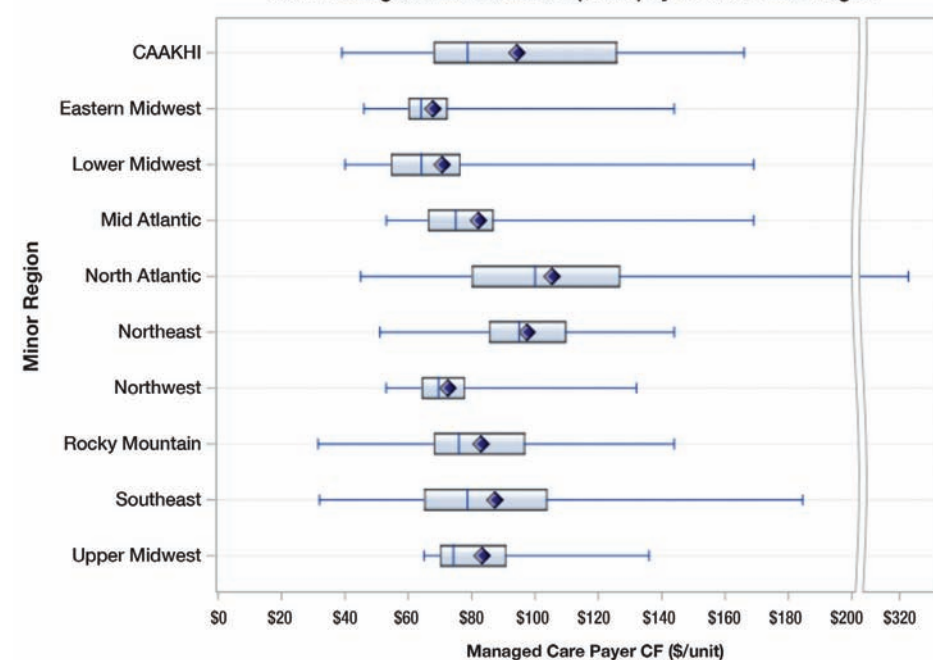
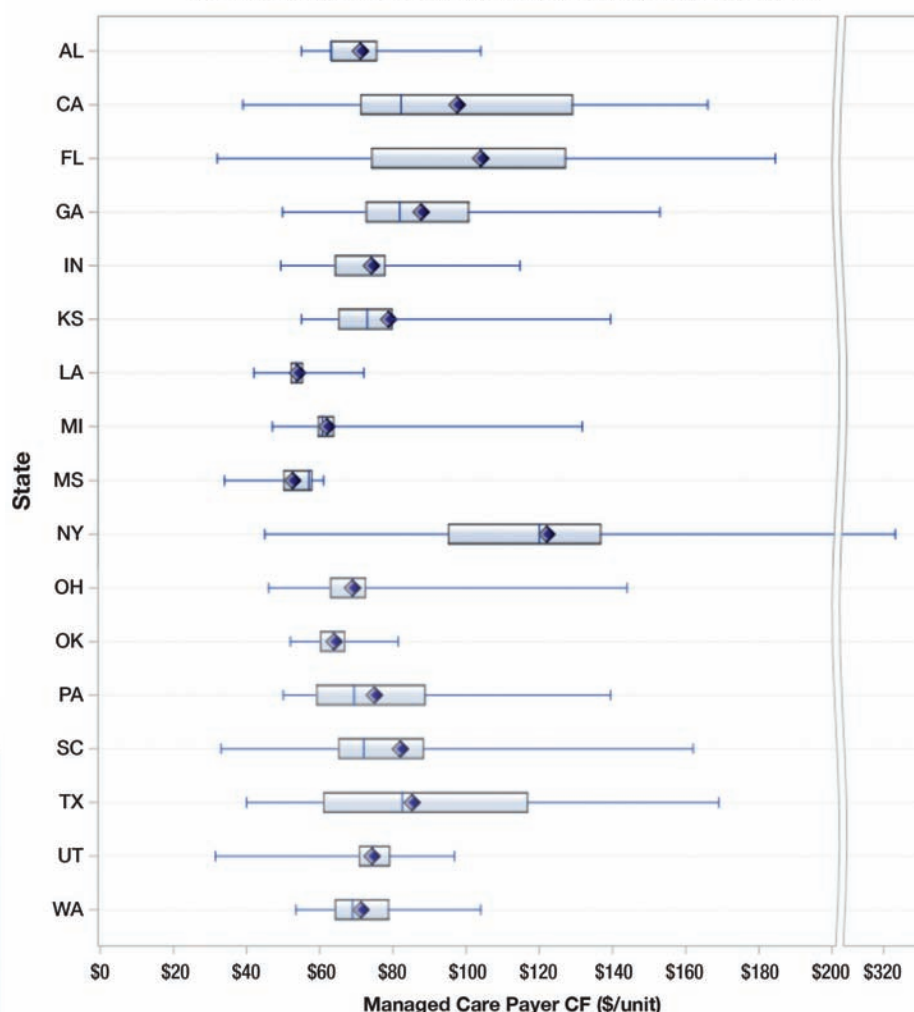


Figure 4: 2020 Managed Care Contracts (\$/unit) by Eligible States



we are hopeful that this trend will continue, and all respondents will supply complete information in future surveys.

We will continue to monitor the trends in the commercial conversion factor survey results and will launch the survey again in June 2021. It is important that as many practices as possible

participate in the 2021 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 2020 results. ■