

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

March 13, 2023 10:30 a.m.

Meeting to be held in Hearing Room A

The Commission's Business Meeting will be broadcast live on the Internet via Zoom. Interested parties may access the broadcast at the following link:

Join Zoom Meeting

<https://us02web.zoom.us/j/8249297108?pwd=akcwMkMxSnYzQWFxdEs4V2x6UWtyUT09>

Meeting ID: 824 929 7108

Passcode: 073988

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

- | | |
|---|---|
| 1. CALL TO ORDER | CHAIRMAN BECK |
| 2. APPROVAL OF AGENDA OF BUSINESS MEETING OF MARCH 13, 2023 | CHAIRMAN BECK |
| 3. APPROVAL OF MINUTES OF THE REGULAR BUSINESS MEETING OF FEBRUARY 13, 2023, (Tab 1) | CHAIRMAN BECK |
| 4. GENERAL ANNOUNCEMENTS | MR. CANNON |
| 5. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) | MS. BROWN |
| 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. WARD
MR. PLUSS
MR. DUCOTE
MS. SPANN
MS. BRACY |
| 7. DEPARTMENT OF VOCATIONAL REHABILITATION
Monthly Report (Tab 8) | MR. CANNON |
| 8. EXECUTIVE DIRECTOR'S REPORT (Tab 9) | MR. CANNON |
| 9.. FINANCIAL REPORT (Tab 10) | MR. CANNON |
| 10. OLD BUSINESS
MEDICAL SERVICES PROVIDER MANUAL (Tab 11) | CHAIRMAN BECK |
| 11. EXECUTIVE SESSION
General Counsel has requested an Executive Session to discuss pending litigation. | CHAIRMAN BECK |
| 12. ADJOURNMENT | CHAIRMAN BECK |

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11	Old Business
12	New Business

TAB 1

THE
SOUTH CAROLINA WORKERS'
COMPENSATION COMMISSION
BUSINESS MEETING
February 13, 2023

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, February 13, 2023, 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
GENE MCCASKILL, VICE CHAIR
AVERY WILKERSON, COMMISSIONER
AISHA TAYLOR, COMMISSIONER
CYNTHIA DOOLEY, COMMISSIONER
R. MICHEAL CAMPBELL, II, COMMISSIONER
MELODY JAMES, COMMISSIONER

Present also were Gary Cannon, Executive Director; Keith Roberts, General Counsel, Christy Brown, Self-Insurance Director; Sonji Spann, Claims Director; Kristen Mcree, Staff Attorney; Wayne Ducote, Insurance & Medical Services Director; Bridget Ward, Human Resource Director; Kris Pluss, Director of Information Technology, Douglas Mann; IT Consultant, Bridget Amick; Medical Policy Analyst, and Amber Scarborough; Creel Reporting. Teriann Scarantino, Optum; Bonnie Anzelmo, Injured Workers Advocate; Tiffany Grzybowski, Health Systems, Chris O'Donnell; Fair Health, Joel Brill, Michael Bowe; Anesthesiologist Services, all joined via Zoom.

Chairman Beck called the meeting to order at 10:36 a.m.

Chairman Beck called the Public Hearing to order at 10:37 a.m. for Mr. Cannon to discuss the proposed changes to the 2023 Medical Services Manual.

Michael Bowe from Anesthesiologist Services had questions. Chris O'Donnell from Fair Health explained the proposed changes.

The Public Hearing ended at 10:50 a.m.

AGENDA

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

APPROVAL OF MINUTES – BUSINESS MEETING OF JANUARY 23, 2023

Commissioner McCaskill moved that the minutes of the Business Meeting of January 23, 2023, be approved. Commissioner Dooley seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

There were no general announcements.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by Christy Brown, Self-Insurance Director. **Thirteen (13)** prospective members of **Two (2)** funds were presented to the Commission for approval. The applications were:

Palmetto Timber Fund

Jones Timber LLC
Twin Creek, Inc.

South Carolina Home Builders SIF

Austin Air LLC
Connor III Homebuilders LLC
CK Contracting LLC
Exteriors Plus LLC
Hay Hill Services, Inc.
Holy City Heating & Air LLC
M & M Mobile Homes, Inc
Petro's Masonry Brick & Block Construction LLC
SC Exteriors Services LLC
Southco Builders LLC
Southern Flooring, Inc.

After examination of the applications, it was determined that each complied with the Commission's requirements, and each was recommended for approval.

Commissioner Wilkerson made the motion to approve the applications to self-insure. Commissioner Taylor seconded the motion to approve the applications to self-insure, and the motion was approved.

DEPARTMENT DIRECTORS' REPORTS

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

HUMAN RESOURCES

Ms. Ward presented the Human Resources report. There were no comments or questions from the Commission.

INFORMATION TECHNOLOGY DEPARTMENT

Mr. Pluss presented the IT report. There were no comments or questions from the Commission.

INSURANCE AND MEDICAL SERVICES DEPARTMENT

Mr. Ducote presented his report in written form. Mr. Ducote introduced Tara Patton, our new Compliance Officer. There were no comments or questions from the Commission.

CLAIMS DEPARTMENT

Ms. Spann presented her report in written form. There were no comments or questions from the Commission.

JUDICIAL DEPARTMENT

Mr. Cannon presented Ms. Bracy's report in written form. There were no questions from the Commission.

VOCATIONAL REHABILITATION

Mr. Cannon presented the Vocational Rehabilitation Report.

EXECUTIVE DIRECTOR'S REPORT

Mr. Cannon submitted his report in written form. There were no comments or questions from the Commission.

ADMINISTRATION – FINANCIAL REPORT

Mr. Cannon submitted his report in written form. There were no questions from the Commission.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

EXECUTIVE SESSION

Commissioner Taylor made a motion to move into Executive Session to discuss pending litigation matters. Commissioner James seconded the motion, and the motion was approved. The Commission went into Executive Session at 11:05 a.m.

Commissioner Taylor made the motion to leave Executive Session at 11:26 a.m.; noting that no activity was taken. Commissioner Campbell seconded the motion, and the motion was approved.

ADJOURNMENT

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

The February 13, 2023, meeting of the South Carolina Workers' Compensation Commission adjourned at 11:26 am.

Reported March 3, 2023
Arnisha Keitt
Executive Assistant

TAB 2

TAB 3

State of South Carolina

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



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

Workers' Compensation Commission

TO: Gary Cannon
FROM: Bridget Ward
DATE: March 2, 2023

SUBJECT: Monthly Human Resources Report for February 2023 Business Meeting

This report summarizes Human Resources' activities from February 1, 2023, through February 28, 2023. At the end of February, the Commission had 49 full-time employees and one part-time employee.

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

HR processed two SCEIS personnel transactions and five SCEIS time/leave transactions in February. All detailed reports were run as scheduled, and any issues that arose were corrected with the collaborative effort of the SCEIS teams and the Comptroller General's Office. HR sent 10 "All Employee emails during February and processed 11 travel reports. HR received and reviewed 1276 and sent 1259 emails.

Due to the appointment of Commissioner Dooley last year, a new group photo was needed for the Commission. Therefore, HR arranged for a photographer to come on-site and take pictures of the Commissioners and the Executive Director.

HR participated in three events sponsored by the Department of Administration:

- The virtual third-quarter Performance and Learning Consortium.
- DSHR's Webex HR Advisory Meeting.
- DSHR's two-part in-person Best Practices in Classification and Compensation.

There were no parking issues in February, and four building issues. Three building issues were resolved, and one is still ongoing. In addition, two parking assignments were updated.

There was one COVID case and one scare in February. The employees returned to work after protocol was followed, contact tracing was done, and the appropriate quarantine/isolation period was observed. HR will continue to obtain testing kits from DHEC to provide convenient free testing for all employees.

Vacant positions to be filled: Claims – Insurance Analyst I – AP01

The posting for the Claims Department position was extended into the month of February to receive a better application pool from the SC Career website. Therefore, the interview process will resume in March to recruit and hire for the position.

TAB 4

State of South Carolina

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



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

Workers' Compensation Commission

To: Gary Cannon, SCWCC Executive Director
From: Kris Pluss, IT Director
Date: March 3, 2023
Subject: IT Department February 2023 Full Commission Report

This report summarizes the activities and accomplishments for projects and initiatives in the IT Department during February 2023.

I. Systems Operations, Maintenance and Support

EDI

WCC IT Staff continues to work with the ISO/Verisk to establish processes and an implementation plan for the EDI 3.0 claims processing migration. The WCC IT Team attended two conference calls with ISO/Verisk in February. ISO/Verisk has encountered an issue with ingesting the historical claims data in the existing EDI format. WCC IT is currently working with Verisk to adjust the data that is ingested for active claims. WCC IT has produced sample history claims data in the revised format. We are verifying the accuracy of the extracted data before sending it to Verisk. Phase 1 Testing is scheduled to be completed during the First Quarter of 2023.

Progress

WCC IT attended six Virtual Meetings with Progress Application Staff and Project Managers in February. An Attorney Protection enhancement has been developed and is currently being tested by WCC Judicial Staff. The new eCase Display module is available for review and feedback.

Systems Support

WCC IT continues to work with WCC mobile device users to update Apple Operating Software and to verify that the devices are compliant with the Governor's request to block the Tik Toc Application.

Security

WCC IT Participated in an Agency Lunch and Learn with the WCC Legal Team on February 16, 2023. WCC IT presented information regarding the identification and the response process for Phishing Emails. Several emails were identified as "phishing emails" by WCC Administrative Assistants in the following weeks and were reported to the WCC IT Team without incident.

Reporting

- 92 Service Desk tickets were received by WCC IT during February 2023.
- 85 Tickets were assigned a priority of Low / Medium.
- 6 Ticket was assigned a priority of High.
- 1 Tickets were assigned a priority of Urgent.

II. Projects, Enhancements and Development

Legacy Modernization

KeyMark and DTO, OnBase Support are working through a configuration issue for the PDF-POP enhancement. The URL has been updated and is now accessible. WCC IT will be coordinating communications between KeyMark and OnBase to integrate this enhancement within the eCase display module once testing has been completed.

TAB 5

State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Wayne Ducote, Jr.
IMS Director

Date: 9-Mar-23

Subj: Insurance and Medical Services Department
February 2023 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: 37 new registrants; 0 notifications sent.3. Filled coverage analyst position. |
| Medical Services | <ol style="list-style-type: none">1. Two medical bill pricing reviews were done in the month of February.2. Proposed updates for 2023 Medical Services Provider Manual.3. One medical bill reviewer recertification was completed. |

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 2 new RTSC cases and 5 total RTSC cases in the month of February. And, compelled 27 South Carolina employers to come into compliance with the Act. Year to date, 5 new RTSC cases and 16 total RTSC cases have been docketed.

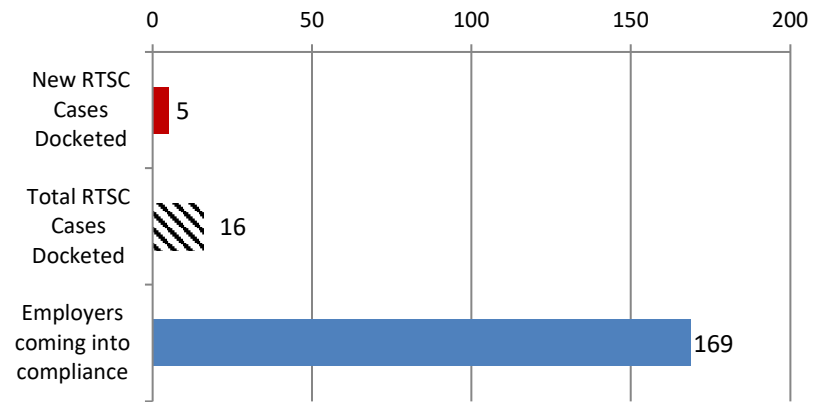
Employers Obtaining Coverage

Year to date, the Compliance Division has compelled 169 South Carolina employers to come into compliance with the Act. In so doing, approximately 1,457 previously uninsured workers are now properly covered.

Penalties Waived

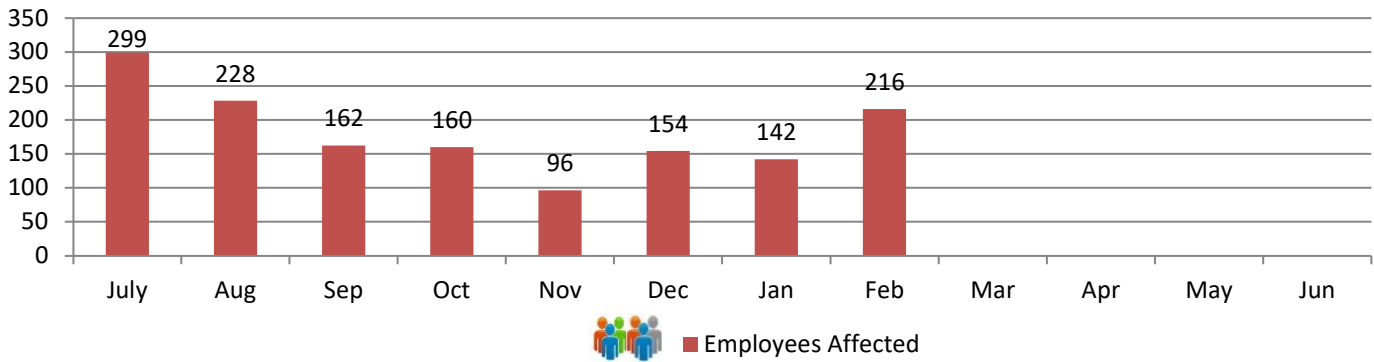
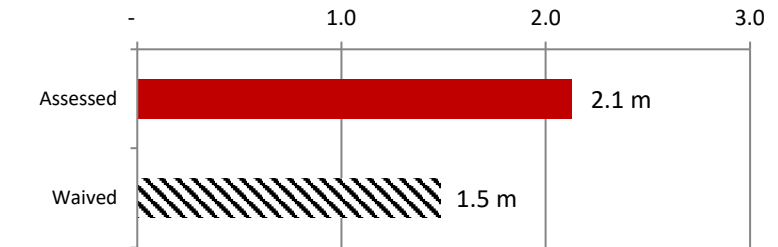
Although the Division has assessed \$2.1 m in fines this fiscal year, \$1.5 m have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

RTSC and Compliance Activity



Fines and Penalties

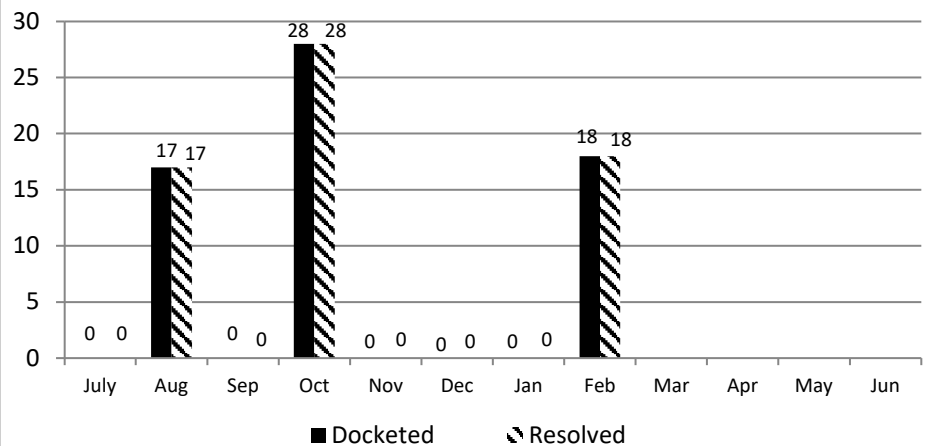
Millions



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 2023, 18 carrier RTSC cases were docketed; 18 cases were resolved for a total of \$45,789.

Year to date, a total of 63 carrier RTSC cases have been docketed, 63 cases for a total of \$106,478 have been resolved.

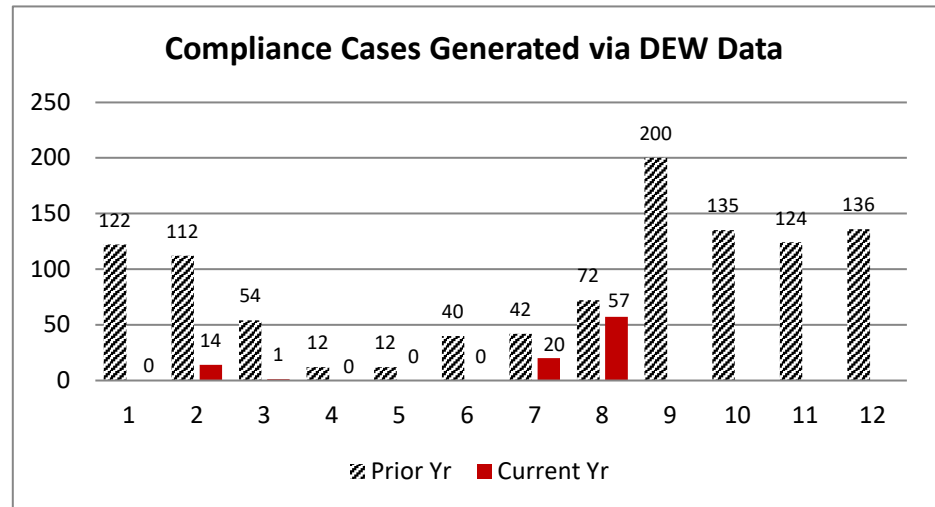
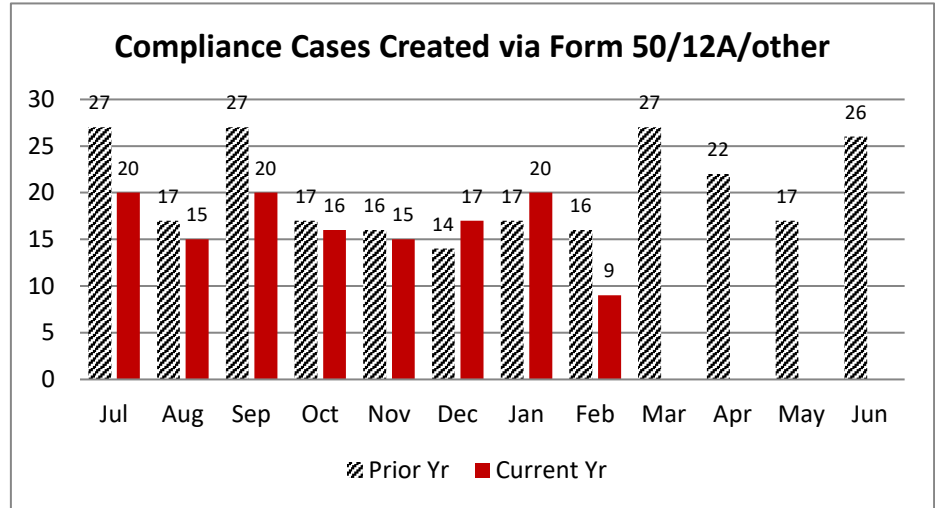


In February 2023, 9 compliance files were created from the combined filings of Form 50's, 12A's, and stakeholder reporting involving uninsured employers.

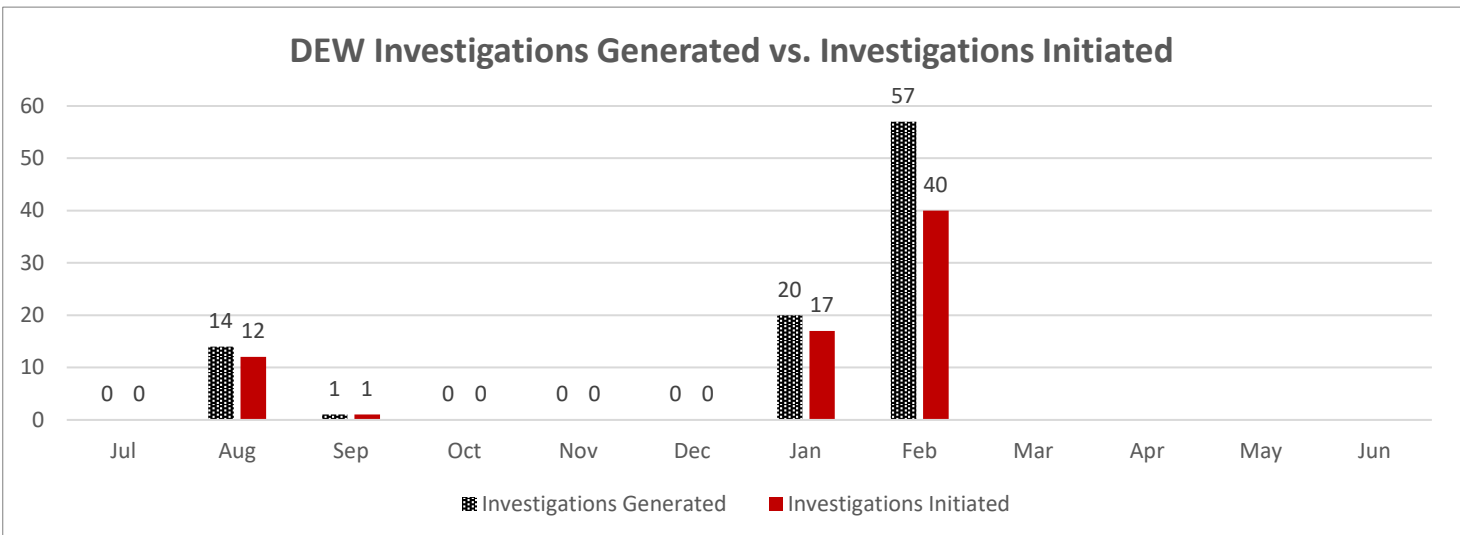
YTD vs. Prior Year total (243): 54%
 Feb 2022 to Feb 2023: 56%
 Current Yr End trend: 81% of 2021-2022
 YTD 2022-2023 v. YTD 2021-2022: 87%

In February 2023, 57 compliance files were generated from the DEW data process.

YTD vs. Prior Year total (1,061): 9%
 Feb 2022 to Feb 2023: 79%
 Current Yr End trend: 13% of 2021-2022
 YTD 2022-2023 v. YTD 2021-2022: 20%



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 2023 with 185 cases active, compared to an active caseload of 173 at the close of February 2022.

Cases Resolved:

For the month of February 2023, Compliance Division staff closed-out 98 cases.

Compliance Fines:

In February 2023, the Compliance Division collected \$31,481 in fines and penalties. Year to Date, the Compliance Division has collected \$246,618 in fines and penalties.

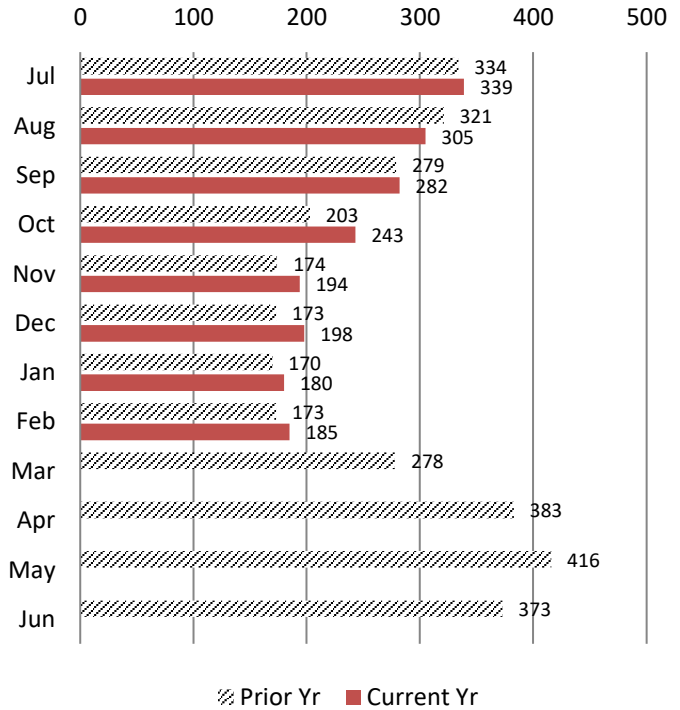
Year to Date vs Prior Year Total (\$686,193): 36%

Feb 2022 vs. Feb 2023: 89%

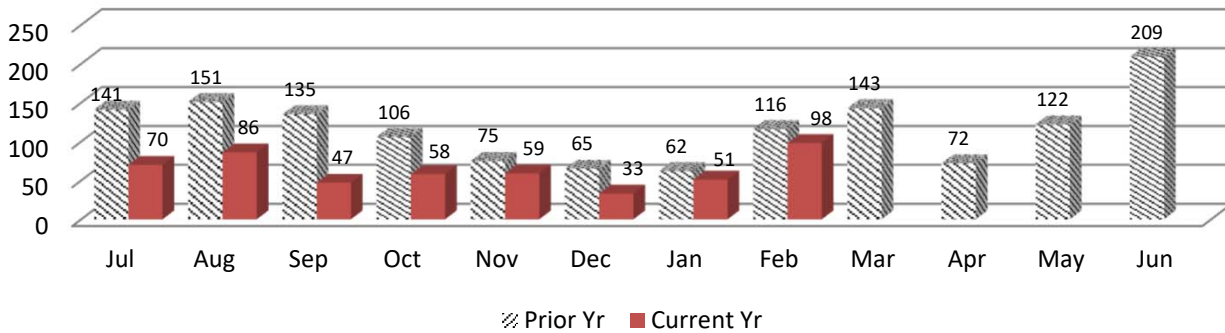
Current Year End trend is 54% of 2021-2022

YTD 2021-22 (Feb - June) vs YTD 2022-2023: 52%

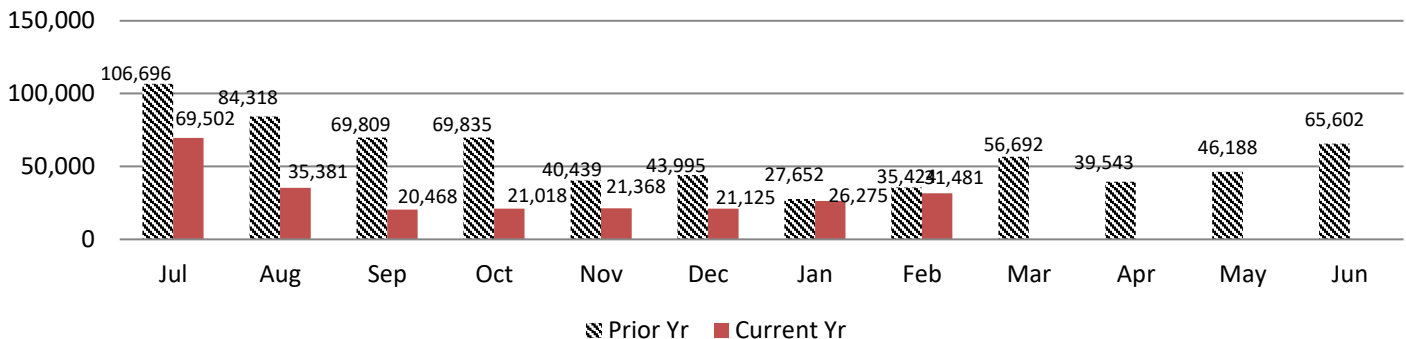
Caseload Pending v. Prior Year



Cases Resolved v. Prior Year



Compliance Fines Collected v. Prior Year

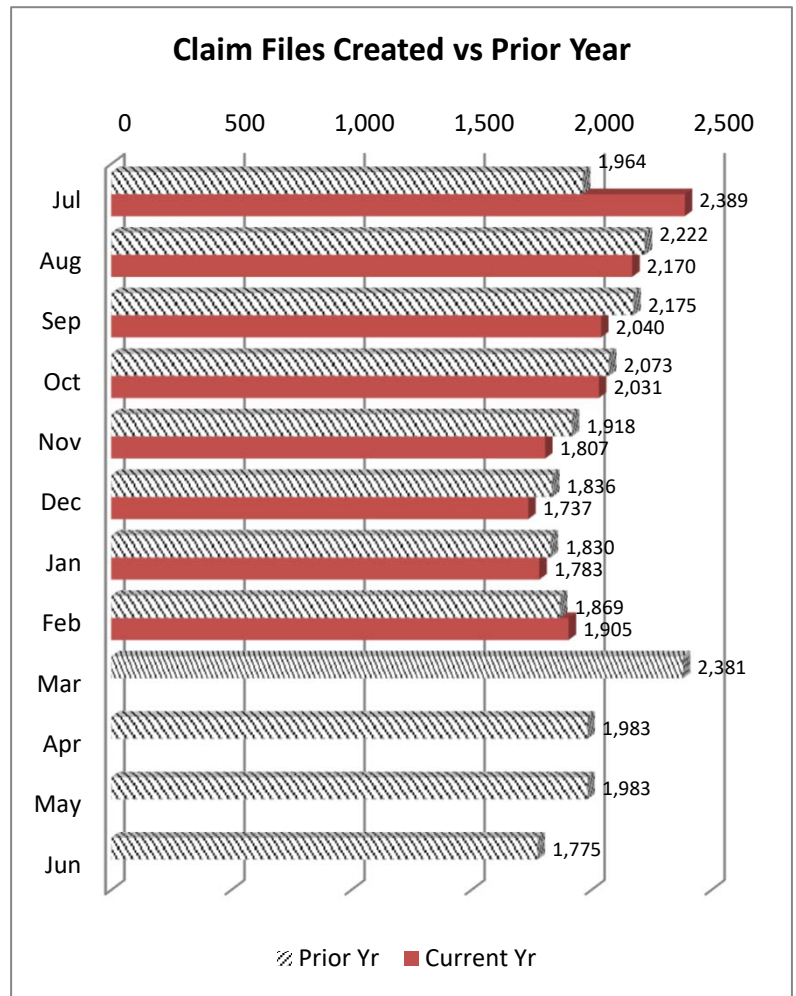


WCC Claim Files:

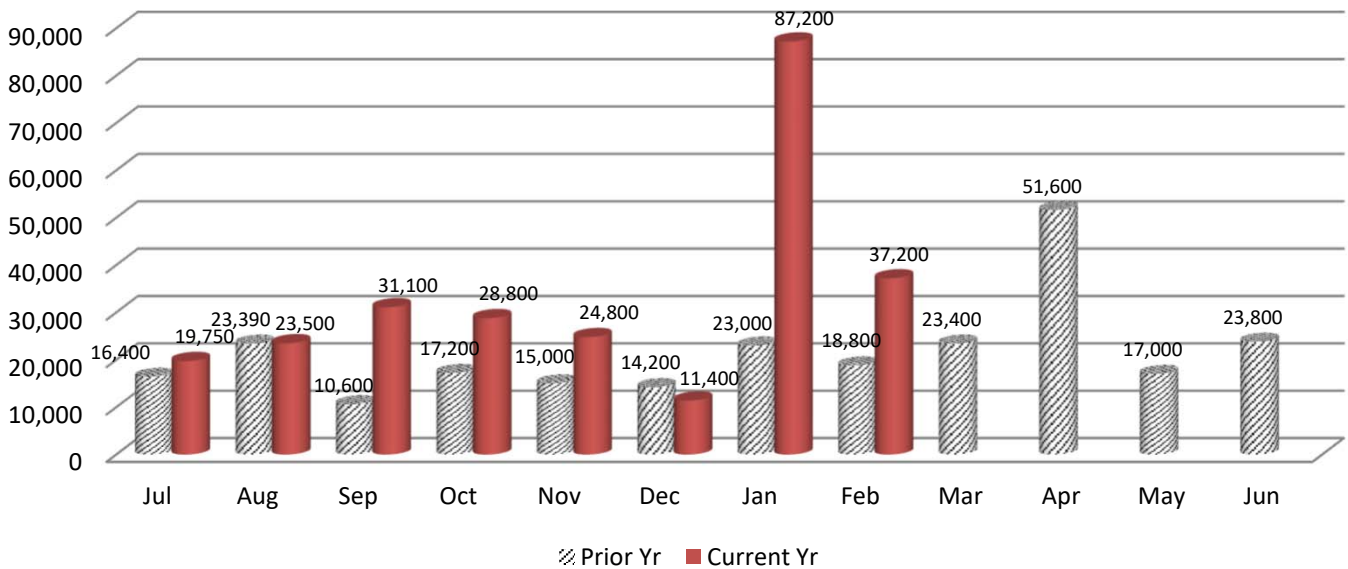
In February 2023, the Coverage Division received a total of 1,905 WCC Claim files. Of these, 1,606 were created through proper carrier filing of a 12A, and 299 were generated as a result of a Form 50 claim filing. Year to Date 15,862 Claim files have been created which is 66% of claim file volume prior year (24,009).

Coverage Fines:

The Coverage Division collected \$37,200 in fine revenue in February 2023, as compared to \$18,800 in Coverage fines/penalties accrued during February 2022. Year on Year, Coverage fines are at 104% of collections for prior year.



Coverage Fines Collected v Prior Year



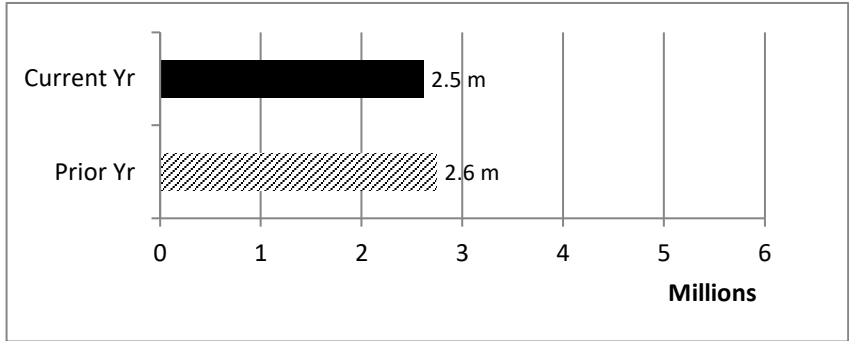
IMS SELF INSURANCE DIVISION

February 2023

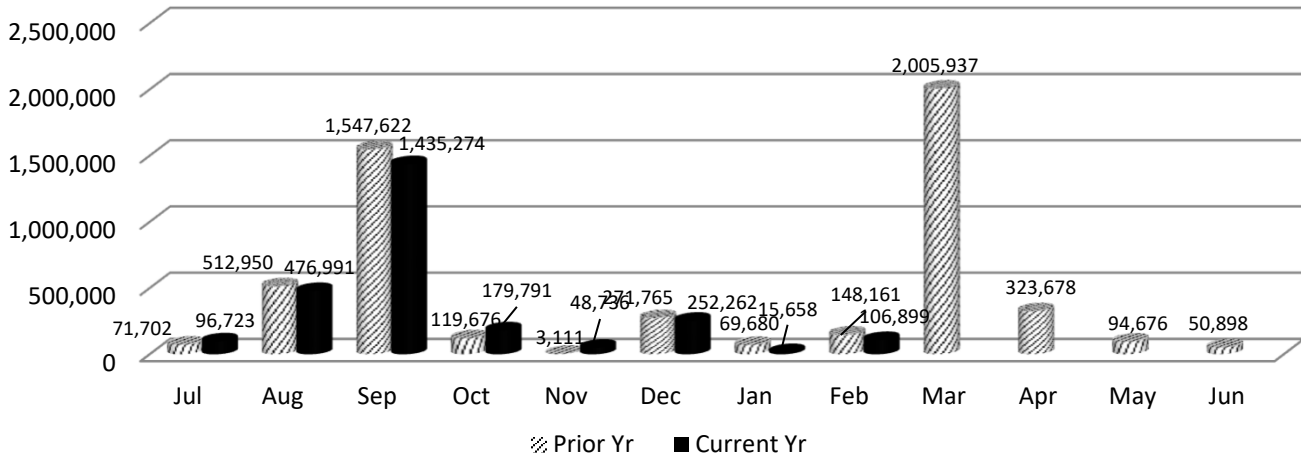
During the month of February 2023, the Self Insurance Division:

- * collected \$106,899 in self-insurance tax.
- * added 13 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.



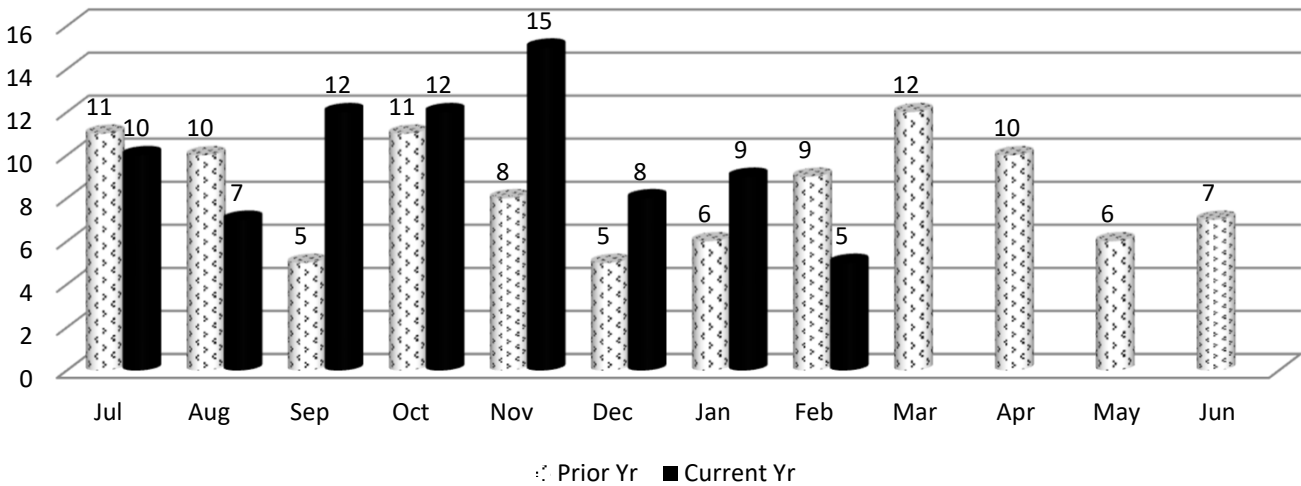
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In February 2023, the Medical Services Division began the month with 9 bills pending review, received an additional 12 bills for review, conducted 16 bill reviews and ended the month with 5 bills pending.

Medical Bills Pending Review v. Prior Year



TAB 6

State of South Carolina

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

Workers' Compensation Commission **MEMORANDUM**

To: Gary Cannon, Executive Director

From: Sonji Spann, Claims Director

Date: March 13, 2023

Re: Claims Department March 2023 Full Commission Report

Attached is the Statistical Report for the Claims Department for the period July 1, 2022 - June 30, 2023, for the Business Meeting on March 13, 2023. Please note the format using row numbers and column letters for ease of use when referencing data.

Claims activities are in Column (a) with the totals for the first-month period for FY22-23 in column (o). Column (q) reflects the percentage change when comparing the totals for same period in the current fiscal at the totals for the same period in last fiscal year. The total Claims Activities, for this period have increase 5% when compared to the same period from last fiscal year.

The number of Total Fines assessed are up 5% compared to the same period last fiscal year and the Total Fines paid 25% higher when compared to the same period last year

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

Claims Department Statistical Report

FY2022-2023

July 1, 2022 - June 30, 2023

Claims Activities	July	August	Sept	Oct	Nov	Dec	Jan	Feb	FY22-23 Total	FY21-22 Total	% Diff from prev year
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(o)	(p)	(q)
Forms 15-I	1,041	1,220	1,075	1,160	1,000	982	1,065	1,131	8,674	8,315	4%
Forms 15-II/Forms 17	826	989	891	1,017	867	887	917	930	7,324	6,776	8%
Forms 16 for PP/Disf	207	222	180	250	163	186	208	180	1,596	1,722	-7%
Forms 18	5,023	5,227	4,868	4,287	5,543	4,698	5,029	4,897	39,572	34,838	14%
Forms 20	541	629	587	562	562	518	540	634	4,573	6,009	-24%
Form 50 Claims Only	311	269	284	295	255	194	241	272	2,121	2,425	-13%
Form 61	602	781	617	715	647	545	807	719	5,433	5,260	3%
Letters of Rep	195	152	197	189	198	689	175	201	1,996	1,704	17%
Clinchers	701	907	659	931	800	686	910	841	6,435	6,489	-1%
Third Party Settlements	27	30	18	36	19	15	21	11	177	137	29%
SSA Requests for Info	23	43	25	26	20	37	40	40	254	317	-20%
Cases Closed	2,056	2,389	1,821	2,122	1,983	1,961	2,034	2,006	16,372	16,962	-3%
Cases Reviewed	3,290	3,089	2,103	2,969	2,695	2,647	2,775	2,603	22,171	22,071	0%
Total	14,843	15,947	13,325	14,559	14,752	14,045	14,762	14,465	116,698	111,175	5%
									-	-	
Total Fines Assessed	505	222	221	282	396	276	310	249	2,461	2,340	5%
Form 18 Fines	331	220	220	276	354	261	264	235	2,161	2,321	-7%
Total Amt Paid	\$63,200	\$59,450	\$56,800	\$45,750	\$47,000	\$33,800	\$63,450	\$45,800	415,250	333,100	25%

TAB 7

State of South Carolina

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



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

Workers' Compensation Commission

March 3, 2023

To: Gary Cannon
Executive Director

From: Amy A. Bracy
Judicial Director

RE: Monthly Judicial Report for February 2023

During the month of February, the Judicial Department processed seven hundred forty-five (745) requests for hearings (claimant and defense pleadings). Comparing the numbers from the same period last year, claimant pleadings are up 6% and defense pleadings experienced a 9% decrease. The department received one hundred five (105) Motions, a 3% decrease compared to the same period last year and one hundred twenty-four (124) clincher conference requests, no change compared to the same time last year.

There were fifty-five (55) Single Commissioner Hearings conducted during the past month, twenty (20) pre-hearing conferences held, and four (4) Full Commission hearings held. A total of five hundred sixty-four (564) Orders (Single Commissioner Orders, Consent Orders and Administrative Orders) were served at the single Commissioner level, thirty-five (35) of those were Decision and Orders that resulted from hearings that went on the record and one hundred forty-six (146) were Motion Orders that were a result of Motions ruled upon by Commissioners.

There were one hundred ninety-eight (198) Informal Conferences requested during February and one hundred seventy-eight (178) were conducted.

There were eighteen (18) regulatory mediations scheduled and sixty-four (64) requested mediations. Totals are up 21% and 9% in the respective categories for the same period last year. The Judicial Department was notified of twenty-two (22) matters resolved in mediation, with the receipt of Forms 70. This category's total was the same at this period last year. This does not include mediations that take place outside of what is reported to the Commission.

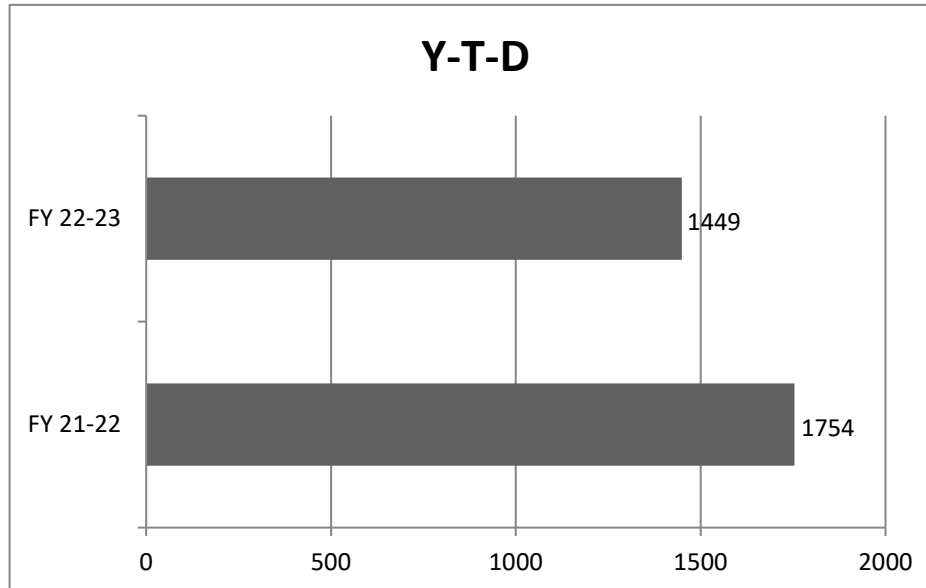
In the month of February, Judicial received two (2) Notices of Intent to Appeal to the Court of Appeals and zero (0) to the Circuit Court.

**Judicial Department Statistical Report
Statistics For Fiscal Year 2022-2023**

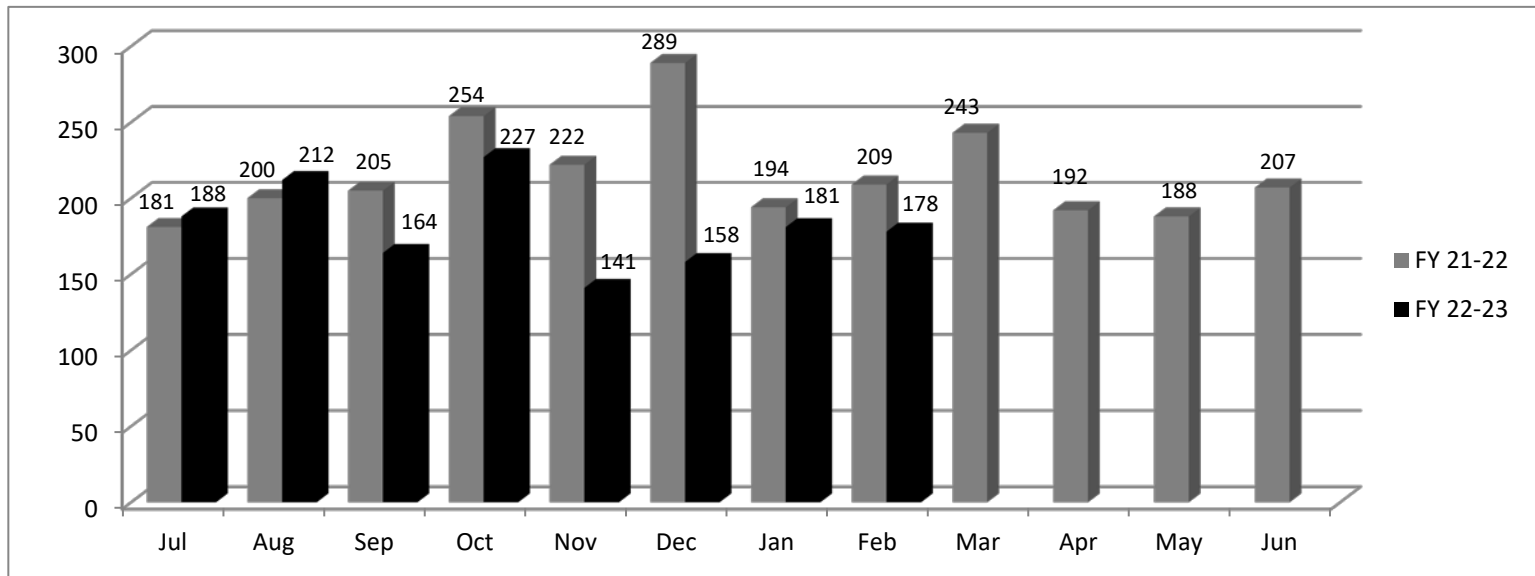
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Totals YTD 2022-2023	Totals YTD 2021-2022	% Diff from prev year	YTD Diff + (-)	FY22-23 Mth Avg	FY21-22 Mth Avg
Claimant Pleadings	612	586	510	590	546	475	507	504	4,330	4083	6%	247	541	510
Defense Response to Pleadings	474	495	439	397	536	373	439	335	3,488	3291	6%	197	436	411
Defense Pleadings	223	301	200	263	253	224	266	241	1,971	2172	-9%	(201)	246	272
Motions	104	130	112	111	98	96	115	105	871	896	-3%	(25)	109	112
Form 30	11	7	9	5	8	6	7	12	65	105	-38%	(40)	8	13
FC Hearings Held	4	8	10	9	7	6	5	4	53	66	-20%	(13)	7	8
FC Orders Served	8	6	11	9	10	6	20	9	79	82	-4%	(3)	10	10
Single Comm. Hearings Held	31	52	57	67	40	46	48	55	396	434	-9%	(38)	50	54
Single Comm. Orders Served	160	182	183	216	167	191	217	200	1,516	1439	5%	77	190	180
Single Comm. Pre-Hearing Conf Held	20	31	6	19	11	11	8	20	126	119	6%	7	16	15
Consent Orders	261	230	318	281	287	266	353	352	2,348	1900	24%	448	294	238
Adminstrative Orders	2	23	15	8	13	9	18	12	100	85	18%	15	13	11
Clincher Conference Requested	122	149	144	125	130	140	143	124	1,077	1082	0%	(5)	135	135
Informal Conference Requested	222	267	242	234	212	211	285	198	1,871	2044	-8%	(173)	234	256
Informal Conference Conducted	188	212	164	227	141	158	181	178	1,449	1754	-17%	(305)	181	219
Regulatory Mediations	27	39	29	34	37	30	30	18	244	201	21%	43	31	25
Requested Mediations	47	67	55	53	46	41	72	64	445	408	9%	37	56	51
Ordered Mediations	1	0	0	0	0	2	1	0	4	1	100%	3	1	0
Mediation Resolved	39	60	33	49	61	57	55	22	376	377	0%	(1)	47	47
Mediation Impasse	8	12	8	11	16	19	15	14	103	119	-13%	(16)	13	15
Mediation Held; Issues Pending	0	0	2	0	0	0	1	0	3	9	0%	(6)	0	1
Claim Settled Prior to Mediation	6	9	10	12	7	11	13	6	74	90	-18%	(16)	9	11
Mediation Not Complete in 60 days	2	6	3	2	1	1	1	0	16	25	-36%	(9)	2	3

Informal Conf. Conducted

	FY 21-22	FY 22-23
Jul	181	188
Aug	200	212
Sep	205	164
Oct	254	227
Nov	222	141
Dec	289	158
Jan	194	181
Feb	209	178
Mar	243	
Apr	192	
May	188	
Jun	207	
Total	2584	1449

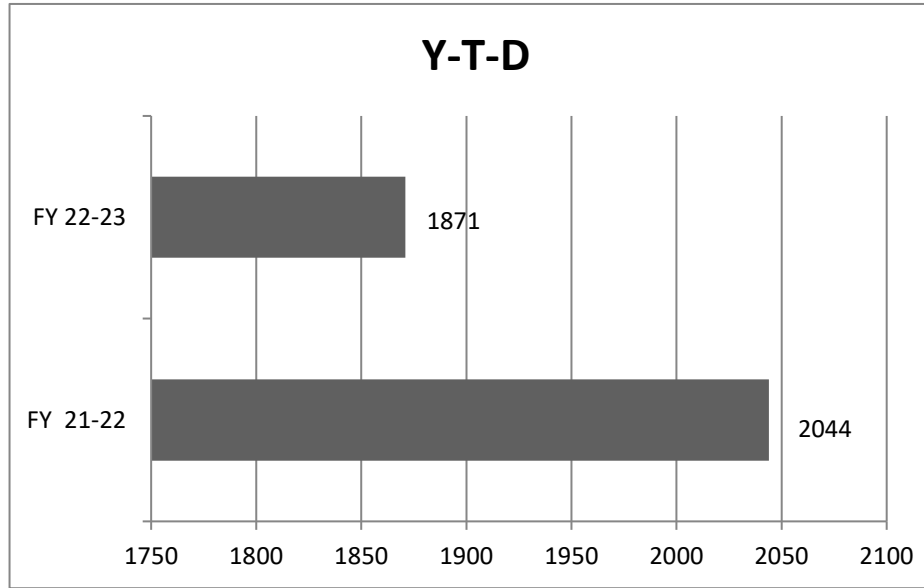


Y-T-D	FY 21-22	FY 22-23
	1754	1449

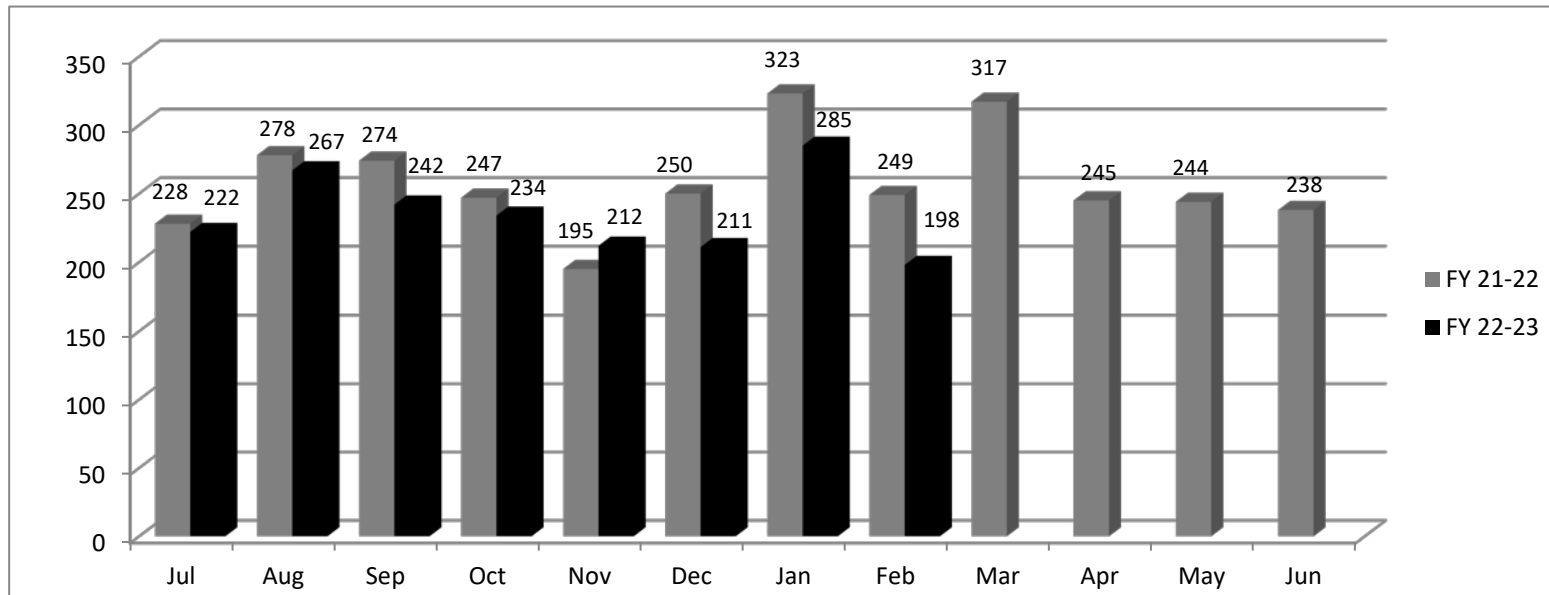


Informal Conf. Requested

	FY 21-22	FY 22-23
Jul	228	222
Aug	278	267
Sep	274	242
Oct	247	234
Nov	195	212
Dec	250	211
Jan	323	285
Feb	249	198
Mar	317	
Apr	245	
May	244	
Jun	238	
Total	3088	1871



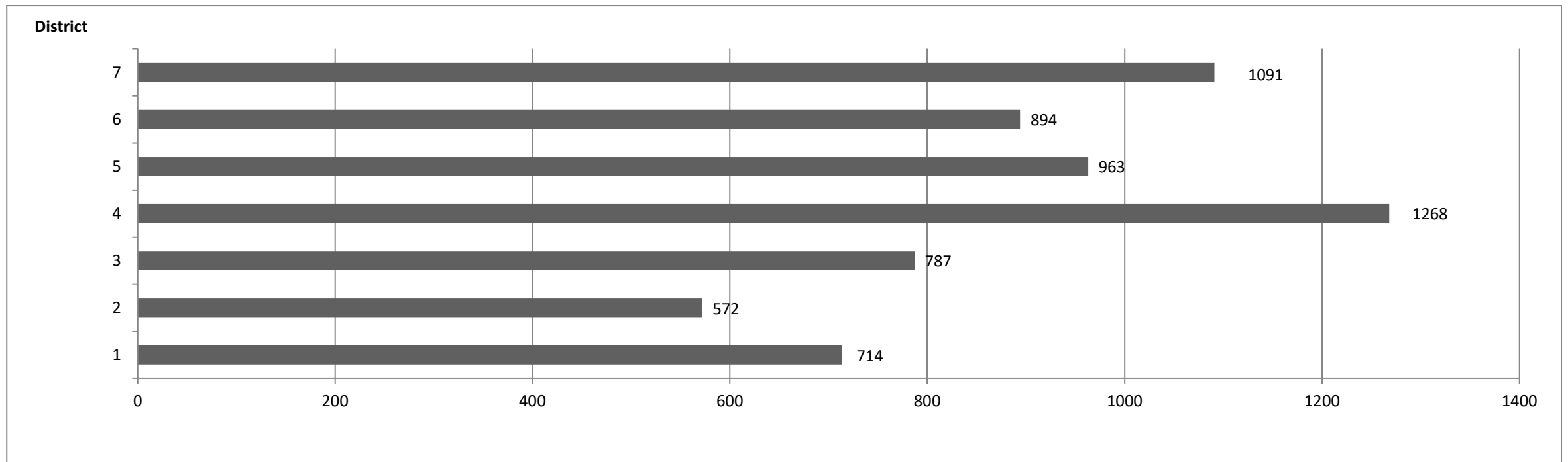
	FY 21-22	FY 22-23
Y-T-D	2044	1871



Pleadings Assigned - Three Year Comparison by Month

	District 1			District 2			District 3			District 4			District 5			District 6			District 7		
	Greenville			Anderson			Orangeburg			Charleston			Florence			Spartanburg			Richland		
	22-23	21-22	20-21	22-23	21-22	20-21	22-23	21-22	20-21	22-23	21-22	20-21	22-23	21-22	20-21	22-23	21-22	20-21	22-23	21-22	20-21
Jul	105	112	120	81	87	81	112	72	85	150	166	151	111	109	126	135	122	112	142	156	154
Aug	105	93	88	70	67	73	86	101	105	172	174	142	118	112	125	124	101	95	155	134	133
Sep	93	109	87	68	77	70	98	96	107	144	158	162	121	143	128	104	112	113	135	143	169
Oct	78	89	93	59	73	81	97	103	125	140	152	175	114	110	115	96	95	104	126	130	159
Nov	90	96	92	77	66	88	106	95	100	180	144	176	135	112	96	137	84	104	164	116	134
Dec	91	104	90	74	80	68	108	100	115	166	156	168	136	123	132	113	108	96	117	131	141
Jan	74	85	79	74	54	56	90	84	96	172	167	172	126	129	110	97	91	88	130	118	124
Feb	78	93	84	69	75	88	90	87	86	144	170	133	102	105	101	88	108	93	122	145	118
Mar		108	125		87	93		84	118		186	201		149	132		130	106		166	164
Apr		106	94		75	63		82	100		181	138		120	112		127	106		164	134
May		82	90		69	69		81	85		149	134		130	110		103	98		136	126
Jun		122	95		74	74		100	98		161	164		152	117		111	103		147	134
Totals	714	1199	1137	572	884	904	787	1085	1220	1268	1964	1916	963	1494	1404	894	1292	1218	1091	1686	1690

Pleadings Assigned by District Year to Date



TAB 8

No report submitted at the time of publication.

TAB 9

State of South Carolina



Workers' Compensation Commission

Executive Director's Report March 13, 2023

Meetings/Activities

During the month of February the Executive Director attended the SCWCEA Medical Conference in Greenville; the Ad Hoc Advisory Committee meeting; interviewed four candidates for staff positions; five meetings of the Litigation Team; and six meetings with staff on various issues

Constituent /Public Information Services

For the month of February, the Executive Director's and the General Counsel's offices had 141 contacts with stakeholders.

Financial Transactions Activity

During the month of February, the Director's office processed and approved 10 travel expense reports, 166 invoices and 17 deposits for DOA to process in the SCIES system.

SCWCC Stakeholder Electronic Distribution List

For the month of February, the Office added two stakeholders' emails to the distribution list.

Advisory Notices

During the month of February, the office posted one notice on the Commission's website and emailed it to the distribution list.

TAB 10

State of South Carolina

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



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

Workers' Compensation Commission

MEMORANDUM

TO: COMMISSIONERS

FROM: Gary Cannon, Executive Director

DATE: February 13, 2023

RE: FINANCIAL REPORT – FY Period ending February 28, 2023

Attached is the Budget vs. Actual Report for the General Fund and Earmarked Fund for the fiscal year period ending February 28, 2023. The benchmark for this period is 67%.

Expenditures

The expenditures for the General Fund are on pages 1-2 of the attached report "Budget vs. Actual Report FY2023. The year-to-day expenditures in the General Fund (10010000) for this period is \$1,808,657 or 63% of the budget. Page 3 and 4 reflects the balances of funds appropriated by the General Assembly for the IT System Modernization Project.

The Earmarked Fund (38440000) financials begin on page 5 with the total expenditures found on page 11. The total expenditures for this period are \$2,777,479 which is 50% of budget.

Revenues

The Commission received \$1,772,892 in Earmarked Fund operating revenues for this period, which is 56% of the amount budgeted for the year.

Self-Insurance Tax Funds

Deposits of Self-Insurance Tax Funds total \$2,510,603.

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2023 As of 2/28/2023
67% of year elapsed

Fund 10010000 - GENERAL FUND - Operating Items

Administration

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501015	DIRECTOR	146,418	97,611	67%		48,807
501058	CLASSIFIED POS		11,375			-11,375
501070	OTH PERS SVC	1,500	7,320	488%		-5,820
512001	OTHER OPERATING	216,035				
5050010000	IN ST-MEALS-NON-REP		230			
5050020000	IN ST-LODGING		1,421			
5050041000	HR-IN ST-AUTO MILES		729			
5050060000	IN ST-MISC TR EXP		196			
Total OTHER OPERATING:		216,035	2,576	1%	0	213,459
Total Administration:		363,953	118,882	33%	0	245,071

Claims

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	85,056	56,704	67%		28,352
501070	OTH PERS SVC	1,500	1,500	100%		0
Total Claims:		86,556	58,204	67%	0	28,352

Commissioners

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501026	CHAIRMAN	177,426	118,283	67%		59,143
501033	COMMISSIONER	1,033,541	719,491	70%	0	314,050
501050	TAXABLE SUBS	56,950	45,935	81%		11,015
501058	CLASSIFIED POS	373,421	242,643	65%		130,778
501070	OTH PERS SVC	18,000	20,707	115%		-2,707
Total Commissioners:		1,659,338	1,147,059	69%	0	512,279

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2023 As of 2/28/2023
67% of year elapsed

Fund 10010000 - GENERAL FUND - Operating Items

Insurance & Medical

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	32,306	6,730	21%		25,576
Total Insurance & Medical:		32,306	6,730	21%		25,576

Judicial

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
512001	OTHER OPERATING	31,158				
Total OTHER OPERATING:		31,158				31,158
Total Judicial:		31,158				31,158

Employer Contributions

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	703,431	477,782	68%		225,649
Total Employer Contributions:		703,431	477,782	68%		225,649

Total GENERAL FUND - Operating Items:		2,876,742	1,808,657	63%	0	1,068,085
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South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2023 As of 2/28/2023
67% of year elapsed

Fund 10010000 - GENERAL FUND - Special Items

IT System Project

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
561000	Special Item	1,695,084				1,695,084
Total IT System Project:		1,695,084				1,695,084

Total GENERAL FUND - Special Items:		1,695,084				1,695,084
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South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2023 As of 2/28/2023
67% of year elapsed

Fund 10050023 - GF-NONRECUR APROP-23 - Special Items

IT System Project

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
561000	Special Item	5,000,000				5,000,000
Total IT System Project:		5,000,000				5,000,000
Total GF-NONRECUR APROP-23 - Special		5,000,000				5,000,000

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2023 As of 2/28/2023
67% of year elapsed

Fund 38440000 - EARMARKED FUND

Administration

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	791,985	142,390	18%		649,595
501070	OTH PERS SVC	41,000	6,000	15%		35,000
512001	OTHER OPERATING	2,281,948				
5020030000	PRINT / BIND / ADV		2			
5020077100	SERVICES- APP SUP		52,350			
5020077160	SERVICES- MGT ADMN		48			
5020077240	DP SERVICES – STATE		167,803			
5020080000	FREIGHT EXPRESS DELV		98			
5021010003	LEGAL SRV-TRANSCRIPT		548			
5021010004	LEGAL SRV-WITNESS FE		22,344			
5021020000	ATTORNEY FEES		8,479			
5021450000	MOTOR VEHICLE SVCS		39			
5021479202	CARPET MAINTENANCE		2,000			
5021490000	AUDIT ACCT FINANCE		118			
5021540001	PROF SRV-LANG INTER		84			
5021570000	CONTRACTUAL SERVICES		14			
5024990000	OTH CNT-NON-IT & REA		3,000			
5030010000	OFFICE SUPPLIES		6,563			
5030010004	SUBSCRIPTIONS		4,976		3,644	
5030030000	PRINTED ITEMS		933			
5030067101	PRGM LIC - APP SUPP		42,123		42,797	
5030067110	EQUIP&SUPP- DATA NET		85			
5030067141	PLM- ITSD		9,590			
5030067170	EQUIP&SUPP- PRINT EU		5,104		1,080	
5030070000	POSTAGE		193			
5031479203	JANITORIAL SUPPLIES		703			
5031510006	MV TAGS TITLES REGS		33			
5032410000	MED/SCIENT/LAB SUPP		115			
5032820000	INSTRUCTIONAL MAT		582			
5033030000	PROMOTIONAL SUPPLIES		24			
5033090000	EMPLOYEE RECOG AWARD		608			
5033140002	CREDENTIAL SUPPLIES		30			

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2023 As of 2/28/2023
67% of year elapsed

Fund 38440000 - EARMARKED FUND

5033990000	OTHER SUPPLIES		194			
5040060000	ST RENT-NON ST BLDG				6,087	
5040070000	RENT-ST OWN RL PROP		120			
5040490003	RENT PO BOX		1,646			
5040490009	RENT PARKING		12,305		8,925	
5041010000	DUES & MEMBER FEES		6,034			
5041020000	FEES AND FINES		130			
5041840000	LEASE BLDG PRINCIPAL		303,358		74,172	
5041850000	LEASE BLDG INTEREST		7,608		2,322	
5050010000	IN ST-MEALS-NON-REP		676		17	
5050020000	IN ST-LODGING		3,400			
5050031000	HR-IN ST-AIR TRANS		957			
5050041000	HR-IN ST-AUTO MILES		1,915		140	
5050050000	IN ST-OTHER TRANS		345			
5050060000	IN ST-MISC TR EXP		418			
5050510000	OUT ST-MEALS-NON-REP		220			
5050570000	TRNG-OUT-ST REG FEE		4,755			
5051520000	REPORTABLE MEALS		37			
5051540000	LEASED CAR-ST OWNED		26,068			
5140010000	INDM CLAIMS & AWARDS		106,910			
Total OTHER OPERATING:		2,281,948	805,686	35%	139,184	1,337,078
Total Administration:		3,114,933	954,076	31%	139,184	2,021,673

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2023 As of 2/28/2023
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		231,547			-231,547
501070	OTH PERS SVC		4,500			-4,500
5020050000	PHOTO & VISUAL SVCS		12,695		1,200	
5020077100	SERVICES- APP SUP		825		72,117	
5020077200	SERVICES- SERVERS		125			
5020077220	SERVICES- VOICENET		9,652		16,946	
5021469316	SECURITY ALARM SRVC		2,713			
5030050000	PHOTO & VISUAL SUPP		23,031		1,939	
5030067130	EQUIP&SUPP- EUC		16,345			
5030067170	EQUIP&SUPP- PRINT EU				3,660	
5040057000	CONTINGNT RENT - IT		1,830			
5050020000	IN ST-LODGING		504			
5050041000	HR-IN ST-AUTO MILES		233			
Total OTHER OPERATING:			67,953		95,861	-163,814
Total Inform. services:			304,000		95,861	-399,861

Litigation - it proj

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
512001	OTHER OPERATING	35,000				
Total OTHER OPERATING:		35,000				35,000
Total Litigation - it proj:		35,000				35,000

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2023 As of 2/28/2023
67% of year elapsed

Fund 38440000 - EARMARKED FUND

Claims

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	280,850	138,505	49%		142,345
501070	OTH PERS SVC		14,935			-14,935
512001	OTHER OPERATING	19,700				
5050020000	IN ST-LODGING		504			
5050041000	HR-IN ST-AUTO MILES		196			
Total OTHER OPERATING:		19,700	701	4%	0	18,999
Total Claims:		300,550	154,141	51%	0	146,409

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2023 As of 2/28/2023
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				70,000
512001	OTHER OPERATING	230,700				
5020120000	CELLULAR PHONE SVCS		18,156			
5021010003	LEGAL SRV-TRANSCRIPT		3,036			
5021010005	LEGAL SRV-REPORTER		87,970			
5021410000	EDUC & TRNG-STATE		75			
5030067130	EQUIP&SUPP- EUC		2,808			
5050010000	IN ST-MEALS-NON-REP		1,520			
5050020000	IN ST-LODGING		7,905		-	
5050031000	HR-IN ST-AIR TRANS		1,130			
5050041000	HR-IN ST-AUTO MILES		19,126			
5050050000	IN ST-OTHER TRANS		140			
5050060000	IN ST-MISC TR EXP		663			
5050080000	IN ST-SUBSIST ALLOW		3,026			
5050510000	OUT ST-MEALS-NON-REP		400			
5050520000	OUT ST-LODGING		1,607			
5050531000	HR-OUT ST-AIR TRANS		1,524			
5050541000	HR-OUT ST-AUTO MILES		53			
5050560000	OUT ST-MISC TR EXPEN		480			
Total OTHER OPERATING:		230,700	149,619	65%	0	81,081
Total Commissioners:		300,700	149,619	50%	0	151,081

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2023 As of 2/28/2023
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	272,938	59%		186,525
501070	OTH PERS SVC	22,881	11,935	52%		10,946
512001	OTHER OPERATING	54,500				
5020080000	FREIGHT EXPRESS DELV		137			
5021540000	NON-IT OTHER PRO SRV		2,225			
5024990000	OTH CNT-NON-IT & REA		570			
5030010000	OFFICE SUPPLIES		1,170			
5030010004	SUBSCRIPTIONS		13,500			
5050010000	IN ST-MEALS-NON-REP		706			
5050020000	IN ST-LODGING		3,723		504	
5050031000	HR-IN ST-AIR TRANS		1,533			
5050041000	HR-IN ST-AUTO MILES		757		198	
5050050000	IN ST-OTHER TRANS		618			
5050060000	IN ST-MISC TR EXP		400			
5050510000	OUT ST-MEALS-NON-REP		130			
5050520000	OUT ST-LODGING		1,743			
5050531000	HR-OUT ST-AIR TRANS		930			
5050541000	HR-OUT ST-AUTO MILES		100			
5050550000	OUT ST-OTHER TRANS		808			
5050560000	OUT ST-MISC TR EXPEN		280			
5050570000	TRNG-OUT-ST REG FEE		45			
5140010000	INDM CLAIMS & AWARDS		5,196			
Total OTHER OPERATING:		54,500	34,570	63%	702	19,228
Total Insurance & Medical:		536,844	319,443	60%	702	216,700

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2023 As of 2/28/2023
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	500,000	326,377	65%		173,623
501070	OTH PERS SVC	75,000	39,831	53%		35,169
512001	OTHER OPERATING	25,000				
5020010000	OFFICE EQUIP SERVICE		1,719			
5021020000	ATTORNEY FEES		-36			
5030070000	POSTAGE		20,000			
5040490008	RENT POSTAGE EQUIP		575			
5050010000	IN ST-MEALS-NON-REP		81			
5050020000	IN ST-LODGING		504			
5050041000	HR-IN ST-AUTO MILES		258			
5050570000	TRNG-OUT-ST REG FEE		56			
Total OTHER OPERATING:		25,000	23,157	93%	0	1,843
Total Judicial:		600,000	389,365	65%	0	210,635

Employer Contributions

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	719,818	506,835	70%	0	212,983
Total Employer Contributions:		719,818	506,835	70%	0	212,983
Total EARMARKED FUND:		5,607,845	2,777,479	50%	235,747	2,594,619

South Carolina Workers' Compensation Commission
Commitments
FY 2023 As of 2/28/2023

Fund 38440000 - EARMARKED FUND

Administration

Commitment Item	Commitment Item Description	Vendor	Commitment
5030010004	SUBSCRIPTIONS	WEST PUBLISHING CORPORATION	3,644
5030067101	PRGM LIC - APP SUPP	PROGRESS SOFTWARE CORP	25,816
5030067101	PRGM LIC - APP SUPP	WEST PUBLISHING CORPORATION	16,981
5040060000	ST RENT-NON ST BLDG	GALIUM 1333 MAIN LLC	6,087
5040490009	RENT PARKING	REPUBLIC PARKING SYSTEM INC	8,925
5041840000	LEASE BLDG PRINCIPAL	GALIUM 1333 MAIN LLC	74,172
5041850000	LEASE BLDG INTEREST	GALIUM 1333 MAIN LLC	2,322
Total Administration:			137,947

Inform. services

Commitment Item	Commitment Item Description	Vendor	Commitment
5020050000	PHOTO & VISUAL SVCS	SUMMIT SOLUTIONZ INC	1,200
5020077100	SERVICES- APP SUP	INSURANCE SERVICES OFFICE INC	62,640
5020077100	SERVICES- APP SUP	PROGRESS SOFTWARE CORP	9,477
5020077220	SERVICES- VOICENET	NWN CORPORATION	16,946
5030050000	PHOTO & VISUAL SUPP	SUMMIT SOLUTIONZ INC	1,939
5030067170	EQUIP&SUPP- PRINT EU	US INK AND TONER INC	3,660
Total Inform. services:			95,861

Total EARMARKED FUND:			234,888
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Any items with vendor "Not assigned" are pending financial adjustments. Any commitment on the Budget vs. Actual Report that is missing from this list is a travel commitment.

TAB 11

State of South Carolina

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



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

Workers' Compensation Commission

MEMORANDUM

TO: COMMISSIONERS

FROM: Gary Cannon, Executive Director

DATE: March 13, 2023

RE: 2023 Medical Services Providers Manual (MSPM)

At the Business Meeting on March 13, 2023, staff requests the following decisions related to the changes in the MSPM for 2023 to be effective April 1, 2023:

1. Approval of the Conversion Factor (CF). The current CF is \$51.5.
2. Approval of the proposed amendments to the text in the MSPM.
3. Consideration of the request from the SC Anesthesiologists Association to increase the Maximum Allowable Payment (MAP) from \$30 per unit to \$41.71.

Attached are the related documents provided at the last Business Meeting.

State of South Carolina

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




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

Workers' Compensation Commission

MEMORANDUM

TO: COMMISSIONERS

FROM: Gary Cannon, Executive Director 

DATE: February 13, 2023

RE: Medical Services Providers Manual (MSPM)

A Public Hearing is scheduled during the Business Meeting on February 13 to receive public comment on the proposed changes to the MSPM. The agency received letters from the Society of Anesthesiologists of South Carolina and Mitchell Pharmacy Solutions about the proposed changes.

Also attached you will find four documents provided by FairHealth in preparation of updating the Medical Services Provider Manual (MSPM) for 2023. They are

- Summary of Proposed Changes
- Fee Schedule Analysis
- Analysis of Anesthesia Conversion Factor
- "ASA Monitor" published by the American Society of Anesthesiologists (ASA)

The following is the proposed timeline for the approval of the changes to the MSPM 2023:

January 24	Provide FairHealth documents to stakeholders
January 24	Publish Notice of Public Hearing on February 13, 2023
February 13	Public Hearing at Commission Business Meeting
March 13	Approval of MSPM 2023
April 1	Effective Date of MSPM 2023

Representatives of FairHealth will attend the Public Hearing February 13 via Zoom to review the proposed changes with the Commission.



February 2, 2023

RE: Medical Services Provider Manual; Anesthesia Services

South Carolina Workers' Compensation Commission
1333 Main Street
Columbia, SC 29202

Dear Commissioners:

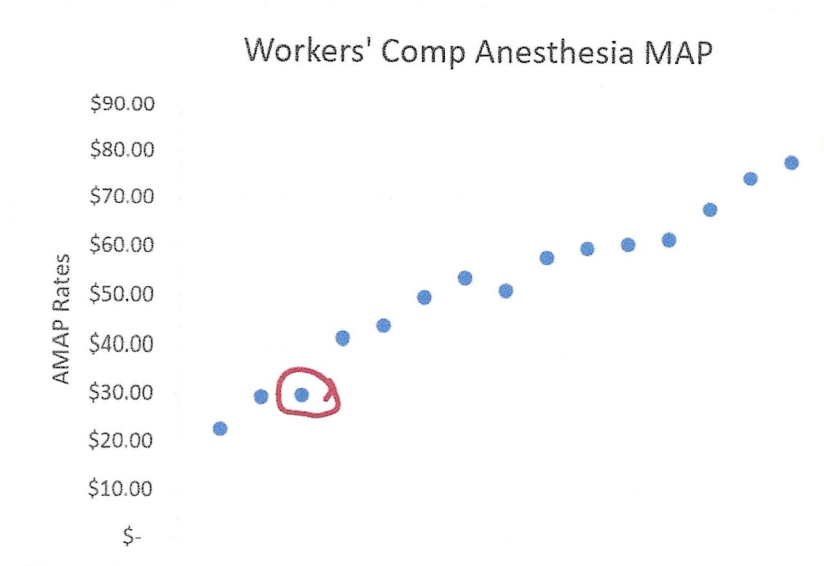
In anticipation of the February 13 hearing on the proposed 2023 Medical Services Provider Manual (MSPM), the South Carolina Society of Anesthesiologists are requesting an increase in the anesthesia conversion factor. The current Anesthesia MAP is \$30/unit. The last adjustment to the Anesthesia MAP was made by the SCWCC in 2010. Since 2010, the Commission has not updated the Anesthesia MAP, unlike the regular review and updates for all other workers' compensation participating physicians. The rate has remained at its current rate for the last 13 years.

The recent analysis conducted by FAIR Health, at the behest of the Commission, includes the following pertinent statements:

In this analysis, a \$30 conversion factor falls between the 5th and 10th percentiles for private insurance. That means that between 90% and 95% of the allowed values in the FAIR Health database are equal to or greater than \$30. The 50th percentile (conversion factor of \$60.70) is the median conversion factor value in the private insurance data and the average allowed conversion factor benchmark is \$63.21.

The \$30 South Carolina 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 contributed 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 low end of the range.



The red circled value is the Anesthesia MAP for SCWCC (\$30)

We are asking the Commission to increase the Anesthesia MAP from the current \$30/unit to \$41.71/unit, which would equal the 4th lowest rate in the state-by-state analysis conducted by FAIR Health. The \$41.71/unit rate would still be lower than all payers in South Carolina, except Medicare and *Medicaid.

**Note: SCDHHS (Medicaid Agency) has included an increase in its Anesthesia Services Rate in its 2023 Budget.*

Thank you for your consideration of our request.

Joshua Smith, MD, FASA
President, SCSA

Margarita M Pate, PhD
Executive Director, SCSA

February 8, 2023
South Carolina Workers' Compensation Commission
c/o Arnisha Keitt
Delivered via email to: akeitt@wcc.sc.gov

Re: 2023 Medical Services Provider Manual

Dear Members of the Commission:

Thank you for the opportunity to provide comment on the proposed changes in the 2023 Medical Services Provider Manual. Mitchell Pharmacy Solutions is one of the nation's leading providers of pharmacy management services for workers' compensation claims and we have extensive regulatory and legislative experience across the country.

We write in support of the changes proposed in Section 6. Medicines and Injections. The addition of a secondary source will help facilitate the billing and reimbursement of necessary care.

Thank you for your consideration of our comments. Please feel free to contact me if you have any questions. I can be reached at Brian.Allen@mitchell.com or at 801-661-2922.

Sincerely,



Brian Allen
Vice President Government Affairs



Summary of Proposed Changes 2023 Medical Services Provider Manual

January 3, 2023

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

The codes in the fee schedule will be made current by including codes established for 2023 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, code ranges, numerical examples and URL links, substantive changes to the text, which are outlined below, are included in the proposed version of the 2023 Medical Services Provider Manual (MSPM). Page numbers refer to the pages in the South Carolina MSPM effective April 1, 2022.

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

1. **Fee Schedule Layout (Page 31)** – Language relating to state-specific codes that were assigned new code numbers in 2021 was deleted, as 2023 is the third fee schedule since this change was adopted:

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

2. **Maximum Allowable Payment (Page 31)** – Language about codes paid based on individual consideration (IC) was moved for clarity.

Maximum Allowable Payment

The maximum allowable payment (MAP) is listed for each service. ~~Some services have been assigned IC (individual consideration) in the MAP column.~~ Payment is determined by the payer based upon submitted documentation. For certain procedures in this Schedule, a distinction is made in the maximum allowable price based on the setting of the service. In these cases, prices are set for both office and facility settings. This distinction is based on the higher cost to the physician in providing the service in the office (non-facility) setting. Facility settings include hospitals, ambulatory surgical centers, and skilled nursing facilities. Those fees listed under the MAP Non-Fac column represent services provided in an office and other non-facility settings. The MAP Fac column lists the MAP for services rendered in a facility setting.

Some services have been assigned IC (individual consideration) in the MAP column. Payment is determined by the payer based upon submitted documentation. Other services may be listed with the value of "NC" (not covered) and should not be billed or reimbursed. Additional information

regarding IC and NC can be found in Chapter 1. Overview and Guidelines in the subsection titled “Services Without Maximum Allowable Payment (MAP) Amounts.”

- 3. Section 1. Evaluation and Management (E/M) Services (Page 35)** – the AMA introduced changes to the E/M guidelines in 2023, extending a 2021 revision in coding for office visits to hospital and observation services, consultations, nursing facility and home and residence services. Time or medical decision making (MDM) may now be used to select the appropriate code for use with these services. The E/M section of the 2023 MSPM has been updated accordingly. In addition, a link has been included to provide easy access to an AMA publication on the updated E/M guidelines.

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

For complete instructions on identifying and billing E/M services, please refer to the Evaluation and Management Services Guidelines of the 2023 CPT book or <https://www.ama-assn.org/system/files/2023-e-m-descriptors-guidelines.pdf>.

Evaluation and Management Time

~~Beginning in 2021, t~~ Time alone may be used to select the appropriate code level of office or other outpatient evaluation and management services (CPT 99202-99205 and 99212-99215), inpatient and observation care, (CPT 99221-99223, 99231-99236 and 99238-99239), nursing facility services (99307-99310 and 99315-99316) and home and residence services (99341-99345). Consultation codes (CPT 99242-99245 and 99252-99255) are not reimbursable under the MSPM.

~~For office visits and other outpatient visits, time is based on the amount of time spent face to face with the patient and not the time the patient is in an examining room.~~

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

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

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

Certain categories of time-based E/M codes that do not have levels of services based on MDM (e.g., Critical Care Services) in the E/M section use time differently. It is important to review the instructions for each category.

Time is **not** a descriptive component for the emergency department levels of E/M services because emergency department services are typically provided on a variable intensity basis, often involving multiple encounters with several patients over an extended period of time.

When time is used for reporting E/M services codes, the time defined in the service descriptors is used for selecting the appropriate level of services. The E/M services for which these guidelines apply require a face-to-face encounter with the physician or other qualified health care professional and the patient and/or family/caregiver. For office or other outpatient services, if the physician’s or other qualified health care professional’s time is spent in the supervision of clinical staff who perform the face-to-face services of the encounter, use 99211.

For coding purposes, time for these services is the total time on the date of the encounter. It includes both the face-to-face time with the patient and/or family/ caregiver and non-face-to-face time personally spent by the physician and/or other qualified health care professional(s) on the day of the encounter (includes time in activities that require the physician or other qualified health care professional and does not include time in activities normally performed by clinical staff). It includes time regardless of the location of the physician or other qualified health care professional (e.g., whether on or off the inpatient unit or in or out of the outpatient office). It does not include any time spent in the performance of other separately reported service(s).

A shared or split visit is defined as a visit in which a physician and other qualified health care provider(s) jointly provide the face-to-face and non-face-to-face work related to the visit. When time is being used to select the appropriate level of services for which time-based reporting of shared or split visits is allowed, the time personally spent by the physician and other qualified health care provider(s) assessing and managing the patient on the date of the encounter is summed to define total time. Only distinct time should be summed for shared or split visits (i.e., when two or more individuals jointly meet with or discuss the patient, only the time of one individual should be counted).

When prolonged time occurs, the appropriate prolonged services code may be reported. The appropriate time should be documented in the medical record when it is used as the basis for code selection.

Physician/other qualified health care provider time includes the following activities, when performed:

- Preparing to see the patient (e.g., review of tests)
- Obtaining and/or reviewing separately obtained history
- Performing a medically appropriate examination and/or evaluation
- Counseling and educating the patient/family/ caregiver
- Ordering medications, tests, or procedures
- Referring and communicating with other health care professionals (when not separately reported)
- Documenting clinical information in the electronic or other health record
- Independently interpreting results (not separately reported) and communicating results to the patient/family/caregiver
- Care coordination (not separately reported)

4. Section 6. Medicine and Injections (Page 386) – to match text that was updated in the 2022 MSPM Pharmacy section, a sentence about a secondary source of AWP was added.

INJECTABLE PHARMACEUTICALS

Payment for injection codes includes the supplies usually required to perform the procedure, but not the medications. Injections are classified as subcutaneous, intramuscular, or intravenous. Subcutaneous (SC) injections and intramuscular (IM) injections are billed using CPT code 96372; intravenous (IV) injections are billed using CPT code 96374. Each of these CPT codes has been assigned a basic MAP amount, as listed in the *Medical Services Provider Manual*.

When an injection is given during an E/M service, the cost of providing the injection is included in the payment for the E/M service and must not be billed or paid separately. The cost of the injectable pharmaceutical may be billed using the appropriate HCPCS code listed in this section. If a HCPCS code for the injectable pharmaceutical does not exist, use CPT code 99070 and price



Fee Schedule Analysis

January 17, 2023

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 (2021 dates of service) provided by the National Council on Compensation Insurance, Inc. (NCCI) and South Carolina maximum allowable payment (MAP) amounts to review conversion factors and propose MAP values for the 2023 fee schedule.

FAIR Health received paid amounts from NCCI for the 2021 calendar year, aggregated at the procedure code/modifier level. FAIR Health used the data from 2021 to:

1. Compare 2021 actual spending to projected amounts based on 2021 fee schedule MAPS.
2. Project spending for 2022.
3. Project spending for 2023 based on multiple conversion factor alternatives.

2021 Paid Data and Frequencies

The following is a summary of the 2021 data received from NCCI:

NCCI Data - 2021 Calendar Year (Before Validation)

Service Type	Total Paid	Total Charged	Transactions	Units
Ambulance*	\$2,371,218.55	\$4,667,734.52	12,399	206,783
Anesthesia**	\$1,291,497.60	\$7,717,020.80	4,596	507,656
CPT (Less Anesthesia)	\$55,822,746.23	\$121,599,253.43	648,869	908,406
HCPCS (Less Ambulance)	\$19,498,988.20	\$27,880,277.39	75,532	751,570
Total	\$78,984,450.58	\$161,864,286.14	741,396	2,374,415

*Assumes most units are miles

**Assumes most units are minutes

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 2021 were used to determine the number of occurrences (frequency) for each service.
- Services were reviewed at the procedure code/modifier level to account for differences in paid amounts based on fee schedule MAP amounts and policies. For example:
 - The occurrences for codes reported with modifier 26 and TC were projected separately, based on the MAP amounts in the fee schedule.
 - HCPCS Codes reported with modifiers NU (new), UE (used) and RR (rental) were projected separately based on the occurrences in the NCCI data and fee schedule MAP values.
 - Records with other modifiers or with modifiers NU, UE and RR appended to codes where these modifiers are not applicable and/or expected were considered as though the records did not contain modifiers.
 - Services containing modifiers that are paid at adjusted amounts according to South Carolina policies (e.g., assistant surgeon modifiers 80-82 and AS) were projected based on 2021 occurrences and adjusted MAP amounts.

2021 Spending

Actual spending from 2021 based on the NCCI data was compared to projected spending based on 2021 fee schedule MAP values.

Category	2021			
	Frequency	Payments (NCCI)	Fee Schedule Projections	Ratio of Payments to Fee Schedule
Evaluation and Management	112,994	\$ 13,312,184.62	\$ 15,048,651.48	88.46%
HCPCS Level II	410,402	\$ 5,573,099.71	\$ 7,222,429.70	77.16%
Medicine and Injections	12,094	\$ 1,231,688.31	\$ 1,339,229.93	91.97%
Pathology and Laboratory Services	9,980	\$ 366,686.53	\$ 416,946.12	87.95%
Physical Medicine	688,013	\$ 23,168,834.68	\$ 32,300,770.93	71.73%
Radiology	45,687	\$ 4,397,877.11	\$ 4,340,276.83	101.33%
Special Reports and Services	1,050	\$ 57,431.53	\$ 63,971.63	89.78%
Surgery	30,485	\$ 11,665,646.16	\$ 12,320,732.87	94.68%
Total	1,310,705	\$ 59,773,448.65	\$ 73,053,009.49	81.82%

2022 Projections

- Total dollar amounts were projected based on 2021 occurrences and 2022 relative value units (RVUs).
- Using these frequencies and RVUs, FAIR Health projected the estimated spending based on 2022 fee schedule MAP values, including the 9.5% cap on MAP increases and decreases compared to the prior year, where applicable.
- Ambulance data is paid at 100% of Medicare and is not included in this analysis.
- Please see the separate analysis for anesthesia.

Category	Frequency	Total RVUs	2022 Fee Schedule Projections
Evaluation and Management	112,994	326,958.09	\$ 16,001,092.26
HCPCS Level II	255,327	145,181.36	\$ 7,408,982.54
Medicine and Injections	12,094	26,702.10	\$ 1,365,906.33
Pathology and Laboratory Services	9,980	8,138.14	\$ 419,195.67
Physical Medicine	688,013	627,952.21	\$ 32,200,607.71
Radiology	45,687	83,434.31	\$ 4,306,236.17
Special Reports and Services	1,050	1,241.15	\$ 63,920.64
Surgery	30,485	241,612.89	\$ 12,398,198.79
Total	1,155,630	1,461,220.25	\$74,164,140

2023 Projections and Alternate Conversion Factors

- The projections of paid amounts for the 2023 fee schedule are based on 2021 frequencies and 2023 RVUs, to which the current conversion factor of 51.5 is applied. Projections based on other conversion factors: 50, 52, 53 and 54 are also provided. The cap of +/- 9.5% of the prior year's MAP value for each service was applied, when appropriate, in providing these projections.
- Certain 2023 MAP values used for these projections were calculated based on the following assumptions:
 - If a service is not valued in the Medicare Physician Fee Schedule, FAIR Health determined whether the service was valued by another Medicare fee schedule (e.g., the Clinical Laboratory, DMEPOS or Average Sales Price drug fee schedule). FAIR Health used Medicare values in the analysis whenever a Medicare value was available.
 - If Medicare did not provide a professional value in *any* fee schedule for a service, FAIR Health gap filled the value using RVUs calculated by FAIR Health based on our repository of private claims data.
 - FAIR Health does not gap fill values for new codes effective January 1, 2023, that were not valued by Medicare. FAIR Health requires a minimum threshold of claims for a procedure before we can establish an RVU. FAIR Health will evaluate these codes for the 2024 MSPM to determine if we are able to value these codes at that time.

2023 Projections – Current and Alternate Conversion Factors

Category	Freq.	2023 RVUs	2023 Projections (including +/- 9.5% Cap)				
			CF=50	CF=51.5 (Current)	CF=52	CF=53	CF=54
Evaluation and Management	112,776	330,865	16,514,044	16,928,454	17,017,019	17,153,633	17,253,748
HCPCS Level II	257,063	155,483	7,728,349	7,716,638	7,724,922	7,741,174	7,757,999
Medicine & Injection	12,094	26,801	1,330,864	1,368,213	1,380,358	1,404,617	1,428,360
Pathology & Laboratory	9,980	8,547	426,989	421,970	425,721	432,528	438,586
Physical Medicine	688,013	636,302	31,800,576	32,694,245	32,990,235	33,573,037	34,134,522
Radiology	45,687	83,867	4,200,677	4,325,351	4,366,778	4,449,819	4,532,819
Special Reports	1,050	1,247	62,365	64,237	64,859	66,086	67,279
Surgery	30,438	245,237	12,207,905	12,556,833	12,672,813	12,904,816	13,136,290
Total	1,157,101	1,488,348	74,271,768	76,075,941	76,642,705	77,725,710	78,749,603

Upon approval of a conversion factor for 2023, FAIR Health will provide an updated Medical Services Provider Manual, which will include all approved changes in policies and a final set of rate tables.

Please let us know if you have any questions.



Analysis of Anesthesia Conversion Factor

January 3, 2023

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 2022
- Comparison to other states' workers' compensation fee schedules

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

For example:

CPT 01380 – anesthesia for all closed procedures on knee joint

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

Medicare

CMS reduced the Medicare anesthesia conversion factor slightly in 2022 to maintain budget neutrality for professional fees. As a result, the South Carolina anesthesia conversion factor of \$30 compares slightly more favorably to the CMS conversion factor than it did last year. The comparison below is based on the Medicare conversion factor published in the 2023 Final Rule.

	Anesthesia – National Comparison	Anesthesia – South Carolina Comparison	Other Professional Services
South Carolina Conversion Factor	\$30.00	\$30.00	\$51.50
2021 Medicare Conversion Factor	\$21.1249 (National)	\$20.49 (Adjusted by CMS for South Carolina)	\$33.8872
Ratio	142%	146%	152%

Private Health Insurance

FAIR Health collects data for anesthesia services from private payors (more than 50 payors contribute data for services performed in South Carolina) and uses this data to develop benchmarks, including benchmarks for anesthesia conversion factors. Insurers and administrators that participate in the FAIR Health Data Contribution Program are required to submit all of their data; they cannot selectively choose which data to contribute to FAIR Health. We are providing benchmarks for anesthesia conversion factors in two different ways:

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

The benchmarks below are based on anesthesia services in the FAIR Health database provided in the state of South Carolina. Charge benchmarks are based on claims from July 2021 through June 2022 and allowed benchmarks are based on allowed amounts from claims incurred from January through December 2021. These are the latest releases available at the time of developing this report.

Conversion Factor Percentile									
Type	Release	Average	5th	10th	15th	20th	25th	30th	35th
Billed Anesthesia	Nov 2022	134.24	50.65	65.98	75.36	81.04	91.75	104.85	111.48
Allowed Anesthesia	Aug 2022	63.21	28.04	34.88	40.78	46.23	51.65	54.59	57.30

Conversion Factor Percentile								
Type	Release	40th	45th	50th	60th	70th	80th	90th
Billed Anesthesia	Nov 2022	117.31	124.49	135.89	150.31	165.60	174.66	192.03
Allowed Anesthesia	Aug 2022	60.00	60.34	60.70	68.63	75.00	81.34	85.00

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 falls between the 5th and 10th percentiles for private insurance. That means that between 90% and 95% of the allowed values in the FAIR Health database are equal to or greater than \$30. The 50th percentile (conversion factor of \$60.70) is the median conversion factor value in the private insurance data and the average allowed conversion factor benchmark is \$63.21.

ASA Survey Results for Commercial Fees Paid for Anesthesia Services

The American Society of Anesthesiologists (ASA) publishes an annual study on conversion factors. FAIR Health downloaded the 2021 study from the ASA website at

<https://pubs.asahq.org/monitor/article-abstract/86/10/1/136987/Commercial-Fees-Paid-for-Anesthesia-Services-2022>

According to the publication, the ASA 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, which is the same time unit used by South Carolina in the MSPM.

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

Conversion Factor	National		Southeast Region		South Carolina	
	2021	2022	2021	2022	2021	2022
Low	25.65	19.38	36.00	19.38	50.00	40.00
Median	78.00	78.00	92.00	94.50	73.30	85.18
Average	85.23	85.42	98.64	95.69	88.43	88.65
High	292.00	300.00	292.00	300.00	162.00	134.00

State Workers' Compensation Fee Schedules

FAIR Health reviewed anesthesia conversion factors documented in state workers' compensation fee schedules effective in 2022.

State	Conversion Factor (per 15-minute time unit)
South Carolina	\$30.00
Alabama	\$60.10
Arizona	\$61.00
Colorado	\$44.18
Florida	\$29.49
Georgia	\$62.03
Kentucky	\$78.53
Louisiana	\$50.00
Maryland	\$22.81
Mississippi	\$75.00
North Carolina	\$58.20 – first 60 min \$30.75 – after 60 min
North Dakota	\$68.27
Ohio	\$41.71
Oklahoma	\$54.00
Tennessee	\$75.00
Virginia (6 regions)	\$51.48 - \$82.59

FAIR Health assists Colorado, Georgia, Kentucky, Mississippi, North Carolina, North Dakota, Oklahoma and Tennessee in updating their fee schedules. As we are doing for the South Carolina Workers' Compensation Commission, FAIR Health provides 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 146% of the 2023 Medicare conversion factor for South Carolina and 142 of the national Medicare conversion factor.
- The ratio of the South Carolina workers' compensation anesthesia conversion factor to the Medicare conversion factor is slightly less than the 152% ratio of the conversion factor for other professional services (\$51.50) in comparison to Medicare (\$33.8872). 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 for professional services other than anesthesia would not be applicable to those services.
- The \$30 South Carolina 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 contributed 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 low end of the range.

A copy of the ASA publication *ASA Survey Results for Commercial Fees Paid for Anesthesia Services – 2022* can be obtained from the ASA website at <https://pubs.asahq.org/monitor/article-abstract/86/10/1/136987/Commercial-Fees-Paid-for-Anesthesia-Services-2022>.



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American Society of
Anesthesiologists

Volume 86 ■ Number 10 ■ October 2022
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THE LEADING SOURCE FOR PERIOPERATIVE HEALTH CARE NEWS

ASA Survey Results:



Commercial Fees Paid for Anesthesia Services – 2022

Stanley W. Stead, MD, MBA, FASA

Sharon K. Merrick, MS, CCS-P

ASA is pleased to present the annual commercial conversion factor survey for 2022. Each summer, we survey anesthesiology practices across the country. We ask them to report up to five of their largest managed care (commercial) contract conversion factors (CFs) and the percentage each contract represents of their commercial population, along with some demographic information. Our objectives for the survey are to report

to our members the average contractual amounts for the top five contracts and to present a view of regional trends in commercial contracting.

Summary

Based on the 2022 ASA commercial conversion factor survey results, the national average commercial conversion factor was \$85.42, ranging between \$81.22 and \$89.52 for the five contracts. The

Continued on page 4



Biased Signaling in G-Protein-Coupled Receptors: The μ Opioid Receptor

Richard Simoneaux

Steven L. Shafer, MD, FASA

Editor-in-Chief

In 2012, the Nobel Prize in Chemistry was awarded to Robert J. Lefkowitz, Howard Hughes Medical Institute/Duke University Medical Center, and Brian K. Kobilka, Stanford University School of Medicine, for “groundbreaking discoveries that reveal the inner workings of... G-protein-coupled receptors” (asamonitor.pub/3Cb1vVL).

G-protein-coupled receptors are a group of proteins consisting of seven transmembrane strands that connect receptors on the inside and outside of the cell membrane. These proteins serve the vital function of allowing communication between the intra- and extracellular environments. G-protein-coupled receptors represent the largest family of mammalian proteins, and

Continued on page 7

The 33% Problem: A Discussion With Hospital Executives

Catlin Nalley

It is one of the most enduring challenges faced by the specialty and one unique to anesthesiology – the discrepancy in Medicare payments for anesthesia services known as the “33% Problem”. Whereas Medicare rates for other specialties represent between 75% and 85% of their commercial payment rates, payment for anesthesia services are less than one-third of commercial rates. In fact, it has been determined by some that the real number is likely now in the mid-20% range. ASA’s economic experts have been working ceaselessly to address this issue since the early 1990s, soon after the flawed Resource-Based Relative Value Scale was established in 1992. Today, ASA continues to devote significant resources to the 33% Problem, including through our Payment Progress Initiative (asamonitor.pub/3Qi9Wtk), and the issue has been explored exten-

sively in the *ASA Monitor* (asamonitor.pub/3AmE76F).

This month, the *Monitor* reached out to two anesthesiology thought leaders who have long been intimate with the 33% Problem as both clinicians and health care executives. Below, Joanne Conroy, MD, President and CEO of Dartmouth-Hitchcock Health, and David Reich, MD, President and COO of The Mount Sinai Hospital, offer insights and possible solutions to the specialty’s lingering 33% Problem.

As a hospital executive, what is your perspective on the “33% Problem?”

Dr. Conroy: “This is not a new issue. It has been going on for years, and there are several factors at play. Number one, I’m not sure that people completely understand anesthesiology billing, which is very

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national median remained at \$78.00, ranging between \$75.12 and \$81.12 for the five contracts (Figure 1, Table 1). In the 2021 survey, the mean conversion factor ranged between \$79.04 and \$90.23 for the five contracts, and the median ranged between \$74.00 and \$81.50. In contrast, the current national Medicare conversion factor for anesthesia services is \$21.5623, or about 25.24% of the 2022 overall mean commercial conversion factor.

Figure 1 shows the frequency in percent and distribution of contract values. In order to show all the values in limited space, we are using a broken axis for all plots. The ranges plotted are \$0-\$220, with a break indicated by solid lines and then \$290-\$300. The estimated normal distribution is the solid blue line. We have added a box-and-whiskers plot of the same data immediately below the histogram. The left and right whiskers delineate the minimum and maximum values. The box represents the interquartile range, the left edge of the box is the 25th percentile, the vertical line in the box is the median, and the right edge of the box is the 75th percentile. The solid diamond in the box is the mean.

Table 1 provides the overall survey results by reported managed care contract. As with previous surveys, we requested that participants submit data on five commercial contracts. Most practices submitted three or more contracts. The 2022 survey reflects valid responses from 312 practices in 46 states and Washington, D.C. The 2021 survey results included data from 219 practices in 47 states and D.C.

Methodology

The survey was disseminated in June and July 2022. To comply with the principles established by the Department of Justice (DOJ) and the Federal Trade Commission (FTC) in their 1996 Statements of Antitrust Enforcement Policy in Health Care, the survey requested data that were at least three months old. In addition, the following three conditions must be met:

1. There are at least five providers reporting data upon which each disseminated statistic is based, and
2. No individual provider's data represents more than 25% on a weighted basis of that statistic, and
3. Any information disseminated is sufficiently aggregated such that it would not allow recipients to identify the prices charged or compensation paid by any particular provider.

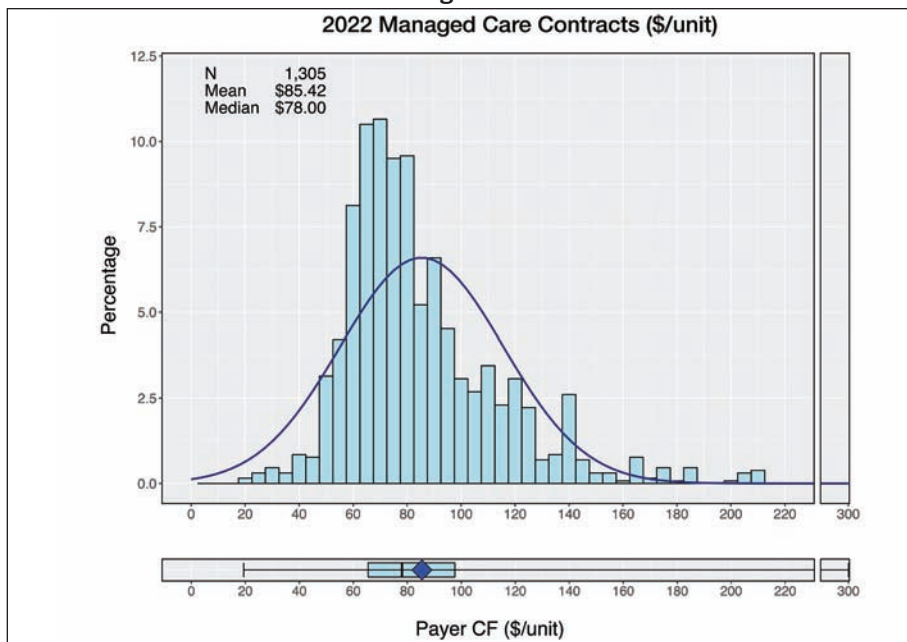
To comply with the statements, we are only able to provide aggregated data. Since some states did not respond, and other states had insufficient response rates, we are unable to provide specific

Table 1: National Managed Care Anesthesia Conversion Factors (\$/unit), 2022

Conversion Factors	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5	ALL
Mean	\$81.22	\$83.55	\$87.08	\$89.52	\$87.75	\$85.42
Minimum	\$25.00	\$22.08	\$25.00	\$19.38	\$28.51	\$19.38
25th Percentile	\$65.00	\$65.00	\$65.88	\$68.74	\$68.90	\$65.47
Median	\$75.12	\$76.55	\$79.35	\$81.12	\$80.38	\$78.00
75th Percentile	\$91.19	\$95.00	\$102.68	\$105.28	\$102.45	\$97.63
Maximum	\$300.00	\$300.00	\$209.98	\$209.98	\$209.98	\$300.00
# of Contracts	312	295	264	232	202	1,305
% of Responses	22.14	10.31	6.05	3.97	2.64	10.07

Source: ASA 2022 CF Survey. Note: Percent of Managed Care is the average reported and may not total 100%.

Figure 1



data for all states. We term “Eligible States” those that submitted sufficient data to be compliant with DOJ and FTC principles and provide state-specific data

for only those states. We have 27 Eligible States this year.

This is the 12th year that we offered the survey electronically through the

Table 2: Respondent Information by Major Geographic Region, 2022

Region	Practices Reporting ¹	Cases	Units	Mean Units/ FTE MD	Mean Units/ Case	FTE MD	FTE Nurse Anesthetist	FTE AA
Eastern	51	2,832,001	29,858,044	12,355.3	15.5	2,642.6	1,832.6 (1,152.5)	99.7 (70)
Midwest	65	2,109,416	24,442,422	15,425.2	11.6	1,566.8	1,270.6 (493.0)	267.8 (5)
Southern	89	4,337,900	34,252,713	20,520.6	14.1	2,543.9	3,100.5 (746.5)	706.5 (2)
Western	72	2,893,125	35,218,564	12,999.3	11.7	3,470.6	772.2 (9.0)	222.6 (7)
ALL	277	12,172,442	123,771,742	15,685.3	13.2	10,223.8	6,975.9 (2,401.0)	1,296.5 (84)

Source: ASA 2022 CF Survey. (Number in brackets indicates the number of non-employed FTEs). Results are rounded to nearest tenth.

¹ Note: 277 of the 312 practices reported case, unit or FTE data.

Table 3: Respondent Information by Minor Geographic Region, 2022

Region	Practices Reporting ¹	Cases	Units	Mean Units/ FTE MD	Mean Units/ Case	FTE MD	FTE Nurse Anesthetist	FTE AA
CAAKHI	19	1,166,307	14,192,563	22,845.5	12.4	1,119.2	115.0 (0.0)	42.0 (0)
Eastern Midwest	54	1,479,234	16,212,960	19,640.8	10.9	998.9	1,089.8 (311.0)	182.8 (5)
Lower Midwest	38	1,299,453	10,205,372	17,456.9	10.3	810.5	951.8 (109.5)	157.9 (1)
Mid Atlantic	11	544,065	5,730,688	15,499.9	32.0	444.2	486.5 (46.5)	9.0 (20)
North Atlantic	23	1,460,200	14,854,448	10,055.5	10.6	1,378.7	845.5 (148.0)	64.8 (0)
Northeast	7	249,910	2,117,176	14,905.9	9.7	279.6	230.2 (100.0)	1.0 (50)
Northwest	18	639,330	8,015,461	10,594.2	10.9	768.4	308.1 (4.0)	36.0 (7)
Rocky Mountain	35	1,087,488	13,010,540	8,333.3	12.0	1,583.0	349.1 (5.0)	144.6 (0)
Southeast	52	3,362,578	28,475,009	18,303.2	16.9	2,163.7	2,098.2 (1,495.0)	573.5 (1)
Upper Midwest	20	883,877	10,957,526	14,922.2	12.7	677.6	501.8 (182.0)	85.0 (0)
ALL	277	12,172,442	123,771,742	15,685.3	13.2	10,223.8	6,975.9 (2,401.0)	1,296.5 (84)

Source: ASA 2022 CF Survey. (Number in brackets indicates the number of non-employed FTEs). Results are rounded to nearest tenth.

¹ Note: 277 of the 312 practices reported case, unit or FTE data.



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website www.surveymonkey.com. ASA urged participation through various electronic mail offerings, including ASA committee listserves, ASAP (all-member weekly e-mail digest), Vital Signs, the Monday Morning Outreach, communications to state component societies and our Anesthesia Administrators and Executives (AAE) members, and via the ASA website.

The responses to the survey represented 332 unique practices. However, due to respondents providing incomplete data, we excluded 20 responses from the overall analysis. Our results are based on the data from 312 practices.

Results

Table 2 presents respondent information for 277 practices (35 practices did not provide us with complete practice demographics) in the analytic sample per Major Geographic Region as identified by the

Table 4: Conversion Factor Adjustment Based on Time Units, 2022

Time Units	Time Units/Case	Sum of Base and time Units	CF Value Ratio based for 15-minute units
10-minute time units	6.9762	12.2120	1.2352
12-minute time units	5.8135	11.0493	1.1176
15-minute time units	4.6508	9.8866	1.0000

Source: Mean Minutes per Case and Base Unit taken from is based on data from the 2020 CMS Physician/Supplier Procedure Summary (PSPS) Master File ("Master File").
(<https://data.cms.gov/search?keywords=Physician%2FSupplier%20Procedure%20Summary>)

¹ Mean Base Units: 5.2358

² Mean Minutes/Case: 69.7623

Table 5: Respondents Having Flat Fee Components, 2022

Region	Flat Fee (Any)	Labor & Delivery	Cataract	Endoscopy	Pain	Other
Eastern	25	1	0	0	3	7
Midwest	38	12	0	3	0	4
Southern	45	9	0	9	9	11
Western	32	2	2	3	0	7
ALL	140	24	2	15	12	29

Source: ASA 2022 CF Survey. (Others include cosmetic and plastic surgery, bundled surgical procedures, TEE, Total Joint Replacement, spine surgery, general surgery, organ transplant, radiation oncology, invasive monitoring and open heart surgery.)

Figure 2

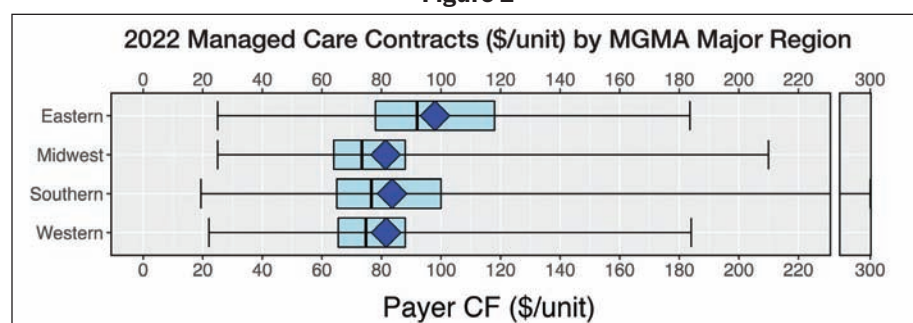


Table 6: Major Region Managed Care Anesthesia Conversion Factors (\$/unit), 2022

	Contract 1	Contract 2	Contract 3	Contract 4	Contract 5	ALL
Eastern	n = 59	n = 57	n = 54	n = 48	n = 39	n = 257
Mean	\$93.78	\$96.54	\$96.79	\$103.32	\$101.64	\$98.00
Minimum	\$30.02	\$29.50	\$25.00	\$27.50	\$28.51	\$25.00
25th Percentile	\$74.45	\$79.20	\$77.25	\$82.90	\$79.25	\$78.00
Median	\$90.75	\$90.00	\$93.60	\$93.50	\$95.00	\$92.00
75th Percentile	\$109.70	\$114.00	\$119.50	\$120.50	\$120.85	\$118.00
Maximum	\$167.00	\$175.05	\$168.61	\$180.83	\$183.59	\$183.59
Midwest	n = 70	n = 66	n = 59	n = 55	n = 47	n = 297
Mean	\$76.06	\$80.40	\$83.37	\$84.97	\$84.13	\$81.40
Minimum	\$25.00	\$25.00	\$50.00	\$47.05	\$43.00	\$25.00
25th Percentile	\$65.50	\$60.38	\$62.90	\$63.50	\$64.00	\$64.00
Median	\$70.62	\$72.53	\$75.00	\$72.00	\$80.58	\$73.44
75th Percentile	\$79.75	\$88.00	\$92.89	\$85.33	\$88.52	\$87.99
Maximum	\$209.98	\$209.98	\$209.98	\$209.98	\$209.98	\$209.98
Southern	n = 104	n = 97	n = 83	n = 72	n = 66	n = 422
Mean	\$79.60	\$81.37	\$86.85	\$86.39	\$85.81	\$83.56
Minimum	\$33.00	\$38.00	\$29.00	\$19.38	\$45.00	\$19.38
25th Percentile	\$62.00	\$64.00	\$65.23	\$68.00	\$69.00	\$65.00
Median	\$74.21	\$74.50	\$79.50	\$79.00	\$78.38	\$76.62
75th Percentile	\$90.25	\$95.00	\$105.80	\$107.12	\$108.50	\$100.00
Maximum	\$300.00	\$300.00	\$163.53	\$138.44	\$141.00	\$300.00
Western	n = 79	n = 75	n = 68	n = 57	n = 50	n = 329
Mean	\$78.53	\$79.26	\$82.88	\$86.22	\$82.87	\$81.59
Minimum	\$31.00	\$22.08	\$50.00	\$54.00	\$58.00	\$22.08
25th Percentile	\$65.00	\$63.75	\$66.31	\$70.00	\$66.40	\$65.50
Median	\$73.54	\$73.00	\$74.90	\$75.83	\$75.00	\$74.80
75th Percentile	\$83.19	\$85.00	\$92.60	\$90.00	\$85.17	\$88.00
Maximum	\$184.00	\$184.00	\$184.00	\$184.00	\$184.00	\$184.00

Source: ASA 2022 CF Survey.

Medical Group Management Association (MGMA) (asamonitor.pub/30PLj9B). These regions are as follows:

- Eastern: CT, DE, DC, ME, MD, MA, NH, NJ, NY, NC, PA, RI, VT, VA, WV
- Midwestern: IL, IN, IA, MI, MN, NE, ND, OH, SD, WI

- Southern: AL, AR, FL, GA, KS, KY, LA, MS, MO, OK, SC, TN, TX
- Western: AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY

These 277 practices employ or contract with 10,223.8 full-time equivalent (FTE) physician anesthesiologists, 6,975.9 FTE

Figure 3

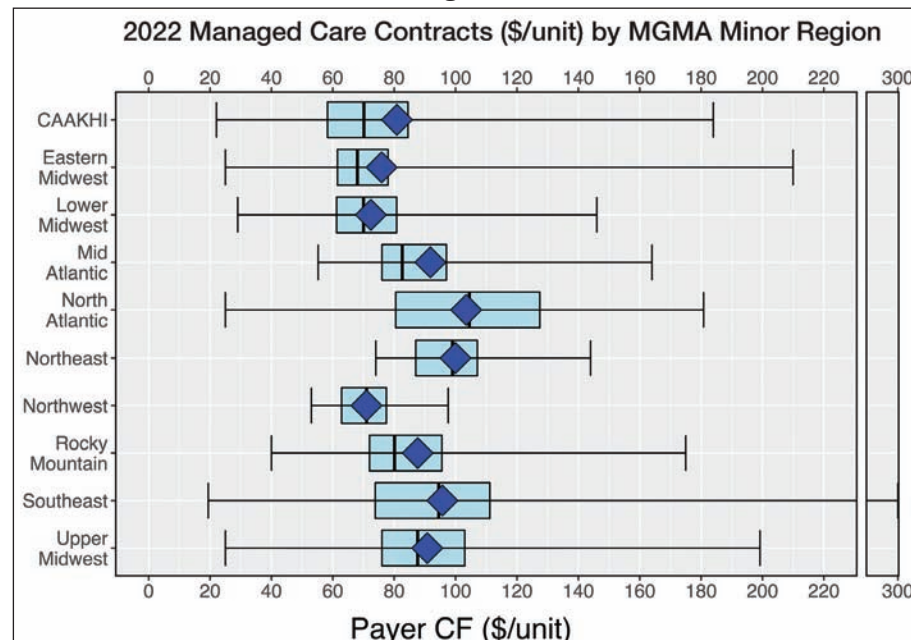


Table 7: Minor Region Managed Care Anesthesia Conversion Factors (\$/unit), 2022

MGMA Minor Region	Contracts	Low	25th Percentile	Median	Mean	75th Percentile	High
CAAKHI	90	\$22.08	\$58.25	\$70.12	\$80.88	\$84.49	\$184.00
Eastern Midwest	251	\$25.00	\$61.50	\$68.00	\$75.90	\$78.00	\$209.98
Lower Midwest	179	\$29.00	\$61.24	\$70.00	\$72.40	\$80.79	\$146.04
Mid Atlantic	60	\$55.20	\$76.00	\$82.62	\$91.79	\$97.00	\$164.00
North Atlantic	113	\$25.00	\$80.50	\$104.50	\$103.46	\$127.44	\$180.83
Northeast	41	\$74.00	\$87.01	\$99.00	\$99.96	\$107.10	\$144.00
Northwest	83	\$53.00	\$62.86	\$71.00	\$70.96	\$77.45	\$97.60
Rocky Mountain	156	\$40.00	\$71.94	\$80.10	\$87.65	\$95.55	\$175.00
Southeast	240	\$19.38	\$73.83	\$94.50	\$95.69	\$111.17	\$300.00
Upper Midwest	92	\$25.00	\$76.00	\$87.64	\$90.77	\$103.00	\$199.20

Source: ASA 2022 CF Survey.

nurse anesthetists, and 1,296.5 FTE anesthesiologist assistants (AAs). The practices also work with an additional 2,401.0 FTE nurse anesthetists and 84 FTE AAs for whom the practice does not directly pay compensation (i.e., facility hires or contracts the nurse anesthetist or AA).

The 277 practices reported a total of 1,305 managed care contracts. This is more than the 933 contracts reported last year.

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

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

A total 1,246 of the contracts are based upon a 15-minute unit, 27 upon a 12-minute unit, and 32 are based upon a 10-minute unit. None were based upon an 8-minute unit. We normalized all contract conversion factors with 10- and 12-minute time units to the typical 15-minute time

unit using an adjustment factor of 1.2352 for 10-minute units and 1.1176 for 12-minute units (Table 4).

The adjustment factors are calculated as ratios based on the mean time and mean base units per case. To make these calculations, we have used the CMS Physician/Supplier Procedure Summary (PSPS) data set, which represents over 21 million anesthesia claims (asamonitor.pub/3dpa9Wz).

The mean time was 69.7623 minutes, and mean base units per case were 5.2358 base units. Making the same calculations described above, the adjustment factors are similar to last year: 1.223 for 10-minute units and 1.112 for 12-minute units. We did not have any 8-minute units reported in last year's survey. Of note, the mean time has increased by 5.66 minutes since last year's mean time of 64.0949 minutes.

Groups continue to report flat fee contracts for certain procedures. One hundred forty (140) of the 241 groups (58.1%) responding to this question negotiated at least one flat fee contract (71 practices did not respond). Twenty four (24) of the 140 groups that reported having flat fees (17.1%) have flat fee contracts for Labor and Delivery. This is much less than last year's rate of 44.8% that reported flat fee contracts for Labor and Delivery in 2021.

Table 6 reports the conversion factor by MGMA Major Region. Contract 1

Continued on next page

Commercial Fees

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reflected the highest percentage of the reported commercial business, Contract 2 reflected the second highest percentage, and so on. Thus, when looking at the data, you can see that Contract 1 not only reflects the greatest number of responses (312) but also the highest average percentage of managed care business (22.14%, Table 1). We also reported the total number of responses for each contract in Table 1. Figure 2 shows the contract data for each major region as a box-and-whiskers plot.

We had a sufficient data sample to provide detailed information for all 10 MGMA Minor Regions (Figure 3). Table 7 shows contract data for the minor regions.

This is the eighth year we are presenting state-specific data. Although we had respondents from 46 states and D.C., only 27 states were identified as eligible states (Figure 4, Table 8). Eligible states were those that complied with the DOJ and FTC requirements listed above. We believe by providing this data, we can encourage more participation in the 2023 CF study and increase the state-level detail of our reporting.

Observations

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

- The national average conversion factor increased to \$85.42, while the median matched last year’s median of \$78.00. The range of mean values narrowed from a range of \$79.04-\$90.23 in 2021 to a range of \$81.22-\$89.52 in 2022.

- As was the case in our 2018-2021 surveys, the Eastern Region has the highest mean this year. The Eastern Region mean in 2021 was \$93.16, and this year it is \$98.00.
- The highest conversion factor reported was \$300.00. In 2021, the highest conversion factor reported was \$292.00.
- In the 2021 survey, the Medicare conversion factor was 25.30% of the overall commercial mean. In this year’s survey, it has fallen slightly to 25.24%.

Conclusions

Our sample size for this year’s survey was higher than last year, continuing to represent a significant portion of U.S. practicing anesthesiologists, nurse anesthetists, and AAs. We were pleased to have respondents report across a broad geographic basis, 46 states, and Washington, D.C., allowing us to provide detailed regional responses. The number of practices reporting allowed us to report state-specific data from 27 states – nine more than last year. Most practices included complete demographic information, and we are hopeful that this trend will continue and all respondents will supply complete information in future surveys.

We will continue to monitor the trends in the commercial conversion factor survey results and will launch the survey again in June 2023. It is important that as many practices as possible participate in the 2023 survey to help us obtain an accurate representation of the anesthesia commercial conversion factor. We hope that a significant growth in participants will allow us to publish data for every state. We look forward to your future participation and thank all the practices that contributed to the 2022 results. ■

Figure 4

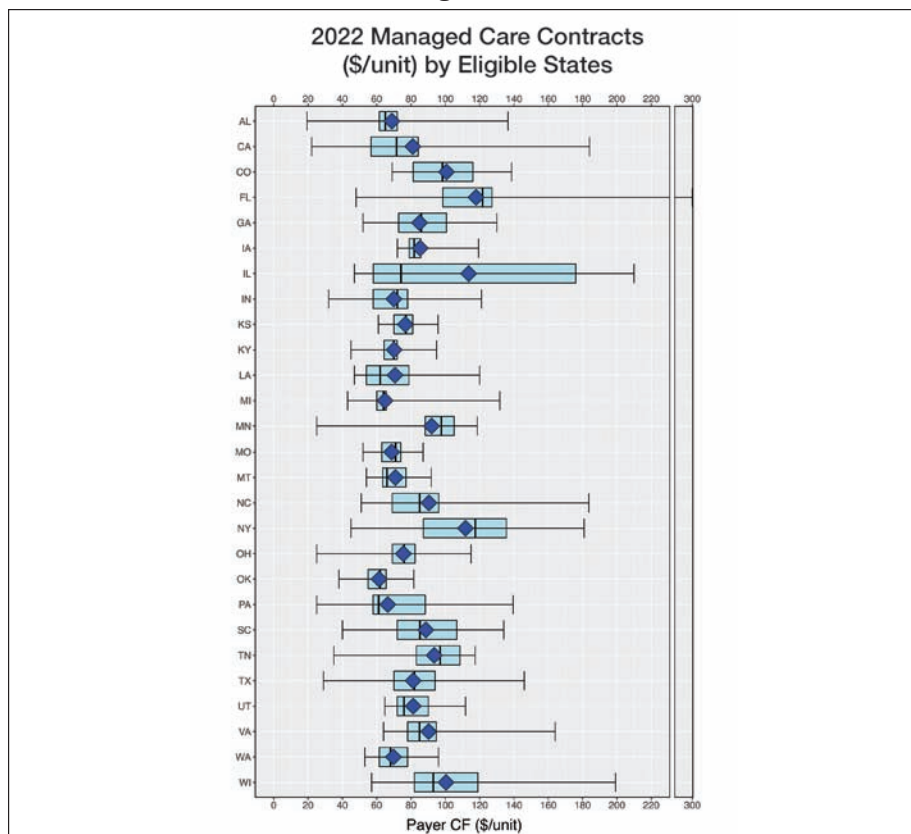


Table 8: Eligible States Managed Care Anesthesia Conversion Factors (\$/unit), 2022

State	Contracts	Low	25th Percentile	Median	Mean	75th Percentile	High
AL	23	\$19.38	\$61.50	\$65.00	\$68.85	\$72.00	\$136.51
CA	72	\$22.08	\$56.72	\$71.62	\$81.02	\$84.14	\$184.00
CO	26	\$69.00	\$81.25	\$98.34	\$100.67	\$116.08	\$138.60
FL	72	\$48.00	\$98.50	\$121.67	\$117.91	\$127.16	\$300.00
GA	40	\$52.00	\$72.75	\$86.00	\$84.98	\$100.69	\$130.00
IA	22	\$27.08	\$79.00	\$81.83	\$85.32	\$85.66	\$119.38
IL	36	\$47.00	\$58.09	\$74.13	\$113.59	\$176.02	\$209.98
IN	37	\$32.00	\$58.00	\$72.00	\$69.99	\$78.00	\$121.00
KS	28	\$61.00	\$70.00	\$77.00	\$76.68	\$81.00	\$95.70
KY	46	\$45.00	\$64.25	\$70.00	\$70.12	\$72.00	\$94.91
LA	29	\$47.00	\$54.00	\$62.00	\$70.64	\$78.75	\$120.00
MI	77	\$43.00	\$60.00	\$64.00	\$64.84	\$65.50	\$131.75
MN	22	\$25.00	\$88.26	\$97.62	\$92.00	\$105.12	\$118.61
MO	22	\$52.00	\$62.92	\$71.00	\$68.68	\$74.00	\$87.00
MT	23	\$54.00	\$63.50	\$66.00	\$70.89	\$77.00	\$91.80
NC	43	\$51.00	\$69.05	\$85.00	\$90.43	\$96.15	\$183.59
NY	71	\$45.00	\$87.17	\$117.42	\$111.75	\$135.60	\$180.83
OH	55	\$25.00	\$69.12	\$76.00	\$75.54	\$82.38	\$115.00
OK	38	\$38.00	\$55.00	\$62.00	\$61.40	\$65.50	\$81.58
PA	24	\$25.00	\$57.94	\$61.15	\$66.47	\$88.29	\$139.50
SC	21	\$40.00	\$72.00	\$85.18	\$88.65	\$106.66	\$134.00
TN	39	\$35.00	\$83.12	\$97.00	\$93.50	\$108.50	\$117.34
TX	57	\$29.00	\$70.00	\$82.00	\$81.24	\$94.00	\$146.04
UT	40	\$64.75	\$72.00	\$75.91	\$81.26	\$90.12	\$111.82
VA	35	\$64.00	\$78.02	\$84.91	\$90.28	\$94.76	\$164.00
WA	65	\$53.00	\$61.50	\$68.00	\$69.74	\$77.99	\$96.00
WI	35	\$57.00	\$82.00	\$93.00	\$100.39	\$119.00	\$199.20

Source: ASA 2022 CF Survey.

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