

**A G E N D A**

**SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION**

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

**February 10, 2020– 10:30 a.m.**

Commission Hearing Room A

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

1. CALL TO ORDER *CHAIRMAN BECK*
2. APPROVAL OF AGENDA OF BUSINESS MEETING  
OF FEBRUARY 13, 2020 *CHAIRMAN BECK*
3. APPROVAL OF MINUTES OF THE BUSINESS MEETING  
OF JANUARY 13, 2020(Tab 1) *CHAIRMAN BECK*
4. GENERAL ANNOUNCEMENTS *MR. CANNON*
5. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) *MS. BOGGS*
6. DEPARTMENT DIRECTORS' REPORTS *MS. STUART*  
Human Resources (Tab 3) *MS. SPRANG*  
Information Services (Tab 4) *MR. DUCOTE*  
Insurance and Medical Services (Tab 5) *MS. SPANN*  
Claims (Tab 6) *MS. BRACY*  
Judicial (Tab 7)
7. Vocational Rehabilitation (Tab 8) *MR. CANNON*
8. EXECUTIVE DIRECTOR'S REPORT (Tab 9) *MR. CANNON*  
Administration – Financial Report (Tab 10) *Mr. Cannon*
9. OLD BUSINESS *CHAIRMAN BECK*  
Dominion Energy Corporate Guaranty (Tab 11) *Ms. Boggs*  
Medical Services Provider Manual (Tab 12) *Mr. Cannon*
10. NEW BUSINESS *CHAIRMAN BECK*
11. ADJOURNMENT *CHAIRMAN BECK*

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THE  
SOUTH CAROLINA WORKERS'  
COMPENSATION COMMISSION  
BUSINESS MEETING  
January 13, 2020

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, January 13, 2020, at 10:30 a.m. The meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in compliance with requirements in the Freedom of Information Act. The following Commissioners were present:

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

AVERY B. WILKERSON, JR., COMMISSIONER was absent.

Present also were: Gary Cannon, Executive Director; Bryan Berthelette, Self-Insurance Director; Alexa Stuart, Human Resource Manager; Amy Bracy, Judicial Director; Keith Roberts, General Counsel; Wayne Ducote; Insurance & Medical Services Director and Emily Boggs, Self-Insurance Director. David Durant, Staff Attorney and Bonnie Anzelmo, Injured Workers Advocates, Michael Wapnick with CourtCall were also present.

Chairman Beck called the meeting to order at 10:39a.m.

**AGENDA**

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

**APPROVAL OF MINUTES – BUSINESS MEETING OF DECEMBER 16, 2019**

Commissioner Barden moved that the minutes of the Business Meeting of December 16, 2019, be approved. Commissioner Taylor seconded the motion, and the motion was approved.

**GENERAL ANNOUNCEMENTS**

No general announcements

**APPLICATIONS FOR APPROVAL TO SELF-INSURE**

Self-insurance applications were presented by Emily Boggs, Self-Insurance Director. Seven (7) prospective members of Two (2) funds was presented to the Commission for approval. The applications were:

**South Carolina Automobile Dealers Assoc. SIF**  
Mason Investment Group dba Lugoff Chevrolet Buick GMC  
North Strand Nissan

**South Carolina Home Builders SIF**  
Direct Construction, LLC  
Jarochos, LLC  
KMM Handyman, LLC  
Mitchell D. Phelps dba Master Plaster Co., Inc.  
Mooring Home Builders, LLC

Commissioner James had a few questions about the dba, Inc. There was discussion.

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

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

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

**Human Resources**

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

- December is statistically slow due to the holiday.
- We had 53 FTE positions, 1 part-time employee.
- Recruited a temporary Application Support Analyst through Beeline.
- No new hires, no separations and 2 employees were out on leave.
- 9 benefit-related issues in December.
- We had 2 celebratory employee luncheons in December. The first was to acknowledge the "go live date" for KERMIT and the second was the annual Christmas luncheon.
- State HR has requested that all agency departments to clean up and close out old job listings in NEOGov, which Ms. Stuart completed.
- CBRE and parking transactions are trending downwards.

Chairmen Beck questioned the onboarding of the Temp Application Support Analyst. Ms. Sprang responded this is a temporary contract employee that paid with the funds budgeted for the vacant FTE in Information Services. There was discussion.

**Information Technology Department**

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

- EDI-We are continuing to process EDI 3.0 transactions through Progress.
- Progress-Reopened so that our external stakeholders could meet their critical deadlines.
- System Support- CourtCall has been installed in Courtroom B, and Michael Wapnick is at the agency today to conduct training.
- OnBase- We are still extracting documents from On Base and preparing them for import into KERMIT.
- Ms. Sprang brought to the Commission that due the crisis in the Middle east, the State has Geofenced our systems. What that means is if employees travel out of the country, they used to be able to remote in. They will no longer be able to remote in.
- Legacy Modernization-
  - Currently doing roles audit
  - Onboarding and registration of external users
  - OnBase document migration
  - Stabilization and synchronization of testing and production environments

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

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

- In December, the Compliance Division compelled 39 employers to come into compliance with the Act and collected over \$39,800 in non-compliance penalties. As a result of the efforts 266 more employees are now covered. No carriers were docketed for RTSC in the month of December.
- The submitted report had a typographical error. The Coverage Division collected \$2,000 in fines (not \$10,200). That will result in the year on year percentage to be slightly lower at 35% vs. 38% as shown on the report.
- Total 1,958 new claims have been established.
- Self-Insurance collected \$403,581 in self-insured fund.

### **Claims Department**

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

- Claims process 9,275 claims.
- Claims closed 1,252 files and reviewed 279 files.
- No fines were assessed due to the blackout period.
- Claims received over 2,800, 18's through EDI.
- Over 1,300 from email
- Claim received 14 Third party settlements were received and 13 were approved.

Commissioner Beck indicated that he like the new format of the Claims Report.

### **Judicial Department**

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

- Filings in Judicial are down a little the month of December. Most likely contributed by the holidays and KERMIT.
- Ms. Bracy brought to the Commissions' attention come concerns with regards to the Rock Hill hearing site.

There was discussion and several solutions discussed and implemented.

### **VOCATIONAL REHABILITATION**

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

Ms. Khadjah Foggle-Vance has been assigned to work one day a week at the Commission. She is working on her schedule for being on site and attending Commissioners' hearings.

The is no report provided by SCDVR this month.

### **EXECUTIVE DIRECTOR'S REPORT**

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

- Net Present Values have been calculated and been posted on the website.
- Submitted the FY20-21 budget to the Executive Budget Office

### **ADMINISTRATION – FINANCIAL REPORT**

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

- Benchmark for this period is 50%.
- Included is the General Fund. Included in this fund is the 1.8 million non-reoccurring funds for the IT project.
- Earmark fund is 48%, which is right on target.
- To date, we have received 2.7 million in self-insurance taxes.

### **OLD BUSINESS**

No old business.

### **NEW BUSINESS**

Emillie Boggs, Director of Self-Insurance presented information with regard to Dominion Energy Corporate Guaranty for the self-insurance program. As a result of the purchase of SCANA Corporation by Dominion Energy the Commission received the Corporate Guaranty posted by Dominion Energy for the assumption of SCANA's self-insurance program.

January 1, 2019 SCANA Corporation, to include SCE&G, became a wholly owned subsidiary of Dominion Energy, Inc. and were renamed Dominion Energy Southeast Services Inc. and Dominion Energy South Carolina Inc., respectively. As a result of the merger, Dominion Energy, Inc. applied to be self-insured and was approved effective October 31, 2019.

In order to satisfy their approval contingencies, Dominion provided us with a \$3,750,000 letter of credit. Dominion is now requesting that the original SCANA letter of credit in the amount of \$3,750,000 be returned.

Due to our concerns with Dominion's liability for SCANA claims prior to the merger, the Commission requested Dominion prepare addendums to the Corporate Guaranty. One is for Dominion Energy Southeast Services Inc. FKA SCANA and the other is for Dominion Energy South Carolina Inc. FKA SCE&G.

After discussion about the language of the proposed addendums, Commissioner Beck asked if there were objections to carry the matter over until the next Business Meeting in order to allow staff time to amend the addendums. There were no objections.

#### Medical Services Provider Manual

Mr. Cannon presented the analyses of the Medical Services Provider Manual and the schedule for the approval of the MSMP 2020 update. The analysis and any proposed changes will be posted on the Commission's website and stakeholders will be notified. Fair Health, the organization preparing the updates to the Manual will attend the Business Meeting on February 10 to review the analysis and proposed changes. Interested parties will be asked to submit written comments by February 5 for consideration by the Commission at the Business Meeting on February 10.

#### ADJOURNMENT

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

The January 13, 2020, meeting of the South Carolina Workers' Compensation Commission adjourned at 11.23 a.m.

Reported February 5, 2020  
Amy Proveaux  
Office of the Executive Director

*State of South Carolina*

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*Workers' Compensation Commission*

**TO:** Gary Cannon

**FROM:** Alexa Stuart

**DATE:** February 4, 2020

**SUBJECT: Monthly Human Resources Report for February 2020 Business Meeting**

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

In January the Commission had 53 FTE positions available. We have 1 part-time employee and 1 contract employee hired through TAPFIN as part of the IT Legacy System Modernization Project Phase 2. We did not recruit for any positions in January.

- **New Hires:** None
- **Separations or Retirements:** None
- **Leaves:** One, but he returned on January 27<sup>th</sup>.

I had 16 benefit-related issues in January.

I met with management on two employee-related issues and we were able to successfully move forward with a plan.

I attended the Training Consortium and the quarterly State HR meeting.

I delivered W-2s to everyone along with statement of health coverage for tax purposes.

We sent 29 "All Agency" emails during the month.

In SCEIS, I had 9 HR-related transactions and 10 time-related SCEIS transactions. Payroll and time reports were run as scheduled. And, I performed 95 administrative transactions, which is slightly below average, and it is a direct correlation to having 2 holidays in the month. In SCEIS, I processed 8 travel expense reports.

We had 6 CBRE building issues and 3 parking transactions.



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## Workers' Compensation Commission

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To: Gary Cannon  
SCWCC Executive Director  
From: Sandee Sprang, IT Director  
Date: February 6, 2020  
Subject: IT Department January 2020 Full Commission Report

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

### I. Systems Operations, Maintenance and Support

#### EDI

We are continuing to process EDI 3.0 transactions through Progress and will transition to XML 3.1 in March. We are starting to migrate the First Report of Injury filings from 3.0 into KERMIT and we will repeat this process periodically until XML 3.1 is implemented.

#### Progress

We are continuing to utilize Progress to record the receipt of paper documents for internal processes. This is allowing us to get open claims that were created in Progress with critical filing deadlines through the business process.

#### Systems Support

Jason has worked with CourtCall to get one of the hearing rooms completely configured to utilize this service.

#### OnBase

We are still extracting documents from OnBase and preparing them for import into KERMIT. Additionally, all forms, pleadings and documents submitted via paper are being scanned into OnBase so that all internal users have access to them.

### II. Projects, Enhancements and Development

#### Legacy Modernization

All efforts continue to be focused on KERMIT in the following areas:

- Testing the functionality defined in Release 1.5
- Onboarding and registration of external users
- Continuity of business operations which includes data synchronization between Progress and KERMIT as functionality is released in a phased approach

- KERMIT data integrity and management
- Functionality reviews for future phases
- OnBase document migration
- Stabilization and synchronization of testing and production environments
- Implementation of security products

### **III. Trainings and Meetings**

Sandee presented a KERMIT update at IWA's Paralegal and Legal Assistant Seminar on January 25<sup>th</sup>.

State of South Carolina



Workers' Compensation Commission

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

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

**Date:** 7-Feb-20

**Subj:** Insurance and Medical Services Department  
January 2020 Full Commission Report

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

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

**Compliance Division**

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**

1. Working with staff to review workflow processes and explore opportunities to enhance service provision.
2. Lapse in Coverage: 74 new registrants; 0 notifications sent.

**Medical Services**

1. Working with Medical Bill Reviewers on certification renewals.
2. Continue to meet with Fair Health to discuss 2020 MSPM updates.

While this summary is in no way all-inclusive, it may serve to assist you and our Commissioners in understanding the key initiatives underway in the IMS Department and provide measures by which the Department's effectiveness can be gauged. IMS welcomes any guidance that you and/or our Commissioners can provide concerning our performance and direction.

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

The Compliance Division docketed 0 new RTSC cases and 0 total RTSC cases in the month of December. And, compelled 44 South Carolina employers to come into compliance with the Act. Year to date, 54 new RTSC cases and 136 total RTSC cases have been docketed.

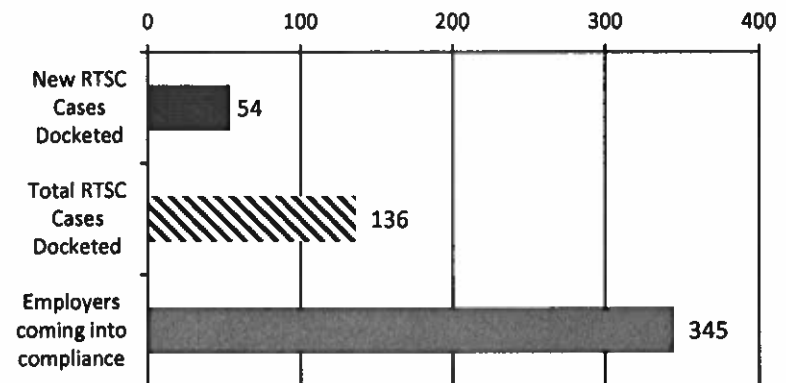
**Employers Obtaining Coverage**

Year to date, the Compliance Division has compelled 345 South Carolina employers to come into compliance with the Act. In so doing, approximately 2,660 previously uninsured workers are now properly covered.

**Penalties Waived**

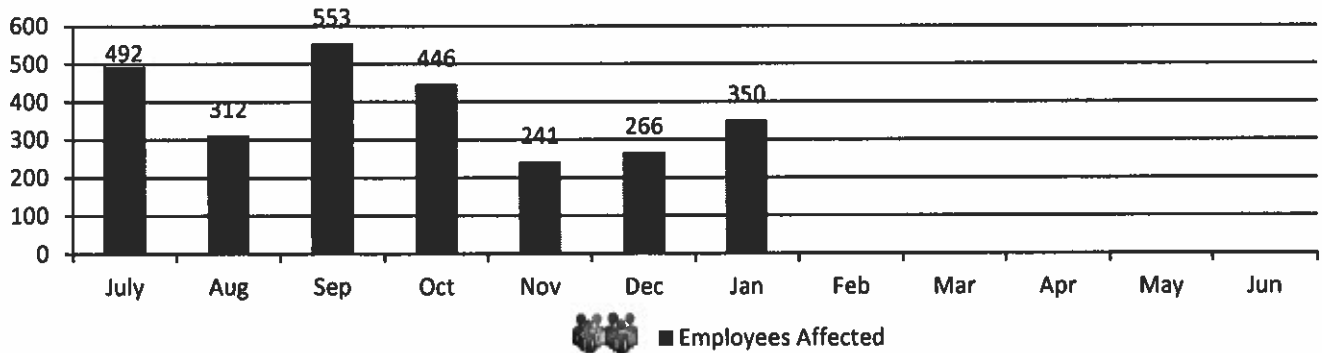
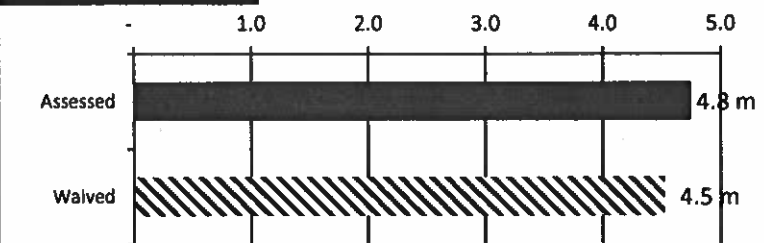
Although the Division has assessed \$4.8 m in fines this fiscal year, \$4.5 m have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

**RTSC and Compliance Activity**



**Fines and Penalties**

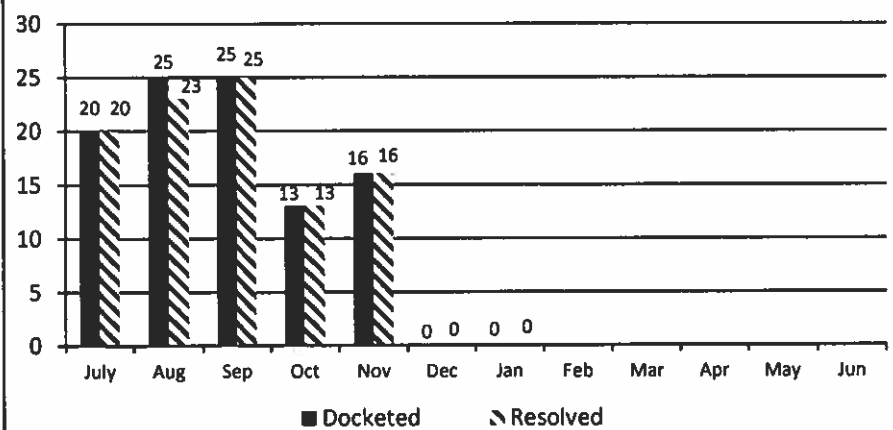
Millions



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

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

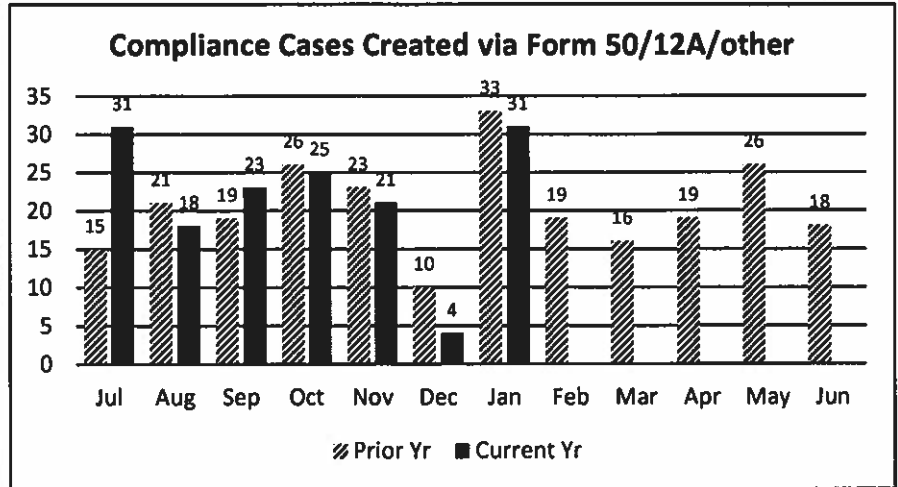


**IMS COMPLIANCE DIVISION**

January 2020

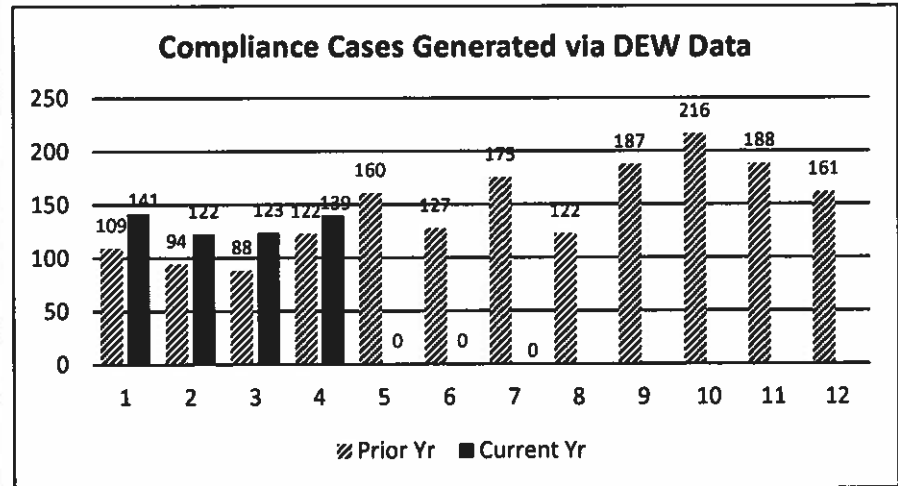
In January 2020, 31 compliance files were created from the combined filings of Form 50's, 12A's, and stakeholder reporting involving uninsured employers.

YTD vs. Prior Year total (245): 62%  
 Jan 2020 to Jan 2019: 94%  
 Current Yr End trend: 107% of 2018-2019  
 YTD 2019-2020 v. YTD 2018-2019: 92%

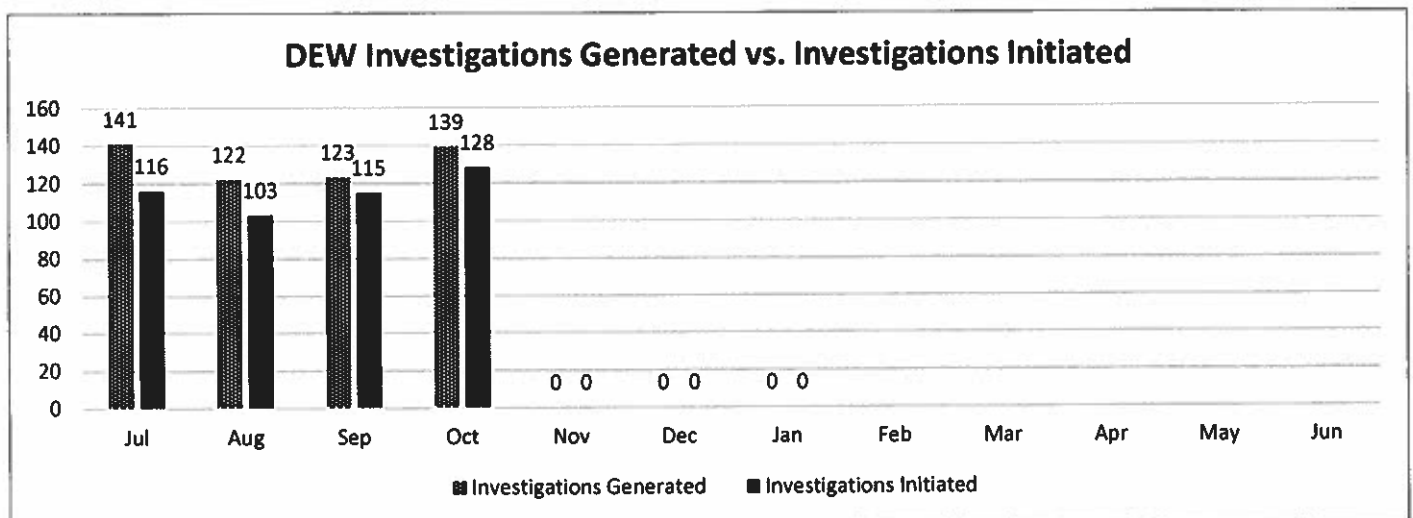


In January 2020, No compliance files were generated from the DEW data process.

YTD vs. Prior Year total (1,749): 30%  
 Jan 2020 to Jan 2019: 0%  
 Current Yr End trend: 51% of 2018-2019  
 YTD 2019-2020 v. YTD 2018-2019: 60%



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 January 2020 with 322 cases active, compared to an active caseload of 494 at the close of January 2019.

**Cases Resolved:**

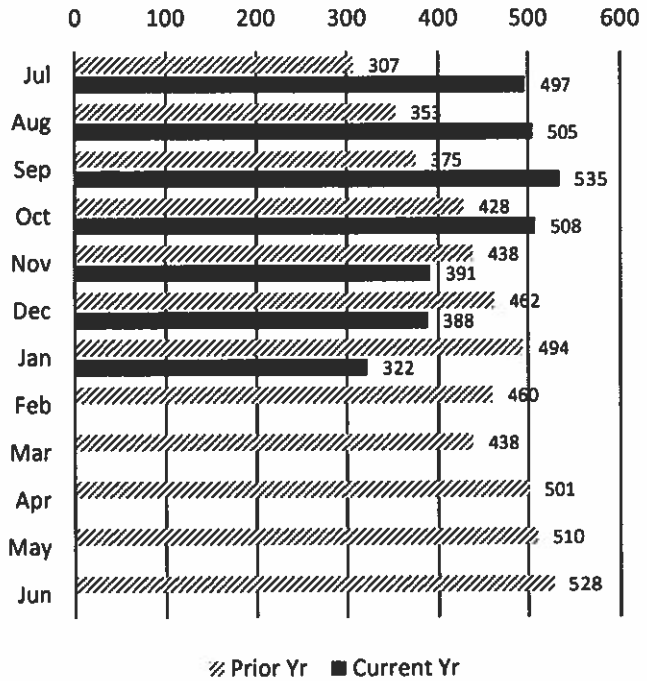
For the month of January 2020, Compliance Division staff closed-out 90 cases.

**Compliance Fines:**

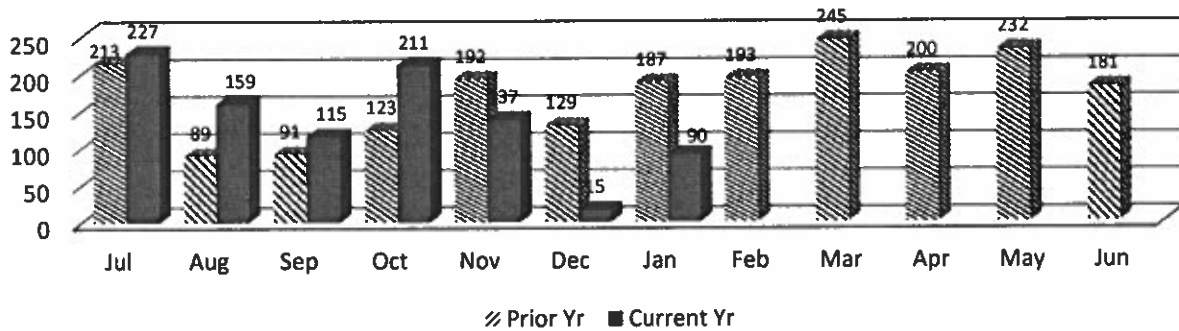
In January 2020, the Compliance Division collected \$110,849 in fines and penalties. Year to Date, the Compliance Division has collected \$852,407 in fines and penalties.

Year to Date vs Prior Year Total (\$1,688,380): 51%  
 January 2019 vs. January 2020: 85%  
 Current Year End trend is 87% of 2018-2019  
 YTD 2018-19 (July - Jan) vs YTD 2018-2019: 131%

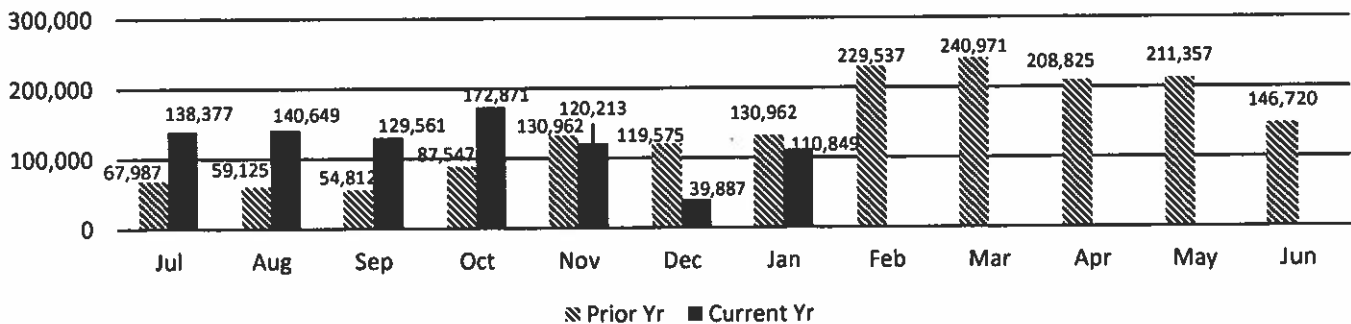
**Caseload Pending v. Prior Year**



**Cases Resolved v. Prior Year**



**Compliance Fines Collected v. Prior Year**

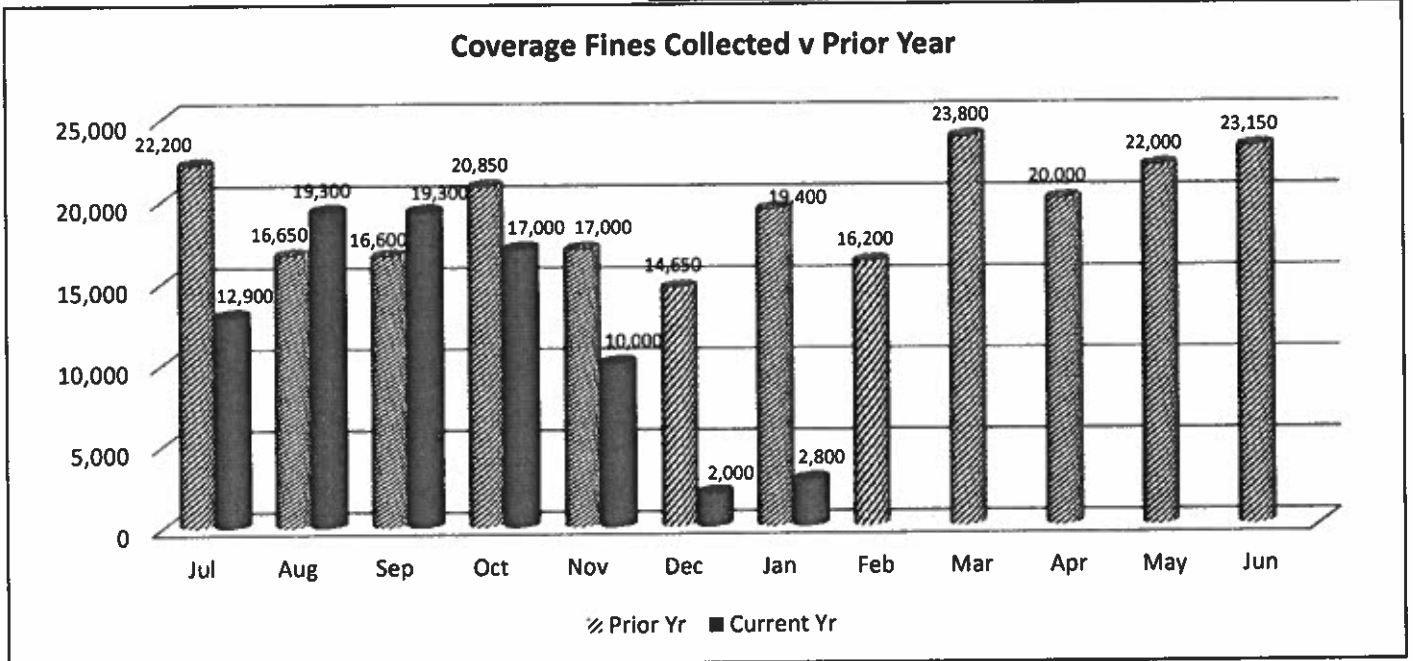
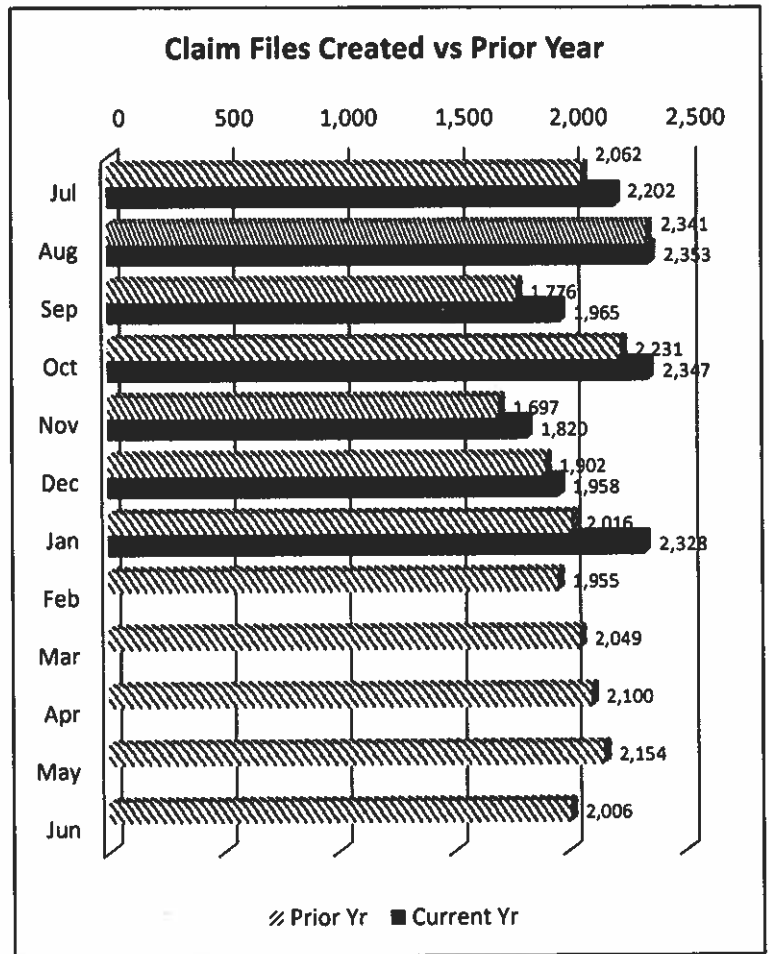


**WCC Claim Files:**

In January 2020, the Coverage Division received a total of 2,328 WCC Claim files. Of these, 1,946 were created through proper carrier filing of a 12A, and 382 were generated as a result of a Form 50 claim filing. Year to Date 14,973 Claim files have been created which is 62% of claim file volume prior year (24,289).

**Coverage Fines:**

The Coverage Division collected \$2,800 in fine revenue in January 2020, as compared to \$19,400 in Coverage fines/penalties accrued during January 2019. Year on Year, Coverage fines are at 36% of collections for prior year.



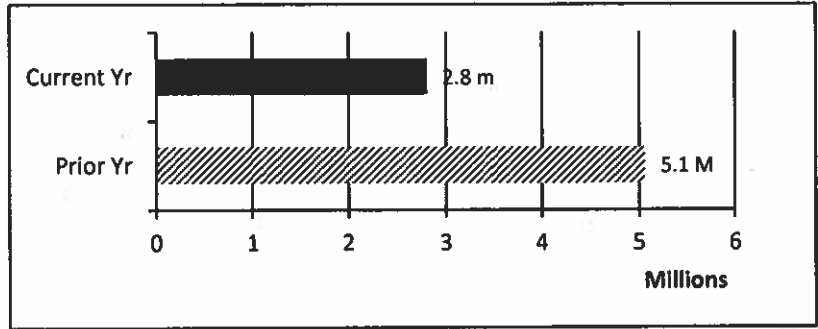
**IMS SELF INSURANCE DIVISION**

January 2020

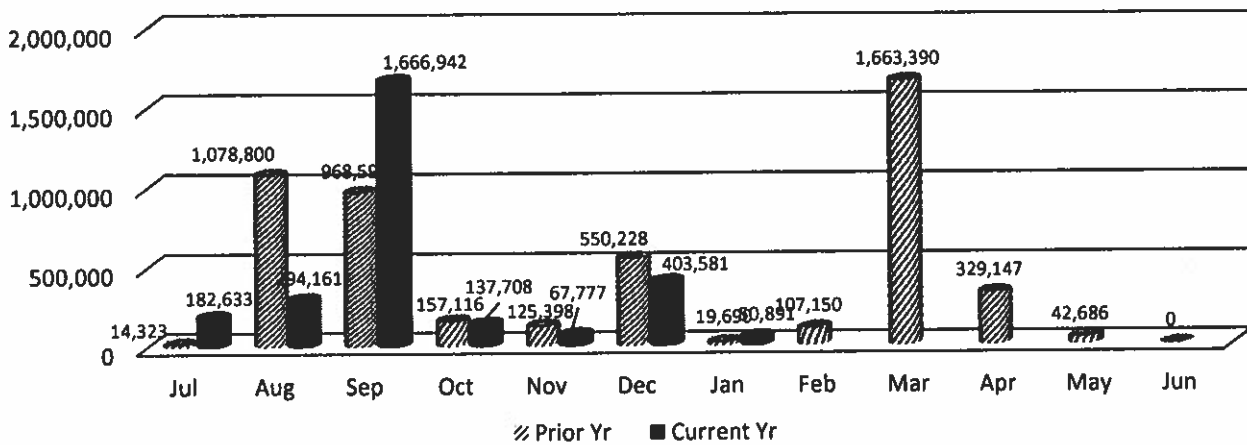
During the month of January 2020, the Self Insurance Division:

- \* collected \$50,891 in self-insurance tax.
- \* added 7 new self-insurers.
- \* conducted 4 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 96% of prior year and 28 Self Insurance audits have been completed.



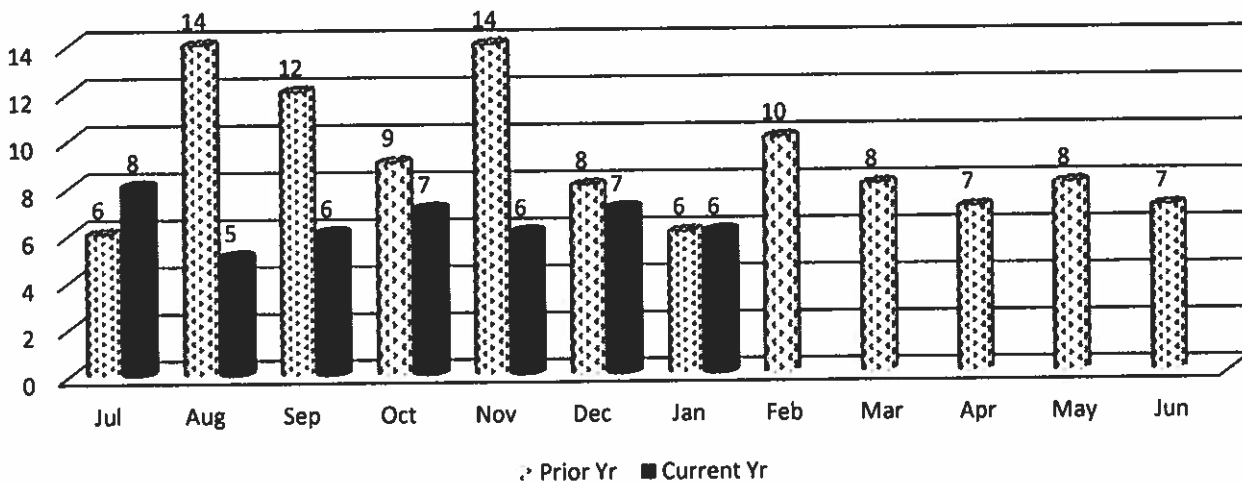
**Self Insurance Tax Collections v. Prior Year**



**IMS MEDICAL SERVICES DIVISION**

In January 2020, the Medical Services Division began the month with 7 bills pending review, received an additional 15 bills for review, conducted 16 bill reviews and ended the month with 6 bills pending.

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





# State of South Carolina

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## *Workers' Compensation Commission* **MEMORANDUM**

To: Gary Cannon, Executive Director

From: Sonji Spann, Claims Director

Date: February 5, 2020

Re: Claims Department –February 2020 Full Commission Report

Attached is Claims Department activity for the period ending January 31, 2020. The format of the Claims Department report highlights the key workflow benchmarks. Comparison to last month and last year can be found in the attached document.

Processed	18,590
Closed	3092
Reviewed	3138
Revenue	\$3,200
Fines	None were assessed
EDI -18's	3032
Emailed -18's	2023
USPS	75
Form 61's rec'd	665
Form 61's App	974
Third Party Settlements	1
Third Party Settlements Processed	33

## Claims Department Statistical Report

### Statistics For FY19-20

Period ending January 31, 2019

Claims Services	July	August	Sept	Oct	Nov	Dec	FY18-19 YTD Total same period	% Chg same period FY18-19	FY19-20 7 Mth Avg	FY18-19 7 Mth Avg
Forms 15-I	1,140	1,300	1,099	1,423	862	703	8,215	-2%	1,152	1,174
Forms 15-II/Forms 17	923	1,073	970	1,107	690	607	6,726	-1%	953	961
Forms 16 for PP/Disf	177	182	294	219	221	115	1,665	-13%	207	238
Forms 18	4,917	4,613	4,590	4,785	3,472	4,751	31,322	5%	4,710	4,475
Forms 20	684	787	655	831	479	369	4,983	-7%	664	712
Form 50 Claims Only	260	298	251	341	270	150	1,776	12%	283	254
Form 61	690	804	681	763	701	511	5,179	-7%	688	740
Letters of Rep	201	204	147	181	327	149	1,151	29%	213	164
Clinchers	723	879	730	852	881	358	6,041	-9%	789	863
Third Party Settlements	13	16	15	14	14	14	17	412%	12	2
SSA Requests for Info	76	104	76	78	59	17	460	-2%	64	66
Cases Closed	2,326	2,560	2,160	2,525	1,773	1,252	16,040	-2%	2,241	2,291
Cases Reviewed	2,946	3,294	2,705	3,146	2,219	279	22,161	-20%	2,532	3,166
							-		-	-
							-		-	-
<b>Total Fines Assessed</b>	250	230	214	232	135		1,927	-45%	152	275
<b>Form 18 Fines</b>	216	189	177	228	134		1,592	-41%	135	227
<b>Total Amt Paid</b>	\$31,200	\$43,000	\$38,600	\$36,200	\$31,200	\$ 14,100	\$ 291,150	-33%	27,757	41,593

State of South Carolina

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**Workers' Compensation Commission**

February 4, 2020

To: Gary M. Cannon  
Executive Director

From: Amy A. Bracy  
Judicial Director

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

During the month of January, the Judicial Department processed nine hundred seventy-one (971) requests for hearings, one hundred forty-nine (149) Motions and one hundred nineteen (119) clincher conference requests that were sent to the Jurisdictional Commissioners.

There were sixty-four (64) Single Commissioner Hearings conducted during the past month, thirty (30) pre-hearing conferences held and one (1) Full Commission hearings held. A total of five hundred sixty-five (565) Orders were served at the single Commissioner level, fifty-six (56) of those were Decision and Orders that resulted from hearings that went on the record and one hundred forty-eight (148) were Motion Orders that were a result of Motions ruled upon by Commissioners.

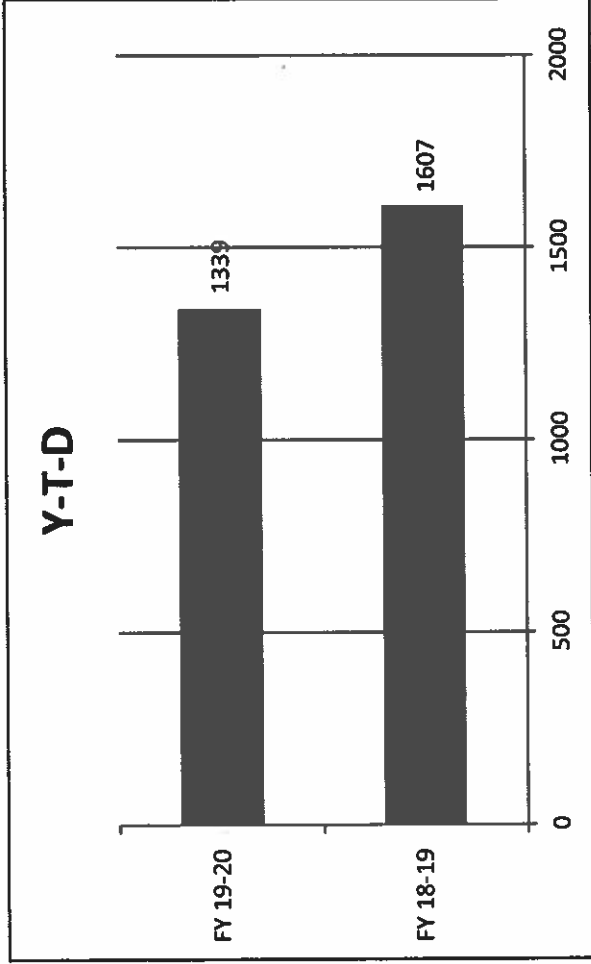
The Informal Conference system conducted one hundred seventy-seven (177) hearings during the last month.

There were thirty (30) regulatory mediations scheduled and sixty-four (64) requested mediations. The Judicial Department was notified of forty-three (43) matters resolved in mediation, with the receipt of Forms 70.

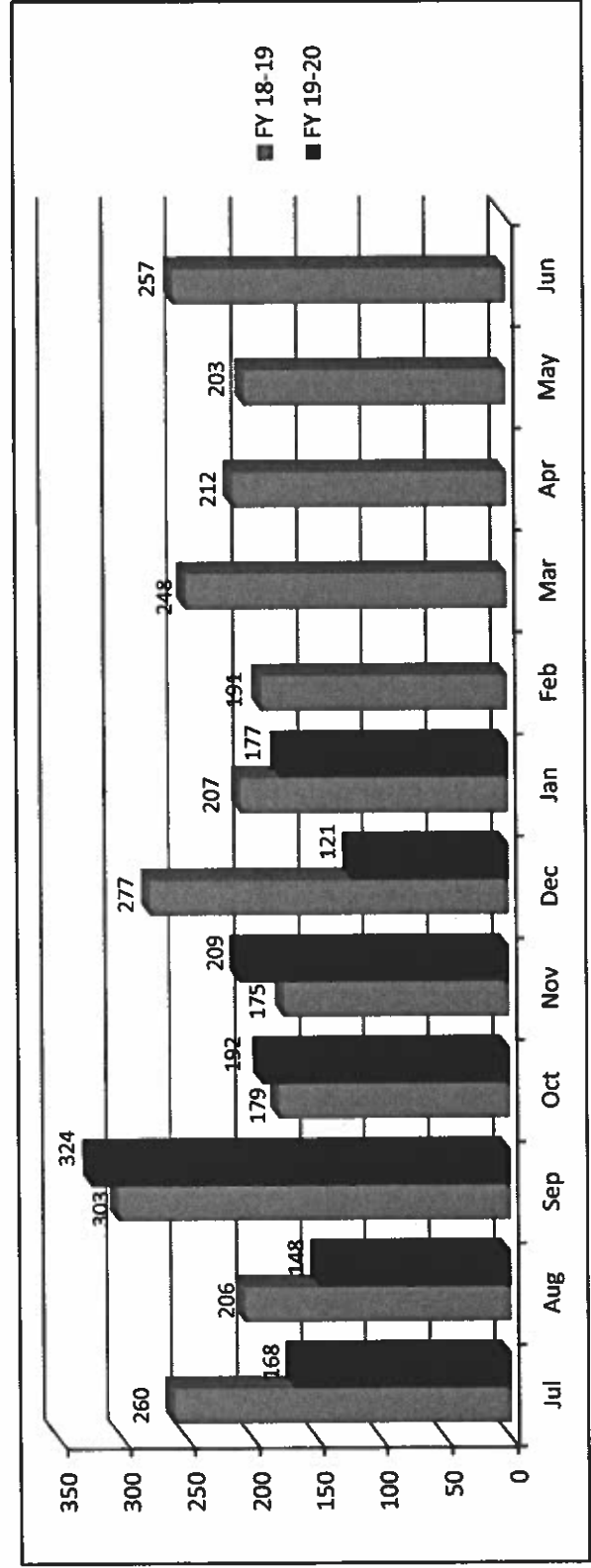
In the month of December, Judicial received three (3) Notice of Intent to Appeal to the Court of Appeals and zero (0) to the Circuit Court.

**Informal Conf. Conducted**

	FY 18-19	FY 19-20
Jul	260	168
Aug	206	148
Sep	303	324
Oct	179	192
Nov	175	209
Dec	277	121
Jan	207	177
Feb	191	
Mar	248	
Apr	212	
May	203	
Jun	257	
<b>Total</b>	<b>2718</b>	<b>1339</b>

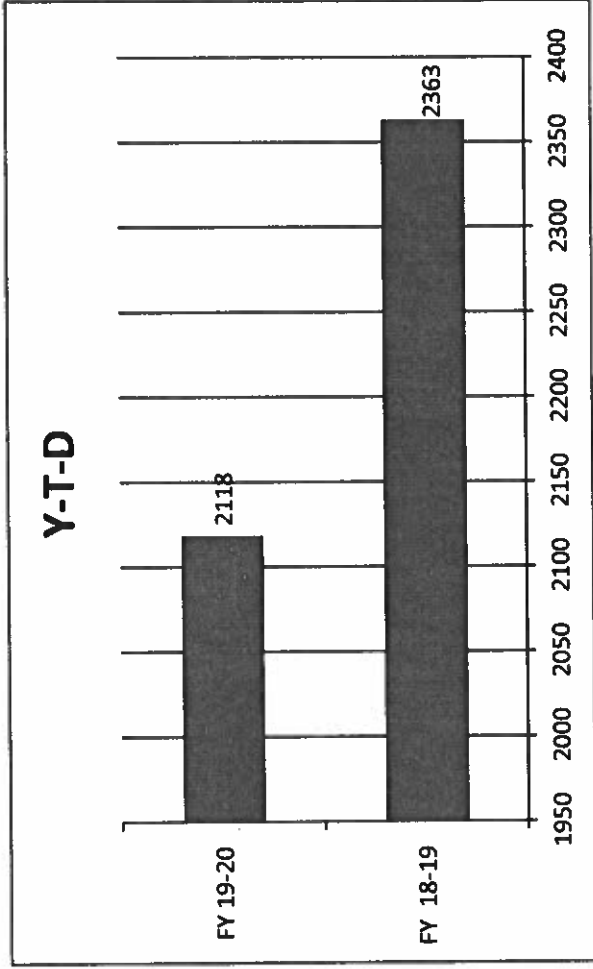


Y-T-D	FY 18-19	FY 19-20
	1607	1339



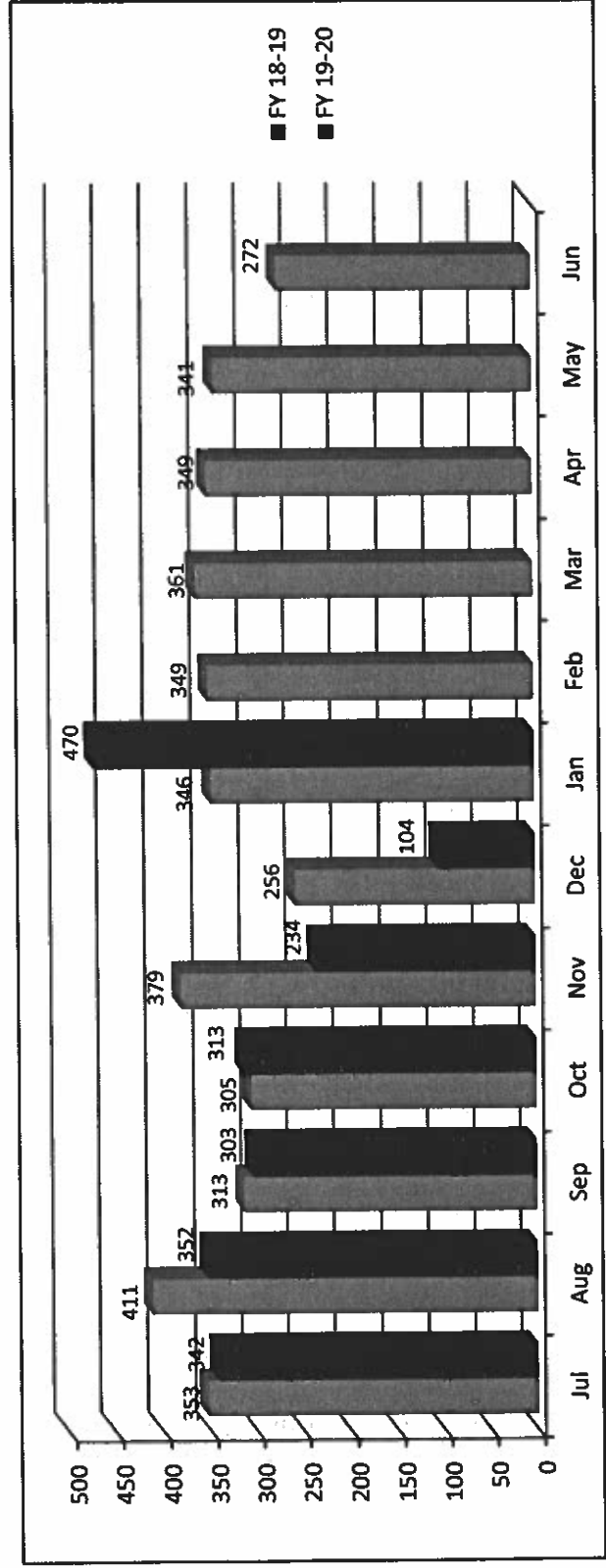
**Informal Conf. Requested**

	FY 18-19	FY 19-20
Jul	353	342
Aug	411	352
Sep	313	303
Oct	305	313
Nov	379	234
Dec	256	104
Jan	346	470
Feb	349	
Mar	361	
Apr	349	
May	341	
Jun	272	
<b>Total</b>	<b>4035</b>	<b>2118</b>



FY 18-19 **2363**  
FY 19-20 **2118**

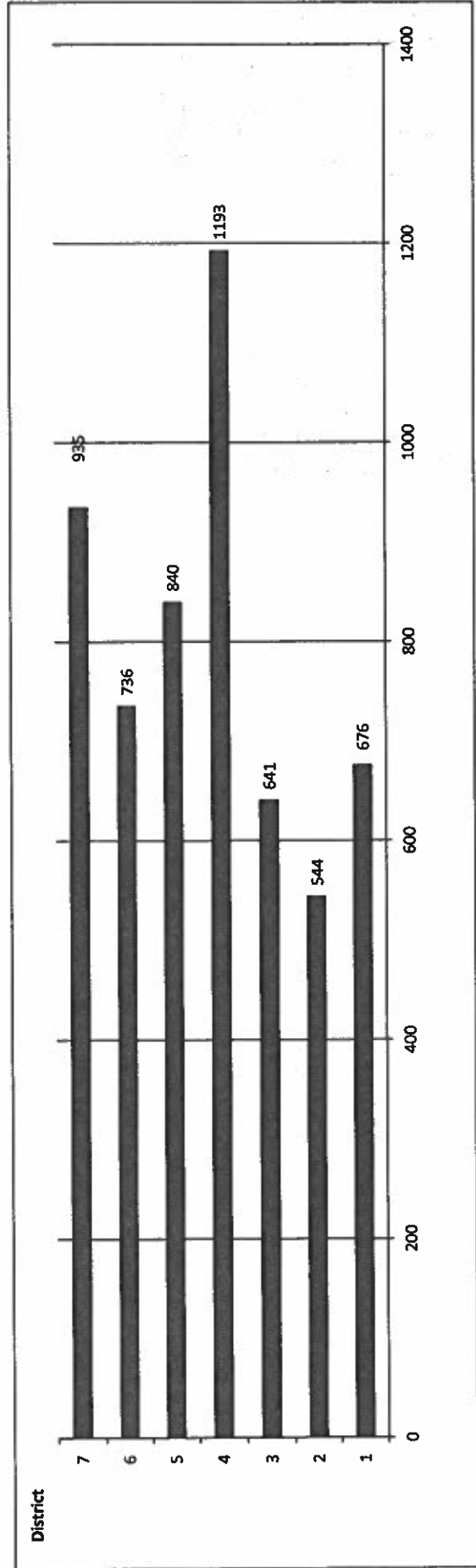
**Y-T-D**



**Pleadings Assigned - Three Year Comparison by Month**

	District 1 Greenville			District 2 Anderson			District 3 Orangeburg			District 4 Charleston			District 5 Florence			District 6 Spartanburg			District 7 Richland		
	19-20	18-19	17-18	19-20	18-19	17-18	19-20	18-19	17-18	19-20	18-19	17-18	19-20	18-19	17-18	19-20	18-19	17-18	19-20	18-19	17-18
Jul	99	88	97	84	98	79	123	114	104	183	183	127	136	147	121	137	110	107	140	144	139
Aug	99	118	113	85	71	97	78	87	120	168	187	172	153	124	134	104	149	107	147	138	159
Sep	101	92	100	77	78	100	98	83	110	174	148	156	108	98	136	104	91	103	131	132	164
Oct	115	112	97	90	98	68	76	115	86	187	204	135	124	119	107	121	130	113	142	160	177
Nov	83	116	116	74	87	83	108	114	92	155	161	159	116	130	131	78	119	120	148	150	148
Dec	81	92	122	65	66	81	80	93	113	140	116	150	99	121	108	104	94	113	117	115	172
Jan	98	89	87	69	69	72	78	114	88	186	170	138	104	104	112	88	114	94	110	134	166
Feb		102	75		80	84		102	88		156	125		111	139		126	119		116	163
Mar		92	120		81	96		97	122		192	179		142	138		115	126		131	188
Apr		84	119		76	87		76	113		157	174		103	128		86	120		123	155
May		112	125		114	88		189	127		211	157		151	126		138	112		183	166
Jun		94	111		103	84		89	126		153	191		121	169		100	129		145	140
<b>Totals</b>	<b>676</b>	<b>1191</b>	<b>1282</b>	<b>544</b>	<b>1021</b>	<b>1019</b>	<b>641</b>	<b>1273</b>	<b>1289</b>	<b>1193</b>	<b>2038</b>	<b>1863</b>	<b>840</b>	<b>1471</b>	<b>1549</b>	<b>736</b>	<b>1372</b>	<b>1363</b>	<b>935</b>	<b>1671</b>	<b>1937</b>

**Pleadings Assigned by District Year to Date**



**SC Department of Vocational Rehabilitation**

**Monthly Report**

**Workers' Compensation Claimant Contacts**

Period July 1, 2019 to January 27, 2020

COUNTY	July	AUG	Sep	Oct	Nov	Dec	Jan	County Total	Column1
Abbeville	8	7	5	5	7	7	7	46	46
Aiken	8	9	8	8	10	8	9	60	60
Allendale	3	5	1	2	5	0	1	17	17
Anderson	7	5	5	1	4	5	9	36	36
Bamberg	2	0	0	0	3	2	0	7	7
Barnwell	2	1	2	2	0	2	1	10	10
Beaufort	1	2	0	2	2	3	2	12	12
Berkeley	0	0	0	1	2	3	0	6	6
Calhoun	2	2	4	3	2	2	4	19	19
Charleston	5	5	9	3	5	5	7	39	39
Cherokee	2	0	1	2	1	0	1	7	7
Chester	10	10	10	10	10	10	10	70	70
Chesterfield	7	7	7	3	5	5	9	43	43
Clarendon	7	3	3	4	2	2	2	23	23
Colleton	217	215	213	220	222	204	203	1476	1494
Darlington	1	1	0	2	0	0	2	6	6
Dillon	1	4	5	4	6	5	3	28	28
Dorchester	12	10	10	10	10	10	10	72	72
Edgefield	3	5	5	9	6	5	2	35	35
Fairfield	1	1	2	11	1	2	1	19	19
Florence	10	10	10	10	10	10	10	70	70
Georgetown	2	5	1	0	4	2	2	16	16
Greenville	0	1	0	1	2	0	2	6	6
Greenwood	3	4	5	5	3	3	3	26	26
Hampton	9	9	8	3	0	9	11	38	49
Horry	9	6	5	8	7	5	7	47	47
Jasper	2	2	4	3	6	1	1	19	19
Kershaw	9	9	8	1	9	8	9	53	53
Lancaster	1	5	3	1	4	4	2	20	20
Laurens	5	7	5	5	3	5	4	34	34
Lee	3	0	0	7	1	3	2	16	16
Lexington	3	3	4	7	6	5	2	30	30
Marion	2	0	5	5	1	1	4	0	18
Marlboro	1	1	2	0	2	2	2	10	10
McCormick	12	11	10	10	10	10	10	73	73
Newberry	2	2	1	2	1	1	2	11	11
Oconee	8	8	8	8	8	8	8	56	56
Orangeburg	6	9	6	8	5	6	6	46	46
Pickens	13	10	12	12	13	10	14	84	84
Richland	2	1	2	1	0	0	1	7	7
Saluda	1	1	4	3	6	4	2	21	21
Spartanburg	4	7	6	7	7	8	4	43	43
Sumter	7	2	1	4	3	0	2	19	19
Union	5	9	7	5	4	10	4	44	44
Williamsburg	0	0	0	0	0	0	0	0	0
York	9	6	7	9	6	6	8	51	51
Monthly Totals	427	420	414	427	424	401	405	2871	2918

# *State of South Carolina*

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



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

## *Workers' Compensation Commission*

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

**February 10, 2020**

#### **Meetings/Activities**

From January 10 to February 3 the Executive Director participated in 21 meetings with staff and the vendor on KERMIT; 1 budget presentation to the House Ways and Means subcommittee; 2 presentations to the IWA Paralegals and the SC Bar Workers' Compensation Section; 2 meetings with staff to discuss Dominion Guaranty addendums and the Westpoint Insolvency; 3 meetings with the State Procurement Director; a representative of CourtCall; and a representative of NCCI.

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

For the period January 8, 2020 to February 3, 2020, the Executive Director's Office and the General Counsel's office had 720 contacts with various system constituents and stakeholders. The contacts included telephone communications; electronic and personal contacts with claimants or constituents, state agencies, federal agencies, attorneys, service providers, business partners; and letters with congressional offices.

#### **Financial Transactions Activity**

For the period January 8, 2020 through February 3, 2020, our office approved and processed 9 travel expense reports, 49 invoices, and 18 deposits for DOA to process in the SCIES system.

#### **SCWCC Stakeholder Electronic Distribution List**

For the period January 8, 2020 through February 3, 2020, we added five (5) individuals. Due to the receipt of email delivery failures, a total of thirty-five (35) email addresses were deleted. This number has increased due to beginning of a new year and some firm's filters are blocking all blasts for all their team members. A total of 778 individuals currently receive notifications from the Commission.



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*Workers' Compensation Commission*

*MEMORANDUM*

**TO: COMMISSIONERS**

**FROM: Gary Cannon  
Executive Director**

**DATE: February 7, 2020**

**RE: FINANCIAL REPORT - Period ending January 31, 2020**

Attached is the Budget vs. Actual Report for the General Fund and Earmarked Fund for the fiscal year period ending January 31, 2020. The benchmark for this period is 58%.

The expenditures for the General Fund are on pages 1-3. The total expenditures in the General Fund (10010000) for this period is \$1.6 million or 37% of budget. This is somewhat misleading because the total General Fund budget includes the \$1.8 million appropriation of non-recurring funds are on page 2 in Information Services for the IT Legacy System Modernization project. The Commitment items to the project to date is \$1.2 million. Adjusting the Budget to remove the \$1.8 million of non-recurring funds modifies the recurring operational budget to \$2.7 million. The January 31 YTD operation expenditures are 56% of adjusted budget.

Earmarked Fund are on pages 4-10 of the "Budget vs. Actual Report FY2020. The total expenditures for the Earmarked Fund (38440000) are \$3.1 million or 57% of budget. The fund has \$370,840 of Commitments.

Earmarked Fund revenues received is \$1.9 million or 61% of budget. To date we have received \$2.7 million Self-Insurance Tax funds.

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2020 As of 1/31/2020**  
**58% of year elapsed**

**Fund 10010000 - GENERAL FUND**

**Administration**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501015	DIRECTOR	135,967	86,679	64%		49,288
501058	CLASSIFIED POS	47,092				47,092
512001	OTHER OPERATING	285,515				
	<b>Total OTHER OPERATING:</b>	<b>285,515</b>				<b>285,515</b>
	<b>Total Administration:</b>	<b>468,574</b>	<b>86,679</b>	<b>18%</b>	<b>0</b>	<b>381,895</b>

**Executive director**

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

**Inform. services**

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

**Claims**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	85,159	50,353	59%		34,806
	<b>Total Claims:</b>	<b>85,159</b>	<b>50,353</b>	<b>59%</b>		<b>34,806</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2020 As of 1/31/2020**  
**58% of year elapsed**

**Fund 10010000 - GENERAL FUND**

**Commissioners**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501026	CHAIRMAN	164,762	105,036	64%		59,726
501033	COMMISSIONER	959,769	611,850	64%		347,919
501050	TAXABLE SUBS		38,382		0	-38,382
501058	CLASSIFIED POS	347,717	214,961	62%		132,756
501070	OTH PERS SVC		4,200			-4,200
<b>Total Commissioners:</b>		<b>1,472,248</b>	<b>974,429</b>	<b>66%</b>	<b>0</b>	<b>497,819</b>

**Information Services FY18**

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

**Insurance & Medical**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	29,646	19,125	65%		10,521
501070	OTH PERS SVC		600			-600
<b>Total Insurance &amp; Medical:</b>		<b>29,646</b>	<b>19,725</b>	<b>67%</b>		<b>9,921</b>

**Judicial**

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

**Employer Contributions**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	704,060	384,709	55%		319,351
<b>Total Employer Contributions:</b>		<b>704,060</b>	<b>384,709</b>	<b>55%</b>		<b>319,351</b>

**South Carolina Workers' Compensation Commission  
Budget vs. Actual Report  
FY 2020 As of 1/31/2020  
58% of year elapsed**

**Fund 10010000 - GENERAL FUND**

<b>Total GENERAL FUND:</b>	<b>4,588,954</b>	<b>1,676,237</b>	<b>37%</b>	<b>1,251,476</b>	<b>1,661,241</b>
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**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2020 As of 1/31/2020**  
**58% 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	113,569	14%		678,417
501070	OTH PERS SVC	11,324	1,800	16%		9,524
512001	OTHER OPERATING	2,625,713				
5020030000	PRINT / BIND / ADV		212			
5020080000	FREIGHT EXPRESS DELV		95		307	
5020120000	CELLULAR PHONE SVCS		6,348		918	
5021010000	LEGAL SERVICES		1,711			
5021020000	ATTORNEY FEES		2,185			
5021490000	AUDIT ACCT FINANCE		139			
5021530000	CATERED MEALS		21,503		115	
5024990000	OTH CNT-NON-IT & REA		1,250			
5030010000	OFFICE SUPPLIES		6,473		26	
5030010002	OFF SUP - MIN OFF EQ		322			
5030010004	SUBSCRIPTIONS		5,603		6,926	
5030030000	PRINTED ITEMS		3,013		29	
5030067101	PRGM LIC - APP SUPP		21,202		11,856	
5030067130	EQUIP&SUPP- EUC		45			
5030067170	EQUIP&SUPP- PRINT EU		1,992		5,398	
5030070000	POSTAGE		17,908		14,360	
5030090000	COMMUNICATION SUPP		492			
5031010001	FURNISHINGS		1,322			
5032820000	INSTRUCTIONAL MAT		367		1,408	
5033090000	EMPLOYEE RECOG AWARD		1,370			
5033990000	OTHER SUPPLIES		38			
5040010000	OPER LSE-OFCE EQ RENT		1,897			
5040057000	IT-OPER LS-CONT RENT				1,023	
5040060000	OPER-RENT-NON ST OWN		247,158		120,741	
5040070000	OPER-RNT-ST OWN RL P		120			
5040490000	OPER LSE-RENT-OTHER		10,063		15,444	
5040490002	OPER-RENT-OTH-RM&VID		5,920			
5040490003	OPER LSE-RENT-PO BOX		1,402			
5040510000	INSURANCE-STATE		2,526			

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2020 As of 1/31/2020**  
**58% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

5041010000	DUES & MEMBER FEES		5,432			
5041020000	FEES AND FINES		39			
5050010000	IN ST-MEALS-NON-REP		490		60	
5050020000	IN ST-LODGING		2,782			
5050040000	IN ST-AUTO MILEAGE		48			
5050041000	HR-IN ST-AUTO MILES		2,058		48	
5050060000	IN ST-MISC TR EXP		35		735	
5050070000	IN ST-REGISTR FEES		195			
5050510000	OUT ST-MEALS-NON-REP		180			
5050570000	OUT ST-REGISTR FEES		1,320			
5051540000	LEASED CAR-ST OWNED		24,988			
<b>Total OTHER OPERATING:</b>		<b>2,625,713</b>	<b>400,244</b>	<b>15%</b>	<b>179,394</b>	<b>2,046,074</b>
<b>Total Administration:</b>		<b>3,429,022</b>	<b>515,613</b>	<b>15%</b>	<b>179,394</b>	<b>2,734,014</b>

**General counsel**

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

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2020 As of 1/31/2020**  
**58% 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		215,457			-215,457
501070	OTH PERS SVC		1,800			-1,800
5020077100	SERVICES- APP SUP		562		972	
5020077200	SERVICES- SERVERS		70,000		51,840	
5020077230	IT CONTRACTORS		808,423			
5020077240	DP SERVICES – STATE		124,383			
5020080000	FREIGHT EXPRESS DELV		66		307	
5020120000	CELLULAR PHONE SVCS		2,603		2,548	
5021330000	CONTR-GOVT/NONPRFIT		39,000			
5021469316	SECURITY ALARM SRVC		5,177		46	
5021520000	TEMPORARY SERVICES				63,180	
5021540000	NON-IT OTHER PRO SRV		23,511		15,825	
5030010000	OFFICE SUPPLIES		3,524		1,229	
5030067101	PRGM LIC - APP SUPP		44,923		12,696	
5030067130	EQUIP&SUPP- EUC		136			
5030067131	PLM- EUC				769	
5030067141	PLM- ITSD		483			
5030067170	EQUIP&SUPP- PRINT EU		12,277		2,650	
5031469316	SCRTY ALRM SYS SUPPL		909			
5031639500	OTH SECURTY EXP SUPL		123			
5040057000	IT-OPER LS-CONT RENT		2,410		4,213	
5050010000	IN ST-MEALS-NON-REP		556			
5050020000	IN ST-LODGING		3,109		-	
5050031000	HR-IN ST-AIR TRANS		604			
5050041000	HR-IN ST-AUTO MILES		1,220			
5050050000	IN ST-OTHER TRANS		236			
5050060000	IN ST-MISC TR EXP		60			
5050070000	IN ST-REGISTR FEES		59			
5050570000	OUT ST-REGISTR FEES		915			
	<b>Total OTHER OPERATING:</b>		<b>1,145,268</b>		<b>156,276</b>	<b>-1,301,543</b>
	<b>Total Inform. services:</b>		<b>1,362,524</b>		<b>156,276</b>	<b>-1,518,800</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2020 As of 1/31/2020**  
**58% 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	146,501	52%		134,349
501070	OTH PERS SVC	3,600	3,600	100%		0
512001	OTHER OPERATING	19,700				
5020080000	FREIGHT EXPRESS DELV		66		498	
5020120000	CELLULAR PHONE SVCS		154		114	
5030010000	OFFICE SUPPLIES		704		1,287	
5040510000	INSURANCE-STATE		1,263			
5050010000	IN ST-MEALS-NON-REP		102			
5050020000	IN ST-LODGING		931			
5050041000	HR-IN ST-AUTO MILES		182			
	<b>Total OTHER OPERATING:</b>	<b>19,700</b>	<b>3,402</b>	<b>17%</b>	<b>1,899</b>	<b>14,399</b>
	<b>Total Claims:</b>	<b>304,150</b>	<b>153,503</b>	<b>50%</b>	<b>1,899</b>	<b>148,748</b>



**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2020 As of 1/31/2020**  
**58% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Commissioners**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501050	TAXABLE SUBS	70,000	21,101	30%	0	48,899
512001	OTHER OPERATING	230,700				
5020080000	FREIGHT EXPRESS DELV		174		307	
5020120000	CELLULAR PHONE SVCS		2,308		1,699	
5021010000	LEGAL SERVICES		55,590			
5021010003	LEGAL SRV-TRANSCRIPT		148			
5021410000	EDUC & TRNG-STATE		75			
5030010000	OFFICE SUPPLIES		504		1,443	
5040510000	INSURANCE-STATE		7,437			
5050010000	IN ST-MEALS-NON-REP		654			
5050020000	IN ST-LODGING		4,715			
5050031000	HR-IN ST-AIR TRANS		121			
5050040000	IN ST-AUTO MILEAGE		491			
5050041000	HR-IN ST-AUTO MILES		17,109			
5050050000	IN ST-OTHER TRANS		80			
5050060000	IN ST-MISC TR EXP		47			
5050080000	IN ST-SUBSIST ALLOW		7,975			
5050510000	OUT ST-MEALS-NON-REP		245			
5050541000	HR-OUT ST-AUTO MILES		204			
5050560000	OUT ST-MISC TR EXPEN		175			
5050570000	OUT ST-REGISTR FEES		585			
	<b>Total OTHER OPERATING:</b>	<b>230,700</b>	<b>98,837</b>	<b>43%</b>	<b>3,450</b>	<b>128,613</b>
	<b>Total Commissioners:</b>	<b>300,700</b>	<b>119,738</b>	<b>40%</b>	<b>3,450</b>	<b>177,512</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2020 As of 1/31/2020**  
**58% 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	247,930	54%		211,533
501070	OTH PERS SVC	22,881	8,464	37%		14,417
512001	OTHER OPERATING	54,500				
5020080000	FREIGHT EXPRESS DELV		66		498	
5020120000	CELLULAR PHONE SVCS		109		80	
5021540000	NON-IT OTHER PRO SRV		16,678		9,131	
5024990000	OTH CNT-NON-IT & REA		900			
5030010000	OFFICE SUPPLIES		378		1,636	
5030010004	SUBSCRIPTIONS		445			
5030030000	PRINTED ITEMS		254			
5040510000	INSURANCE-STATE		1,544			
5050010000	IN ST-MEALS-NON-REP		548			
5050020000	IN ST-LODGING		2,972			
5050031000	HR-IN ST-AIR TRANS		87			
5050041000	HR-IN ST-AUTO MILES		1,865		171	
5050070000	IN ST-REGISTR FEES		2,150			
5050510000	OUT ST-MEALS-NON-REP		190			
5050520000	OUT ST-LODGING		1,063			
5050541000	HR-OUT ST-AUTO MILES		184			
5050570000	OUT ST-REGISTR FEES		440			
5051520000	REPORTABLE MEALS				10	
	<b>Total OTHER OPERATING:</b>	<b>54,500</b>	<b>29,872</b>	<b>55%</b>	<b>11,525</b>	<b>13,102</b>
	<b>Total Insurance &amp; Medical:</b>	<b>536,844</b>	<b>286,267</b>	<b>53%</b>	<b>11,525</b>	<b>239,052</b>

**South Carolina Workers' Compensation Commission**  
**Budget vs. Actual Report**  
**FY 2020 As of 1/31/2020**  
**58% of year elapsed**

**Fund 38440000 - EARMARKED FUND**

**Judicial**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	302,294	279,732	93%		22,562
501070	OTH PERS SVC	26,076	26,076	100%		0
512001	OTHER OPERATING	12,800				
5020080000	FREIGHT EXPRESS DELV		66		498	
5020120000	CELLULAR PHONE SVCS		153		112	
5021010000	LEGAL SERVICES		1,750			
5030010000	OFFICE SUPPLIES				2,037	
5040510000	INSURANCE-STATE		1,263			
5050010000	IN ST-MEALS-NON-REP		564			
5050020000	IN ST-LODGING		1,460		100	
5050041000	HR-IN ST-AUTO MILES		595			
5050070000	IN ST-REGISTR FEES		600			
5051520000	REPORTABLE MEALS		422		107	
	<b>Total OTHER OPERATING:</b>	<b>12,800</b>	<b>6,871</b>	<b>54%</b>	<b>2,854</b>	<b>3,075</b>
	<b>Total Judicial:</b>	<b>341,170</b>	<b>312,679</b>	<b>92%</b>	<b>2,854</b>	<b>25,637</b>

**Employer Contributions**

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	695,959	425,739	61%	0	270,220
	<b>Total Employer Contributions:</b>	<b>695,959</b>	<b>425,739</b>	<b>61%</b>	<b>0</b>	<b>270,220</b>
	<b>Total EARMARKED FUND:</b>	<b>5,607,845</b>	<b>3,176,100</b>	<b>57%</b>	<b>355,398</b>	<b>2,076,347</b>

**South Carolina Workers' Compensation Commission**  
**Commitments**  
**FY 2020 As of 1/31/2020**

**Fund 38440000 - EARMARKED FUND**

**Administration**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	2,153
5021530000	CATERED MEALS	FURMAN UNIVERSITY	7,225
5030010004	SUBSCRIPTIONS	WEST PUBLISHING CORPORATION	9,075
5030030000	PRINTED ITEMS	PINE PRESS PRINTING	443
5030067101	PRGM LIC - APP SUPP	WEST PUBLISHING CORPORATION	23,713
5030067130	EQUIP&SUPP- EUC	FORMS & SUPPLY INC	45
5030067170	EQUIP&SUPP- PRINT EU	FORMS & SUPPLY INC	48
5030067170	EQUIP&SUPP- PRINT EU	MAJOR BUSINESS MACHINES	745
5030070000	POSTAGE	NEOFUNDS BY NEOPOST	1,400
5030070000	POSTAGE	US POSTAL SERVICE	12,960
5032820000	INSTRUCTIONAL MAT	PINE PRESS PRINTING	1,408
5040057000	IT-OPER LS-CONT RENT	XEROX CORPORATION	1,023
5040060000	OPER-RENT-NON ST OWN	ALBANY ROAD - 1333 MAIN LLC	226,789
5040490000	OPER LSE-RENT-OTHER	REPUBLIC PARKING SYSTEM INC	16,848
5040490002	OPER-RENT-OTH-RM&VID	FURMAN UNIVERSITY	2,592
<b>Total Administration:</b>			<b>306,468</b>

**Inform. services**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020077100	SERVICES- APP SUP	BIS DIGITAL, INC.	972
5020077230	IT CONTRACTORS	TAPFIN PROCESS SOLUTIONS	0
5020080000	FREIGHT EXPRESS DELV	FEDEX	310
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	3,546
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	1,229
5030067101	PRGM LIC - APP SUPP	FRESHWORKS INC	9,590
5030067131	PLM- EUC	SHI INTERNATIONAL CORP	769
5030067170	EQUIP&SUPP- PRINT EU	US INK AND TONER INC	2,650
5040057000	IT-OPER LS-CONT RENT	XEROX	3,948
5040057000	IT-OPER LS-CONT RENT	XEROX CORPORATION	1,693
<b>Total Inform. services:</b>			<b>24,709</b>

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

**South Carolina Workers' Compensation Commission**  
**Commitments**  
**FY 2020 As of 1/31/2020**

**Fund 38440000 - EARMARKED FUND**

**Claims**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020080000	FREIGHT EXPRESS DELV	FEDEX	501
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	267
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	1,251
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	470
<b>Total Claims:</b>			<b>2,489</b>

**Commissioners**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	3,986
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	1,109
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	68
<b>Total Commissioners:</b>			<b>5,164</b>

**Insurance & Medical**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020080000	FREIGHT EXPRESS DELV	FEDEX	501
5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	188
5021540000	NON-IT OTHER PRO SRV	A WOMANS TOUCH LLC	740
5021540000	NON-IT OTHER PRO SRV	NTHRIVE INC	10,500
5021540000	NON-IT OTHER PRO SRV	TPT INVESTIGATIONS LLC	320
5021540000	NON-IT OTHER PRO SRV	UPSTATE LEGAL SUPPORT SERVICES L	967
5021540000	NON-IT OTHER PRO SRV	WHITESSELL INVESTIGATIVE SERVICES	1,550
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	520
<b>Total Insurance &amp; Medical:</b>			<b>15,285</b>

**Judicial**

Commitment Item	Commitment Item Description	Vendor	Commitment
5020080000	FREIGHT EXPRESS DELV	FEDEX	501

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

**South Carolina Workers' Compensation Commission  
Commitments  
FY 2020 As of 1/31/2020**

**Fund 38440000 - EARMARKED FUND**

5020120000	CELLULAR PHONE SVCS	VERIZON WIRELESS	263
5030010000	OFFICE SUPPLIES	FORMS & SUPPLY INC	1,242
5030010000	OFFICE SUPPLIES	STAPLES BUSINESS ADVANTAGE	525
<b>Total Judicial:</b>			<b>2,531</b>
<b>Total EARMARKED FUND:</b>			<b>370,840</b>

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

*State of South Carolina*

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



TEL: (803) 737-5700  
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*Workers' Compensation Commission*

**MEMORANDUM**

**TO: COMMISSIONERS**

**FROM: Emillie Boggs  
Self-Insurance Director**

**DATE: February 10, 2020**

**RE: Dominion Energy Corporate Guarantee**

January 1, 2019 SCANA Corporation, to include SCE&G, became a wholly owned subsidiary of Dominion Energy, Inc. and were renamed Dominion Energy Southeast Services Inc. and Dominion Energy South Carolina Inc., respectively. As a result of the merger, Dominion Energy, Inc. applied to be self-insured and was approved effective October 31, 2019.

In order to satisfy their approval contingencies, Dominion provided us with a \$3,750,000 letter of credit. Dominion is now requesting that the original SCANA letter of credit in the amount of \$3,750,000 be returned.

Due to our concerns with Dominion's liability for SCANA claims prior to the merger, the Commission requested Dominion prepare addendums to the Corporate Guaranty. One is for Dominion Energy Southeast Services Inc. FKA SCANA and the other is for Dominion Energy South Carolina Inc. FKA SCE&G.

After discussion about the language of the proposed addendums, Chairman Beck asked if there were objections to carry the matter over until the next Business Meeting in order to allow staff time to amend the addendums. There were no objections.

The new proposed addendums amended by the staff are attached. Both the Commission's general counsel, Mr. Roberts, and representatives from Dominion Energy, Inc. have signed off on the current language. At this time, the Self-Insurance Division ask that the Commission accept the proposed addendums.

FIRST ADDENDUM TO CORPORATE GUARANTY

Effective as of September 17, 2019, Dominion Energy, Inc. (PARENT) entered into the corporate guaranty attached hereto as Exhibit A (the GUARANTY) with respect to certain obligations of Dominion Energy South Carolina, Inc. (SUBSIDIARY). SUBSIDIARY was formerly known as South Carolina Electric & Gas Company.

For the avoidance of doubt, and without limiting its obligations under the GUARANTY, PARENT hereby acknowledges and agrees that: (i) any and all references to "SUBSIDIARY" in the Guaranty means Dominion Energy South Carolina, Inc. (formerly known as South Carolina Electric & Gas Company), and (ii) its guaranty of the applicable payment obligations of SUBSIDIARY pursuant to the Guaranty includes compensation for injuries for employees of SUBSIDIARY occurring prior to 10/31/19, whether occurring prior to or after the date on which SUBSIDIARY changed its name. PARENT agrees to accept and pay compensation for all claims found to be compensable under the South Carolina Workers' Compensation Act brought by an employee of SUBSIDIARY, regardless of whether the employee was an employee of SUBSIDIARY or PARENT on the date of the accident.

IN WITNESS WHEREOF, PARENT has caused this First Addendum to Corporate Guaranty to be duly executed as of February \_\_, 2020.

DOMINION ENERGY, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_



FIRST ADDENDUM TO CORPORATE GUARANTY

Effective as of September 17, 2019, Dominion Energy, Inc. (PARENT) entered into the corporate guaranty attached hereto as Exhibit A (the GUARANTY) with respect to certain obligations of Dominion Energy Southeast Services, Inc. (SUBSIDIARY). SUBSIDIARY was formerly known as SCANA Services, Inc.

For the avoidance of doubt, and without limiting its obligations under the GUARANTY, PARENT hereby acknowledges and agrees that: (i) any and all references to "SUBSIDIARY" in the Guaranty means Dominion Energy Southeast Services, Inc. (formerly known as SCANA Services, Inc.), and (ii) its guaranty of the applicable payment obligations of SUBSIDIARY pursuant to the Guaranty includes compensation for injuries for employees of SUBSIDIARY occurring prior to 10/31/19, whether occurring prior to or after the date on which SUBSIDIARY changed its name. PARENT agrees to accept and pay compensation for all claims found to be compensable under the South Carolina Workers' Compensation Act brought by an employee of SUBSIDIARY, regardless of whether the employee was an employee of SUBSIDIARY or PARENT on the date of the accident.

IN WITNESS WHEREOF, PARENT has caused this First Addendum to Corporate Guaranty to be duly executed as of February \_\_\_, 2020.

DOMINION ENERGY, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

South Carolina Workers' Compensation Commission  
SELF-INSURANCE DIVISION  
1333 Main Street, Suite 500  
P.O. BOX 1715  
Columbia, SC 29202-1715  
(803) 737-5704



**CORPORATE GUARANTY**

KNOW ALL MEN BY THESE PRESENTS, that we, Dominion Energy, Inc. (PARENT), a corporation existing under and by virtue of the laws of the State of VA, do hereby guarantee payment by the Dominion Energy South Carolina, Inc. (SUBSIDIARY) of the compensation provided for under the compensation provisions of the Workmen's Compensation and Occupational Disease Acts of the State of South Carolina in the event that said Dominion Energy South Carolina, Inc. (SUBSIDIARY) shall not pay or cause to be paid direct to its employees the compensation due or that may become due under Acts, that the undersigned Dominion Energy, Inc. (PARENT) covenants and agrees that it will pay all such employees of the Dominion Energy South Carolina, Inc. (SUBSIDIARY) such compensation, including a reasonable attorney's fee incurred by said employee in any action brought on this agreement, with the express agreement and understanding as a condition of precedent to the execution and acceptance of this agreement, that it is for the benefit of unknown and unnamed employees of the said Dominion Energy South Carolina, Inc. (SUBSIDIARY) and that said employees are hereby empowered to maintain direct action on this agreement or guaranty, and that the said Dominion Energy, Inc. (PARENT) does hereby recognize this agreement as a direct financial guarantee to said employees, provided further that Dominion Energy, Inc. (PARENT) shall have a right to cancel and terminate this agreement at any time upon giving the South Carolina Workers' Compensation Commission and the Dominion Energy South Carolina, Inc. (SUBSIDIARY) at least sixty days written notice of its desire so to do; such cancellation, however, not to affect its liability as to any compensation for injuries occurring prior to ten days after the date of the cancellation specified in such notice. This agreement shall be effective as of the 17 day of September, 2019.

Signed, sealed and delivered this 17 day of September, 2019.

By:

Assistant Treasurer & Director Corporate Finance  
Title:

Attest:



South Carolina Workers' Compensation Commission  
SELF-INSURANCE DIVISION  
1333 Main Street, Suite 500  
P.O. BOX 1715  
Columbia, SC 29202-1715  
(803) 737-5704



**CORPORATE GUARANTY**

KNOW ALL MEN BY THESE PRESENTS, that we, Dominion Energy, Inc. (PARENT), a corporation existing under and by virtue of the laws of the State of VA, do hereby guarantee payment by the Dominion Energy Southeast Services, Inc. (SUBSIDIARY) of the compensation provided for under the compensation provisions of the Workmen's Compensation and Occupational Disease Acts of the State of South Carolina in the event that said Dominion Energy Southeast Services, Inc. (SUBSIDIARY) shall not pay or cause to be paid direct to its employees the compensation due or that may become due under Acts, that the undersigned Dominion Energy, Inc. (PARENT) covenants and agrees that it will pay all such employees of the Dominion Energy Southeast Services, Inc. (SUBSIDIARY) such compensation, including a reasonable attorney's fee incurred by said employee in any action brought on this agreement, with the express agreement and understanding as a condition of precedent to the execution and acceptance of this agreement, that it is for the benefit of unknown and unnamed employees of the said Dominion Energy Southeast Services, Inc. (SUBSIDIARY) and that said employees are hereby empowered to maintain direct action on this agreement or guaranty, and that the said Dominion Energy, Inc. (PARENT) does hereby recognize this agreement as a direct financial guarantee to said employees, provided further that Dominion Energy, Inc. (PARENT) shall have a right to cancel and terminate this agreement at any time upon giving the South Carolina Workers' Compensation Commission and the Dominion Energy Southeast Services, Inc. (SUBSIDIARY) at least sixty days written notice of its desire so to do; such cancellation, however, not to affect its liability as to any compensation for injuries occurring prior to ten days after the date of the cancellation specified in such notice. This agreement shall be effective as of the 17 day of September, 2019.  
Signed, sealed and delivered this 17 day of September, 2019.

By: [Signature]

Assistant Treasurer & Director Corporate Finance  
Title:

Attest: [Signature]



*State of South Carolina*

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*Workers' Compensation Commission*

*MEMORANDUM*

**TO:** COMMISSIONERS

**FROM:** Gary Cannon  
Executive Director

**DATE:** February 7, 2020

**RE:** Medical Services Provider Manual 2020 Update

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

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

# Concentra®

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

January 20, 2020

Ms. Proveaux:

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

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

The impact of 10 years of no inflationary increases has moved the SC fee schedule, as benchmarked by WCRI<sup>1</sup>, as one at the median levels of all fee schedules in July 2011 to one that is now below the median of states with fee schedules and the 10<sup>th</sup> lowest fee schedule in the nation.

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

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

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

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

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

Regards,



Gregory M. Gilbert  
Chief Reimbursement and Government Relations Officer

CC: Mike Kosuth

<sup>1</sup> WCRI's *Designing Workers' Compensation Medical Fee Schedules, 2019*

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



February 5, 2020

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

Dear Commissioners,

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

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

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

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

Sincerely,

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

Fraser Cobbe  
Executive Director  
South Carolina Orthopaedic Association

South Carolina Orthopaedic Association, Inc  
21013 Lake Vienna Drive, Land O'Lakes, FL 34638  
Tel: 813-948-8660  
scoa@cobbmanagement.com

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*Workers' Compensation Commission*

*MEMORANUM*

**TO:** COMMISSIONERS

**FROM:** Gary M Cannon  
Executive Director

**DATE:** January 13, 2019

**RE:** Medical Services Provider Manual – 2020

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

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

January 13, 2020 Business Meeting

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

February 10, 2020 Business Meeting

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

March 16, 2020 Business Meeting

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

April 1, 2020

Effective date of 2020 MSPM.



## Fee Schedule Analysis

January 8, 2020

FAIR Health appreciates the opportunity to assist the South Carolina Workers' Compensation Commission in updating the Medical Services Provider Manual (MSPM). This analysis uses medical call data (2018 dates of service) provided by the National Council on Compensation Insurance, Inc. (NCCI) and South Carolina maximum allowable payment (MAP) amounts to develop conversion factors and propose MAP values for the 2020 fee schedule.

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

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

### 2018 Paid Data and Frequencies

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

#### NCCI Data Call - 2018 Calendar Year (Before Validation)

Service Type	Total Paid	Total Charged	# of Transactions	# of Units
CPT (Without Anesthesia)	\$57,352,920.28	\$121,977,984.15	701,849	959,458
Anesthesia*	\$1,431,836.52	\$9,220,005.43	6,256	752,739
HCPCS (Without Ambulance)	\$14,993,234.99	\$21,771,056.80	64,721	1,409,833
Ambulance**	\$2,461,210.36	\$4,075,023.01	12,752	361,204
<b>Total</b>	<b>\$76,239,202.15</b>	<b>\$157,044,069.39</b>	<b>785,578</b>	<b>3,483,234</b>

\* Assumes most units are minutes

\*\* Assumes most units are miles

### Data Used in the Analysis

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

- The NCCI paid data from 2018 were used to determine the number of occurrences (frequency) for each service.
- Services were reviewed at the procedure code/modifier level to account for differences in paid amounts based on fee schedule MAP amounts and policies. For example:
  - The occurrences for codes reported with modifier 26 and TC were projected separately, based on the MAP amounts in the fee schedule.
  - HCPCS Codes reported with modifiers NU, UE and RR were projected separately based on the occurrences in the NCCI data and fee schedule MAP values.



- Records with other modifiers or with modifiers NU, UE and RR that were appended to codes where these modifiers are not applicable/expected, were considered as though the records did not contain modifiers.
- Services containing modifiers that are paid at adjusted amounts according to South Carolina policies (assistant surgeon modifiers 80-82 and AS) were projected based on 2018 occurrences and adjusted MAP amounts. In the past, these records were removed from the database before analysis. FAIR Health believes it is more accurate to include these records and use these frequencies to project paid amounts based on the fee schedule MAPs as adjusted.

#### Fee Schedule-Neutral Conversion Factor- 2019 Projections

- Total dollar amounts were projected based on 2018 occurrences and 2019 MAP amounts, which reflect the 9.5% cap, where applicable.
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- Please see the separate analysis for anesthesia data.

#### 2019 Projections

Category	Frequency	Total RVUs	Total \$ SC 2019 FS	CF
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<b>Total</b>	<b>1,176,693</b>	<b>1,438,273</b>	<b>\$ 72,466,589</b>	<b>50.2</b>

#### Comparison of Multiple Conversion Factors – 2020 Projections

- The projections of paid amounts for the 2020 fee schedule are based on 2018 frequencies and 2020 RVUs, to which conversion factors of 49, 50, 51 and 52 were applied. The cap of +/- 9.5% of the prior year's MAP value for each service was applied, when appropriate, in providing these projections.
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Upon approval of a conversion factor for 2020, FAIR Health will provide an updated Medical Services Provider Manual, which will include any approved changes in policies and a final set of rate tables.

Please let us know if you have any questions.

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## Anesthesia – Analysis of Conversion Factor

January 3, 2019

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

FAIR Health reviewed the anesthesia conversion factor from several aspects:

- Comparison to Medicare
- Comparison to private health insurance
  - Billed charges
  - Contracted amounts
- ASA survey results from 2019
- Comparison to other states' workers' compensation fee schedules

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

For example:

CPT 01380 – anesthesia for all closed procedures on knee joint

	60-Minute Surgery (4 Time Units)	120-Minute Surgery (8 Time Units)
Basic MAP	\$ 90.00	\$ 90.00
Time Value Amount	\$ 120.00	\$ 240.00
<b>Total AMAP</b>	<b>\$ 210.00</b>	<b>\$ 330.00</b>

### Medicare

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

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

## Private Health Insurance

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

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

The benchmarks below are based on anesthesia services in the FAIR Health database provided in the state of South Carolina in calendar year 2018.

Type	Average	Percentiles													
		5th	10th	15th	20th	25th	30th	35th	40th	45th	50th	60th	70th	80th	90th
Billed Anesthesia	131	52	60	70	81	88	95	101	107	113	119	136	161	175	213
Allowed Anesthesia	63	25	30	34	39	43	46	49	52	55	58	65	77	85	96

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

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

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

The American Society of Anesthesiologists (ASA) publishes an annual study on conversion factors. The Commission provided FAIR Health with *ASA Survey Results for Commercial Fees Paid for Anesthesia Services – 2018*, and we downloaded the 2019 study from the ASA website at <https://monitor.pubs.asahq.org/journal.aspx>. A copy of the 2019 survey is appended to this report.

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

South Carolina practices are included in the Southeast Region in the ASA survey. In the 2019 survey, an insufficient number of responses were received to include state-level results for South Carolina.

Conversion Factor	National		Southeast Region		South Carolina	
	2018	2019	2018	2019	2018	2019
Low	26.60	23.73	26.60	33.34	26.60	N/A
Median	71.81	72.00	77.14	77.00	80.00	N/A
Average	76.32	77.01	84.21	81.16	86.77	N/A
High	230.00	256.50	230.00	256.50	185.00	N/A

### State Workers' Compensation Fee Schedules

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

State	Conversion Factor (per 15-minute time unit)
<b>South Carolina</b>	<b>\$30.00</b>
Alabama	\$55.54
Colorado	\$46.50
Florida	\$29.49
Georgia	\$59.19
Kentucky	\$78.53
Louisiana	\$50.00
Maryland	\$21.69
Mississippi	\$50.00
North Carolina	\$58.20 – first 60 min \$30.75 – after 60 min
Oklahoma	\$46.58
Tennessee	\$75.00

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

#### Summary

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

- The current South Carolina anesthesia conversion factor is \$30 or 140% of the Medicare conversion factor for South Carolina and 135% of the national Medicare conversion factor.
- The ratio of the South Carolina workers' compensation anesthesia to Medicare is generally aligned with the 139% ratio of the conversion factor for other professional services (\$50) in comparison to Medicare (\$39.0896). However, the MAP amounts in the MSPM may also be limited by the 9.5 percent cap on increases or decreases each year, and the formula-based conversion factors would not be applicable to those services.
- The \$30 conversion factor is low in comparison to contracted amounts paid through private health insurance as reflected in FAIR Health benchmarks and ASA survey results.
  - The mean and median conversion factor benchmarks developed by FAIR Health, which are based on data contributions for services performed in South Carolina, are lower than the ASA survey results, which are based on up to five of the largest commercial contracts reported by anesthesiology practices responding to the ASA survey.
- South Carolina's \$30 conversion factor falls within the range of conversion factors used by other states' workers' compensation programs; however, it is on the lower end of the range.

A copy of the ASA publication *ASA Survey Results for Commercial Fees Paid for Anesthesia Services – 2019* appears on the following pages.

# *State of South Carolina*

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## *Workers' Compensation Commission*

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

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

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

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

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

For additional information contact  
Gary M Cannon  
Executive Director  
803-737-5744  
[Gcannon@wcc.sc.gov](mailto:Gcannon@wcc.sc.gov)



## Summary of Changes 2020 Medical Services Provider Manual

January 28, 2020

FAIR Health has completed the revisions to the fee schedule under the direction of the South Carolina Workers' Compensation Commission (WCC). The codes in the existing fee schedule have been brought current by including codes established for 2020 and deleting obsolete codes. Maximum allowable payment (MAP) amounts will be updated based on the conversion factors adopted by the Workers' Compensation Commission. In addition to administrative changes such as updating copyright dates and URL links, substantive changes to the text are included in the proposed version of the 2020 Medical Services Provider Manual.

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

### 1. Publisher's Notice and Overview and Guidelines

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

### 2. Chapter I. Overview and Guidelines

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

### 3. Chapter II. General Policy (Page TBD)

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

### 4. Part II: Fee Schedule (Page TBD)

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

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

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

CPT © 2019 American Medical Association. All Rights Reserved.

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

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

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

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

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

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

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

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



**8. Section 7: Physical Medicine (Page TBD)**

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

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

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

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

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

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

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

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*Workers' Compensation Commission*

**MEMORANUM**

**TO: COMMISSIONERS**

**FROM: Gary M Cannon  
Executive Director**

**DATE: January 13, 2019**

**RE: Medical Services Provider Manual – 2020**

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

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

**January 13, 2020 Business Meeting**

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

**February 10, 2020 Business Meeting**

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

**March 16, 2020 Business Meeting**

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

**April 1, 2020**

Effective date of 2020 MSPM.



## Fee Schedule Analysis

January 8, 2020

FAIR Health appreciates the opportunity to assist the South Carolina Workers' Compensation Commission in updating the Medical Services Provider Manual (MSPM). This analysis uses medical call data (2018 dates of service) provided by the National Council on Compensation Insurance, Inc. (NCCI) and South Carolina maximum allowable payment (MAP) amounts to develop conversion factors and propose MAP values for the 2020 fee schedule.

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

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

### 2018 Paid Data and Frequencies

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

#### NCCI Data Call - 2018 Calendar Year (Before Validation)

Service Type	Total Paid	Total Charged	# of Transactions	# of Units
CPT (Without Anesthesia)	\$57,352,920.28	\$121,977,984.15	701,849	959,458
Anesthesia*	\$1,431,836.52	\$9,220,005.43	6,256	752,739
HCPCS (Without Ambulance)	\$14,993,234.99	\$21,771,056.80	64,721	1,409,833
Ambulance**	\$2,461,210.36	\$4,075,023.01	12,752	361,204
<b>Total</b>	<b>\$76,239,202.15</b>	<b>\$157,044,069.39</b>	<b>785,578</b>	<b>3,483,234</b>

\* Assumes most units are minutes

\*\* Assumes most units are miles

### Data Used in the Analysis

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

- The NCCI paid data from 2018 were used to determine the number of occurrences (frequency) for each service.
- Services were reviewed at the procedure code/modifier level to account for differences in paid amounts based on fee schedule MAP amounts and policies. For example:
  - The occurrences for codes reported with modifier 26 and TC were projected separately, based on the MAP amounts in the fee schedule.
  - HCPCS Codes reported with modifiers NU, UE and RR were projected separately based on the occurrences in the NCCI data and fee schedule MAP values.

- Records with other modifiers or with modifiers NU, UE and RR that were appended to codes where these modifiers are not applicable/expected, were considered as though the records did not contain modifiers.
- Services containing modifiers that are paid at adjusted amounts according to South Carolina policies (assistant surgeon modifiers 80-82 and AS) were projected based on 2018 occurrences and adjusted MAP amounts. In the past, these records were removed from the database before analysis. FAIR Health believes it is more accurate to include these records and use these frequencies to project paid amounts based on the fee schedule MAPs as adjusted.

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Please let us know if you have any questions.

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For example:

CPT 01380 – anesthesia for all closed procedures on knee joint

	60-Minute Surgery (4 Time Units)	120-Minute Surgery (8 Time Units)
Basic MAP	\$ 90.00	\$ 90.00
Time Value Amount	\$ 120.00	\$ 240.00
<b>Total AMAP</b>	<b>\$ 210.00</b>	<b>\$ 330.00</b>

### Medicare

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

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

## Private Health Insurance

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

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

The benchmarks below are based on anesthesia services in the FAIR Health database provided in the state of South Carolina in calendar year 2018.

Type	Average	Percentiles													
		5th	10th	15th	20th	25th	30th	35th	40th	45th	50th	60th	70th	80th	90th
Billed Anesthesia	131	52	60	70	81	88	95	101	107	113	119	136	161	175	213
Allowed Anesthesia	63	25	30	34	39	43	46	49	52	55	58	65	77	85	96

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

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

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

The American Society of Anesthesiologists (ASA) publishes an annual study on conversion factors. The Commission provided FAIR Health with *ASA Survey Results for Commercial Fees Paid for Anesthesia Services – 2018*, and we downloaded the 2019 study from the ASA website at <https://monitor.pubs.asahq.org/journal.aspx>. A copy of the 2019 survey is appended to this report.

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

South Carolina practices are included in the Southeast Region in the ASA survey. In the 2019 survey, an insufficient number of responses were received to include state-level results for South Carolina.

Conversion Factor	National		Southeast Region		South Carolina	
	2018	2019	2018	2019	2018	2019
Low	26.60	23.73	26.60	33.34	26.60	N/A
Median	71.81	72.00	77.14	77.00	80.00	N/A
Average	76.32	77.01	84.21	81.16	86.77	N/A
High	230.00	256.50	230.00	256.50	185.00	N/A

### State Workers' Compensation Fee Schedules

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

State	Conversion Factor (per 15-minute time unit)
<b>South Carolina</b>	<b>\$30.00</b>
Alabama	\$55.54
Colorado	\$46.50
Florida	\$29.49
Georgia	\$59.19
Kentucky	\$78.53
Louisiana	\$50.00
Maryland	\$21.69
Mississippi	\$50.00
North Carolina	\$58.20 – first 60 min \$30.75 – after 60 min
Oklahoma	\$46.58
Tennessee	\$75.00

FAIR Health assists Colorado, Georgia, Kentucky, Mississippi and Oklahoma in updating their fee schedules. As we are doing for the South Carolina Workers' Compensation Commission, we provide research and analysis to support decision making. FAIR Health does make or recommend fee schedule changes.

#### Summary

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

- The current South Carolina anesthesia conversion factor is \$30 or 140% of the Medicare conversion factor for South Carolina and 135% of the national Medicare conversion factor.
- The ratio of the South Carolina workers' compensation anesthesia to Medicare is generally aligned with the 139% ratio of the conversion factor for other professional services (\$50) in comparison to Medicare (\$39.0896). However, the MAP amounts in the MSPM may also be limited by the 9.5 percent cap on increases or decreases each year, and the formula-based conversion factors would not be applicable to those services.
- The \$30 conversion factor is low in comparison to contracted amounts paid through private health insurance as reflected in FAIR Health benchmarks and ASA survey results.
  - The mean and median conversion factor benchmarks developed by FAIR Health, which are based on data contributions for services performed in South Carolina, are lower than the ASA survey results, which are based on up to five of the largest commercial contracts reported by anesthesiology practices responding to the ASA survey.
- South Carolina's \$30 conversion factor falls within the range of conversion factors used by other states' workers' compensation programs; however, it is on the lower end of the range.

A copy of the ASA publication *ASA Survey Results for Commercial Fees Paid for Anesthesia Services – 2019* appears on the following pages.