

AGENDA

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

March 16, 2020– 10:30 a.m.

Commission Hearing Room A

This meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act.

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|---|--|
| 1. CALL TO ORDER | CHAIRMAN BECK |
| 2. APPROVAL OF AGENDA OF BUSINESS MEETING
OF MARCH 16, 2020 | CHAIRMAN BECK |
| 3. APPROVAL OF MINUTES OF THE BUSINESS MEETING
OF FEBRUARY 13, 2020 (Tab 1) | CHAIRMAN BECK |
| 4. GENERAL ANNOUNCEMENTS | MR. CANNON |
| 5. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) | MS. BOGGS |
| 6. 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 |
| 7. Vocational Rehabilitation (Tab 8) | MR. CANNON |
| 8. EXECUTIVE DIRECTOR'S REPORT (Tab 9)
Administration – Financial Report (Tab 10) | MR. CANNON
Mr. Cannon |
| 9. OLD BUSINESS | CHAIRMAN BECK |
| Medical Services Provider Manual (Tab 11) | Mr. Cannon |
| 10. NEW BUSINESS | CHAIRMAN BECK |
| 11. EXECUTIVE SESSION
To discuss a contractual matter. | CHAIRMAN BECK |
| 12. ADJOURNMENT | CHAIRMAN BECK |

Table of Contents

1	Approval of Minutes of the Business Meeting of January 13, 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 Services Provider Manual

THE
SOUTH CAROLINA WORKERS'
COMPENSATION COMMISSION
BUSINESS MEETING
February 10, 2020

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday February 10, 2020, at 10:30 a.m. The meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act. The following Commissioners were present:

T. SCOTT BECK, CHAIRMAN
SUSAN S. BARDEN, VICE CHAIR
R. MICHAEL CAMPBELL, II, COMMISSIONER
MELODY L. JAMES, COMMISSIONER
GENE MCCASKILL, COMMISSIONER
AISHA TAYLOR, COMMISSIONER
AVERY B. WILKERSON, JR., COMMISSIONER

Present also were: Gary Cannon, Executive Director; Bryan Berthelette, Self-Insurance Director; Alexa Stuart, Human Resource Manager; Amy Bracy, Judicial Director; Keith Roberts, General Counsel; Wayne Ducote, Insurance & Medical Services Director and Emily Boggs, Self-Insurance Director. Ann Margaret McCraw of Midlands Orthopaedics, PA; Dr. Mike McGuire, Donna Smith, and Chris O' Donell of Fair Health; Bonnie Anzelmo of Injured Workers Advocates and Khadijah Foggie-Vance, from Vocational Rehabilitation.

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

AGENDA

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

APPROVAL OF MINUTES – BUSINESS MEETING OF JANUARY 13, 2020

Commissioner Barden moved that the minutes of the Business Meeting of January 13, 2020, be approved. Commissioner Taylor seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

No general announcements

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by Emily Boggs, Self-Insurance Director. Eight (8) prospective members of One (1) funds was presented to the Commission for approval.

The applications were:

South Carolina Home Builders SIF
Brian Musser DBA Musser Septic Systems
Carolina Seal & Stripe LLC
Cutting Edge Design & Contracting SC Inc.
Central Vac Pro's Inc.
Dowling Homes LLC
Rivers Drywall LLC
Smith Cleaning LLC
Stuart Smith DBA Newberry Contracting

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

DEPARTMENT DIRECTORS' REPORTS **(Reports are included in the minutes as attachments)**

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

Human Resources

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

- No new hires, separations or retirements
- One employee was on leave but returned on January 27th.
- Ms. Stuart completed 16 benefit-related transactions, meet with management on 2 employee related issues and formulated a successful plan to move forward.
- Ms. Stuart attended the Training Consortium and quarterly State HR meeting.
- W-2s and Statement of Health Coverage were delivered to employees.
- Ms. Stuart completed 9 HR- related transactions, 10 SCEIS transactions, and 95 administrative transactions.

Information Technology Department

Sandee Sprang presented the IT report. Ms. Sprang provided the following highlights from the report.

- EDI-We are continuing to process EDI 3.0 transactions through Progress.
- Progress-Continuing to utilize Progress to record the receipt of paper documents.
- System Support- Courtcall is set up in one of the hearing rooms and completely configured to unitize this service.
- import into KERMIT.

Ms. Sprang presented a KERMIT update at IWA's Paralegal and Legal Assistant Seminar on January 25th.

Insurance and Medical Services Department

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

- In January, the Compliance Division compelled 44 employers to come into compliance with the Act and collected over \$110,000 in non-compliance penalties.
- As a result of our compliance efforts, 350 more employees are now covered by workers' compensation insurance than were previously covered.
- No carriers were docketed for RTSC in January. (Due to KERMIT transition)
- The Coverage Division collected \$2,800 in fines
- A total of 2,328 new claims were established.
- The Self Insurance Division collected \$50,891 in self-insurance taxes.

Claims Department

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

- Claims process 18,590 claims.
- Claims closed 3,092 files and reviewed 3,138 files.
- Collected \$3,200.00
- No fines were assessed due to the blackout period.
- Claims received over 3032, 18's through EDI.
- Over 2.023 from email
- Claim received 1 Third party settlements were received and 33 were approved.

Judicial Department

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

- Judicial claims were down but starting to trend back up.
- Appeals are down almost 50%.
- Informal Conferences are also trending down.

VOCATIONAL REHABILITATION

Mr. Cannon presented the Vocational Rehabilitation report. Mr. Cannon reported the following:

- Mr. Cannon presented the Vocational Rehabilitation report
- Mr. Cannon introduced Khadijah Foggie-Vance, from Vocational Rehabilitation Ms. Foggie-Vance will be getting in touch with the Commissioner's offices to start attending hearings.

EXECUTIVE DIRECTOR'S REPORT

Gary Cannon, Executive Director, presented his report which was also submitted to the Commission in written form. He pointed out the following highlights from the report:

- Outlined the Executive Director's monthly activities.

Commissioner Taylor inquired about the large number of stakeholders that had been removed from the distribution list. There was discussion and Ms. Proveaux explained the procedure.

ADMINISTRATION – FINANCIAL REPORT

Gary Cannon, Executive Director presented the Financial Report. Mr. Cannon pointed out the following highlights from the report.

- Benchmark for this period is 58%.
- Expenditures in the Earmark fund is at 57% of budget
- Revenues in the Earmark Fund is at 61% of budget.
- Self-Insurance received \$1.9 million, of Self-Insurance taxes, which is 60% of budget

OLD BUSINESS

Dominion Energy Corporate Guaranty

This matter was carried over from the January 13, 2020 meeting. Several Commissioners had concerned about the previous addendum was writing. Therefore, with the assistance of Commissioner Taylor and Commissioner James, new addendums were written.

Ms. Boggs presented the facts from the previous meeting and the new addendums.

Commissioner Barden made the motion to approve the addendum for Dominion Energy South Carolina Inc. Commissioner Campbell seconded the motion. The motion was unanimously approved.

Commissioner Campbell made the motion to approve the addendum for Dominion Energy Southeast Services Inc, Commissioner Taylor seconded the motion. The motion was unanimously approved.

Medical Services Provider Manual

This matter was carried over from the January 13, 2020 meeting. The Executive Director reported the Commission received letters from Gregory M. Gilbert, of Concentra and Fraser Cobbe, of the SC Orthopaedic Association concerning the proposed fee schedule. Mr. Cannon introduced Donna Smith, and Chris O' Donell of Fair Health, who reviewed the calculations of the various Conversion Factors and the analysis of the Anesthesiologists fees.

Ms. Ann Margaret McCraw of Midlands Orthopaedics spoke requesting the Commission consider increasing the Conversion Factor to some factor related to the Medical Inflationary Factor Index;

NEW BUSINESS

No new business

ADJOURNMENT

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

The February 10, 2020, meeting of the South Carolina Workers' Compensation Commission adjourned at 11.23 a.m.

Reported March 10, 2020
Amy Proveaux
Office of the Executive Director

State of South Carolina

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Workers' Compensation Commission

TO: Gary Cannon

FROM: Alexa Stuart

DATE: March 4, 2020

SUBJECT: Monthly Human Resources Report for March 2020 Business Meeting

This report summarizes the activities of Human Resources during the month of February 2020.

In February the Commission had 53 FTE positions available. We have 1 part-time employee and 1 temporary contract employee hired through TAPFIN as part of the IT Legacy System Modernization Project. We did not recruit for any positions in February.

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

I had 5 benefit-related issues in February. This is low.

I met with management on one employee-related issue and it has been addressed.

I coordinated a visit from one of our supplemental insurance providers. They met with approximately six employees.

We sent 26 "All Agency" emails during the month.

In SCEIS, I had 12 SCEIS transactions. Payroll and time reports were run as scheduled. And, I performed 78 administrative transactions, which is below average. In SCEIS, I processed 6 travel expense reports.

We had 2 CBRE building issues and 3 parking transactions.

I coordinated a pancake and waffle breakfast where employees either paid to participate or brought food. It was well attended and enjoyed!

The number of transactions seemed low, so I compared them to last February's number and they are in line. Very similar numbers.

State of South Carolina

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Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director
From: Sandee Sprang, IT Director
Date: March 12, 2020
Subject: IT Department February 2020 Full Commission Report

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

I. Systems Operations, Maintenance and Support

EDI

We are continuing to process EDI 3.0 transactions through Progress and have several new trading partners who have requested to be added.

Progress

The Progress system is running to support our operations. We have had a few application and environment issues so we are routinely monitoring the logs to make sure these issues are addressed promptly.

Systems Support

Jason has worked with CourtCall to get one of the hearing rooms completely configured to utilize this service. He is also working to request tokens for critical personnel to work from home to sustain business operations if mandated.

II. Projects, Enhancements and Development

Legacy Modernization

We are working to verify the next steps on the project. This includes an evaluation of all documentation to identify the gaps so we can begin to chart a path forward.

State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Wayne Ducote, Jr.
IMS Director

Date: 12-Mar-20

Subj: Insurance and Medical Services Department
February 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: 28 new registrants; 0 notifications sent. |
| Medical Services | <ol style="list-style-type: none">1. Working with Medical Bill Reviewers on certification renewals.2. Continue to meet with Fair Health to discuss 2020 MSPM updates.3. Represented SCWCC at the quarterly SCPA All Pharmacy Conference. |

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 0 new RTSC cases and 16 total RTSC cases in the month of February. And, compelled 59 South Carolina employers to come into compliance with the Act. Year to date, 54 new RTSC cases and 152 total RTSC cases have been docketed.

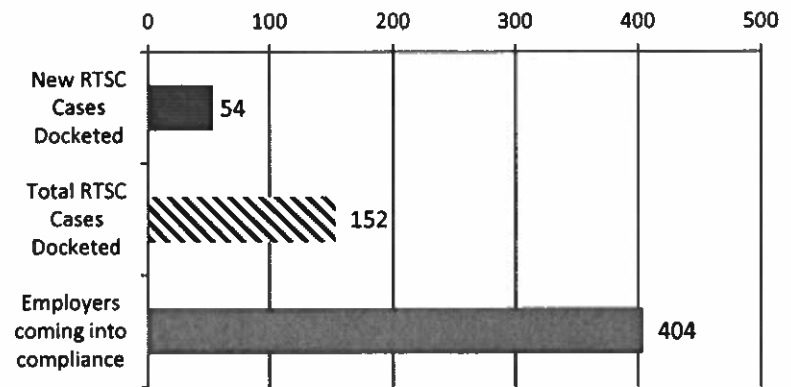
Employers Obtaining Coverage

Year to date, the Compliance Division has compelled 404 South Carolina employers to come into compliance with the Act. In so doing, approximately 3,112 previously uninsured workers are now properly covered.

Penalties Waived

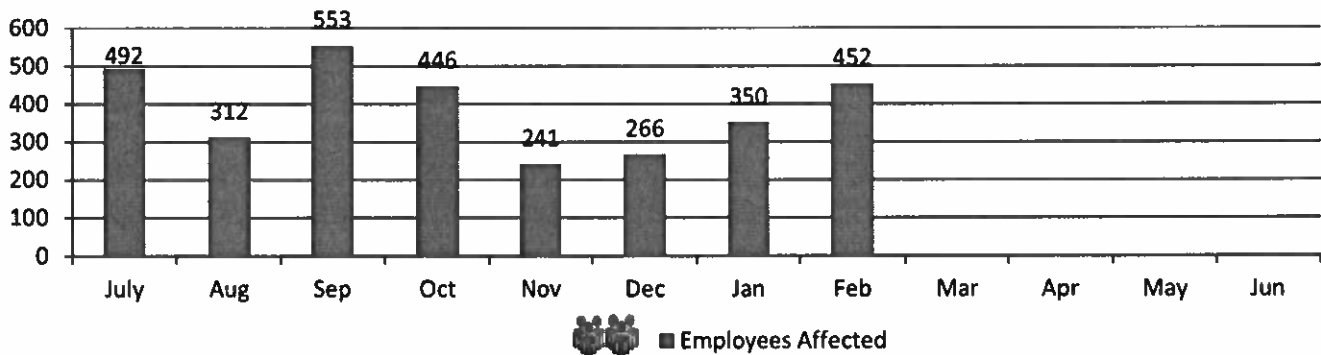
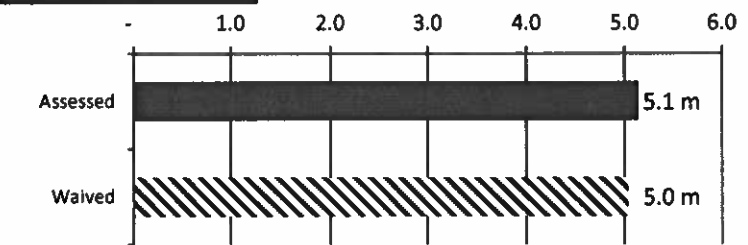
Although the Division has assessed \$5.1 m in fines this fiscal year, \$5.0 m have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

RTSC and Compliance Activity



Fines and Penalties

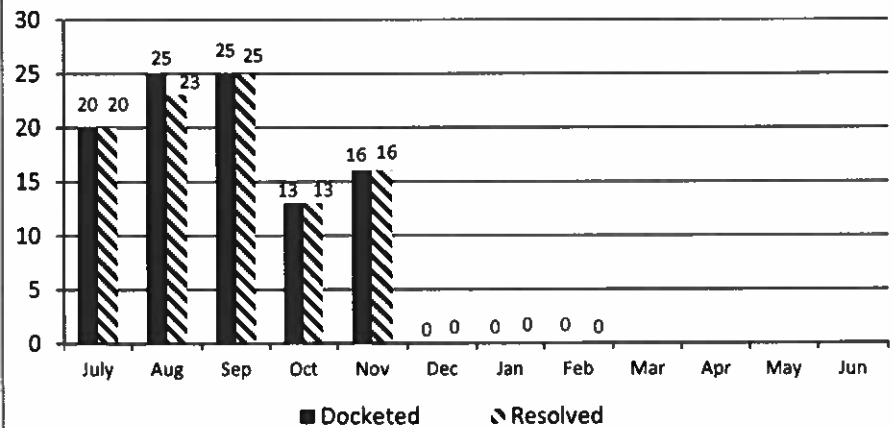
Millions



Carrier Rule to Show Cause Hearings

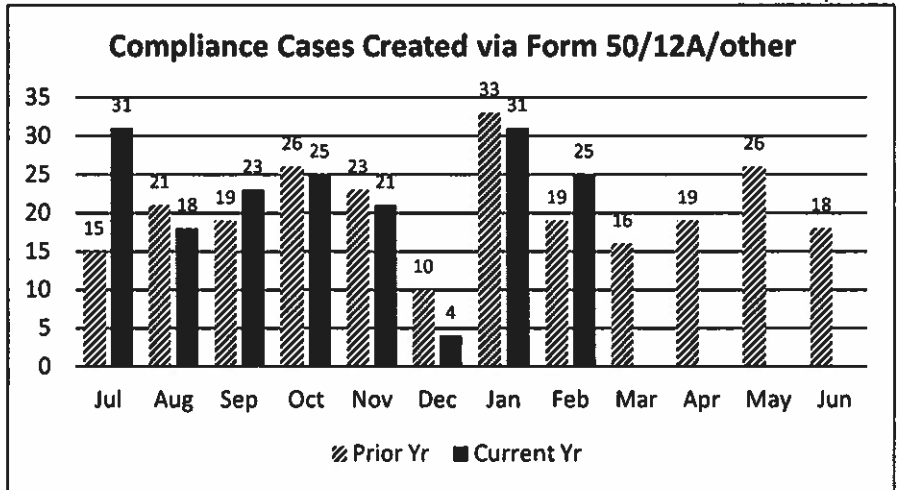
The Compliance Division manages the Rule to Show Cause process involving the recovery of outstanding carrier fines and penalties. In the month of February 2020, 0 carrier RTSC cases were docketed; 0 cases for a total of \$0 were resolved.

Year to date, a total of 99 carrier RTSC cases have been docketed, 97 cases for a total of \$42,466 have been resolved.



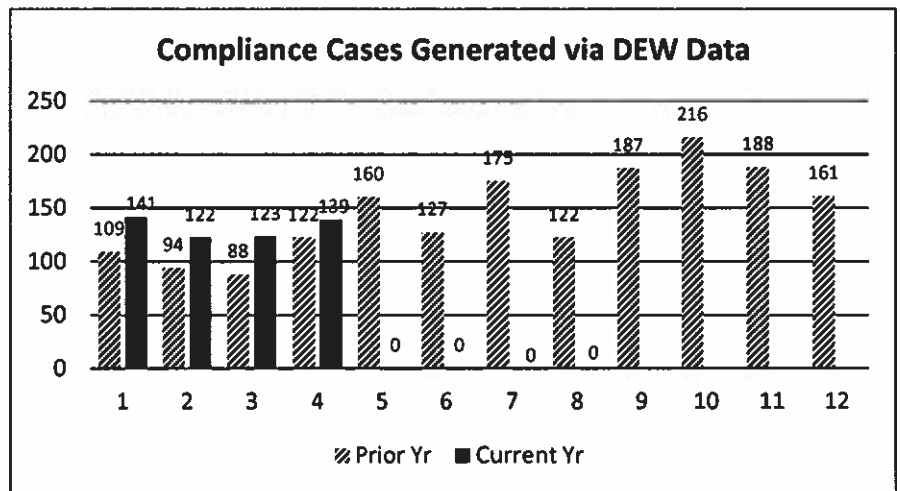
In February 2020, 25 compliance files were created from the combined filings of Form 50's, 12A's, and stakeholder reporting involving uninsured employers.

YTD vs. Prior Year total (245): 73%
 Feb 2020 to Feb 2019: 132%
 Current Yr End trend: 109% of 2018-2019
 YTD 2019-2020 v. YTD 2018-2019: 96%

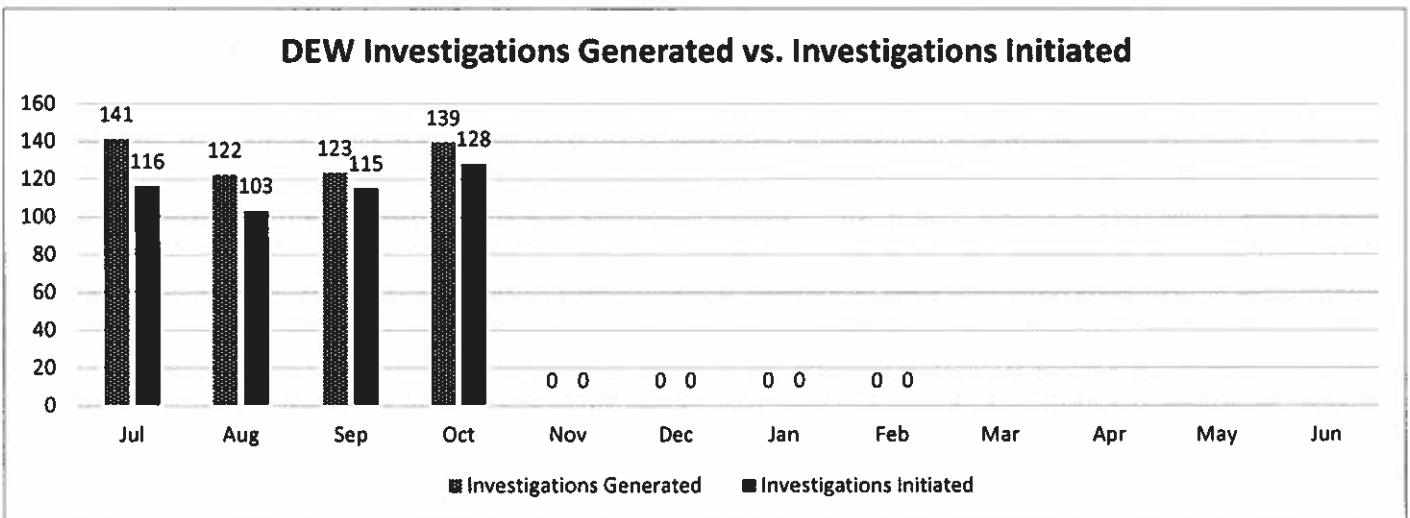


In February 2020, No compliance files were generated from the DEW data process.

YTD vs. Prior Year total (1,749): 30%
 Feb 2020 to Feb 2019: 0%
 Current Yr End trend: 45% of 2018-2019
 YTD 2019-2020 v. YTD 2018-2019: 53%



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 February 2020 with 200 cases active, compared to an active caseload of 460 at the close of February 2019.

Cases Resolved:

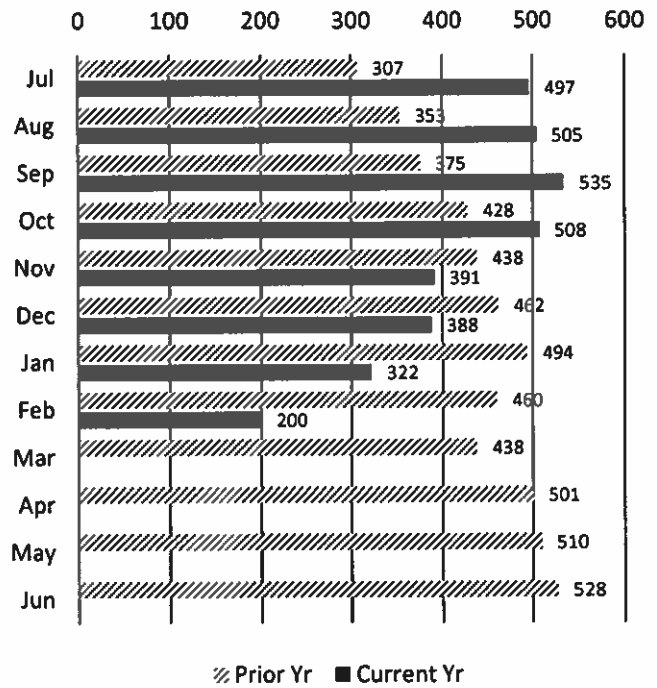
For the month of February 2020, Compliance Division staff closed-out 160 cases.

Compliance Fines:

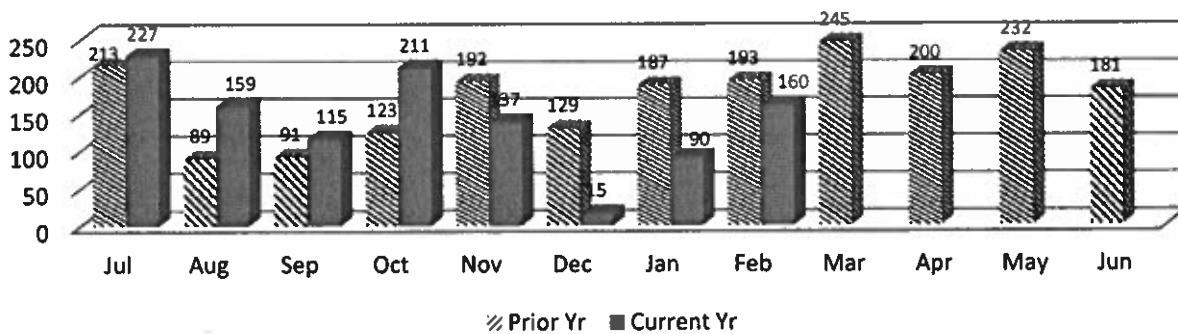
In February 2020, the Compliance Division collected \$41,555 in fines and penalties. Year to Date, the Compliance Division has collected \$893,962 in fines and penalties.

Year to Date vs Prior Year Total (\$1,688,380): 53%
 February 2019 vs. February 2020: 18%
 Current Year End trend is 79% of 2018-2019
 YTD 2018-19 (July - Feb) vs YTD 2018-2019: 102%

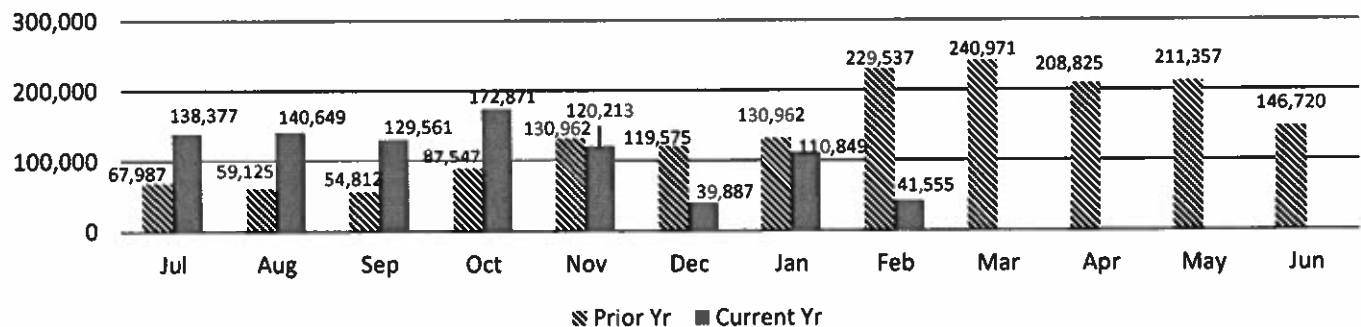
Caseload Pending v. Prior Year



Cases Resolved v. Prior Year



Compliance Fines Collected v. Prior Year

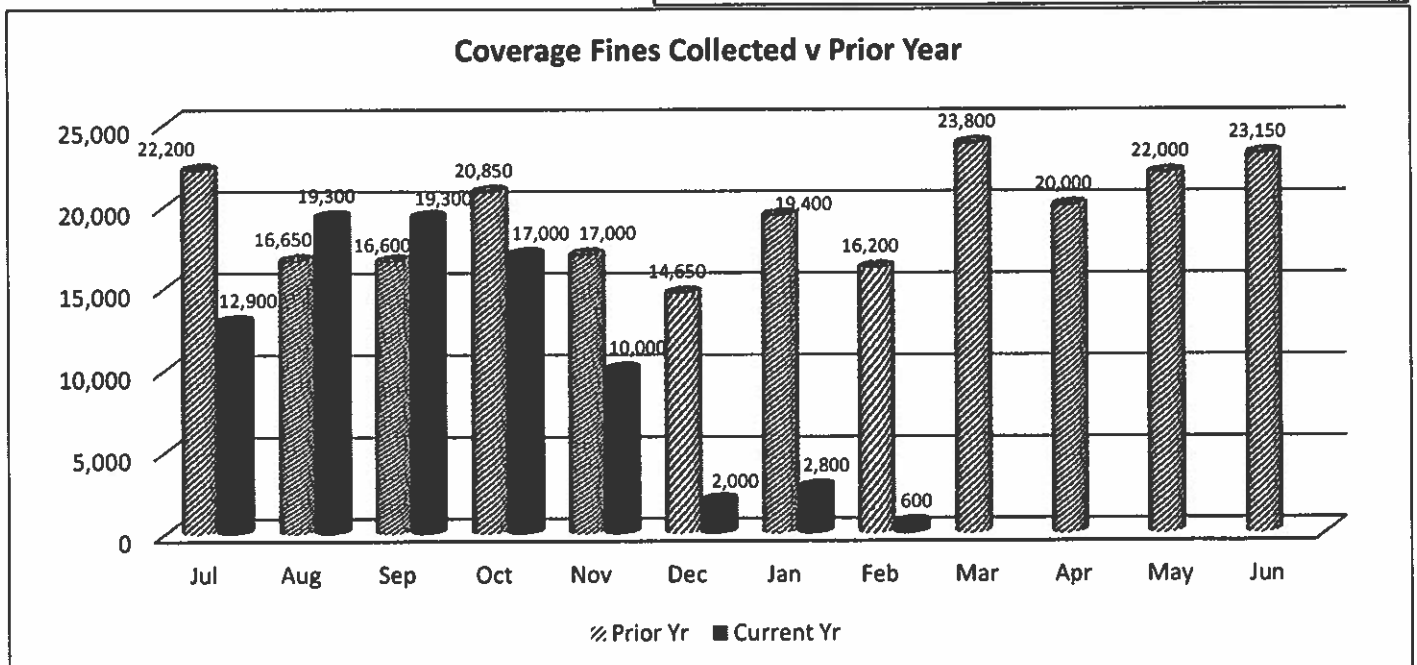
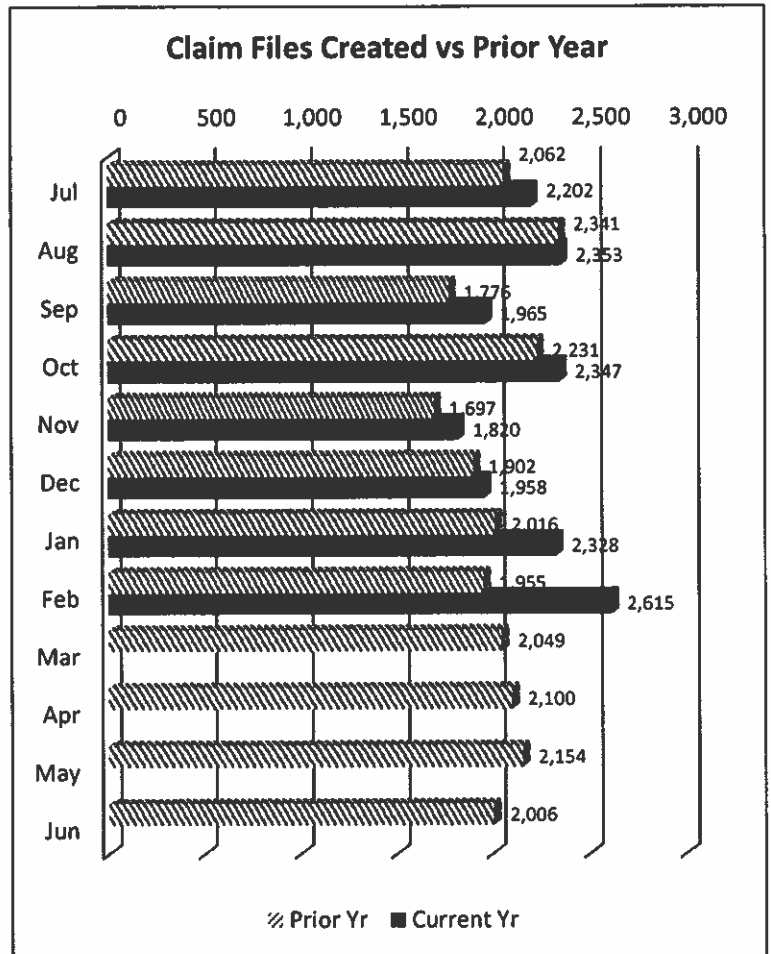


WCC Claim Files:

In February 2020, the Coverage Division received a total of 2,615 WCC Claim files. Of these, 2,367 were created through proper carrier filing of a 12A, and 248 were generated as a result of a Form 50 claim filing. Year to Date 17,588 Claim files have been created which is 72% of claim file volume prior year (24,289).

Coverage Fines:

The Coverage Division collected \$600 in fine revenue in February 2020, as compared to \$16,200 in Coverage fines/penalties accrued during February 2019. Year on Year, Coverage fines are at 36% of collections for prior year.



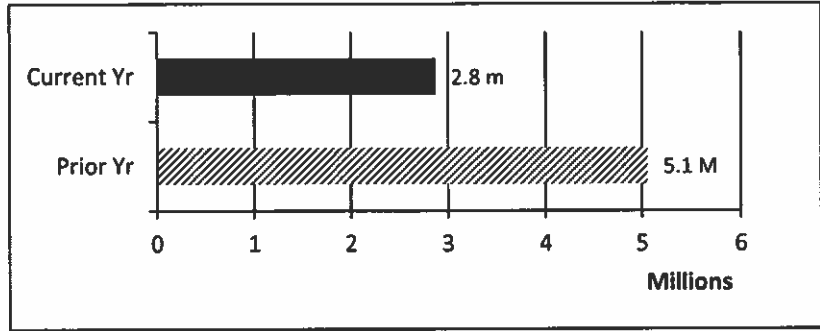
IMS SELF INSURANCE DIVISION

February 2020

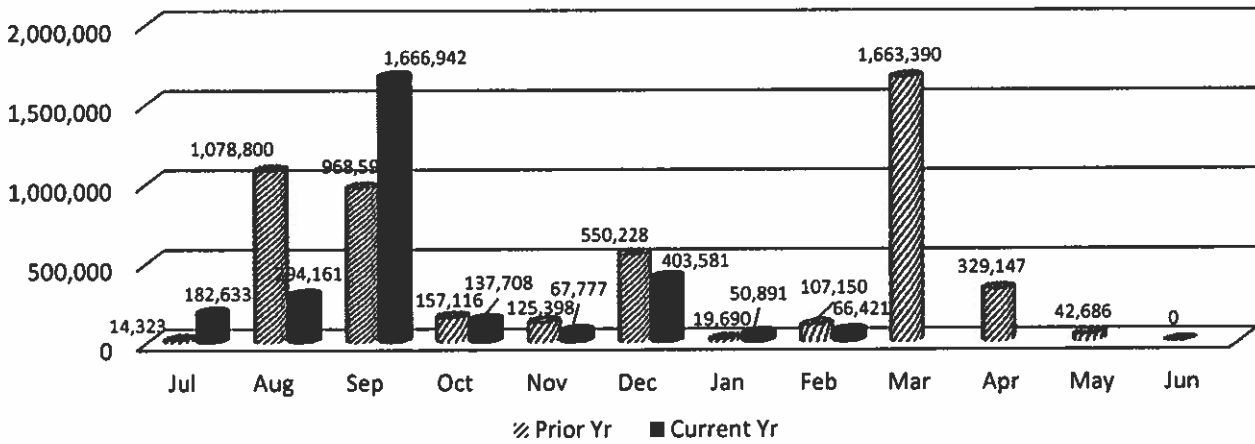
During the month of February 2020, the Self Insurance Division:

- * collected \$66,421 in self-insurance tax.
- * added 8 new self-insurers.
- * conducted 4 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 95% of prior year and 32 Self Insurance audits have been completed.



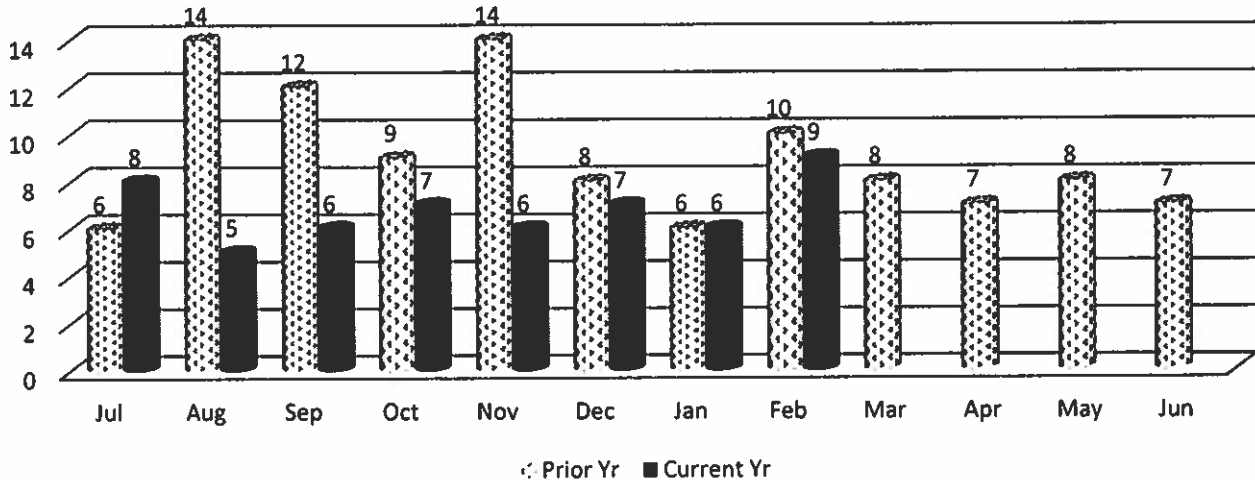
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In February 2020, the Medical Services Division began the month with 6 bills pending review, received an additional 14 bills for review, conducted 11 bill reviews and ended the month with 9 bills pending.

Medical Bills Pending Review v. Prior Year



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Workers' Compensation Commission MEMORANDUM

To: Gary Cannon, Executive Director
From: Sonji Spann, Claims Director
Date: March 5, 2020
Re: Claims Department –March 2020 Full Commission Report

Attached is Claims Department activity for the period ending February 29, 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	15,385
Closed	2,159
Reviewed	2,509
Revenue	\$2,800
Total Fines	13
Form 18 Fines	0
EDI – 18's	3,580
Emailed -18's	1,602
USPS-18's	480
Form 61's Rec'd	635
Form 61's App	631
Third Party Settlements	13
Third Party Settlements Processed	16

Claims Department Statistical Report

Statistics For FY19-20

Period ending February 29, 2019

Claims Services	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Totals YTD FY19-20	FY18-19 YTD Total same period	% Chg same period FY18-19
Forms 15-I	1,140	1,300	1,099	1,423	862	703	1,537	1,132	9,196	9,293	-1%
Forms 15-II/Forms 17	923	1,073	970	1,107	690	607	1,300	1,015	7,685	7,629	1%
Forms 16 for PP/Disf	177	182	294	219	221	115	242	262	1,712	1,873	-9%
Forms 18	4,917	4,613	4,590	4,785	3,472	4,751	5,839	5,660	38,627	35,629	8%
Forms 20	684	787	655	831	479	369	842	668	5,315	5,675	-6%
Form 50 Claims Only	260	298	251	341	270	150	411	321	2,302	2,011	14%
Form 61	690	804	681	763	701	511	666	635	5,451	5,865	-7%
Letters of Rep	201	204	147	181	327	149	281	231	1,721	1,314	31%
Clinchers	723	879	730	852	881	358	1,101	700	6,224	6,878	-10%
Third Party Settlements	13	16	15	14	14	14	1	13	100	19	-81%
SSA Requests for Info	76	104	76	78	59	17	40	80	530	501	6%
Cases Closed	2,326	2,560	2,160	2,525	1,773	1,252	3,092	2,159	17,847	18,146	-2%
Cases Reviewed	2,946	3,294	2,705	3,146	2,219	279	3,138	2,509	20,236	24,532	-18%
Total Fines Assessed	250	230	214	232	135			13	1,074	2,168	-50%
Form 18 Fines	216	189	177	228	134				944	1,811	-48%
Total Amt Paid	\$31,200	\$43,000	\$38,600	\$36,200	\$31,200	\$14,100		\$2,800	\$197,100	\$330,750	-40%

State of South Carolina

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Workers' Compensation Commission

March 10, 2020

To: Gary M. Cannon
Executive Director

From: Amy A. Bracy
Judicial Director

RE: **Monthly Judicial Report for February 2020**

During the month of February, the Judicial Department processed nine hundred (900) requests for hearings, one hundred four (104) Motions and one hundred sixty-eight (168) clincher conference requests that were sent to the Jurisdictional Commissioners.

There were fifty-three (53) Single Commissioner Hearings conducted during the past month, twenty-five (25) pre-hearing conferences held and five (5) Full Commission hearings held. A total of four hundred eighty-nine (489) Orders were served at the single Commissioner level, fifty-three (53) of those were Decision and Orders that resulted from hearings that went on the record and one hundred fifty-one (151) were Motion Orders that were a result of Motions ruled upon by Commissioners.

The Informal Conference system conducted two hundred fifty-six (256) hearings during the last month.

There were thirty-one (31) regulatory mediations scheduled and fifty-nine (59) requested mediations. The Judicial Department was notified of fifty-six (56) matters resolved in mediation, with the receipt of Forms 70.

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

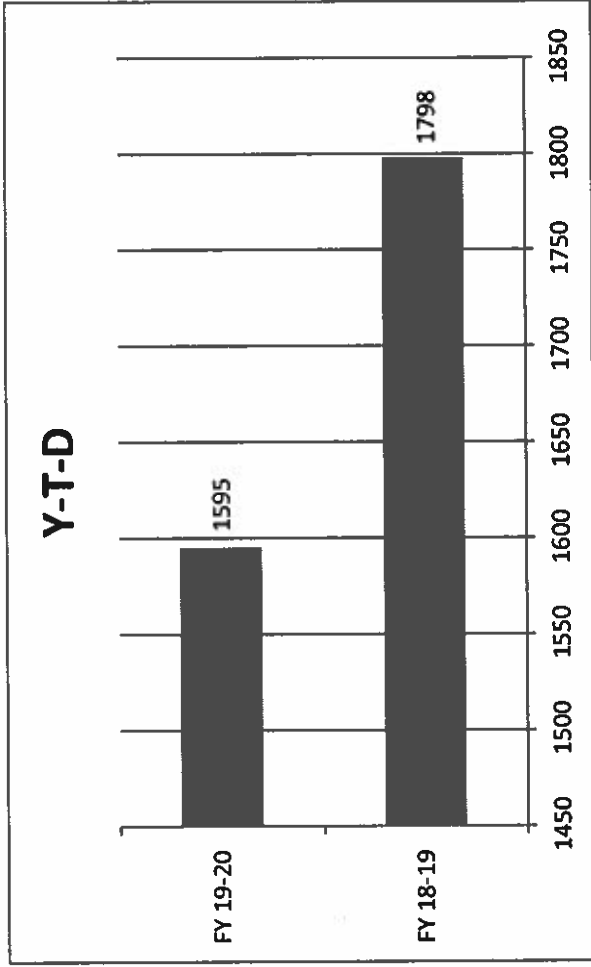
**Judicial Department Statistical Report
Statistics For Fiscal Year 2019-2020**

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Totals YTD 2019-2020
Claimant Pleadings	585	668	498	548	541	336	630	591	4,397
Defense Response to Pleadings	535	490	459	485	405	395	348	453	3,570
Defense Pleadings	280	281	263	306	243	193	341	309	2,216
Motions	142	113	119	126	101	85	149	104	939
Form 30	9	11	13	13	8	12	8	20	94
FC Hearings Held	10	10	6	6	9	5	1	5	52
FC Orders Served	18	14	10	29	5	7	9	13	105
Single Comm. Hearings Held	51	82	62	79	65	47	64	53	503
Single Comm. Orders Served	206	187	204	224	257	170	217	222	1,687
Single Comm. Pre-Hearing Conf Held	22	39	30	30	20	20	30	25	216
Consent Orders	313	216	294	287	265	188	324	248	2,135
Administrative Orders	55	22	12	18	18	11	24	19	179
Clincher Conference Requested	146	163	137	156	123	129	119	168	1,141
Informal Conference Requested	342	352	303	313	234	104	470	371	2,489
Informal Conference Conducted	168	148	324	192	209	121	177	256	1,595
Regulatory Mediations	40	37	49	32	31	28	30	31	278
Requested Mediations	51	51	37	44	54	32	64	59	392
Ordered Mediations	5	1	1	0	1	0	2	2	12
Mediation Resolved	43	78	49	69	50	25	43	56	413
Mediation Impasse	18	21	13	23	18	7	17	14	131
Mediation Held; Issues Pending	0	0	0	0	0	1	1	5	7
Claim Settled Prior to Mediation	12	22	12	8	13	1	23	10	101
Mediation Not Complete in 60 days	1	3	3	2	6	1	3	4	23

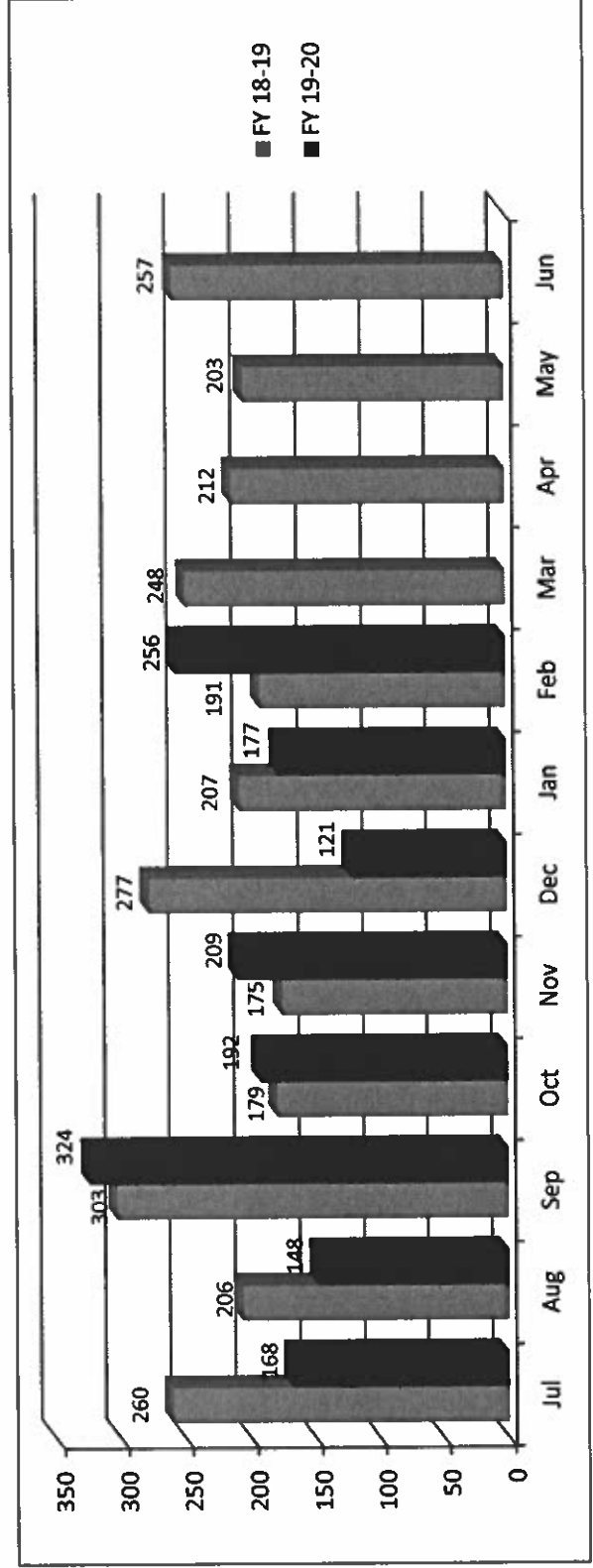
Informal Conf. Conducted

	FY 18-19	FY 19-20
Jul	260	168
Aug	206	148
Sep	303	324
Oct	179	192
Nov	175	209
Dec	277	121
Jan	207	177
Feb	191	256
Mar	248	
Apr	212	
May	203	
Jun	257	
Total	2718	1595

Y-T-D

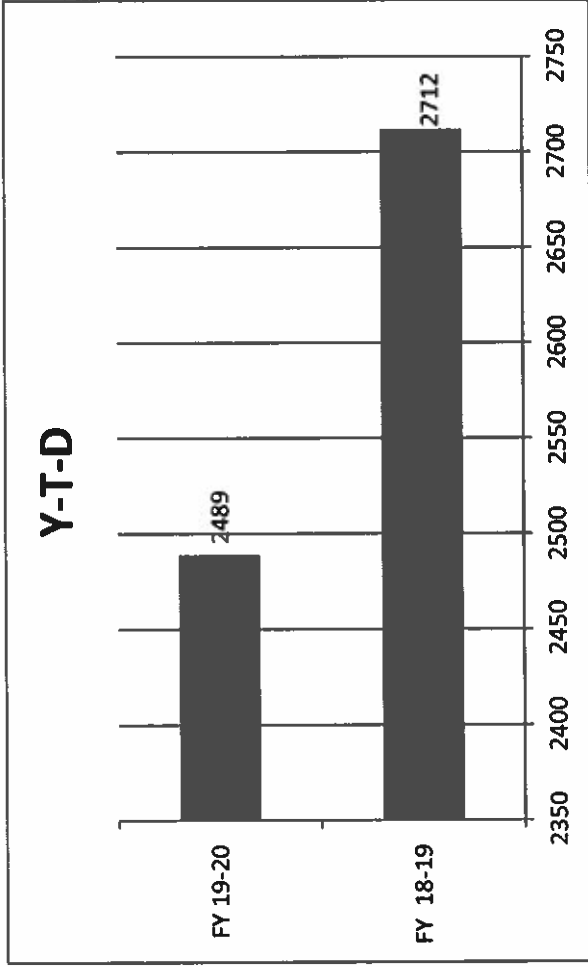


Y-T-D	FY 18-19	FY 19-20
	1798	1595

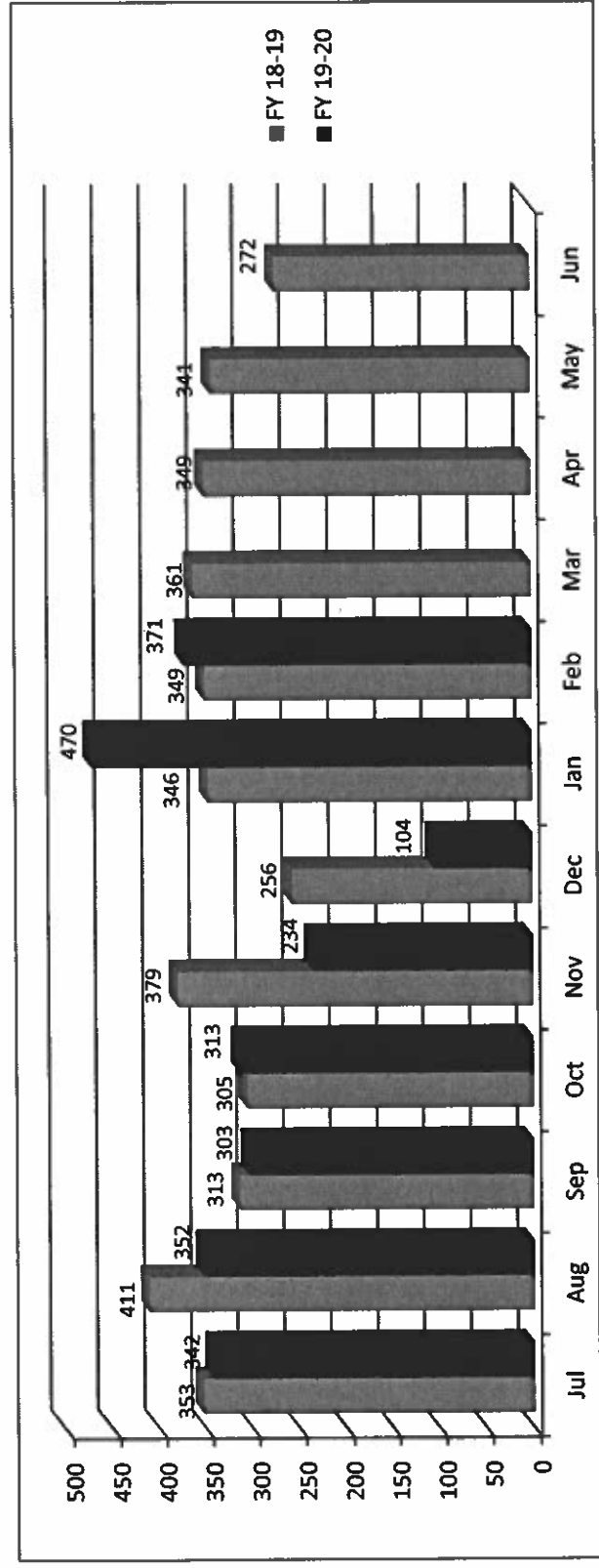


Informal Conf. Requested

	FY 18-19	FY 19-20
Jul	353	342
Aug	411	352
Sep	313	303
Oct	305	313
Nov	379	234
Dec	256	104
Jan	346	470
Feb	349	371
Mar	361	
Apr	349	
May	341	
Jun	272	
Total	4035	2489



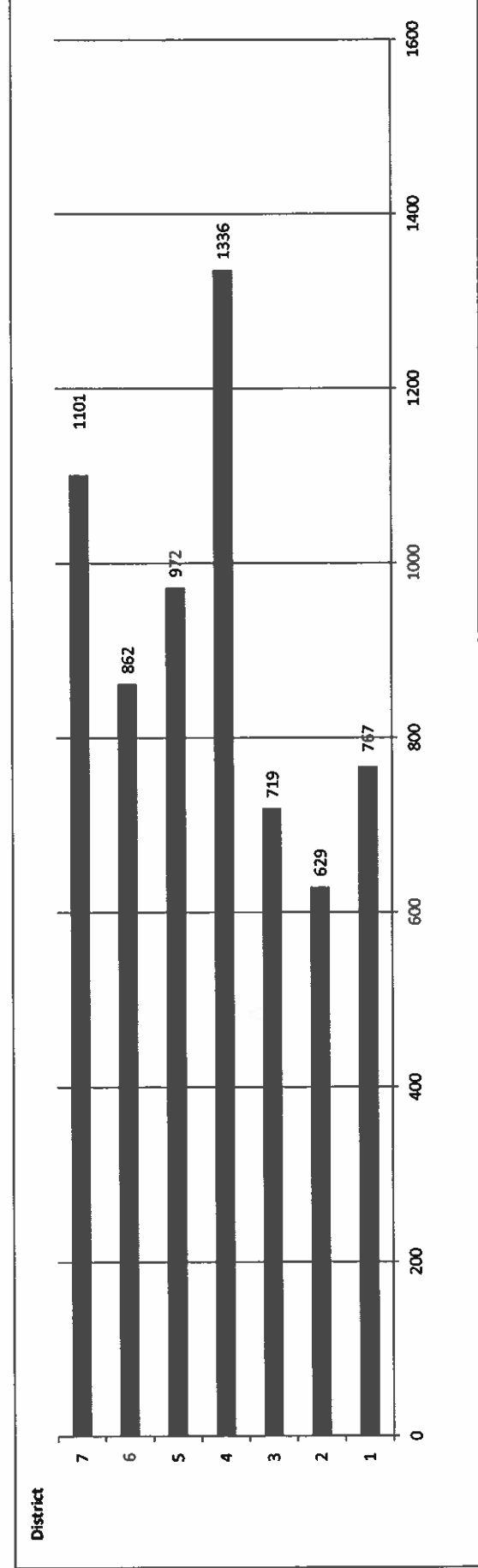
Y-T-D
 FY 18-19 **2712**
 FY 19-20 **2489**



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		
	19-20	18-19	17-18	19-20	18-19	17-18	19-20	18-19	17-18	19-20	18-19	17-18	19-20	18-19	17-18	19-20	18-19	17-18	19-20	18-19	17-18
Jul	99	88	97	84	98	79	123	114	104	183	183	127	136	147	121	137	110	107	140	144	139
Aug	99	118	113	85	71	97	78	87	120	168	187	172	153	124	134	104	149	107	147	138	159
Sep	101	92	100	77	78	100	98	83	110	174	148	156	108	98	136	104	91	103	131	132	164
Oct	115	112	97	90	98	68	76	115	86	187	204	135	124	119	107	121	130	113	142	160	177
Nov	83	116	116	74	87	83	108	114	92	155	161	159	116	130	131	78	119	120	148	150	148
Dec	81	92	122	65	66	81	80	93	113	140	116	150	99	121	108	104	94	113	117	115	172
Jan	98	89	87	69	69	72	78	114	88	186	170	138	104	104	112	88	114	94	110	134	166
Feb	91	102	75	85	80	84	78	102	88	143	156	125	132	111	139	126	126	119	166	116	163
Mar		92	120		81	96		97	122		192	179		142	138		115	126		131	188
Apr		84	119		76	87		76	113		157	174		103	128		86	120		123	155
May		112	125		114	88		189	127		211	157		151	126		138	112		183	166
Jun		94	111		103	84		89	126		153	191		121	169		100	129		145	140
Totals	767	1191	1282	629	1021	1019	719	1273	1289	1336	2038	1863	972	1471	1549	862	1372	1363	1101	1671	1937

Pleadings Assigned by District Year to Date



SC WCC Referrals
SFY 2020

COUNTY	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	CY Tot
Abbeville	2	0	1	2	1	0	1	1	0	0	0	0	8
Aiken	6	4	9	4	7	4	2	4	0	0	0	0	40
Allendale	0	0	1	0	1	0	1	0	0	0	0	0	3
Anderson	10	14	10	10	10	10	10	10	0	0	0	0	84
Bamberg	1	1	0	2	0	0	2	1	0	0	0	0	7
Barnwell	0	1	1	1	2	1	0	2	0	0	0	0	8
Beaufort	8	9	8	8	10	8	9	11	0	0	0	0	71
Berkeley	3	5	5	9	6	5	2	6	0	0	0	0	41
Calhoun	1	1	2	0	2	2	2	0	0	0	0	0	10
Charleston	12	10	10	10	10	10	10	10	0	0	0	0	82
Cherokee	9	6	5	8	7	5	7	5	0	0	0	0	52
Chester	2	0	0	0	3	2	0	2	0	0	0	0	9
Chesterfield	3	2	6	4	6	4	3	1	0	0	0	0	29
Clarendon	1	5	3	1	4	4	2	0	0	0	0	0	20
Colleton	4	7	6	7	7	8	4	3	0	0	0	0	46
Darlington	5	7	5	5	3	5	4	3	0	0	0	0	37
Dillon	3	0	0	7	1	3	2	2	0	0	0	0	18
Dorchester	7	5	5	1	4	5	9	4	0	0	0	0	40
Edgefield	0	0	0	1	1	1	0	1	0	0	0	0	4
Fairfield	1	2	0	2	2	3	2	1	0	0	0	0	13
Florence	8	10	10	5	10	5	8	9	0	0	0	0	65
Georgetown	1	1	2	11	1	2	1	1	0	0	0	0	20
Greenville	10	10	10	10	10	10	10	10	0	0	0	0	80
Greenwood	5	9	7	5	4	10	4	4	0	0	0	0	48
Hampton	7	3	3	4	2	2	2	2	0	0	0	0	25
Horry	9	9	8	1	9	8	9	9	0	0	0	0	62
Jasper	2	1	2	2	0	2	1	1	0	0	0	0	11
Kershaw	2	2	4	3	6	1	1	7	0	0	0	0	26
Lancaster	2	2	4	3	2	2	4	4	0	0	0	0	23
Laurens	8	7	5	5	7	7	7	6	0	0	0	0	52
Lee	0	0	0	1	2	3	0	0	0	0	0	0	6
Lexington	12	11	10	10	10	10	10	10	0	0	0	0	83
Marion	2	5	1	0	4	2	2	1	0	0	0	0	17
Marlboro	2	2	1	2	1	1	2	2	0	0	0	0	13
McCormick	0	1	0	1	2	0	2	1	0	0	0	0	7
Newberry	3	4	5	5	3	3	3	4	0	0	0	0	30
Oconee	3	3	4	7	6	5	2	9	0	0	0	0	39
Orangeburg	8	8	8	8	8	8	8	9	0	0	0	0	65
Pickens	9	7	11	8	5	6	12	6	0	0	0	0	41
Richland	10	10	10	10	10	10	11	10	0	0	0	0	81
Saluda	3	0	2	2	3	0	3	4	0	0	0	0	17
Spartanburg	10	10	10	10	10	10	10	10	0	0	0	0	80
Sumter	9	6	7	9	6	6	8	6	0	0	0	0	57
Union	1	4	5	4	6	5	3	5	0	0	0	0	33
Williamsburg	7	2	1	4	3	0	2	3	0	0	0	0	22
York	6	9	6	8	5	6	6	4	0	0	0	0	50
Monthly Totals	217	215	213	220	222	204	203	204	0	0	0	0	1675

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

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

March 16, 2020

Meetings/Activities

From February 3 to March 9, the Executive Director participated in 15 meetings with staff, the vendor and DTO on the KERMIT; meeting with staff to discuss Nuts & Bolts Workshop for stakeholders; meet with State Auditor's Office concerning 2018-2019 audit; attended the SCWCEA Medical Conference participated with the Commissioners in attendance to give an update of activities at the Commission; participated in summer law clerk interviews.

Constituent /Public Information Services

For the period February 4, 2020 to March 9, 2020, the Executive Director's Office and the General Counsel's office had 692 communications; electronic and personal contacts with claimants or constituents, state agencies, federal agencies, attorneys, service providers, business partners; and letters with congressional offices.

Financial Transactions Activity

For the period February 4, 2020 through March 9, 2020, our office approved and processed 13 travel expense reports, 56 invoices, and 20 deposits for DOA to process in the SCIES system.

SCWCC Stakeholder Electronic Distribution List

For the period February 4, 2020 through March 9, 2020, we added two (2) individuals. A total of 780 individuals currently receive notifications from the Commission.

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Workers' Compensation Commission

MEMORANUM

TO: COMMISSIONERS

FROM: Gary Cannon
Executive Director

DATE: January 13, 2019

RE: FINANCIAL REPORT - Period ending February 29, 2020

Attached is the Budget vs. Actual Report for the General Fund and Earmarked Fund for the fiscal year period ending February 29, 2020. The benchmark for this period is 67%.

The expenditures for the General Fund are on pages 1-3. The total expenditures in the General Fund (10010000) for this period is \$1.8 million or 41% of budget. This is somewhat misleading because the total General Fund budget includes the \$1.8 million appropriation of non-recurring funds for the IT Legacy System Modernization project. The expenditures for the project are shown in the Commitments column. The General Fund has \$1.3 million of Commitment Items.

Earmarked Fund are on pages 4-10 of the "Budget vs. Actual Report FY2020". Details are on pages 1-2. The total expenditures for the Earmarked Fund (38440000) are \$3.4 million or 62% of budget. The fund has \$316,109 of Commitments. The Earmarked Fund has collected \$2.1 million of operating revenues for this period, or 66% of budget.

To date we have received \$2.8 million Self-Insurance Tax funds.

**South Carolina Workers' Compensation Commission
Commitments
FY 2020 As of 2/29/2020**

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

Fund 38440000 - EARMARKED FUND

Administration

Commitment Item	Commitment Item Description	Vendor	Commitment
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	486
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	26
5030010004	SUBSCRIPTIONS	WEST PUBLISHING CORPORATION	5,936
5030030000	PRINTED ITEMS	PINE PRESS PRINTING	29
5030067101	PRGM LIC - APP SUPP	WEST PUBLISHING CORPORATION	8,892
5030067170	EQUIP&SUPP- PRINT EU	FORMS & SUPPLY INC	4,652
5030067170	EQUIP&SUPP- PRINT EU	MAJOR BUSINESS MACHINES	745
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	ALBANY ROAD - 1333 MAIN LLC	84,047
5040490000	OPER LSE-RENT-OTHER	REPUBLIC PARKING SYSTEM INC	15,444
Total Administration:			137,049

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 2020 As of 2/29/2020

Fund 38440000 - EARMARKED FUND

Commitment Item	Commitment Item Description	Vendor	Commitment
5020077100	SERVICES- APP SUP	BIS DIGITAL, INC.	972
5020077200	SERVICES- SERVERS	SHI INTERNATIONAL CORP	51,840
5020077220	SERVICES- VOICENET	NWN CORPORATION	12,960
5020077230	IT CONTRACTORS	TAPFIN PROCESS SOLUTIONS	57,737
5020080000	FREIGHT EXPRESS DELV	FEDEX	307
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	2,199
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	1,229
5030067131	PLM- EUC	SHI INTERNATIONAL CORP	769
5030067170	EQUIP&SUPP- PRINT EU	US INK AND TONER INC	2,650
5040057000	IT-OPER LS-CONT RENT	XEROX	2,280
5040057000	IT-OPER LS-CONT RENT	XEROX CORPORATION	1,693
Total Inform. services:			150,508

Claims

Commitment Item	Commitment Item Description	Vendor	Commitment
5020080000	FREIGHT EXPRESS DELV	FEDEX	498
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	60
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	1,251
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	36
Total Claims:			1,846

Commissioners

Commitment Item	Commitment Item Description	Vendor	Commitment
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	898
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	1,017
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	338
Total Commissioners:			2,253

Insurance & Medical

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 2020 As of 2/29/2020**

Fund 38440000 - EARMARKED FUND

Commitment Item	Commitment Item Description	Vendor	Commitment
5020080000	FREIGHT EXPRESS DELV	FEDEX	498
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	42
5021540000	NON-IT OTHER PRO SRV	A WOMANS TOUCH LLC	675
5021540000	NON-IT OTHER PRO SRV	LUMLEY INVESTIGATIONS LLC	378
5021540000	NON-IT OTHER PRO SRV	NTHRIVE INC	3,000
5021540000	NON-IT OTHER PRO SRV	TPT INVESTIGATIONS LLC	320
5021540000	NON-IT OTHER PRO SRV	UPSTATE LEGAL SUPPORT SERVICES L	653
5021540000	NON-IT OTHER PRO SRV	WHITESSELL INVESTIGATIVE SERVICES	1,347
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	790
Total Insurance & Medical:			7,704

Judicial

Commitment Item	Commitment Item Description	Vendor	Commitment
5020080000	FREIGHT EXPRESS DELV	FEDEX	498
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	59
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	1,242
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	795
Total Judicial:			2,593

Total EARMARKED FUND: 316,109

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
Budget vs. Actual Report
FY 2020 As of 2/29/2020
67% of year elapsed

Fund 10010000 - GENERAL FUND

Administration

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501015	DIRECTOR	135,967	98,236	72%		37,731
501058	CLASSIFIED POS	47,092				47,092
512001	OTHER OPERATING	285,515				
Total OTHER OPERATING:		285,515				285,515
Total Administration:		468,574	98,236	21%	0	370,338

Executive director

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
5030010000	OFFICE SUPPLIES		48			
Total OTHER OPERATING:			48		0	-48
Total Executive director:			48		0	-48

Inform. services

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
5020077000	SERVICES- APP DEV		35,000			
5030067131	PLM- EUC		20,379		5,080	
Total OTHER OPERATING:			55,379		5,080	-60,458
Total Inform. services:			55,379		5,080	-60,458

Claims

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	85,159	57,067	67%		28,092
Total Claims:		85,159	57,067	67%		28,092

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2020 As of 2/29/2020
67% of year elapsed

Fund 10010000 - GENERAL FUND

Commissioners

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501026	CHAIRMAN	164,762	119,040	72%		45,722
501033	COMMISSIONER	959,769	693,430	72%		266,339
501050	TAXABLE SUBS		44,876		0	-44,876
501058	CLASSIFIED POS	347,717	243,623	70%		104,094
501070	OTH PERS SVC		4,200			-4,200
Total Commissioners:		1,472,248	1,105,169	75%	0	367,079

Information Services FY18

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
561000	Special Item	1,800,000	104,916	6%	1,246,396	448,688
Total Information Services FY18:		1,800,000	104,916	6%	1,246,396	448,688

Insurance & Medical

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	29,646	21,675	73%		7,971
501070	OTH PERS SVC		600			-600
Total Insurance & Medical:		29,646	22,275	75%		7,371

Judicial

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

Employer Contributions

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	704,060	439,159	62%		264,901
Total Employer Contributions:		704,060	439,159	62%		264,901

**South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2020 As of 2/29/2020
67% of year elapsed**

Fund 10010000 - GENERAL FUND

Total GENERAL FUND:	4,588,954	1,882,248	41%	1,251,476	1,455,230
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South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2020 As of 2/29/2020
67% of year elapsed

Fund 38440000 - EARMARKED FUND

Administration

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	626,985	129,862	21%		497,123
501070	OTH PERS SVC	11,324	1,800	16%		9,524
512001	OTHER OPERATING	2,625,713				
5020030000	PRINT / BIND / ADV		212			
5020080000	FREIGHT EXPRESS DELV		95		307	
5020120000	CELLULAR PHONE SVCS		6,780		486	
5021010000	LEGAL SERVICES		2,259			
5021020000	ATTORNEY FEES		2,229			
5021490000	AUDIT ACCT FINANCE		139			
5021530000	CATERED MEALS		21,503			
5024990000	OTH CNT-NON-IT & REA		1,250			
5030010000	OFFICE SUPPLIES		6,982		26	
5030010002	OFF SUP - MIN OFF EQ		322			
5030010004	SUBSCRIPTIONS		6,058		5,936	
5030030000	PRINTED ITEMS		3,013		29	
5030067101	PRGM LIC - APP SUPP		24,166		8,892	
5030067130	EQUIP&SUPP- EUC		45			
5030067170	EQUIP&SUPP- PRINT EU		1,992		5,398	
5030070000	POSTAGE		17,908		14,360	
5030090000	COMMUNICATION SUPP		503			
5031010001	FURNISHINGS		1,322			
5032820000	INSTRUCTIONAL MAT		367		1,408	
5033090000	EMPLOYEE RECOG AWARD		1,370			
5033990000	OTHER SUPPLIES		38			
5040010000	OPER LSE-OFCE EQ RENT		1,897			
5040057000	IT-OPER LS-CONT RENT				1,023	
5040060000	OPER-RENT-NON ST OWN		281,452		84,047	
5040070000	OPER-RNT-ST OWN RL P		120			
5040490000	OPER LSE-RENT-OTHER		8,838		15,444	
5040490002	OPER-RENT-OTH-RM&VID		5,920			
5040490003	OPER LSE-RENT-PO BOX		1,402			
5040510000	INSURANCE-STATE		2,526			

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2020 As of 2/29/2020
67% of year elapsed

Fund 38440000 - EARMARKED FUND

5041010000	DUES & MEMBER FEES		5,432			
5041020000	FEES AND FINES		39			
5050010000	IN ST-MEALS-NON-REP		490		60	
5050020000	IN ST-LODGING		2,782			
5050040000	IN ST-AUTO MILEAGE		48			
5050041000	HR-IN ST-AUTO MILES		2,058		48	
5050060000	IN ST-MISC TR EXP		35		735	
5050070000	IN ST-REGISTR FEES		195			
5050510000	OUT ST-MEALS-NON-REP		180			
5050570000	OUT ST-REGISTR FEES		1,320			
5051540000	LEASED CAR-ST OWNED		28,380			
Total OTHER OPERATING:		2,625,713	441,669	17%	138,199	2,045,844
Total Administration:		3,264,022	573,332	18%	138,199	2,552,491

General counsel

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
5030070000	POSTAGE		12			
5041020000	FEES AND FINES		25			
Total OTHER OPERATING:			37		0	-37
Total General counsel:			37		0	-37

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2020 As of 2/29/2020
67% of year elapsed

Fund 38440000 - EARMARKED FUND

Inform. services

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS		244,184			-244,184
501070	OTH PERS SVC		1,800			-1,800
5020077100	SERVICES- APP SUP		562		972	
5020077200	SERVICES- SERVERS		70,000		51,840	
5020077220	SERVICES- VOICENET		11,865		12,960	
5020077230	IT CONTRACTORS		813,463		57,737	
5020077240	DP SERVICES – STATE		138,488			
5020080000	FREIGHT EXPRESS DELV		66		307	
5020120000	CELLULAR PHONE SVCS		2,952		2,199	
5021330000	CONTR-GOVT/NONPRFIT		39,000			
5021469316	SECURITY ALARM SRVC		5,177		46	
5021540000	NON-IT OTHER PRO SRV		23,511		15,825	
5030010000	OFFICE SUPPLIES		3,524		1,229	
5030067101	PRGM LIC - APP SUPP		44,923		12,696	
5030067130	EQUIP&SUPP- EUC		136			
5030067131	PLM- EUC				769	
5030067141	PLM- ITSD		483			
5030067170	EQUIP&SUPP- PRINT EU		12,277		2,650	
5031469316	SCRTY ALRM SYS SUPPL		909			
5031639500	OTH SECURTY EXP SUPL		123			
5040057000	IT-OPER LS-CONT RENT		2,649		3,973	
5050010000	IN ST-MEALS-NON-REP		556			
5050020000	IN ST-LODGING		3,109		-	
5050031000	HR-IN ST-AIR TRANS		604			
5050041000	HR-IN ST-AUTO MILES		1,220			
5050050000	IN ST-OTHER TRANS		236			
5050060000	IN ST-MISC TR EXP		60			
5050070000	IN ST-REGISTR FEES		59			
5050570000	OUT ST-REGISTR FEES		915			
Total OTHER OPERATING:			1,176,866		163,204	-1,340,070
Total Inform. services:			1,422,850		163,204	-1,586,054

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2020 As of 2/29/2020
67% of year elapsed

Fund 38440000 - EARMARKED FUND

Ombudsman

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
5030070000	POSTAGE		7			
	Total OTHER OPERATING:		7		0	-7
	Total Ombudsman:		7		0	-7

Claims

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	280,850	165,638	59%		115,212
501070	OTH PERS SVC	3,600	3,600	100%		0
512001	OTHER OPERATING	19,700				
5020080000	FREIGHT EXPRESS DELV		66		498	
5020120000	CELLULAR PHONE SVCS		208		60	
5030010000	OFFICE SUPPLIES		704		1,287	
5040510000	INSURANCE-STATE		1,263			
5050010000	IN ST-MEALS-NON-REP		102			
5050020000	IN ST-LODGING		931			
5050041000	HR-IN ST-AUTO MILES		182			
	Total OTHER OPERATING:	19,700	3,455	18%	1,846	14,399
	Total Claims:	304,150	172,693	57%	1,846	129,611

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2020 As of 2/29/2020
67% of year elapsed

Fund 38440000 - EARMARKED FUND

Commissioners

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501050	TAXABLE SUBS	70,000	21,101	30%	0	48,899
512001	OTHER OPERATING	230,700				
5020080000	FREIGHT EXPRESS DELV		174		307	
5020120000	CELLULAR PHONE SVCS		3,109		898	
5021010000	LEGAL SERVICES		59,479			
5021010003	LEGAL SRV-TRANSCRIPT		959			
5021010005	LEGAL SRV-REPORTER		5,960			
5021410000	EDUC & TRNG-STATE		75			
5030010000	OFFICE SUPPLIES		592		1,355	
5040510000	INSURANCE-STATE		7,437			
5050010000	IN ST-MEALS-NON-REP		654			
5050020000	IN ST-LODGING		4,715			
5050031000	HR-IN ST-AIR TRANS		121			
5050040000	IN ST-AUTO MILEAGE		491			
5050041000	HR-IN ST-AUTO MILES		18,825			
5050050000	IN ST-OTHER TRANS		80			
5050060000	IN ST-MISC TR EXP		47			
5050080000	IN ST-SUBSIST ALLOW		9,581			
5050510000	OUT ST-MEALS-NON-REP		245			
5050541000	HR-OUT ST-AUTO MILES		204			
5050560000	OUT ST-MISC TR EXPEN		175			
5050570000	OUT ST-REGISTR FEES		585			
	Total OTHER OPERATING:	230,700	113,509	49%	2,560	114,631
	Total Commissioners:	300,700	134,610	45%	2,560	163,530

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2020 As of 2/29/2020
67% of year elapsed

Fund 38440000 - EARMARKED FUND

Insurance & Medical

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	459,463	277,681	60%		181,782
501070	OTH PERS SVC	22,881	8,464	37%		14,417
512001	OTHER OPERATING	54,500				
5020080000	FREIGHT EXPRESS DELV		66		498	
5020120000	CELLULAR PHONE SVCS		147		42	
5021540000	NON-IT OTHER PRO SRV		19,803		6,374	
5024990000	OTH CNT-NON-IT & REA		900			
5030010000	OFFICE SUPPLIES		378		1,636	
5030010004	SUBSCRIPTIONS		445			
5030030000	PRINTED ITEMS		254			
5040510000	INSURANCE-STATE		1,544			
5050010000	IN ST-MEALS-NON-REP		548			
5050020000	IN ST-LODGING		2,972			
5050031000	HR-IN ST-AIR TRANS		87			
5050041000	HR-IN ST-AUTO MILES		1,865		171	
5050070000	IN ST-REGISTR FEES		2,150			
5050510000	OUT ST-MEALS-NON-REP		190			
5050520000	OUT ST-LODGING		1,063			
5050541000	HR-OUT ST-AUTO MILES		184			
5050570000	OUT ST-REGISTR FEES		440			
5051520000	REPORTABLE MEALS				10	
	Total OTHER OPERATING:	54,500	33,035	61%	8,730	12,734
	Total Insurance & Medical:	536,844	319,181	59%	8,730	208,933

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2020 As of 2/29/2020
67% of year elapsed

Fund 38440000 - EARMARKED FUND

Judicial

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	452,294	318,000	70%		134,294
501070	OTH PERS SVC	41,076	29,176	71%		11,901
512001	OTHER OPERATING	12,800				
5020080000	FREIGHT EXPRESS DELV		66		498	
5020120000	CELLULAR PHONE SVCS		206		59	
5021010000	LEGAL SERVICES		1,750			
5021010003	LEGAL SRV-TRANSCRIPT		182			
5030010000	OFFICE SUPPLIES				2,037	
5040510000	INSURANCE-STATE		1,263			
5050010000	IN ST-MEALS-NON-REP		599			
5050020000	IN ST-LODGING		1,559			
5050041000	HR-IN ST-AUTO MILES		595			
5050070000	IN ST-REGISTR FEES		600			
5051520000	REPORTABLE MEALS		494			
	Total OTHER OPERATING:	12,800	7,313	57%	2,593	2,893
	Total Judicial:	506,170	354,489	70%	2,593	149,088

Employer Contributions

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	695,959	483,031	69%	0	212,928
	Total Employer Contributions:	695,959	483,031	69%	0	212,928
	Total EARMARKED FUND:	5,607,845	3,460,230	62%	317,133	1,830,483

South Carolina Workers' Compensation Commission
Earmarked Fund Revenues
FY 2020 As of 2/29/2020
67% of year elapsed

Account	Acct No.	Budget	YTD Actual Revenue	% of Budget
WORKERS' COMP HEARING FEE	4110090000	1,091,322	705,790	65%
W COMP SELF INS APPL FEE	4160040000	26,577		
W COMP FILING VIOL PENALTY	4223030000	1,985,476	1,313,601	66%
PARKING FEE	4350040000	5,900	3,795	64%
W COMP AWARD REVIEW FEE	4350140000	32,251	12,150	38%
TRNG CONF REG FEE	4380020000	6,000	7,380	123%
PHOTOCOPYING FEE	4380050000	62,199	40,238	65%
SALE OF SERVICES	4480020000		26,775	
SALE OF LISTINGS & LABELS	4480060000	4,187	2,425	58%
REFUND PRIOR YR EXPENDITURE	4520010000		1,410	
RETURN CHECKS	4530010000			
ADJUSTMENT TO AGENCY DEPOSITS	4530020000			
MISC REVENUE	4530030000		1,595	
Total Revenues		3,213,912	2,115,159	66%
Self Insurance Tax		2,500,000	2,855,780	114%
Total		5,713,912	4,970,938	87%

State of South Carolina

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TEL: (803) 737-5700
www.wcc.sc.gov

Workers' Compensation Commission

MEMORANDUM

TO: COMMISSIONERS

FROM: Gary Cannon
Executive Director

DATE: February 7, 2020

RE: Medical Services Provider Manual 2020 Update

The Commission received written comments from interested parties concerning the proposed changes to the 2020 Medical Services Provider Manual from Gregory M. Gilbert, Chief Reimbursement and Government Relations Officer for Concentra and Fraser Cobbe, Executive Director of the South Carolina Orthopaedic Association. The letters are attached. Please note *The WCRI 2019 Medical Price Index 11th Edition* referenced in Fraser Cobbe's letter is not attached because it is 180 pages. The document is located on the Commission's O Drive at <O:/FullCommissionReports/2020/February/MSPMResponses/WCRIMedicalPriceIndex2019>.

Also attached you will find the documents presented to you at the January 13, 2020 Business Meeting (*Memo from GMC, Fee Schedule Analysis, and the Anesthesia Analysis*) and the *Summary of Changes* to the Manual provided by FairHealth which was posted on the Commission's website and emailed to the Interested parties distribution list on January 28, 2020.

Concentra[®]

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

January 20, 2020

Ms. Proveaux:

Please let this letter serve as Concentra's written comments on the proposed 2020 Medical Services Provider Manual (MSPM). We are in support of all the proposed changes and have no further input on those changes. Our key comment relates to the conversion factor update.

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

The impact of 10 years of no inflationary increases has moved the SC fee schedule, as benchmarked by WCRI¹, as one at the median levels of all fee schedules in July 2011 to one that is now below the median of states with fee schedules and the 10th lowest fee schedule in the nation.

As it relates to the potential adjustment to the current conversion factor of \$50, it should be noted that from 2010 to 2019, the Medicare Economic Index (MEI), grew approximately 9.3%.

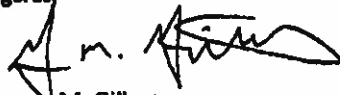
The MEI² is a measure of practice cost inflation that was developed in by CMS 1975 to estimate annual changes in physicians' operating costs and earnings levels. Of note, many states use the MEI (Texas, Georgia, Maryland and California) to annually adjust their RBRVS workers' conversion fee schedule as does Medicare. The Medicare RBRVS system was developed to use the MEI each year in its update and to use an RBRVS based system without this annual update distorts the original design of that system.

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

It should be noted that if the conversion is left unchanged as it was when last reviewed in 2019, it would result in an overall decrease to our primary care reimbursement by approximately .67%, in addition to the decrease last year of .50%. I'm sure this is not the intention of your fee schedule update process. Given our cost of doing business increases each year, this model of continued decreases will be hard to sustain for most providers providing care to injured workers in South Carolina.

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

Regards,



Gregory M. Gilbert
Chief Reimbursement and Government Relations Officer

CC: Mike Kosuth

¹ WCRI's *Designing Workers' Compensation Medical Fee Schedules, 2019*

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



February 5, 2020

Mr. Gary Cannon
Executive Director
Workers' Compensation Commission
1333 Main Street
Post Office Box 1715
Columbia, South Carolina 29202

Dear Commissioners,

The South Carolina Orthopaedic Association (SCOA) appreciates the opportunity to comment on the proposed update to the Medical Services Provider Manual. While we appreciate the Commission's continued commitment to providing this update annually, we would like to take this opportunity to highlight that the proposed adjustments to the Provider Manual will continue to place our state in a dubious position of having one of the lowest reimbursement rates for professional services in the nation. The inability of the Commission to address the comparatively low reimbursement for physician services is likely to continue to challenge access to care for injured workers in our state.

According to the Workers Compensation Research Institute's recent 2019 Medical Price Index 11th Edition, the cumulative growth rate in medical prices paid for professional services in South Carolina has declined by 2% over the past 10 years. (Attachment 1 Page 32). Only four out of thirty-one states studied had a negative Medical Price Index growth over this period. A decade of continued decreases in a particular service line is not sustainable for any business and is likely to continue to strain access to care in the outpatient setting.

Of particular concern is the significant decline in surgical reimbursement over the same period of time. According the same study, reimbursement for major surgical services, defined as orthopaedic procedures, has plummeted in South Carolina. Reimbursement for major surgical services is now the second lowest in the nation having been reduced by 22% over the period studied. (Attachment 1 Page 102)

We look forward to continued opportunities to work with the Commission and all of the stakeholders to pursue a reimbursement strategy that will facilitate lower overall costs to the system by incentivizing rapid access to care and return to function for injured workers in our state.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fraser Cobbe'.

Fraser Cobbe
Executive Director
South Carolina Orthopaedic Association

South Carolina Orthopaedic Association, Inc
21013 Lake Vienna Drive, Land O'Lakes, FL 34638
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Workers' Compensation Commission

MEMORANDUM

TO: COMMISSIONERS

FROM: Gary M Cannon
Executive Director

DATE: January 13, 2019

RE: Medical Services Provider Manual – 2020

Attached are the analyses of the Medical Services Provider Manual and the Anesthesia rates prepared by the consultants Fair Health Inc.

Representatives of Fair Health will be at the February 10 Business Meeting to review their findings and respond to questions. The attached reports will be posted on the Commission's website for stakeholder's review and comment. I recommend the following schedule for the approval of the MSPM 2020 update.

January 13, 2020 Business Meeting

Fair Health reports presented to Commission and distributed to stakeholders. Establish February 5, 2020 as the deadline to receive comments from stakeholders

February 10, 2020 Business Meeting

Fair Health representatives review findings with Commission.
Commission receives comments from stakeholders.

March 16, 2020 Business Meeting

Commission approves Conversion Factor and proposed edits to text in the MSPM.

April 1, 2020

Effective date of 2020 MSPM.



Fee Schedule Analysis

January 8, 2020

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 (2018 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 2020 fee schedule.

FAIR Health received paid amounts from NCCI for the 2018 calendar year, aggregated at the procedure code/modifier level. FAIR Health used the data from 2018 to:

1. Develop a "fee schedule-neutral" conversion factor designed to reflect a similar level of spending based on 2019 MAP amounts; and
2. Project paid amounts for 2020 based on multiple conversion factor alternatives.

2018 Paid Data and Frequencies

The following is a summary of the 2018 data received from NCCI:

NCCI Data Call - 2018 Calendar Year (Before Validation)

Service Type	Total Paid	Total Charged	# of Transactions	# of Units
CPT (Without Anesthesia)	\$57,352,920.28	\$121,977,984.15	701,849	959,458
Anesthesia*	\$1,431,838.52	\$9,220,005.43	6,256	752,739
HCPCS (Without Ambulance)	\$14,993,234.99	\$21,771,056.80	64,721	1,409,833
Ambulance**	\$2,461,210.38	\$4,075,023.01	12,752	361,204
Total	\$76,239,202.15	\$157,044,069.39	785,578	3,483,234

* 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 2018 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, UE and RR 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 that were appended to codes where these modifiers are not applicable/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 2018 occurrences and adjusted MAP amounts. In the past, these records were removed from the database before analysis. FAIR Health believes it is more accurate to include these records and use these frequencies to project paid amounts based on the fee schedule MAPs as adjusted.

Fee Schedule-Neutral Conversion Factor- 2019 Projections

- Total dollar amounts were projected based on 2018 occurrences and 2019 MAP amounts, which reflect the 9.5% cap, where applicable.
- Based on the 2018 occurrences and 2019 MAP values, FAIR Health calculated a fee schedule neutral conversion factor for each service area. The total fee schedule neutral conversion factor is 50.2.
- Ambulance data is paid at 100% of Medicare and is not included in this analysis.
- Please see the separate analysis for anesthesia data.

2019 Projections

Category	Frequency	Total RVUs	Total \$ SC 2019 FS	CF
Evaluation and Management	128,817	314,076	\$ 15,796,474	50.0
HCPCS Level II	254,079	146,001	\$ 7,214,830	49.8
Medicine & Injection	15,702	31,057	\$ 1,562,394	50.2
Pathology & Laboratory	11,428	9,809	\$ 482,611	49.3
Physical Medicine	675,665	574,131	\$ 29,046,740	50.0
Radiology	53,615	93,057	\$ 4,732,091	50.3
Special Reports	1,500	1,845	\$ 92,666	50.0
Surgery	35,887	268,297	\$ 13,538,783	50.5
Total	1,176,693	1,438,273	\$ 72,466,589	50.2

Comparison of Multiple Conversion Factors – 2020 Projections

- The projections of paid amounts for the 2020 fee schedule are based on 2018 frequencies and 2020 RVUs, to which conversion factors of 49, 50, 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.
- The 2020 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 does 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.

- o FAIR Health does not recommend that the State establish gap fill values for new codes effective January 1, 2020 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 2020, propose gap fill values for the 2021 MSPM.
- FAIR Health notes that the low conversion factor for the HCPCS section is driven by code G0277, *Hyperbaric oxygen under pressure, full body chamber, per 30 minute interval*. While this service is provided frequently, the proposed value for this service is impacted by the mandated 9.5% cap on MAP increases. The high frequency of this service, and the current low value in comparison to the MAP value that would be produced by the formula without the cap, impacts the conversion factor for the HCPCS section.

2020 Projections

Category	Frequency	Total RVUs	Total \$ 2020 with CF = 49	CF49	Total \$ 2020 with CF = 50	CF50	Total \$ 2020 with CF = 51	CF51	Total \$ 2020 with CF = 52	CF52
E/M	128,817	314,076	\$ 15,389,725	49.0	\$ 15,703,802	50.0	\$ 16,017,878	51.0	\$ 16,331,954	52.0
HCPCS	254,079	146,001	\$ 7,108,411	48.7	\$ 7,140,776	48.9	\$ 7,172,276	49.1	\$ 7,203,827	49.3
Med/Inj	15,702	31,057	\$ 1,532,271	49.3	\$ 1,661,280	50.3	\$ 1,590,803	51.2	\$ 1,619,563	52.1
Path/Lab	11,428	9,809	\$ 480,116	48.9	\$ 486,902	49.6	\$ 496,150	50.6	\$ 505,353	51.5
Phys Med	675,665	574,131	\$ 28,141,624	49.0	\$ 28,714,708	50.0	\$ 29,287,783	51.0	\$ 29,860,651	52.0
Radiology	53,615	93,057	\$ 4,604,342	49.5	\$ 4,691,771	50.4	\$ 4,777,083	51.3	\$ 4,861,150	52.2
Reports	1,500	1,845	\$ 90,404	49.0	\$ 92,249	50.0	\$ 94,094	51.0	\$ 95,939	52.0
Surgery	35,887	268,297	\$ 13,275,922	49.5	\$ 13,532,199	50.4	\$ 13,788,083	51.4	\$ 14,043,320	52.3
Grand Total	1,176,693	1,438,273	\$ 70,622,815	49.1	\$ 71,923,687	50.0	\$ 73,224,162	50.9	\$ 74,521,757	51.8

Upon approval of a conversion factor for 2020, 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.

Chris O'Donnell
 Executive Director of Customer Experience
 codonnell@fairhealth.org
 212-257-2367

Anesthesia – Analysis of Conversion Factor

January 3, 2019

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 2019
- Comparison to other states' workers' compensation fee schedules

The current anesthesia conversion factor in the South Carolina Medical Services Provider Manual (MSPM) is \$30. 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	\$ 90.00	\$ 90.00
Time Value Amount	\$ 120.00	\$ 240.00
Total AMAP	\$ 210.00	\$ 330.00

Medicare

The South Carolina anesthesia conversion factor of \$30 is equal to 135% of the national Medicare conversion factor of \$22.2016 and 140% of Medicare's South Carolina conversion factor of \$21.38. This relationship is similar to the South Carolina professional conversion factor, which is 139% of the Medicare conversion factor.

	Anesthesia – National Comparison	Anesthesia – South Carolina Comparison	Other Professional Services
South Carolina Conversion Factor	\$30.00	\$30.00	\$50.00
Medicare Conversion Factor (2020)	\$22.2016 (National)	\$21.38 (South Carolina)	\$36.0895
Ratio	135%	140%	139%

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 provided 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 the 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 in calendar year 2018.

Type	Average	Percentiles													
		5th	10th	15th	20th	25th	30th	35th	40th	45th	50th	55th	60th	70th	80th
Billed Anesthesia	131	52	60	70	81	88	95	101	107	113	119	136	161	175	213
Allowed Anesthesia	63	25	30	34	39	43	46	49	52	55	58	65	77	85	96

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 aligns to the 10th percentile for private insurance. That means that 90% of the values in the FAIR Health database are equal to or greater than \$30. The 50th percentile (conversion factor of \$58) is the median conversion factor value used by private insurance, and the average allowed conversion factor benchmark is \$63.

ASA Survey Results for Commercial Fees Paid for Anesthesia Services

The American Society of Anesthesiologists (ASA) publishes an annual study on conversion factors. The Commission provided FAIR Health with *ASA Survey Results for Commercial Fees Paid for Anesthesia Services – 2018*, and we downloaded the 2019 study from the ASA website at <https://monitor.pubs.asahq.org/journal.aspx>. A copy of the 2019 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	
	2018	2019	2018	2019	2018	2019
Low	26.60	23.73	26.60	33.34	26.60	N/A
Median	71.81	72.00	77.14	77.00	80.00	N/A
Average	76.32	77.01	84.21	81.16	86.77	N/A
High	230.00	256.50	230.00	256.50	185.00	N/A

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	\$55.54
Colorado	\$46.50
Florida	\$29.49
Georgia	\$59.19
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	\$46.58
Tennessee	\$75.00

FAIR Health assists Colorado, Georgia, Kentucky, Mississippi 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 140% of the Medicare conversion factor for South Carolina and 135% of the national Medicare conversion factor.
- The ratio of the South Carolina workers' compensation anesthesia to Medicare is generally aligned with the 139% ratio of the conversion factor for other professional services (\$50) in comparison to Medicare (\$39.0896). 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 – 2019* appears on the following pages.

State of South Carolina

1333 Main Street, 5th Floor
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Workers' Compensation Commission

**Medical Services Provider Manual
Summary of Changes
Notification
January 28, 2020**

Click [here](#) to access the Summary of Proposed Changes to the text in the 2020 Medical Services Provider Manual.

The Commission will receive written comments from interested parties until the close of business, February 5, 2020. The Commission will allow public comment at the Commission's Business Meeting, on Monday, February 10, 2020, in Hearing Room A at the Commission's office, 1333 Main Street, Suite 500, Columbia, SC 29201.

Comments will be accepted by US Postal Service to SC Workers' Compensation Commission, P.O. Box 1715, Columbia, SC 29202 or electronically by email to Amy Proveaux at aproveaux@wcc.sc.gov no later than February 5.

The Commission will consider final approval of the amendments to the Fee Schedule at the Business Meeting on March 16, 2020. The effective date of the 2020 Medical Services Provider Manual is April 1, 2020.

For additional information contact
Gary M Cannon
Executive Director
803-737-5744
Gcannon@wcc.sc.gov



Summary of Changes
2020 Medical Services Provider Manual
January 28, 2020

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 2020 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 are included in the proposed version of the 2020 Medical Services Provider Manual.

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

1. Publisher's Notice and Overview and Guidelines

The commission is working with FAIR Health to assist with the updating and distribution of the fee schedule. Links to where the fee schedule can be ordered (orders.fairhealth.org) and contact information to report corrections have been updated.

2. Chapter I. Overview and Guidelines

Many procedure codes that are not valued by the Centers for Medicare and Medicaid Services (CMS) will be valued based on a gap fill methodology provided by FAIR Health.

3. Chapter II. General Policy (Page TBD)

Copies of Records and Reports – The maximum amount that may be charged for the clerical and handling fee has been increased to \$25.

4. Part II: Fee Schedule (Page TBD)

icons – The icon for Optum Modifier 51 Exempt codes has been removed. Only codes that are identified with the icon in the American Medical Association's (AMA) 2020 CPT® manual as being Modifier 51 Exempt will be flagged in the fee schedule. Administrators should continue to rely on the National Correct Coding Initiative (NCCI) coding edits for payment guidance.

5. Section 1: Evaluation and Management (E/M) Services (Page TBD)

Consultation codes – CMS does not value consultation codes (CPT 99241-99245 and 99251-99255) and directs use of office visit codes for these services. The MAPs in the rate tables for these codes have been set to NC (not covered).

CPT © 2019 American Medical Association. All Rights Reserved.

6. Section 5: Pathology and Laboratory Services (Page TBD)

- a. Multianalyte Assays with Algorithmic Analysis (MAAA) were removed from the list of tests requiring preauthorization and the MAP amounts in the rate tables for these procedure codes were set to "NC". Codes for Genomic Sequencing Procedures (GSP) also were set to NC. These services are not relevant to workers' compensation.

- b. Drug Screening language was updated to provide clarity:

Drug screening services must be reported using service codes 80305, 80306 and 80307, and G0659 for presumptive drug testing. Definitive testing is reported with codes G0480–G0483 dependent upon the number of drug classes included in the testing or G0659 when identifying individual drugs and distinguishing between structural isomers.

Code 80305 is used for presumptive testing read by direct optical observation including dipsticks, cups, cards, and cartridges. Code 80306 is used for presumptive testing where instrument assisted optical observation is used to read the dipsticks, cups, cards, and cartridges. Code 80307 is used to report presumptive testing by instrumented chemistry analysis. ~~Code G0659 is used when utilizing a method to identify individual drugs and distinguishing between structural isomers.~~ All of these codes are reported only once per date of service. Only one of these codes per day may be reported according to the Centers for Medicare and Medicaid Services (CMS) and CPT guidelines.

Codes G0480–G0483 are used to report definitive testing and the specific code is selected dependent upon the number of drug classes included in the testing. Code G0659 is used when utilizing a method to identify individual drugs and distinguishing between structural isomers. Only one definitive testing code may be reported per day.

7. Section 6: Medicine and Injections (Page TBD)

Biofeedback – text changed to incorporate changes to biofeedback codes and clarify payment guidelines.

Biofeedback training (CPT codes 90901, 90911, 90912 and 90913) may be provided when it is medically necessary and is approved by the employer/carrier. See Part I Chapter II, Authorization to Treat. Payment for biofeedback is limited to providers currently licensed or certified to provide biofeedback services. Providers include physicians, physical therapists, and psychologists currently licensed in South Carolina, who are certified by, or meet minimum certification requirements of, the Biofeedback Certification Institute of America. ~~Codes 90901 and 90911 do not include a time element. These codes should be used once to identify all modalities of biofeedback training performed for that date of service, regardless of time increments or number of modalities. CPT code 90901, Biofeedback training by any modality may be used only once per date of service. CPT code 90912, Biofeedback training, perineal muscles, anorectal or urethral sphincter, including EMG and/or manometry, when performed; initial 15 minutes, may be billed once per date of service. Add-on code 90913 Biofeedback training, perineal muscles, anorectal or urethral sphincter, including EMG and/or manometry, when performed; each additional 15 minutes, may be billed up to three times per date of service in conjunction with the primary procedure.~~

8. Section 7: Physical Medicine (Page TBD)

- a. **Athletic training** – The MAP amounts in the rate tables for athletic training services, CPT 97169-97172, have been set to NC.
- b. **Billing Guidelines** – changes to codes used for muscle testing. CPT codes 95831-95834 were deleted. Physical therapy evaluation codes 97151-97172, physical therapy evaluation, should be used for manual muscle testing.

9. Section 8: Special Reports and Services (Page TBD)

Copies of Reports and Records – The maximum amount that may be charged for the clerical and handling fee has been increased to \$25.

10. Section 9: HCPCS Level II (Rate Tables)

HCPCS G codes that are used for quality reporting and providing information on Medicare demonstration projects have been removed from the rate tables.

11. Appendix B. Exceptions to the Multiple Surgical Procedures Policy

Appendix B has been updated to delete codes that are not expressly flagged in the 2020 CPT manual as modifier 51 exempt. (See #4 above.) Administrators should continue to rely on the National Correct Coding Initiative (NCCI) coding edits for payment guidance.

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Workers' Compensation Commission

MEMORANDUM

TO: COMMISSIONERS
FROM: Gary M Cannon
Executive Director
DATE: January 13, 2019
RE: Medical Services Provider Manual – 2020

Attached are the analyses of the Medical Services Provider Manual and the Anesthesia rates prepared by the consultants Fair Health Inc.

Representatives of Fair Health will be at the February 10 Business Meeting to review their findings and respond to questions. The attached reports will be posted on the Commission's website for stakeholder's review and comment. I recommend the following schedule for the approval of the MSPM 2020 update.

January 13, 2020 Business Meeting

Fair Health reports presented to Commission and distributed to stakeholders. Establish February 5, 2020 as the deadline to receive comments from stakeholders

February 10, 2020 Business Meeting

Fair Health representatives review findings with Commission.
Commission receives comments from stakeholders.

March 16, 2020 Business Meeting

Commission approves Conversion Factor and proposed edits to text in the MSPM.

April 1, 2020

Effective date of 2020 MSPM.



Fee Schedule Analysis

January 8, 2020

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 (2018 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 2020 fee schedule.

FAIR Health received paid amounts from NCCI for the 2018 calendar year, aggregated at the procedure code/modifier level. FAIR Health used the data from 2018 to:

1. Develop a "fee schedule-neutral" conversion factor designed to reflect a similar level of spending based on 2019 MAP amounts; and
2. Project paid amounts for 2020 based on multiple conversion factor alternatives.

2018 Paid Data and Frequencies

The following is a summary of the 2018 data received from NCCI:

NCCI Data Call - 2018 Calendar Year (Before Validation)

Service Type	Total Paid	Total Charged	# of Transactions	# of Units
CPT (Without Anesthesia)	\$57,352,920.28	\$121,977,984.15	701,849	959,458
Anesthesia*	\$1,431,836.52	\$9,220,005.43	6,256	752,739
HCPCS (Without Ambulance)	\$14,993,234.99	\$21,771,056.80	64,721	1,409,833
Ambulance**	\$2,481,210.36	\$4,075,023.01	12,752	361,204
Total	\$78,239,202.15	\$157,044,069.39	785,578	3,483,234

* 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 2018 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, UE and RR 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 that were appended to codes where these modifiers are not applicable/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 2018 occurrences and adjusted MAP amounts. In the past, these records were removed from the database before analysis. FAIR Health believes it is more accurate to include these records and use these frequencies to project paid amounts based on the fee schedule MAPs as adjusted.

Fee Schedule-Neutral Conversion Factor- 2019 Projections

- Total dollar amounts were projected based on 2018 occurrences and 2019 MAP amounts, which reflect the 9.5% cap, where applicable.
- Based on the 2018 occurrences and 2019 MAP values, FAIR Health calculated a fee schedule neutral conversion factor for each service area. The total fee schedule neutral conversion factor is 50.2.
- Ambulance data is paid at 100% of Medicare and is not included in this analysis.
- Please see the separate analysis for anesthesia data.

2019 Projections

Category	Frequency	Total RVUs	Total \$ SC 2019 FS	CF
Evaluation and Management	128,817	314,076	\$ 15,796,474	50.0
HCPCS Level II	254,079	146,001	\$ 7,214,830	49.8
Medicine & Injection	15,702	31,057	\$ 1,562,394	50.2
Pathology & Laboratory	11,428	9,609	\$ 482,611	49.3
Physical Medicine	675,665	574,131	\$ 29,046,740	50.0
Radiology	53,615	93,057	\$ 4,732,091	50.3
Special Reports	1,500	1,845	\$ 92,666	50.0
Surgery	35,887	268,297	\$ 13,538,783	50.5
Total	1,176,693	1,438,273	\$ 72,466,589	50.2

Comparison of Multiple Conversion Factors – 2020 Projections

- The projections of paid amounts for the 2020 fee schedule are based on 2018 frequencies and 2020 RVUs, to which conversion factors of 49, 50, 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.
- The 2020 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 does 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.

- o FAIR Health does not recommend that the State establish gap fill values for new codes effective January 1, 2020 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 2020, propose gap fill values for the 2021 MSPM.
- FAIR Health notes that the low conversion factor for the HCPCS section is driven by code G0277, *Hyperbaric oxygen under pressure, full body chamber, per 30 minute interval*. While this service is provided frequently, the proposed value for this service is impacted by the mandated 9.5% cap on MAP increases. The high frequency of this service, and the current low value in comparison to the MAP value that would be produced by the formula without the cap, impacts the conversion factor for the HCPCS section.

2020 Projections

Category	Frequency	Total RVUs	Total \$ 2020 with CF = 49	CF 49	Total \$ 2020 with CF = 50	CF 50	Total \$ 2020 with CF = 51	CF 51	Total \$ 2020 with CF = 52	CF 52
E/M	128,817	314,076	\$ 15,369,725	49.0	\$ 15,703,802	50.0	\$ 16,017,678	51.0	\$ 16,331,954	52.0
HCPCS	264,079	148,001	\$ 7,108,411	48.7	\$ 7,140,778	48.9	\$ 7,172,278	49.1	\$ 7,203,827	49.3
Med/Inj	15,702	31,057	\$ 1,832,271	49.3	\$ 1,561,260	50.3	\$ 1,590,803	51.2	\$ 1,619,563	52.1
Path/Lab	11,428	9,809	\$ 480,118	48.9	\$ 486,902	49.6	\$ 496,150	50.6	\$ 505,363	51.5
Phys Med	675,665	574,131	\$ 28,141,624	49.0	\$ 28,714,708	50.0	\$ 29,287,793	51.0	\$ 29,860,651	52.0
Radiology	53,615	93,057	\$ 4,604,342	49.5	\$ 4,691,771	50.4	\$ 4,777,083	51.3	\$ 4,861,160	52.2
Reports	1,500	1,845	\$ 90,404	49.0	\$ 92,249	50.0	\$ 94,094	51.0	\$ 95,939	52.0
Surgey	35,887	266,297	\$ 13,275,922	49.5	\$ 13,532,199	50.4	\$ 13,786,083	51.4	\$ 14,043,320	52.3
Grand Total	1,176,693	1,438,273	\$ 70,622,815	49.1	\$ 71,923,687	50.0	\$ 73,224,162	50.9	\$ 74,521,757	51.8

Upon approval of a conversion factor for 2020, 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.

Chris O'Donnell
Executive Director of Customer Experience
codonnell@fairhealth.org
212-257-2367

Anesthesia – Analysis of Conversion Factor

January 3, 2019

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 2019
- Comparison to other states' workers' compensation fee schedules

The current anesthesia conversion factor in the South Carolina Medical Services Provider Manual (MSPM) is \$30. 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	\$ 90.00	\$ 90.00
Time Value Amount	\$ 120.00	\$ 240.00
Total AMAP	\$ 210.00	\$ 330.00

Medicare

The South Carolina anesthesia conversion factor of \$30 is equal to 135% of the national Medicare conversion factor of \$22.2016 and 140% of Medicare's South Carolina conversion factor of \$21.38. This relationship is similar to the South Carolina professional conversion factor, which is 139% of the Medicare conversion factor.

	Anesthesia – National Comparison	Anesthesia – South Carolina Comparison	Other Professional Services
South Carolina Conversion Factor	\$30.00	\$30.00	\$50.00
Medicare Conversion Factor (2020)	\$22.2016 (National)	\$21.38 (South Carolina)	\$36.0895
Ratio	135%	140%	139%

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 provided 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 the 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 in calendar year 2018.

Type	Average	Percentiles													
		5th	10th	15th	20th	25th	30th	35th	40th	45th	50th	60th	70th	80th	90th
Billed Anesthesia	131	52	60	70	81	88	95	101	107	113	119	136	161	176	213
Allowed Anesthesia	63	25	30	34	39	43	46	49	52	55	58	65	77	85	96

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 aligns to the 10th percentile for private insurance. That means that 90% of the values in the FAIR Health database are equal to or greater than \$30. The 50th percentile (conversion factor of \$58) is the median conversion factor value used by private insurance, and the average allowed conversion factor benchmark is \$63.

ASA Survey Results for Commercial Fees Paid for Anesthesia Services

The American Society of Anesthesiologists (ASA) publishes an annual study on conversion factors. The Commission provided FAIR Health with *ASA Survey Results for Commercial Fees Paid for Anesthesia Services – 2018*, and we downloaded the 2019 study from the ASA website at <https://monitor.pubs.asahq.org/journal.aspx>. A copy of the 2019 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	
	2018	2019	2018	2019	2018	2019
Low	26.60	23.73	26.60	33.34	26.60	N/A
Median	71.81	72.00	77.14	77.00	80.00	N/A
Average	76.32	77.01	84.21	81.16	86.77	N/A
High	230.00	256.50	230.00	256.50	185.00	N/A

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	\$55.54
Colorado	\$48.50
Florida	\$29.49
Georgia	\$59.19
Kentucky	\$78.53
Louisiana	\$50.00
Maryland	\$21.69
Mississippi	\$50.00
North Carolina	\$58.20 – first 80 min \$30.75 – after 80 min
Oklahoma	\$46.58
Tennessee	\$75.00

FAIR Health assists Colorado, Georgia, Kentucky, Mississippi 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 140% of the Medicare conversion factor for South Carolina and 135% of the national Medicare conversion factor.
- The ratio of the South Carolina workers' compensation anesthesia to Medicare is generally aligned with the 139% ratio of the conversion factor for other professional services (\$50) in comparison to Medicare (\$39.0896). 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 – 2019* appears on the following pages.