

**South Carolina
Workers' Compensation Commission**



Annual Accountability Report

2011-2012

Section I - Executive Summary

1. Mission and Values

Our Mission

Provide an equitable and timely system of benefits to injured workers and to employers in the most responsive, accurate, and reliable manner possible.

To accomplish this mission, the South Carolina Workers' Compensation Commission will:

- A. Administer the workers' compensation laws of this State in a fair, impartial and timely manner; (for example: the Commission finds that such fair and impartial administration is a key factor in improving efficiency, accuracy and cost-affectedness.)
- B. Recommend improvements and changes to the laws governing the administration of the system;
- C. Ensure a professionally trained staff;
- D. Continually strive to improve the quality of services and products, such that the Commission upholds the tenants of its mission while minimizing the fiscal impacts on the South Carolina business community;
- E. Provide information to foster an understanding of and compliance with the workers' compensation laws of the State of South Carolina.

2. Major Achievements in FY 11-12

Strategic Objective	Major Achievements
A, C, D	Enhanced Commissioner access via internet to electronic files by updating equipment and access – Complete update of staff PC's, and laptops to current equipment and operating systems.
A, C, D	Purchased and installed 100 MB server and upgraded existing server for mission critical systems. The Commission now has a dedicated production and development server allowing for upgrades and new development testing separate from the production environment therefore increasing the security and reliability mission critical data and applications.
A, C, D	Enhanced the Internet portal (eCase) to add new features to allow expanded user access for TPA's to register and link to their assigned cases.
C, E	WCC offered training called Claims Administration Workshop 'A Step by Step Approach in Managing Workers' Compensation Claims in South Carolina' held in October 2011 in Columbia with 89 attendees and May 2012 held in Rock Hill with 68 attendees. Attendees included attorney's, insurance companies, TPA's, employers and others who deal with claims.
B	Proposed changes to regulations governing medical services fee schedule to provide flexibility for Commission to enact changes to medical fee schedule. The Commission withdrew the regulations for further consideration.
C, D	Established process to coordinate and schedule venues to conduct single commissioner hearings and informal conferences with state agencies, local governments, and educational institutions.

C, D	Established system to track number of days to complete review of contested medical bills.
A, C, D	Scanned all incoming case file documents for electronic reference.

3. Key Strategic Goals for Present and Future Years

Strategic Objective	Key Strategic Goals for Present Year
A, C, D, E	Enhance the eService via a mobile application to allow iPad use for the delivery of Notices, Single Commissioner Decision and Orders, as well as Full Commission orders and approved settlements.
A, C, D, E	Upgrade claims EDI data reporting to Release 3 format.
C, D	Automate and enhance Compliance processes for Show Cause Hearing notifications.
C, D	Establish system to process motions, mediation, and informal conference requests to track and monitor timeliness.
A, C, D	Track cycle time of files and aging of accounts for all claims filed with the Commission.
B	Determine impact of ACT 183 upon administrators of medical service provider fee schedule.
A, B, C, D, E	Develop and implement process changes to implement new mediation regulations.
A, B, C, D, E	Develop and implement enhancement to Verification of Coverage web portal to include registration for notification of mid-term cancellation of coverage.
A, B, C, D, E	Develop and implement a referral process for claimants to Vocational Rehabilitations via a web portal.

Strategic Objective	Key Strategic Goals for Future Years
A, C, D	Receive and process all Commission forms electronically including the scanning of all incoming case file documentation for electronic reference.
A, C, D	Replace the claims manual review processes with electronic review and electronic notification of deficiency.
A, C, D	Provide access to SCWCC claim file images via eCase web portal to registered users.
A, C, D	Receive payments electronically for: Self-Insurers – taxes and fees; Fines; Filing Fees; Workshop Registration Fees; File Copies; Manuals and Documents published.
A, C, D	Process Commission Forms 15 Section I and II, Form 15 S, Forms 16, 17, 18, 19, and 20 electronically by implementing EDI Release 3 SROI.

4. Key Strategic Challenges

Financial considerations and human resource capacity pose key strategic challenges to the organization with the deployment of new information technology management systems. New information technology systems will allow staff to more efficiently and effectively access data and process the request. Internally, the strategic challenge arises with the adoption of the new processes by all segments of the business operation and the proper training of human resources to utilize the new process in the most efficient and effective manner. Deployment of the new IT initiatives is intended to reduce the fiscal burden of the workers comp program on the business community, while continuing to provide excellent services to our customers. The organization expects to embrace and successfully address the fundamental resource challenges such deployment may generate.

Externally, the deployment of new information technology management processes may have a negative impact on revenue generated by deploying systems to allow business partners to interface with the Commission electronically in a timelier manner. The deployment will allow the external business partners to electronically interface with the Commission for the submission of required data to meet legally imposed deadlines. The new electronic interface will allow business partners to be more efficient and reduce cost of operations by reducing expenditures for fines and assessments and increasing the business partners' profits. The reduction in the fines and assessments revenue stream will create a strategic challenge to the Commission.

5. How the accountability report is used to improve organizational

The accountability report process provides a mechanism to which the Commission can ensure the mission of the organization remains correctly aligned to the core values of the State and the citizens. The accountability report compels the organization to routinely/systemically review our core functions and question our key values. In so doing the Commission creates opportunity portals for organizational improvement.

Section II – Organizational Profile

- **Organizations main products and services and the primary methods by which they are delivered.**

The Commission is responsible for administering the South Carolina Workers' Compensation Act. The Act serves to relieve employers of liability from common law suits involving negligence in exchange for becoming responsible for medical costs and loss wages of on-the-job injuries regardless of fault.

These services are delivered by the Commission adhering to the agency's five basic objectives:

1. Provide sure, prompt, and reasonable income and medical benefits to work-related accident victims, or income benefits to their dependents, regardless of fault;
2. Provide an exclusive remedy and reduce court delays, costs and judicial workloads arising out of personal injury litigation;

3. Relieve public and private charities of financial demands incident to uncompensated occupational accidents;
4. Control the cost of adjudicating the cases to all parties by processing the claims in an efficient and effective manner and reducing time for a case to be heard and the number of cases appealed;
5. Control the overall cost to the system while preserving access to service by adopting fair and reasonable medical fee schedules.

- **Key customer groups and their key requirements/expectations.**

The Commission has identified its two most important customer groups: South Carolina's employers and their employees. Their expectations are to receive an equitable, fair, responsive and reliable workers' compensation system.

- **Key stakeholder groups**

Other customers who are involved in the workers' compensation system and provide services of one type or another to employers and their employees include, but are not limited to: insurance companies; self-insured funds; third-party administrators; attorneys; physicians; hospitals; Commission employees; South Carolina Congressional delegation; South Carolina Legislative delegation; Department of Commerce; Department of Vocational Rehabilitation; State Attorney General's office; State Department of Labor, Licensing & Regulation; Uninsured Employers Fund and the Second Injury Fund; Federal Bureau of Investigation; U.S. Office of the Attorney General; Social Security Administration; State Accident Fund

- **Key suppliers and partners**

Key Suppliers and partners include: insurance companies; self-insured funds; third-party administrators; attorneys; physicians; hospitals; Department of Commerce; Department of Employment and Workforce; Department of Vocational Rehabilitation; State Attorney General's Office; State Department of Labor, Licensing & Regulation; Uninsured Employers Fund and the Second Injury Fund; Federal Bureau of Investigation; U.S. Office of the Attorney General; Social Security Administration; State Accident Fund; Department of Insurance; South Carolina Judicial Department; South Carolina Department of Revenue

- **Operating location**

Main: South Carolina Workers' Compensation Commission

1333 Main Street, Suite 500, Columbia, South Carolina 29201

Sites: All 46 Counties (sites of actual workers' compensation hearings)

- **Number of Employees:**

Workers' Compensation Commission has a total of 59 employees. 54 are FTEs of which 8 are unclassified; 46 are classified, 4 Temporary employees; 1 contract employee for the Claims Department.

- **The regulatory environment under which your organization operates**

The Commission consists of seven Commissioners appointed by the Governor with the advice and consent of the Senate for terms of six years. The Governor designates one commissioner as Chair for a term of two years. The Chair may serve two terms in a six-year period, though not consecutively. The Chair is the chief executive officer of the Commission and responsible for implementing the policies established by the Commission in its capacity as the governing board.

The day-to-day administration and operation of the Commission is the responsibility of the Executive Director who is appointed by and serves at the pleasure of the seven Commissioners acting in their capacity as the board of directors of the agency. The Executive Director functions as the Commission's chief operating officer.

Under the general supervision and management of the executive director are the Commission's five functional departments: (1) Administration, (2) Claims, (3) Insurance & Medical Services, (4) Judicial and (5) Information Services. Each department is under the supervision of a director and may be organized into one or more operational divisions.

- **Performance improvement system**

The Commission's performance improvement system adheres to the Baldrige four types of performance and ties into the agency's six basic objectives.

1. Product

The reduction of time to process claims from the initial notification of an accident through the final decision and order. The process is continually monitored and enhancement is made when needed. Metrics developed to monitor the processes throughout the agency to allow for agility in elimination of waste in both time and cost.

2. Customer-Focus

- a. The Commission is committed to improving the workers' compensation system through training, outreach and communication with stakeholders.

- i. The Commission's seminar on claims management, **Claims Administration Workshop 'A Step by Step Approach in managing Workers' Compensation Claims in South Carolina'**, was held in October 2011 and May 2012 and the corresponding publication marketed to interested individuals.

- ii. Commissioners and executive staff made presentations at the South Carolina Workers' Compensation Educational Association Annual Conference; the SC Workers' Compensation Educational Association Annual Workers' Compensation Medical Seminar; the Injured Workers' Advocates Association, the SC Self-Insurer's Association the SC Bar Association Annual Conference; the SC Association for Justice annual conference; and the National Association of Workers' Compensation Judiciary. In addition, Commission employees routinely are asked to speak on various subjects to state and local organizations and groups.

- b. The Commission posts updated policies and procedures on its website and emails updates to interested parties and stakeholders.
- 3. Financial and Marketplace

The Commission is financially supported by appropriations from the State General Fund and the Earmarked Fund. Earmarked Funds are collected from fines, assessments, filing fees, sale of documents, educational seminars fees, and sale of medical fee schedules. The State General Fund appropriations have decreased, the revenues for the Earmarked Fund increased.
- 4. Operational
 - a. Installed a new Server to host the mission critical application for the agency December 2011.
 - b. Connectivity to the imaging system for real time access to all scanned documents, on and offsite, through secure internet protocols.
 - c. Development of standards for IT processes and test plans prior to implementation of new code or enhancements to existing code to eliminate rework and downtime.

- **Your Organizational Structure**

Commissioners

Commissioners are responsible for hearing and determining all contested cases, conducting informal conferences, approving settlements, and hearing appeals. In their quasi-judicial role, Commissioners conduct legal proceedings throughout the state.

It is the responsibility of the Commission to administer the South Carolina Workers' Compensation Act, found in Title 42 of the Code of Laws of South Carolina. In accordance with the Administrative Procedures Act, the Commission also promulgates rules and regulations necessary to implement the provisions of Title 42.

For administrative purposes, the state is divided into seven districts. Commissioners are assigned to a district for a period of two months before being reassigned to another district. During the course of a fourteen month period, the Commissioners serve in each of the state's forty-six counties.

Executive Director

The day-to-day administration and operation of the Commission is the responsibility of the executive director who is appointed by and serves at the pleasure of the seven Commissioners acting in their capacity as the board of directors of the agency. The executive director functions as the Commission's chief operating officer.

Under the general supervision and management of the executive director are the Commission's five functional departments: (1) Administration, (2) Claims, (3) Insurance & Medical Services, (4) Judicial, and (5) Information Services. Each department is under the supervision of a director and may be organized into one or more operational divisions.

Administration

The Administration Department is responsible for a variety of internal programs, including finance, budgeting, human resources, purchasing, inventory, facility maintenance, motor vehicles, mail and printing, office services, and affirmative action, as well as administrative operations of the Commission.

Judicial

The Judicial Department is responsible for scheduling contested matters for hearing as well as scheduling informal conferences throughout the state. The department oversees the joining of issues for hearings as well as preparing the docket for Full Commission Reviews. Case preparation in anticipation for a hearing consists of reviewing pleadings, requesting additional documentation from the parties, preparing a case synopsis, and maintaining the docket for Full Commission Panel Appeals.

Claims

Administration and management of injury reports and any resulting claims are the responsibilities of the Claims Department. After an injury is reported to the Claims Department, claims personnel monitor its progress through the system. Individual case records are reviewed to ensure the requirements of the Workers' Compensation Act and the rules and regulations of the Commission are being observed. Conflicts of a non-judicial nature are often resolved in the Claims Department.

Insurance and Medical Services

The Insurance and Medical Services Department is responsible for maintaining and monitoring workers' compensation insurance coverage records for all employers required to carry insurance under the Act, enforcing compliance with the Act, administering the workers' compensation self-insurance program, establishing payment systems and fee schedules for medical providers, and resolving disputed medical bills. The Coverage Division maintains insurance records for employers who purchase coverage from commercial insurance carriers. The responsibility for investigating uninsured employers to determine if they are subject to the workers' compensation law is the responsibility of the Compliance Division. Under certain conditions, South Carolina employers may self-insure against losses resulting from on-the-job injuries. Qualifying and regulating the self-insured employers is the responsibility of the Self-Insurance Division. The department's Medical Services Division is responsible for maintaining the fee schedule that regulates charges by doctors and hospitals and for approving various fees and charges in accordance with the established schedules.

Information Services

The Information Services Department is responsible for the coordination and management of the flow of information throughout the Commission; responsible for all the data processing and information systems development and maintenance. The department also provides statistical reports and a framework for tracking data to each department. The IT staff is tasked with reviewing each area of the agency to ensure redundant systems and process are eliminated and work flow is streamline to maintain efficiency in meeting the agency's goals.

- Expenditures/Appropriations Chart

Base Budget Expenditures and Appropriations						
Major Budget Categories	FY 10-11 Actual Expenditures		FY 11-12 Actual Expenditures		FY 12-13 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$1,361,633	\$1,476,684	\$1,444,964	\$1,364,493	\$1,544,017	\$1,329,429
Other Operating	\$1,206,642	\$0	\$1,206,890	\$0	\$1,242,865	
Special Items	-0-	-0-				
Miscellaneous Operations	-0-	0-				
Case Services	-0-	-0-				
Distributions to Subdivisions	-0-	-0-				
Fringe Benefits	\$396,716	\$465,108	\$449,998	\$399,125	\$448,184	\$434,190
Non-recurring	-0-	-0-				
Total	\$2,964,991	\$1,941,794	\$3,101,852	\$1,763,618	\$3,235,066	\$1,763,619

Other Expenditures		
Sources of Funds	FY 10-11 Actual Expenditures	FY 11-12 Actual Expenditures
Supplemental Bills	0	0
Capital Reserve Funds	\$44,831	\$9,931
Bonds	0	0

- Major Program Areas Chart

Program Number and Title	Major Program Area Purpose	FY 10-11 Budget Expenditures	FY 11-12 Budget Expenditures	Key Cross References
Claims	Provides a timely system of benefits to injured workers	State: \$60,466 Federal: \$ Other: \$458,293 Total: \$518,759 13% of Total Budget	State: \$73,699 Federal: \$ Other: \$466,973 Total: \$540,672 13% of Total Budget	Chart 7.1-2
Judicial (Management)	Assess and docket all claims requiring mediation, adjudication or appellate review	State: \$ 61,862 Federal: \$ Other: \$430,860 Total: \$492,722 12% of Total Budget	State: \$27,858 Federal: \$ Other: \$469,339 Total: \$497,197 12% of Total Budget	Charts 7.1-1, 7.5-6, 7.5-8
Judicial (Commissioners)	Conduct all single and Full Commission hearings	State: \$1,070,243 Federal: \$ Other: \$507,443 Total: \$1,577,686 39% of Total	State: \$1,094,859 Federal: \$ Other: \$513,414 Total: \$1,608,273 40% of Total	Charts: 7.5-9, 7.5-11

Program Number and Title	Major Program Area Purpose	FY 10-11 Budget Expenditures	FY 11-12 Budget Expenditures	Key Cross References
		Budget	Budget	
Insurance & Medical Services	Assure availability of workers' compensation benefits to injured workers, provide employers a self-insurance alternative and contain medical costs	State: \$57,755 Federal: \$ Other: \$566,995 Total: \$624,750 15% of Total Budget	State: \$25,350 Federal: \$ Other: \$556,548 Total: \$581,898 15% of Total Budget	Charts 7.1-3, 7.5-2 through 7.5-5
Administration	Oversee all administrative operations	State: \$226,358 Federal: \$ Other: \$604,684 Total: \$831,042 21% of Total Budget	State: 142,727 Federal: \$ Other: \$645,580 Total: \$788,307 20% of Total Budget	Consolidated Financial Statement Charts 7.3-1 through 7.3-8 7.4-1, 7.4-2

Section III – Elements of Malcolm Baldrige Aware Criteria

Category 1 – Executive Leadership, Governance and Social Responsibility

- 1. How do senior leaders set, deploy, and ensure two-way communication for:
a) short and long term direction and organizational priorities, (b) performance expectations, (c) organizational values, and (d) ethical behavior?**

The senior leaders communicate the organizations vision and values with the staff through many avenues. Monthly All Staff meetings are held to share the state of the organization, key decisions, future plans and develop a team atmosphere. An open door policy is maintained by all Senior Staff promoting a frank two-way communication throughout the organization.

Monthly meetings between the Executive Director and select employee focus groups to discuss any topic of interest to them. At the end of the 12 month period each employee has opportunity to participate in one of these groups. Areas of concern presented to the Executive Director are reviewed and acted upon if possible. All suggestions and issues are documented and share via email or during the monthly All Staff meeting, with the action taken and an explanation if no action can be taken.

Performance expectations are communicated through the state's EPMS system. Planning stages are conducted between employee and the supervisor to establish mutual expectations for the upcoming year. Job functions are outlined and discussed goals are set during a discussion of the employee's capabilities and the department's needs. Managers and Supervisors are hands-on, so daily communication is used to reinforce the performance expectations. The Review process at the end of the year is used to fully document and discuss in a formal manner the actual performance. At that time, adjustments are made to the next planning stage with the end goals of helping the staff to grow and excel as well as ensure the success of the organization by keeping focus on the Mission, Vision and Values.

Organizational values are also communicated to employees and customers through a display in each department of the Commission's vision and mission statements. This serves to continuously apprise all employees, customers and stakeholders of the standards this organization and its employees strive to achieve.

Commissioners are bound by the Code of Judicial Conduct as contained in Rule 501 of the South Carolina Appellate Court Rules which requires Commissioners and their administrative assistants annually attend a workshop of at least three continuing education hours concerning ethics and the Administrative Procedures Act.

- 2. How do senior leaders establish and promote a focus on customers and other stakeholders?**

The Commission has identified its two most important customer groups: South Carolina's employers and their employees. Executive leadership has established and promoted a focus on customers by defining acceptable practice and ensuring all staff members are

responsive, competent and courteous. Both the Chairman and Executive Director maintain an “open door” policy of availability to everyone, internally and externally.

3. How does the organization address the current and potential impact on the public of its products, program, services, facilities and operations, including associated risks?

The Commission remains current in its review of comparative national studies conducted on workers’ compensation, and the impact of the system on costs and benefits. The Commission monitors case law and our executive leadership analyzes the impact of proposed legislation. The Commission also provides information and analysis to committees and members of the General Assembly through written and oral testimony upon request. The Commission conducts a financial impact analysis on the workers’ compensation system when considering changes to the fee schedules.

4. How do senior leaders maintain fiscal, legal and regulatory accountability?

As a means to fiscal accountability, all expenditures must be approved by the Executive Director prior to any purchase. Executive leadership is responsible for communicating statutory requirements to staff and ensuring staff meets these requirements. The Commission is audited by the State Auditor’s office and uses the audit findings to evaluate fiscal opportunities and strengths. In addition, each department provides the Executive Director and Commissioners with a monthly report tracking the productivity and efficiency of their departments (charts included in category 7) and is available at the monthly business meetings to address Commissioners’ questions and report project updates. Financial statements indicating actual revenues and expenditures compared to budget amounts are also provided to Commissioners monthly. (Figure 7.3-1 and Chart 7.5-1)

5. What key performance measures do senior leaders review to inform them of needed actions? (Actual results are to be reported in category 7.)

A key performance measure reviewed by executive leadership is the time element involved in setting contested cases for hearings and the timely scheduling of appellate reviews (Chart 7.5-9 and 7.5-10). Another key measure is the amount of time involved in reviewing and recording injury reports (Chart 7.1-2). Executive leadership also monitors the time factor in verification of workers’ compensation coverage and properly receiving all taxes due to the State. Fine assessments and collections are indicators of compliance with the Workers’ Compensation Act (Chart 7.5-5). The measures are also used to determine the educational needs of constituents.

6. How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness, the effectiveness of management throughout the organization including the head of the organization, and the governance board/policy making body? How do their personal actions reflect a commitment to the organizational values?

Executive staff has used performance review findings to modify operations, and in certain cases, modify organizational structure to enhance the effectiveness of the Commission’s operations. Their effectiveness as leaders is an important aspect of our employee performance review system and is discussed during both the planning and

evaluation stages of each manager's performance review. All our managers are "working managers", closely involved in the day-to-day operations of the Commission. As such, they have the opportunity to receive feedback from employees on a continual basis and make improvements throughout the year.

7. How do senior leaders promote and personally participate in succession planning and the development of future leaders?

Our recruitment and training program, developed by our Department Directors and Executive Director, has been specifically designed to meet the agency's needs. The Commission is also reviewing the tenure of management and supervisors and is in the initial stages of identifying departmental succession needs.

8. How do senior leaders create an environment for performance improvement and the accomplishment of strategic objectives?

Performance improvement is based on the collection and analysis of good data. This information is reviewed and discussed both at the executive staff level, primarily at our executive staff meetings, and also at the Commissioner level during the Commission's monthly Business Meetings.

9. How do senior leaders create an environment for organizational and workforce learning?

The review of training needs and consideration of relevant training opportunities for all employees is ongoing. In addition to individual specific training, to the extent feasible, employees attend workers' compensation seminars hosted by the South Carolina Workers' Compensation Educational Association, the Southern Association of Workers' Compensation Administrators, International Association of Industrial Accident Boards and Commissions, and the National Council on Compensation Insurance among others.

Given the number of new projects, training has remained a key to increasing the agency's productivity, particularly in the information technology arena which reflects the many changes to our business processes.

10. How do senior leaders communicate with, engage, empower and motivate the entire workforce throughout the organization? How do senior leaders take an active role in reward and recognition processes to reinforce high performance throughout the organization?

Data reflecting department and division performance indicators are reviewed and discussed at the executive staff level at the bi-weekly executive staff meetings. Monthly performance indicators are presented by the executive staff at the Commission's monthly Business Meeting. Executive leaders regularly communicate informally with their employees the current status of performance indicators through daily contacts with employees and weekly department meetings. Monthly all-employee meetings are held to discuss policies, procedures and share best practices.

11. How do senior leaders actively support and strengthen the communities in which your organization operates? Include how senior leaders determine areas of emphasis for organizational involvement and support, and how senior leaders, the workforce, and the organization contribute to improving these communities.

The Commission is a long-term supporter of the United Way. Commission employees also sit on various boards and associations, such as the South Carolina Workers' Compensation Educational Association, the International Association of Industrial Accident Boards and Commissions, the Southern Association of Workers' Compensation Administrators, the Columbia Development Corporation, the Richland/Lexington Carolina Alumni Council, and the South Carolina Bar.

The community at large receives the benefits of our employees giving spirit through: church boards; Palmetto Richland Hospital Board; Voorheese College Board; SC Independent Colleges and Universities Board; Susan G. Komen Breast Cancer Foundation; Red Cross Blood Drive; Girl and Boy Scouts; Sistercare; Oliver Gospel Mission; Harvest Hope Food Bank; Kids Chance

Category 2 - Strategic Planning

1. What is your strategic planning process, including key participants, and how does it address:

a. Your organization's strengths, weaknesses, opportunities and threats

The Commission seeks to ensure its strategic planning efforts are in accordance with the vision and mission of the agency. The Accountability Report is a mechanism that the agency uses to review its strategic goals and ensure that metrics are in place to monitor the process. The Executive Staff monitors the progress of the goals and recommends changes to adjust resources to ensure completion of goals.

b. Financial, regulatory, societal and other potential threats

Good data is essential to the strategic planning process. When planning, the Commission uses data collection to evaluate current processes. Prior to making changes to business processes, the agency analyzes the potential financial impact on operating revenues. This includes developing financial pro formas to consider all consequences of the changes, intentional and unintentional. Regulatory changes are initiated by the Commission. Formal procedures must be followed to give public notice of the proposed changes, accept written comment, and conduct a public hearing to receive public comment. The review process includes a fiscal impact statement.

The Commission contracts with the Department of Information Technology (DSIT) for infrastructure and technical support. A full time IT Director was hired and is responsible for determining trends in technology and prepares proposals for new technology, maintenance of current technology and project management for all IT projects. The agency uses Electronic Data Interfaces (EDI) to bring in data for coverage and claims. The IT staff works with NCCI and IABIABC to remain current in industry standards.

c. Workforce capabilities and needs

Cross-functional teams are utilized as a part of the process to charge employees with examining programs and work processes. As a result, the Commission identified key business drivers and key performance measures. The development of performance measures help track and evaluate progress, opportunities, and significant achievements. The Commission also established and implemented individual staff development plans as guided by key business indicators. An ongoing effort has been made to refine key business drivers and gather baseline data to present as part of the Accountability Report.

d. Organizational continuity in emergencies

The Executive Director, Department Directors, IT personnel and Commissioners have laptops to allow for offsite access to the mission critical system, Accura. All images of documents and data are housed at DSIT and are supported by a disaster recovery system provided by the data center. Data is backed up nightly and stored offsite by DSIT. DSIT contracts with Sun Guard for an offsite disaster recovery site and executes yearly tests of the system restore and connectivity.

e. Your ability to execute the strategic plan

The Commission's staff is dedicated and works diligently to execute the mission of the organization. Staff is empowered to be involved in the execution of the strategic goals. Metrics are in place to monitor and allow for agility in making changes to complete the plans set by the Commission.

2. How do your strategic objectives address the strategic challenges you identified in your Executive Summary?

The development of new information technology will allow the agency to decrease the time to review cases, and correct data errors from submission to adjudicate the claim in a timely manner decreasing the overall cost to the system. New information technology allows staff to receive professional training and assistance via the Internet, more timely and at less cost. New information technology increases the capacity of the Commission to communicate and educate participants in the system about regulatory and statutory requirements for compliance. The Commission is in the early stages of developing metrics to monitor the overall time to process cases to assure correct processes are in place to ensure the overall cost is decreasing as each enhancement is made to the work processes and work systems.

3. How do you develop and track action plans that address your strategic objectives? Include how you allocate resources to ensure accomplishment of your action plan.

The Commission's Strategic Plan centers on the five overall agency goals. Action plans are developed using input from executive leadership, Commissioners, and employees of the respective departments. Once developed, tasks are assigned to the appropriate department and monitored by the Executive Director and Department Director. Updates are provided to executive leadership in staff meetings to allow for modification and refinement. Executive staff is committed to revisiting the strategic planning and development process, pursuant to the Malcolm Baldrige criteria to further the processes

necessary for the South Carolina Workers' Compensation Commission to carry out its mission.

4. How do you communicate and deploy your strategic objectives, action plans, and related performance measures?

Once the action plans are developed, they are disseminated to all agency employees and communicated to the employees by Department Directors, the Executive Director and through agency wide meetings and departmental meetings.

5. How do you measure progress on your action plan?

Progress is measured bi-weekly on plans involving all departments. For those areas, process times are important. Progress with specific projects, such as the development and implementation of the information technology enhancements, are reviewed on a weekly basis.

6. How do you evaluate and improve your strategic planning process?

Evaluation of our planning process is done on a continual basis. While the process is reviewed when we prepare both our Accountability Report and Annual Report, we review and make changes throughout the year. The collection of data is central to our strategic planning evaluation process. With the development of our new document imaging system, we have spent several months working on the identification of data elements and the development of key reports.

7. If the agency's strategic plan is available to the public through the agency's internet homepage, please provide a website address for that plan?

The strategic plan is not currently listed on the Agency's website.

Program Title	Supported agency strategic planning goal/objective	Related FY 11-12 and beyond key agency action plans/initiative(s) and timeline for accomplishing the plan(s)	Key cross references for performance measures
Medical Services	Contain medical cost while preserving access to quality medical care	Conduct financial impact analysis and adopt fair and reasonable medical fee schedules; review and resolve medical fee disputes	Chart 7.5-1, Line 10 A
Self-Insurance	Monitor the financial conditions of all self-insured funds and self-insured corporations	Monitor number audits of self-insured employers and the self-insurance tax collected. Audit self-insured's quarterly.	Chart 7.5-2, 7.5-3
Coverage	Ensure all employers comply with the Workers' Compensation Act when reporting coverage	Verify coverage through cooperative effort with the SC Department of Workforce and Employment; administer fines for non-compliance; obtain compliance agreements from employers.	Charta 7.1-3, 7.5-5

Program Title	Supported agency strategic planning goal/objective	Related FY 11-12 and beyond key agency action plans/initiative(s) and timeline for accomplishing the plan(s)	Key cross references for performance measures
Claims	Review all settlements and initial payment notices within one day	Measure the process cycle time to complete reviews	Chart 7.1-2
Judicial	Docket all requests for Full Commission review	Utilize business application that schedules request within forty-five days of filing	Chart 7.5-7
Judicial	Monitor appeals to higher courts	Receive notice of appeal from higher courts	Chart 7.1-1
Judicial	Docket all request for informal conference	Utilize business application that schedules requests within three days of receipt	Chart 7.5-8
Judicial	Docket all single commission hearing requests	Utilize business application that schedules all requests within sixty days	Chart 7.5-6

Category 3 – Customer Focus

1. How do you determine who your customers are and what their key requirements are?

Key customers are determined based on state legislative requirements and eligibility. Based on the Workers’ Compensation Act, the Commission has identified its two most important customers: South Carolina employers and their employees. Because the Commission is a quasi-judicial and a regulatory agency, these two groups comprise the largest number of customers with whom the Commission interacts. Other customers are identified based upon their specific needs and relationship to the workers’ compensation system. Other customers and stakeholders include, but are not limited to:

- South Carolina’s Congressional delegation;
- State Legislators;
- Insurance companies;
- Self-insured funds;
- Third-party administrators;
- Attorneys;
- Physicians and Hospitals;
- Other state workers’ compensation agencies;
- Department of Commerce;
- Department of Employment & Workforce;
- Department of Vocational Rehabilitation;
- State Attorney General’s office;
- State Department of Labor, Licensing & Regulation;
- Uninsured Employers Fund and the Second Injury Fund;

- FBI and the U.S. Office of the Attorney General;
- Social Security Administration;
- State Accident Fund; and,
- Department of Insurance

2. How do you keep your listening and learning methods current with changing customer/business needs and expectations?

The Commission is committed to providing an environment to foster communication and education among its stakeholders by conducting training/educational seminars, creating focus groups and ad hoc advisory committees of stakeholders on key issues, participating in stakeholders, interest groups and business partners meetings to receive feedback about specific issues, and general feedback about policies, procedures and operations. The Commission offered training called **Claims Administration Workshop ‘A Step by Step Approach in Managing Workers’ Compensation Claims in South Carolina’** held in Columbia, October 2011 and in Rock Hill, May 2012. Attendees included Attorney’s, Insurance Companies, TPA’s, Employers and others who deal with claims. There were 89 attendees in October and 68 in May.

The Commission participated in the Educational Association Annual Worker’s Compensation Medical Seminar, a three-day event devoted to medical issues relevant to workers’ compensation. Requests for public comment and public hearings took place in an effort to receive feedback from constituents on regulatory and fee schedule changes. The Surgical Implant Advisory Committee, created in FY10-11 work was not completed pending additional information from the SC Hospital Association. The Commission created the Commuted Value Discount Calculation Advisory Committee to review its statutory and regulatory provisions and make a recommendation to the Commission.

3. What are your key customer’s access mechanisms, and how do these access mechanisms enable customers to seek information, conduct business and make complaints?

The Commission has an ombudsman function in the Executive Director’s office. The ombudsman functions as an interface between the general public, claimants, special interest groups, stakeholders and business partners to respond to inquiries and provide information. The position is currently vacant due to budgetary limitations however the duties and responsibilities are shared by the Executive Director, the Executive Assistant to the Executive Director and the Human Resources Director. The Commission’s website homepage has a “Suggestion Box” link for customers and stakeholders to offer suggestions, requests and submit inquiries. Other mechanisms include Commission’s staff contact information on the agency’s website and staff receiving feedback and input during presentations made to stakeholder groups.

4. How do you measure customer/stakeholder satisfaction and dissatisfaction and use this information to improve?

The level of customer satisfaction is measured utilizing evaluation forms from educational training seminars sponsored by the Commission, individual discussions with claimants, stakeholders and other participants in the system, and feedback obtained from

presentations to stakeholder and special interest groups. Commission employees have a suggestion box. Commission provides an anonymous suggestion box for all employees to provide comment and feedback.

5. How do you use information and feedback from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?

Information and feedback obtained from customers/stakeholders is initially reviewed by the Executive Director. The Executive Director reviews the information and feedback with the appropriate department director to evaluate the feedback and recommend changes. If the recommendation rises to the level of a policy change the Executive Director will review the recommendation with the Chairman for consideration by the Commission at their monthly Business Meeting. Feedback obtained from the Claims Administration seminars are discussed in a debriefing meeting of the employees who participated in the seminar. The feedback includes the results of the seminar evaluation forms submitted by the participants in the seminar. Particular areas of interests that are expressed at the seminar are addressed and then worked in for discussion at the next seminar. A legislative update, change in regulations, and process improvement initiatives are also discussed with attendees. This feedback serves as a tool in determining the type of information stakeholders are seeking and their preferred method of receiving it.

6. How do you build positive relationships with customers and stakeholders to meet and exceed their expectations? Indicate any key distinctions between different customer and stakeholder groups.

The Chairman and the Executive Director have initiated outreach efforts to contact stakeholder and special interest groups to request an opportunity to meet with their members and discuss Commission activities. This has resulted in presentations to the MGC law firm's client annual meeting, the SC Orthopedic Association annual meeting, the Injured Workers' Advocates Paralegal seminar, the SC Workers' Compensation Association annual medical seminar, and claims processors from two insurance companies in the Charlotte, NC area. Positive relations with claimants are built through the ombudsman function responding to telephone calls, mail, and emails within 24 hours of the receipt of the inquiry.

A variety of methods are used to determine the needs and expectations of stakeholders and to provide a means of communication with the Commission, including:

- Telephone and written correspondence;
- Participation in public forums;
- Monitoring legislative activity;
- Stakeholder visits;
- Informational brochures;
- Publication of the Commission's Annual Report;
- Sponsored educational workshops;
- Publication of workers' compensation system information;
- Agency website and;
- On-line communication.

The majority of Commission employees have routine, daily contact with stakeholders. Executive staff members continuously emphasize the importance of quality customer service.

Category 4 – Measurement, Analysis, and Knowledge Management

1. How do you decide which operations, processes and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?

The Commission has activity and performance based measurement systems consisting of a number of identified business drivers and measures. The measurement system is designed to assist in setting goals and to integrate those goals with budgetary requests and considerations, staffing levels and efficiency levels. Administering a timely system of benefits for injured workers is a key priority for the Commission. Accomplishment involves processing and adjudicating claims timely, ensuring statutory and regulatory compliance for coverage and medical payments. Key measures include number of days to process a claim, schedule a hearing, and conduct a hearing. Performance indicators for coverage include number of violations discovered and number and amount of fines assessed and collected. Monthly indicators are reported, monitored and compared to prior months, quarters, and annual numbers for trending. The number of claims processed and time required to process and adjudicate a claim is an improvement indicator in the claims and judicial processes. Improvement indicators in the coverage and compliance area include number of violations discovered, reduction in time to assess and number of days to collect. Innovation effectiveness and efficiency indicators can be found in the number of new computers deployed, increased utilization of remote access of electronic images from offsite locations and decrease in the amount of paper documents being utilized in claims processing and adjudication. Refer to Section 7 for results in each area.

A number of performance measures are geared toward customer expectations. One of these measures is the process cycle time for setting various types of hearings. For many injured employees economic viability is at stake following an on-the-job injury and a shorter wait for a hearing is a key indicator of customer service and satisfaction. During the fiscal year, the process cycle time for setting a hearing for the injured employee to just under eighty-three days for each of the seven districts. (Ref. Chart 7.5-9). This time includes the mandatory thirty day notice of hearing.

2. How do you select, collect, align, and integrate data/information for analysis to provide effective support for decision making and innovation throughout your organization?

The Commission selects, collects, aligns and integrates data information in several areas. It measures the process times for single commissioner hearings and appellate hearings monthly. Data about frequency of work-related accidents is provided to the SC Department of Labor OSHA program. Indemnity and medical costs associated with those accidents are provided in the annual report for a comparative analysis of the status of the system. The change in annual medical costs is one element used to evaluate the impact of the fee schedules.

Data analysis also plays an important role in the development of new medical provider fee schedules. The Commission has been fortunate to have the assistance of the Budget & Control Board's Office of Research and Statistics in conducting cost and severity analysis of hospital claims. This analysis has played an important role in the Commission's setting of medical fee schedules.

3. What are your key measures, how do you review them, and how do you keep them current with organizational service needs and direction?

Key measures are the process times for single commissioner hearings and appellate hearings, number of claims filed, number of claims closed, indemnity costs, medical costs and files reviewed, among others. Process times are reviewed monthly and primarily encompass the time from when a hearing request is received to the time the hearing is held and the order issued. Claims costs, including indemnity and medical, are reviewed annually. Other measures generally are reviewed monthly or quarterly. The monthly review of process measures allows the Commission to make adjustments in the hearing schedule in order to ensure hearings are held on a timely basis.

4. How do you select and use key comparative data and information to support operational and strategic decision making and innovation?

Data is selected primarily to compare the Commission's operations from year-to-year. We have tracked our operations based on various process times, e.g. the waiting time for a hearing and the waiting time for an appeal. We also track the number of cases filed and total expenditures over time. While this gives the Commission the ability to track its operations over time, it is difficult to compare our operations with other states' workers' compensation agencies because of differences in workers' compensation laws and regulations.

5. How do you ensure data integrity, reliability, timeliness, accuracy, security, and availability for decision making?

Data integrity is established using standard statistical principles reviewed and verified by the Executive Leadership Team and the Commissioners. With the enhancement of the mission critical applications, more data will be received electronically which improves data integrity, timeliness and accuracy. Security issues have been resolved by placing our system within the Budget & Control Board Division of State Information Technology.

6. How do you translate organizational performance review findings into priorities for continuous improvement?

Our monthly review of the timeliness of hearings and any potential backlog, keeps our performance in that area clearly within our view. Adjustments are made to our hearing schedule to keep our performance within the desired range. For example, for appellate hearings, our monthly tracking of process time resulted in scheduling more days for these reviews, increasing the number of hearings the Commission could conduct.

7. How do you collect, transfer, and maintain, organization and workforce knowledge (your knowledge assets)? How do you identify, share and implement best practices, as appropriate?

Agency wide meetings, bi-weekly executive staff meetings and monthly executive leadership team meetings provide opportunities to share best practices. Best practices are obtained from monthly publications (print and electronic) from professional association publications and research institutes such as NCCI, WCRI, ICMA, and IAIABC. The Executive Director shares the information with the executive leadership. The executive leadership evaluates the business processes and related best practices for potential development, testing, fiscal impact, pro forma evaluated

Category 5 – Workforce Focus

1. How does management organize and measure work to enable employees to enable your workforce to: 1) develop to their full potential, aligned with the organization’s objectives, strategies, and action plans; and 2) promote cooperation, initiative, empowerment, teamwork, innovation and your organizational culture?

The Commission has developed comprehensive policies and procedures, as well as desk procedures for each position. This enables each employee to have a clear understanding of the purpose of the Commission, their department and their job. Individual employee training is determined through discussion between the employee and their supervisor. The supervisor and department director develop a plan which includes the necessary on-the-job training and external training. The Commission tailors employee training based on the agency’s needs along with the individual employee’s needs. The Commission will continue to develop these plans on an annual basis. The leadership team participated in an eight hour retreat facilitated by staff from the SC Division of Human Resources. The retreat focused on management development, team work and communication.

2. How do you achieve effective communication and knowledge/skill/best practices sharing across departments, jobs and locations? Give examples.

The Commission communicates effectively through weekly department meetings with staff, monthly meetings with the leadership team, monthly meetings with executive staff members, monthly meetings with all employees, and monthly Full Commission Business Meetings. Commissioners travel to various locations to conduct hearings three weeks per month. They are all present at the Columbia office the third week of the month and have an “open door” policy.

3. How does management, recruit, hire, place and retain new employees? Describe any barriers that you may encounter.

The Commission utilizes the State’s automated website Neogov for advertising vacant positions. The electronic application process makes it very easy for anyone who has computer access to submit an application. Often hundreds of applications are received for job postings depending on the length of time the position is posted. This can make the process of narrowing the applicant pool more difficult and time consuming. Another barrier we have encountered involves the unique skill set required of some of our positions. Finding the right applicant pool can be difficult. To overcome this obstacle, we

now also post a link to vacant positions on our website, the websites of industry related organizations, and email a link to the posting to a variety of networking sources to ensure a more qualified applicant pool.

4. How do you assess your workforce capability and capacity needs, including skills, competencies and staffing levels?

Capacity needs are determined based on budgetary levels within the agency. If there is an area that needs additional capacity the Commission attempts to utilize temporary employment to handle the deficiencies for the short term. Long term goals shift, or realign areas, in order to best utilize staffing levels within the agency. Workforce capabilities and skills are accessed as part of the employment process and training is utilized as a means of making sure the workforce is equipped to handle the work of the agency.

5. How does your workforce performance management system, including feedback to and from individual members of the workforce, support high performance work and contribute to the achievement of your action plans?

Expectations and performance are reviewed through ongoing communication throughout the year by the employees and their supervisors and are measured annually during the universal review process. In an effort to increase the lines of communication, a leadership team has been formed to include supervisory positions throughout the Agency. The leadership team meets monthly to discuss project status and any other issues that the team would like to have addressed. This format allows for members to provide feedback on all activities within the Agency while also ensuring accountability for timely project completion.

6. How does your development and learning system for leaders address the following: a) development of personal leadership attributes, b) development of organizational knowledge, c) ethical practices, d) your core competencies, strategic challenges, and accomplishment of action plans?

Performance expectations are defined and communicated to employees through ongoing, regular communication between management staff and employees. Expectations are discussed along with performance evaluation standards. Each employee's process reflects the Agency and respective department's mission statement and serves as the primary tool to document employee performance. During the process, employees and managers are given the opportunity to discuss past performance as well as expectations for future performances, strengths, weaknesses and a guideline for addressing weaknesses.

7. How do you identify and address key developmental and training needs for your workforce, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation, and safety training?

Employee training needs are developed annually. The Executive Director and executive staff reviews the needs of each department and arrange both in-house and outside training to meet those needs. Whether it is further training in workers' compensation, mediation or technical training in a particular subject matter in the use of new software, our training

is focused on the needs of each department and individual. Information and training sessions are also provided monthly at the agency wide meetings that cover a variety of topics. Speakers have been brought in to discuss such topics as employee health and insurance, financial advice, stress management, agency-wide policies and procedures, and software training. Training regarding the judicial code of conduct and the ethics act, statutorily required of all Commissioners and their administrative assistants, is provided annually.

8. How do you encourage on the job use of new knowledge and skills?

It is our observation that employees remain motivated in their individual efforts if given the opportunity to cross-train and learn new job responsibilities and job skills. Executive staff encourages employees interested in learning about other jobs to participate in cross-training efforts. The Commission encourages its employees in leadership, training, and other educational initiatives. Training opportunities are routinely communicated to all employees, and employees are encouraged to participate and attend.

9. How does employee training contribute to the achievement of your action plans?

Employee training provides staff members with the educational resources, knowledge base and tools necessary to actively participate in agency action plans. It is essential that employees be an integral part of successfully completing action plans and that they are fully equipped to do so.

10. How do you evaluate the effectiveness of your workforce and leader training and development systems?

Employees are routinely asked to apply skill sets they have developed while attending continuing education forums. The information obtained is proven to be effective if it assists the employee's navigation through their personal development plan and is applied to their day-to-day job activities while improving employee efficiency.

11. How do you motivate your workforce to develop and utilize their full potential?

The workload of individual employees has increased. Supervisors and managers provide positive reinforcement to employees who go the extra mile in helping the agency meet its goals and objectives. The key to maximizing employee performance is to ensure jobs are interesting and satisfying. Supervisors and managers meet informally with employees on a regular basis to discuss their performance, concerns and provide constructive feedback. The Commission utilizes flexible work schedules to help employees balance their personal and professional lives. The Commission hosts a luncheon annually to honor employees. Employee Recognition Week gave the Commission the opportunity to recognize the importance of all employees to the successful achievement of our mission and to honor the Commission Employee of the Year. A catered lunch was held on State Employee Recognition Day to thank all employees for their hard work and dedication.

12. What formal and/or informal assessment methods and measures do you use to obtain information on workforce well-being, satisfaction, and motivation? How do you use other measures such as employee retention and grievances?

This type of information, as is often the case, is collected informally. The agency relies on discussions between employees and their supervisors to bring up any issues and suggestions to improve the working environment. The Commission's Human Resources Director is available to assist in this endeavor and to provide information on ongoing educational and career development opportunities. Agency-wide meetings are used to convey information about current and future issues before the agency and provide all employees the opportunity to ask questions and discuss any important topic. Employee retention has been consistently high over the years.

13. How do you manage effective career progression and effective succession planning for your entire workforce throughout the organization?

The Executive Director and executive staff members have taken an active role in the evaluation of succession planning. The Commission currently has fifty-four filled FTEs (Ref. Chart 7.4-1). Fifty-one percent of the employees have been with the commission for less than five years. Twenty-four percent of employees have been with the Commission for over twenty years (Ref. Chart 7.4-2). This places the agency in a favorable position when addressing strategic planning initiatives. The career goals and objectives of each employee are discussed on an annual basis. This provides department directors with the opportunity to assist in the professional development of each employee and identify cross-training needs. The knowledge base of executive employees is invaluable to the agency and the agency has taken several initiatives to ensure that it is documented. A job analysis process, DACUM (Developing A CURriculum), has begun on positions within the Agency. The information gathered in the DACUM research chart will be used for succession planning and cross-training purposes. Job notebooks and workflow processes serve as references and training tools for all staff members. Every employee has access to this information through the agency's network.

14. How do you maintain a safe, secure and healthy work environment? (Include your workplace preparedness for emergencies and disasters).

The Commission maintains a safe and secure work place by having limited access points for visitors. There is a security guard on the premises at all times during working hours. A Building Emergency Manual was distributed to all employees and a team of employees were gathered from each department to participate in a train-the-trainer session instructing them on the proper action to take in the event of an emergency or disaster.

Category 6 – Process Management

1. How do you determine your organization's core competencies and how do they relate to your mission, competitive environment and action plans?

Core competencies are determined from our statutory requirements and mission to provide an equitable and timely system of benefits. By leveraging investments in new technology, the Commission has improved in the areas of:

- a) Communication of claim information to parties throughout the adjudication process
- b) Adjudication of Claims – presenting an opportunity for the parties to be heard by a Commissioner in a timely manner
- c) Prompt Evaluation and Correction of reported problems and issues

2. How do you determine and what are your key work processes that produce, create or add value for your customers and your organization and how do they relate to your core competencies? How do you ensure these processes are used?

Key work processes are determined by evaluating our efficiency and effectiveness in delivering equitable and timely service to our constituents. The key work processes identified and improved this year are:

- a) Enhanced the internet portal, eCase, to add new features to allow expanded user access for TPA’s to register and link to their assigned cases. This portal allows parties to real-time access to claim activity improving the timeliness of delivery of benefits.
- b) Established system to track number of days to complete review of contested medical bills.
- c) Scanned all incoming case file documents for real-time electronic reference.

3. How do you incorporate organizational knowledge, new technology, cost control, and other efficiency and effectiveness factors such as cycle time into process design and delivery?

The Agency has a track record of involving representatives of all agency departments as well as external stakeholders in the design and evaluation of process changes. By forming advisory committees, focus groups and facilitations, the Commission is better equipped to define business requirements. New technology plays an integral role as the Commission seeks to maximize technology investments by implementing electronic workflow with each business process review. The agency has controlled cost by reviewing one process area at a time; although this approach may delay delivery, the pace allows for the needed culture change, improving acceptance of new processes among agency personnel.

4. How does your day-to-day operation of these processes ensure meeting key performance requirements?

The implementation of our eCase web portal allows attorneys to notify the commission of their representation electronically. Over a 2 year period, this has reduced staff time by 27% from a total of 33 hours per month to 9 hours per month. (Chart 7.5-12).

5. How do you systematically evaluate, improve and improve your key product and service related processes?

Quality Assurance reviews are conducted to evaluate compliance to key processes. Utilizing quality reports management determines the effectiveness and efficiency of new processes and address training issues as they arise.

6. What are your key support processes and how do you improve and update these processes to achieve better performance?

The key support processes include mail collection and distribution, case file storage, distribution and collection, financial and budgetary accounting, electronic imaging of documents, destruction of paper documents, accounts receivables and payables system, and asset management system. All systems are monitored monthly utilizing the production numbers and processing times. Adjustments are made accordingly. The quality assurance process for electronic imaging of documents is conducted daily.

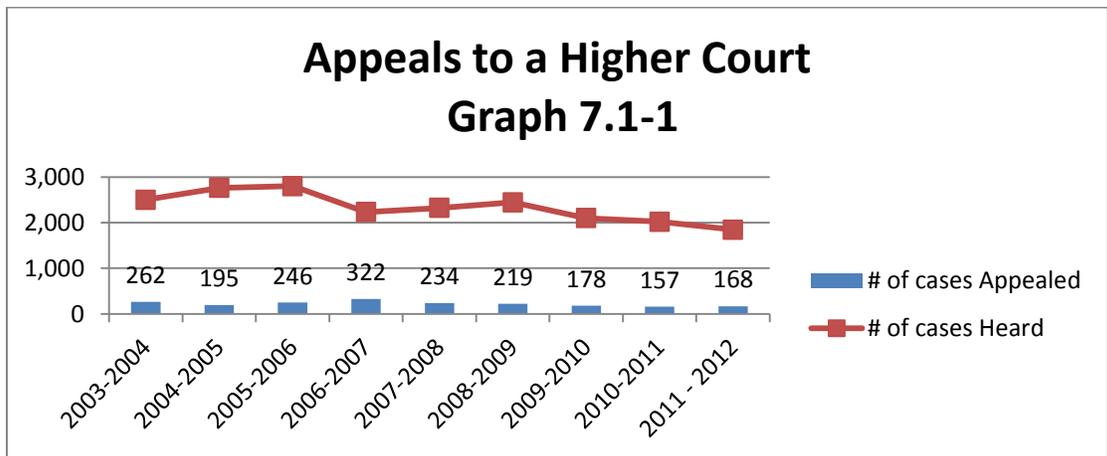
7. How does your organization determine the resources needed to meet current and projected and financial obligations?

Resources to meet current and projected budget and financial obligations are determined by reviewing the current activity level data of each division and how it relates to historical activity data. Expenditures related to the work production as well as revenues generated by specific segments of the work are analyzed. The Commission reviews historical data for trends, calculates straight line projections for future estimates of work production, and make necessary adjustments considering the economic and political environment in which our agency operates.

Category 7 - Results

1. What are your performance levels and trends for your key measures of mission accomplishment/product and service performance that are important to your customers? How do your results compare to those of comparable organizations?

The Commission serves as the judicial body for the administration of workers' compensation claims and determination of medical benefits and disability. The workers' compensation judiciary process allows claims to be appealed beyond the jurisdiction of the Commission. Once they have been heard by a single commissioner and appealed to a Full Commission Panel, the decision and order may be appealed to higher court. For accidents with dates of injury prior to July 1, 2007 cases are appealed to the Circuit Court and then to the South Carolina Court of Appeals. Accidents with dates of injury post July 1, 2007 are appealed directly to the Court of Appeals.



Graph 7.1-2 indicates the activity of the claims division in reviewing closed case files, temporary compensation, and settlements.

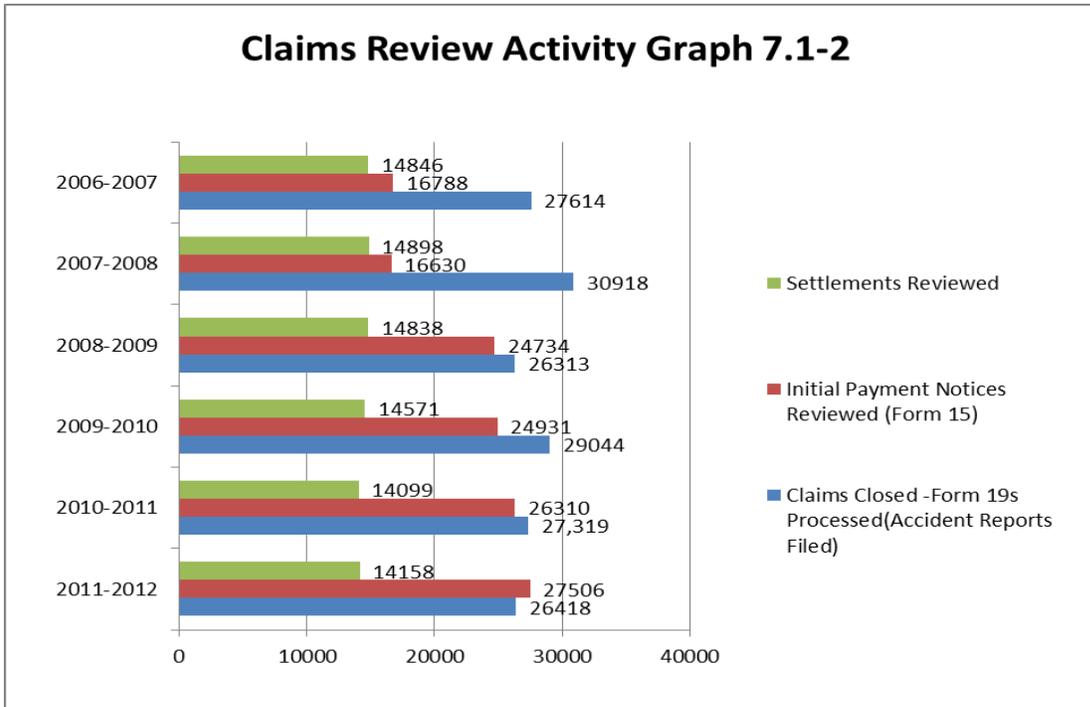
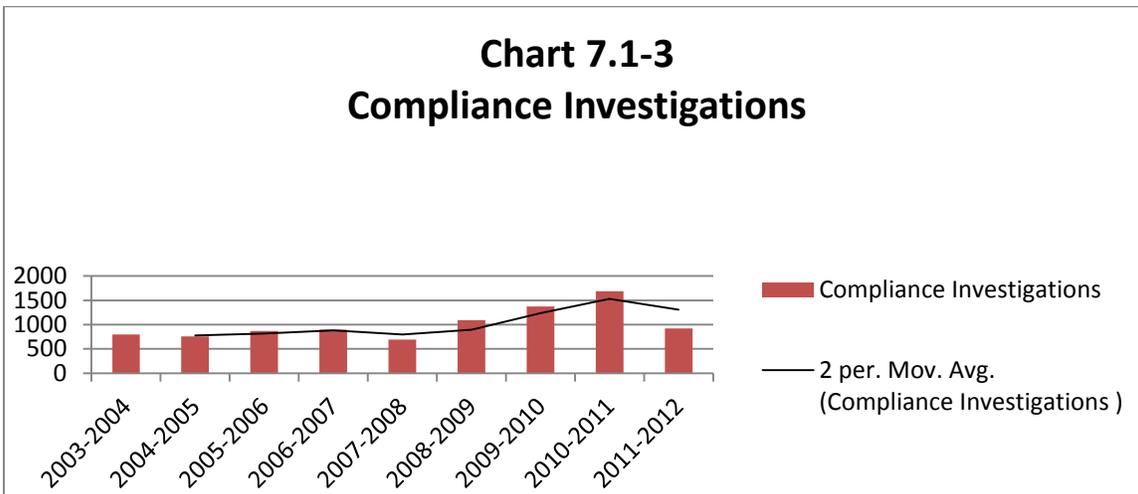


Chart 7.1-3 shows the Compliance Division’s investigation activities



2. What are your performance levels and trends for your key measures on customer satisfaction and dissatisfaction (a customer is defined as an actual or potential user of your organization’s product or service)? How do your results compare to those of comparable organizations?

Administering a timely system of benefits for injured workers is a central priority for the Commission. The Commission is unique in nature in that the Judicial, Claims, Coverage and Compliance Divisions all play an integral role in claims processing. Although the Commission does not provide employers or employees with a survey, feedback on how we are doing is routinely obtained during presentations to stakeholder groups. Additional levels of satisfaction and dissatisfaction is measured through the departmental efforts to proficiently process their requests.

3. What are your performance levels for your key measures on financial performance including measures of cost containment, as appropriate?

Revenues and expenditures in the State Appropriations General Fund were 100% on target for FY 2012. In the Earmarked Fund the Commission received \$236,256 less in revenues than the amount budgeted and spent \$210,638 less than the amount budgeted for a net decrease of \$25,618 in the Earmarked Fund balance. The decrease in revenues is largely due to the \$367,509 reduction in Workers’ Compensation Filing Violation Fees. This can be attributed to changes in work processes and work systems which make it easier for attorneys and carriers to file forms in a timely manner.

Chart 7.3-1

South Carolina Workers' Compensation Commission

Summary of Revenues and Expenditures

2011 - 2012 Budget

June 30, 2012

Final

	Budget	FY To Date	Benchmark	100.00%
STATE APPROPRIATIONS				
General Appropriation	\$ 1,763,619	\$1,763,619.00		100.00%
Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,364,494	\$ 1,364,493	\$ 1	100.0%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	399,125	399,125	0	100.0%
Total	\$ 1,763,619	\$ 1,763,618	\$ 1	100.0%
OTHER APPROPRIATIONS				
	Budgeted	Received		
EARMARKED	Revenues	thru 6/30/12	% Received	
Training Conference Registration Fee	\$ 1,000	\$ 6,315	631.50%	
Sale of Publication and Brochures	8,000	6,370	79.63%	
Workers' Comp Award Review Fee	75,000	73,200	97.60%	
Sale of Photocopies	95,000	88,250	92.89%	
Workers' Compensation Filing Violation Fee	1,891,000	1,669,188	88.27%	
Sale of Listings and Labels	30,000	25,133	83.78%	
Workers' Comp Hearing Fee	600,000	562,050	93.68%	
Insurance Reserve Refund (Prepaid Legal)		33,238		
Earmarked Funds - Original Authorization	\$ 2,700,000	\$ 2,463,744	91.25%	
Increase Authorization	418,815			
Increase Authorization - BD100	193,675			
Total Earmarked Revenues + Fund Balance	\$ 3,312,490			
Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,543,176	\$ 1,383,130	\$ 160,047	89.6%
Taxable Subsistence	72,350	61,834	10,516	85.5%
Other Operating Expenses	1,246,966	1,206,890	40,076	96.8%
Employer Contribution	449,998	449,998	(0)	100.0%
Total Earmarked	\$ 3,312,490	\$ 3,101,852	\$ 210,638	93.6%

Chart 7.3-2
SCWCC General Fund Expenditures
July 2011 through June 2012
Average Monthly Expenditure = \$146,894
FY 11-12 Annual General Fund Appropriation = \$1,763,619
FY 11-12 Monthly General Fund Appropriation = \$146,968

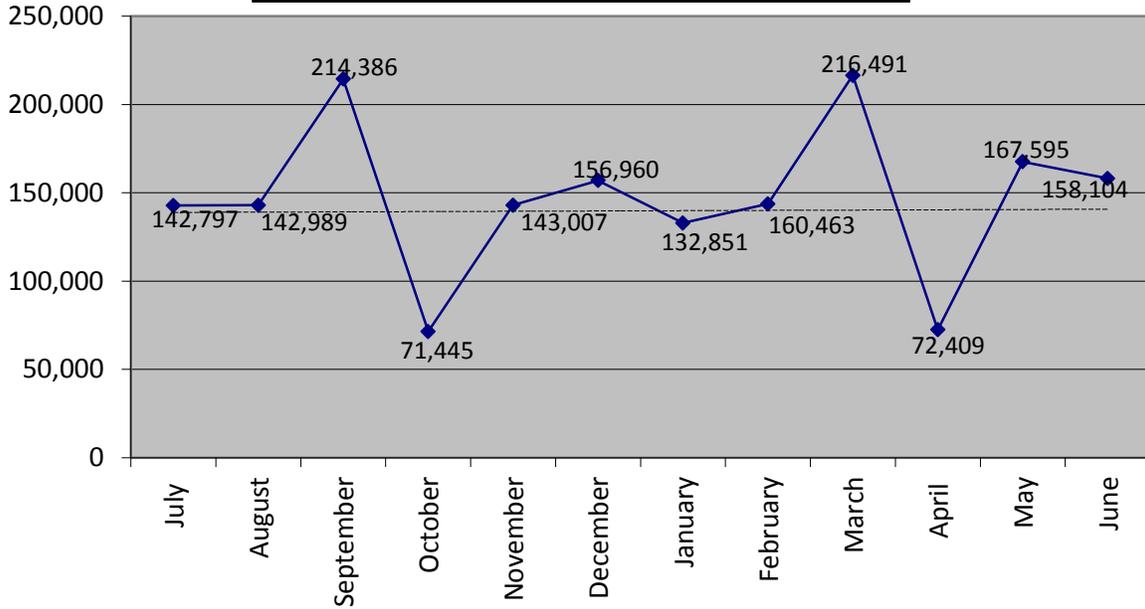


Chart 7.3-3
SCWCC Total Expenditures (General & Earmarked)
July 2011 through June 2012
Avg Monthly Expenditure = \$403,590

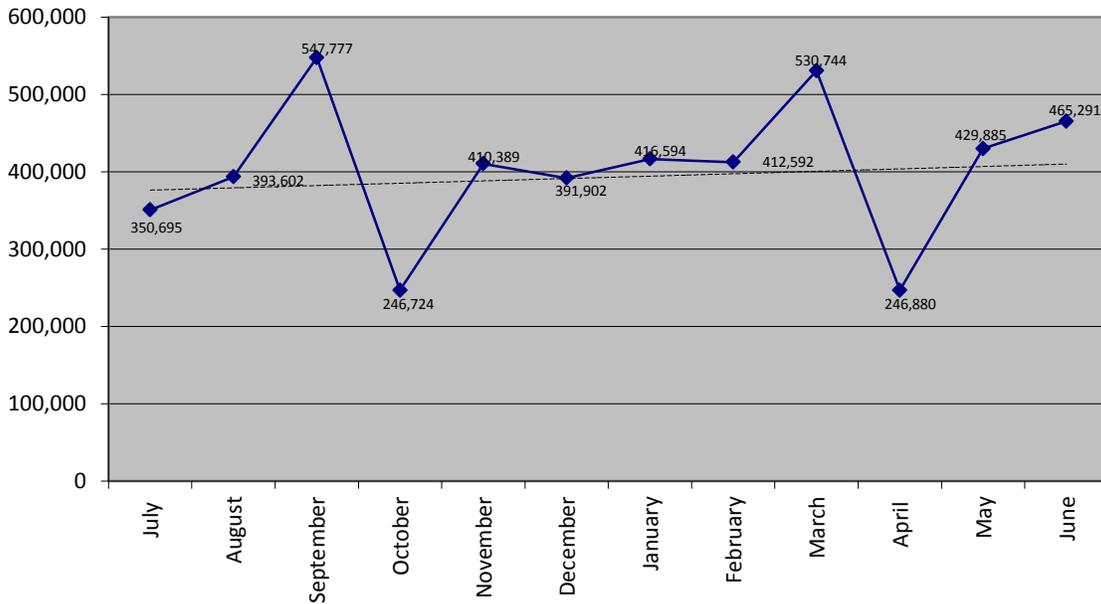


Chart 7.3-4
SCWCC Expenditures
July 2011 through June 2012

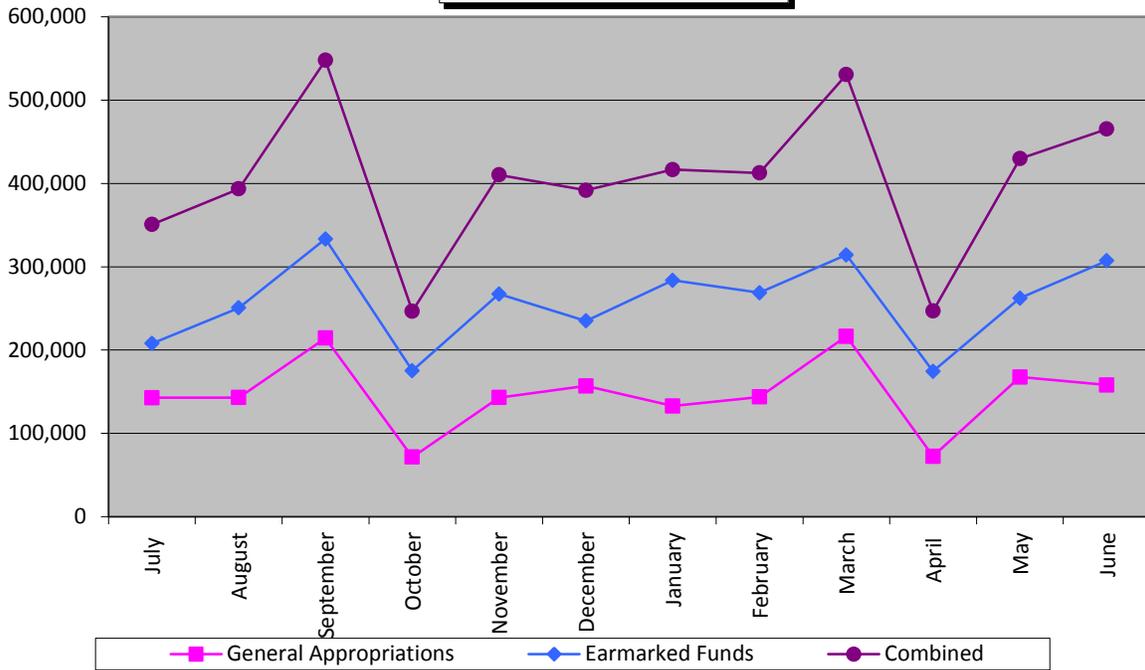


Chart 7.3-5
SCWCC Earmarked Revenues and Expenditures
July 2011 through June 2012

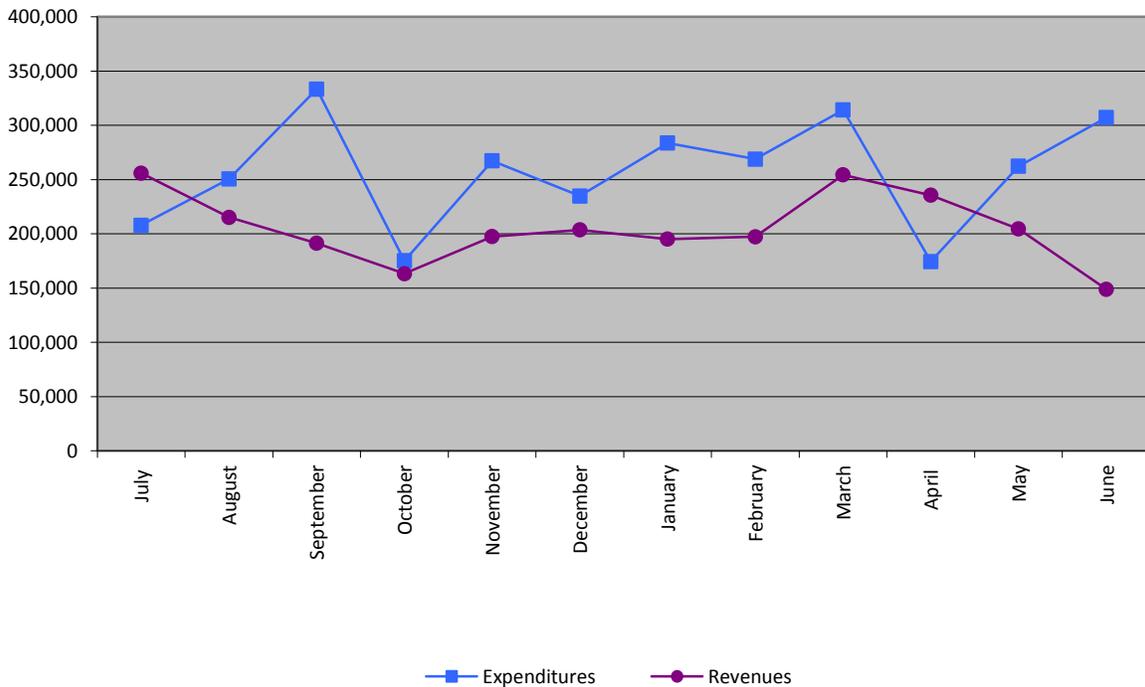


Chart 7.3-6
SCWCC Earmarked Revenues
July 2011 through June 2012
Avg Monthly Revenue \$205,312

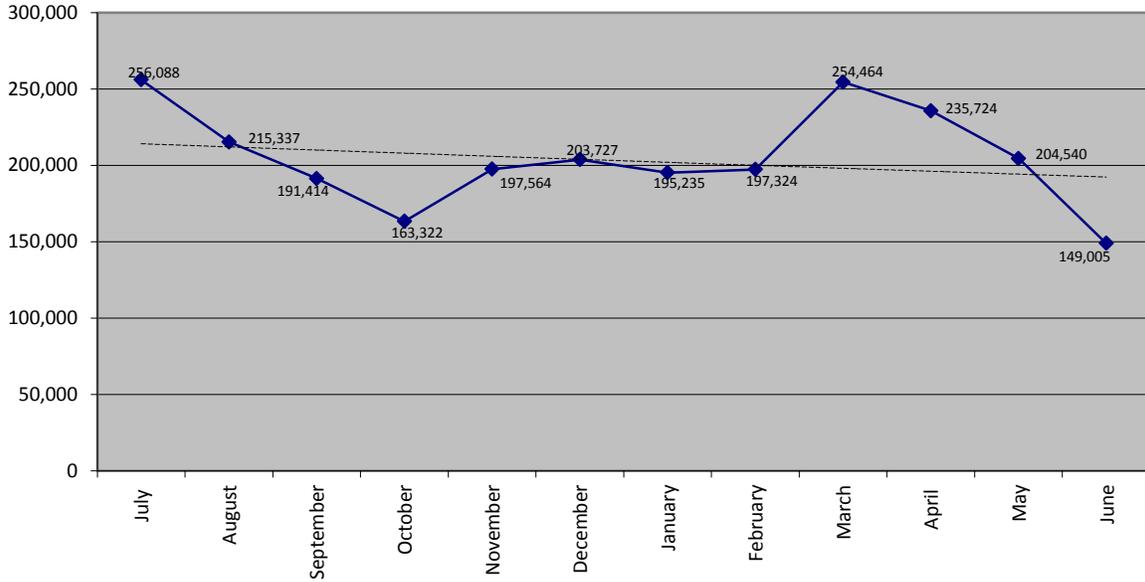


Chart 7.3-7
SCWCC Earmarked Expenditures
July 2011 through June 2012
Average Monthly Expenditure = \$256,695

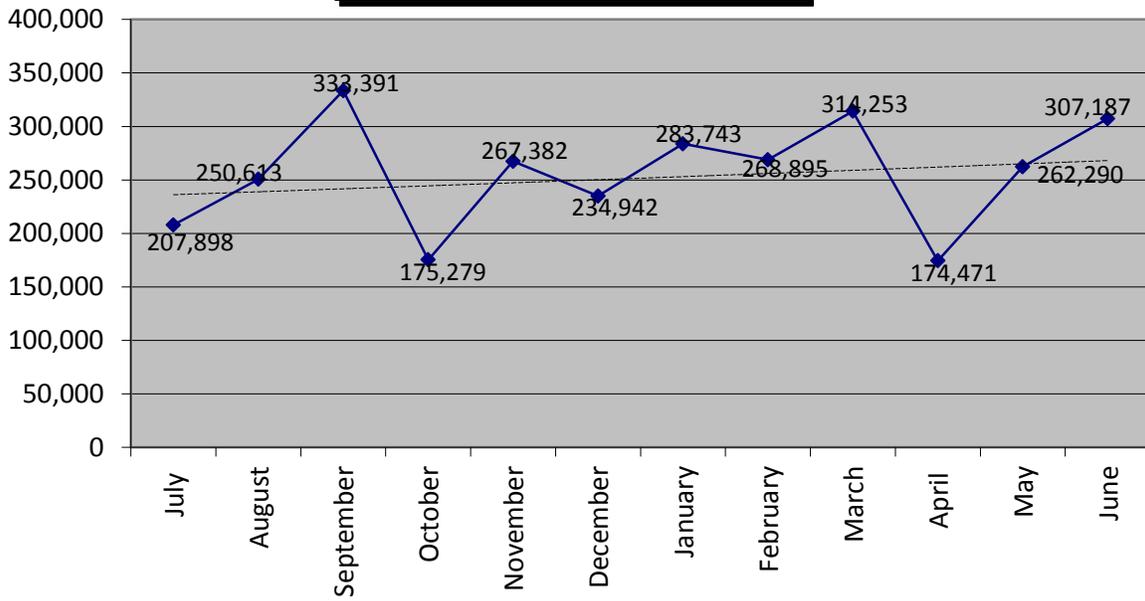
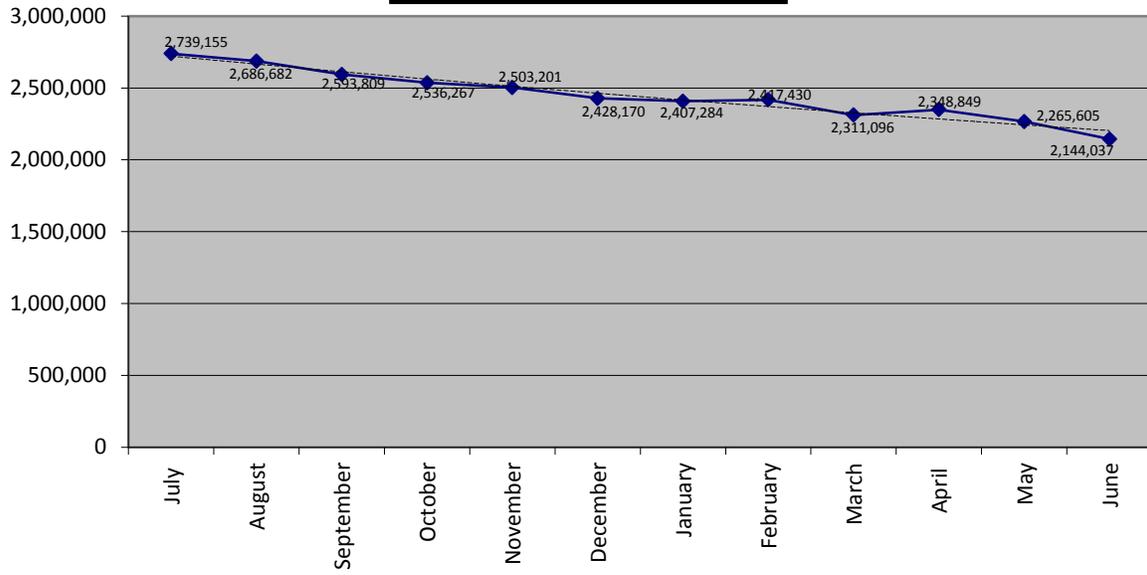
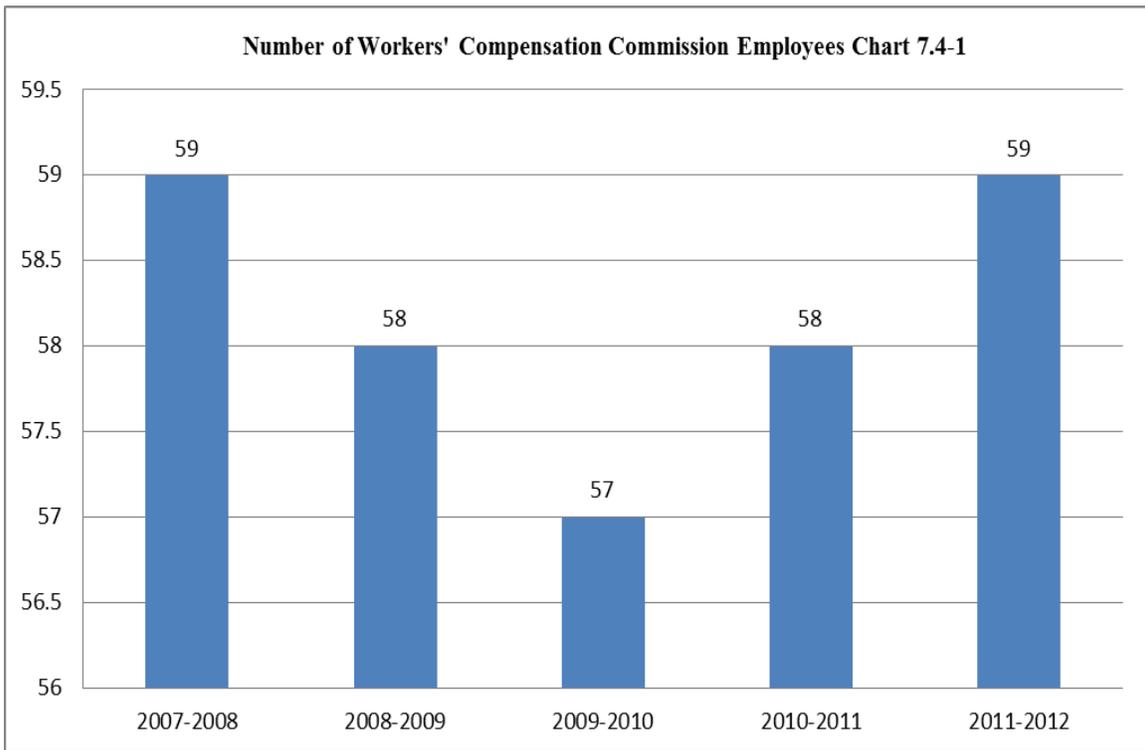


Chart 7.3-8
SCWCC Earmarked Fund Balance
July 2011 through June 2012

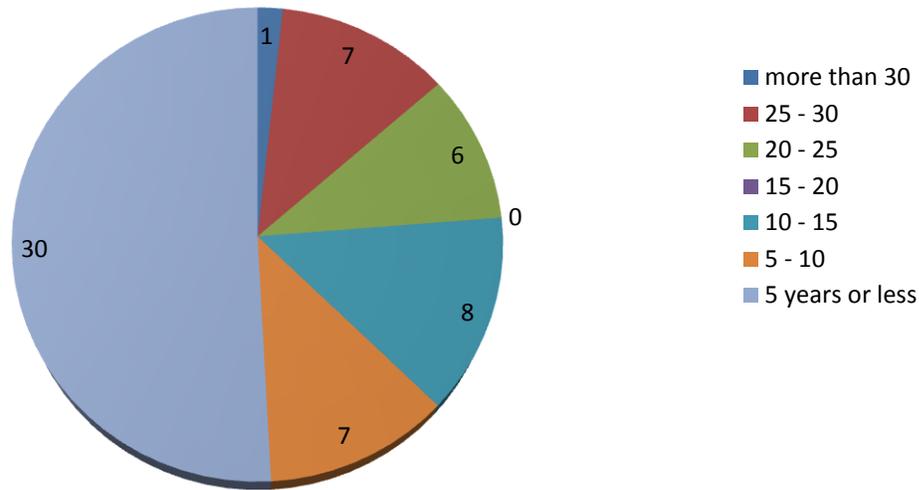


4. What are your performance levels and trends for your key measures of workforce engagement, workforce satisfaction, and the development of your workforce, including leaders, workforce retention workforce climate including workplace health, safety, and security?

Specific measures of workforce engagement and satisfaction have not been developed. The Commission continues to work toward improving its workforce through training at each all employee meeting held every other month. The Executive Director created an Executive Leadership Team which meets monthly to discuss current projects and issues and concerns. The Leadership Team is composed of department heads, mid-level managers and other employees identified as future leaders in the agency.



**Chart 7.4-2
Employee Tenure at SC Workers' Compensation**

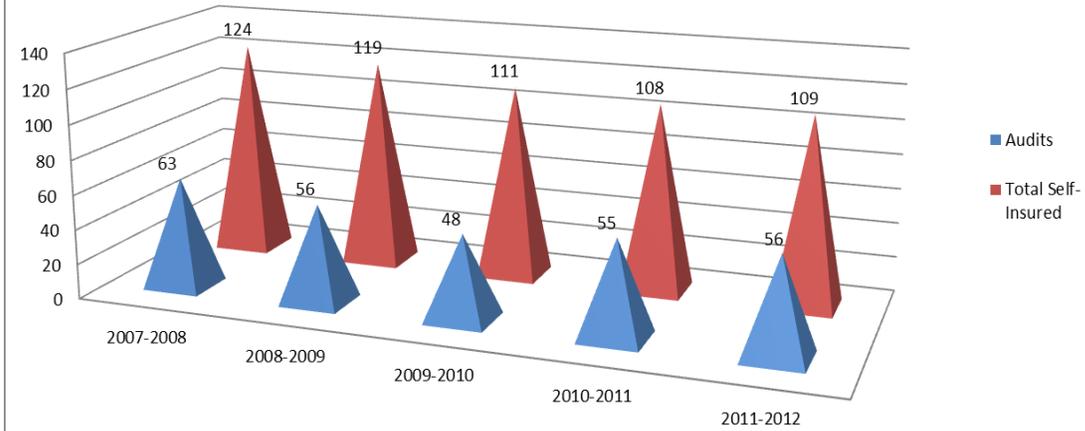


5. What are your performance levels and trends for your key measures of organizational effectiveness/ operational efficiency and work system performance (these could include measures related to the following: product, service and work system innovation rates and improvement results, improvements to cycle time, supplier and partner performance, and results related to emergency drills or exercise) ?

Administering a timely system of benefits for injured workers is a key priority for the Commission. Accomplishment involves processing and adjudicating claims timely and ensuring statutory and regulatory compliance for coverage and medical payments. Key measures include number of days to process a claim, schedule a hearing, and conduct a hearing. Performance indicators for coverage include number of violations discovered and number and amount of fines assessed and collected. Monthly indicators are reported, monitored and compared to prior months, quarters, and annual numbers for trending. The number of claims processed and time required to process and adjudicate a claim is an improvement indicator in the claims and judicial processes. Improvement indicators in the coverage and compliance area include number of violations discovered, reduction in time to assess and number of days to collect. Innovation effectiveness and efficiency indicators can be found in the number of new computers deployed, increased utilization of remote access of electronic images from off sites locations and decrease in the amount of paper documents being utilized in claims processing and adjudication.

Chart 7.5-1			
South Carolina Workers' Compensation Commission Statistical Recap			
	2009-2010	2010-2011	2011-2012
1. Number of Employers Purchasing Insurance	75,006	75,137	75,893
2. Number of Employers Qualifying as Self-Insurers	2,101	1,936	1,868
3. Investigations Active Beginning of Fiscal Year	336	425	681
4. Investigations Initiated	1,375	1,690	921
5. Investigations Set for Show Cause Hearings/ Consent Agreements Received	193 409	137 284	268 327
6. Total Investigations Closed	1,257	1,434	1,220
7. Investigations Active at Close of Fiscal Year	425	681	461
8. Number of Accident Cases Filed with the Commission	58,753	67,354	61,788
A. New Cases	57,178	64,785	59,408
i. WCC Cases Created	23,686	23,594	22,784
ii. Minor Medical Reported (12M)	33,492	41,191	36,624
B. Reopened cases	1,575	2,569	2,380
9. Number of Cases Closed during Fiscal Year	62,536	68,510	63,042
A. Individually Reported Accidents	29,044	27,319	26,418
B. Minor Medical Only Accidents Reported in Summary	33,492	41,191	36,624
10. Total Compensation & Medical Cost Paid			
on Closed Cases	\$824,291,483	\$849,552,678	\$867,040,779
A. Medical Costs	\$296,016,200	\$318,618,953	\$327,601,559
i. WCC Closed Cases	\$278,417,101	\$288,725,975	\$303,826,838
ii. Minor Medical Reported (12M)	\$17,599,099	\$29,892,978	\$23,774,721
B. Compensation	\$528,275,283	\$530,933,725	\$539,439,220
11. Temporary Total Compensation Agreements (806)	15,580	15,872	16,399
12. Supplemental Compensation Agreements	3,674	3,853	3,481
13. Applications for Stop Payment expedited hearing	2,206	1,825	1,769
14. Cases Docketed for Hearings	10,912	9,644	11,121
15. Cases Assigned for Informal Conferences	6,264	5,307	4,706
16. Hearings Conducted by Single Commissioners	2,211	1,968	1,738
17. Informal Conferences Conducted	3,549	3,758	3,262
18. Decisions, Opinions & Orders, Single Commissioners	2,100	2,021	1,844
19. Cases Appealed to Full Commission for Review	647	607	560
20. Reviews Conducted by Full Commission or Panel	357	303	264
21. Decisions and Opinions by Full Commission or Panel	367	374	361
22. Commission Decisions Appealed to Higher Court	178	157	168
23. Common Law Settlements	10,715	9,949	10,372
24. Attorney Fee Approvals	9,343	8,700	8,857
25. Self-Insurance Tax Collected and Deposited to the General Fund	\$4,909,303	\$4,775,811	\$4,663,681

**Chart 7.5-2
Self-Insured Audits**



**Chart 7.5-3
Self-Insured Employers**

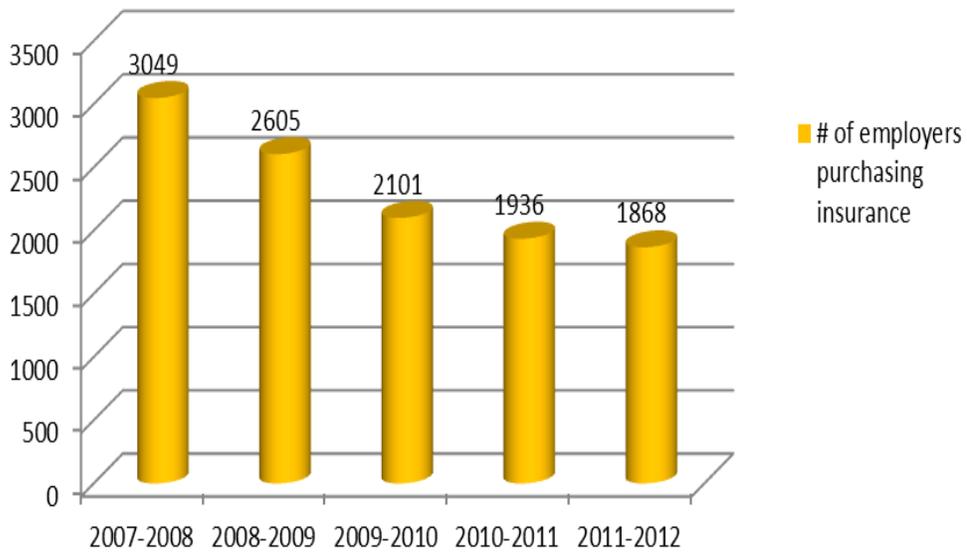


Chart 7.5-4
Self-Insurance Tax Collected and Deposited to General Fund

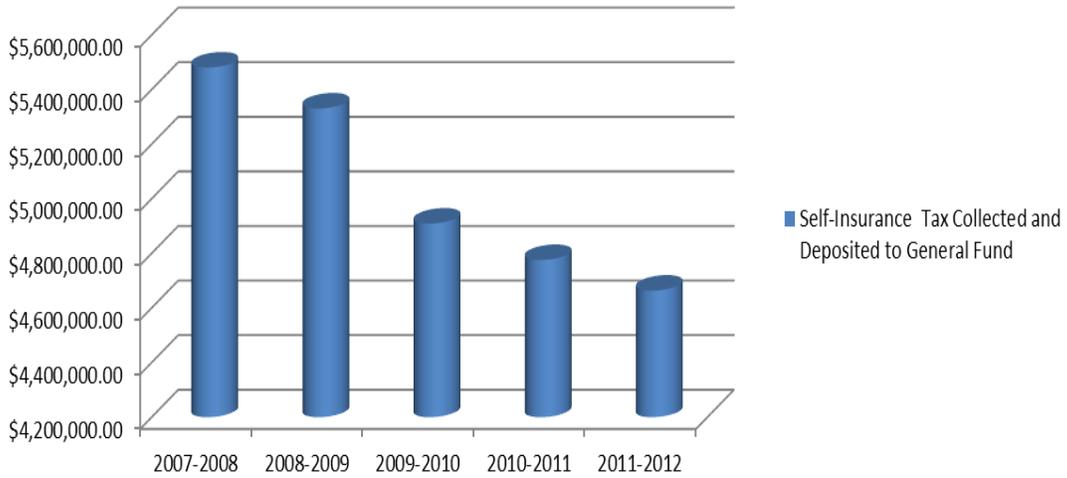


Chart 7.5-5
Coverage Fine Activity

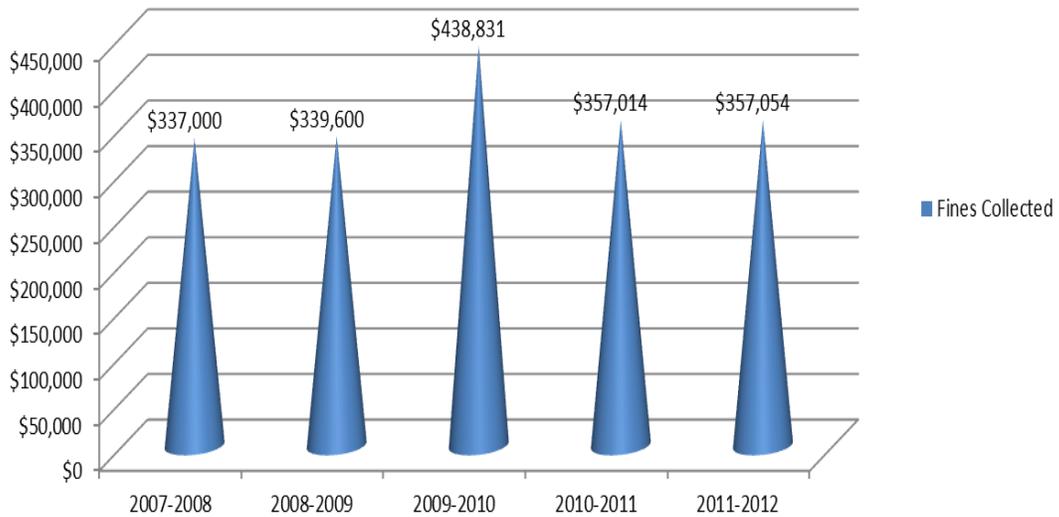


Chart 7.5-6
Cases docketed for Single Commissioner Hearing

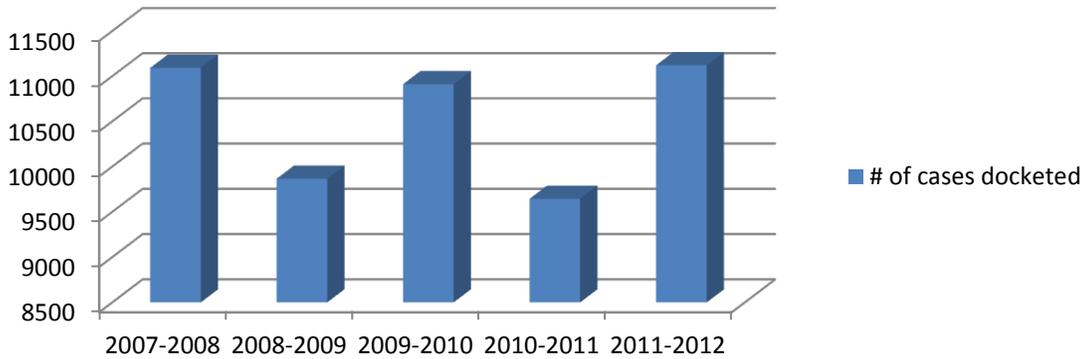


Chart 7.5-7
Cases docketed for Full Commission Hearing

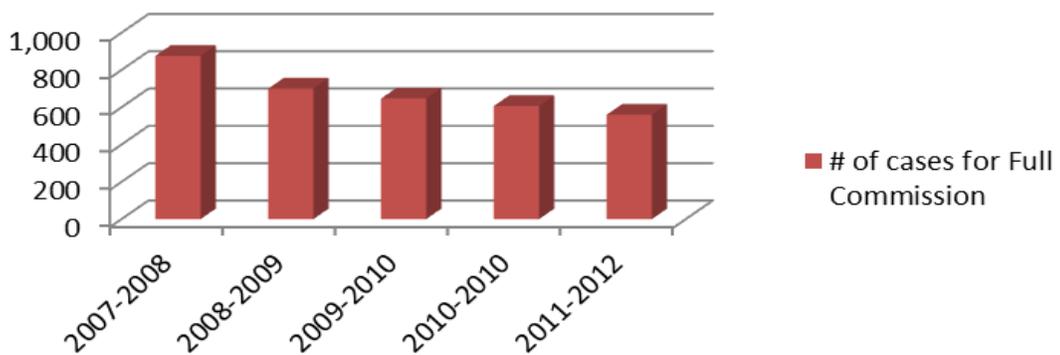


Chart 7.5-8 Informal Conference Activity

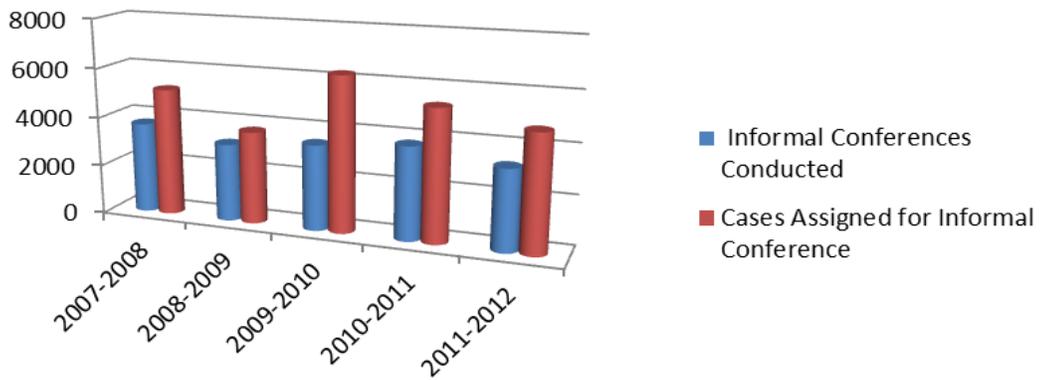


Chart 7.5-9 Judicial LAG Report Chart - Hearings

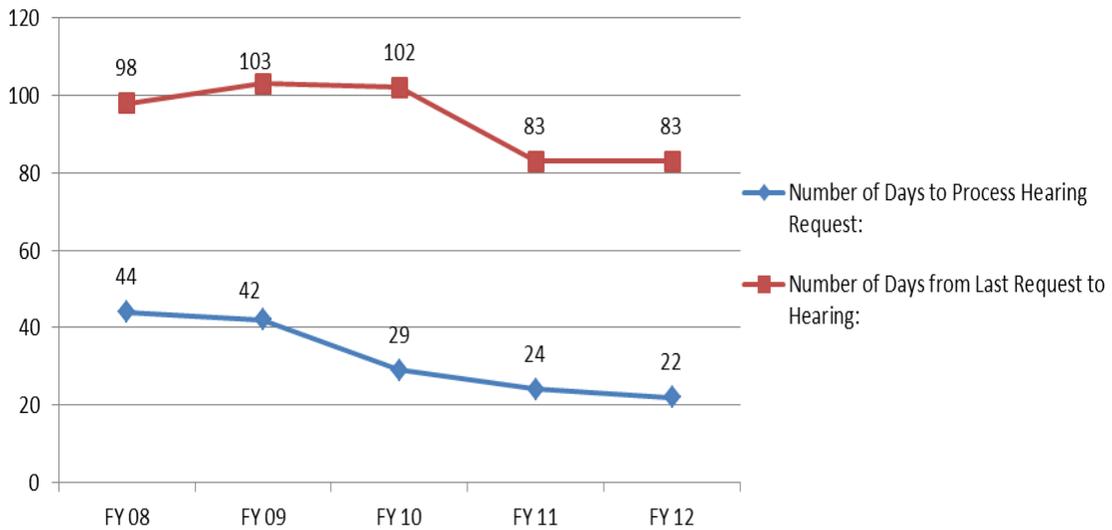


Chart 7.5-10
Judicial LAG Report Chart - Appeals

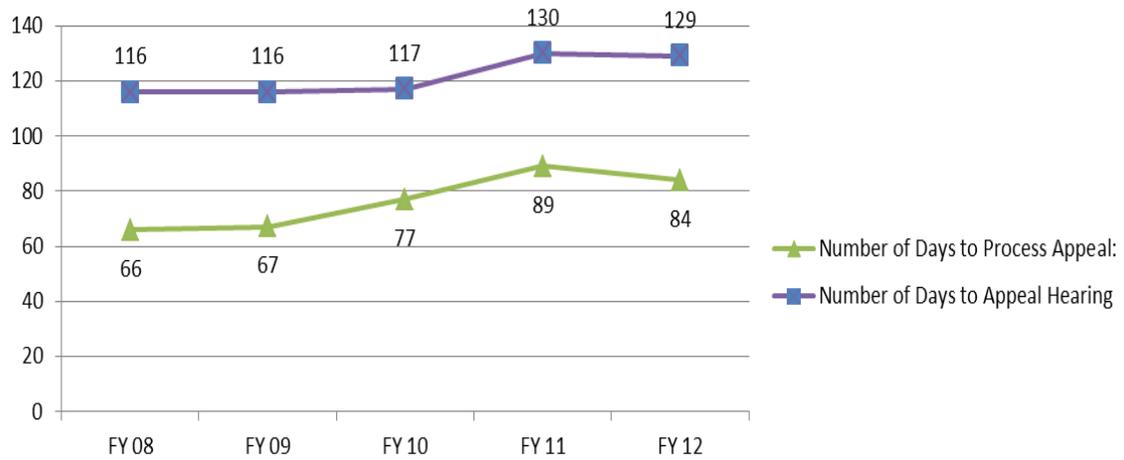


Chart 7.5-11
Claims Filed compared to Judicial Activities

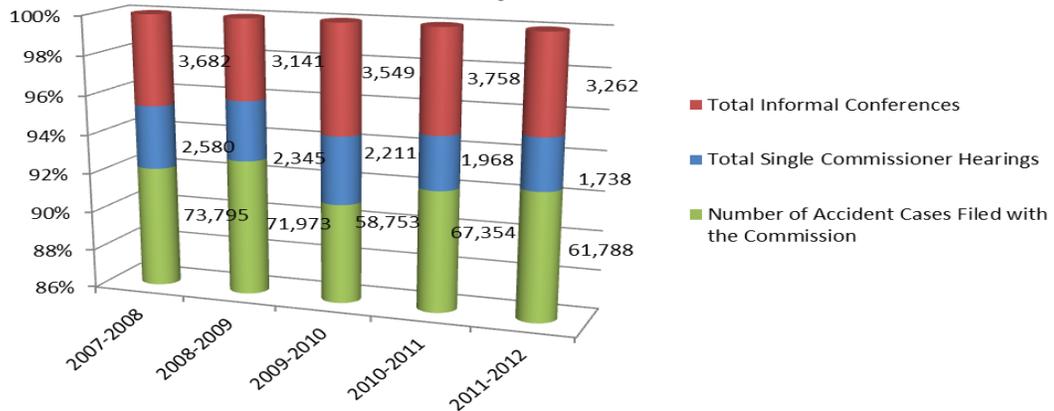


Chart 7.5-12 eCase - attorney Add to Claims

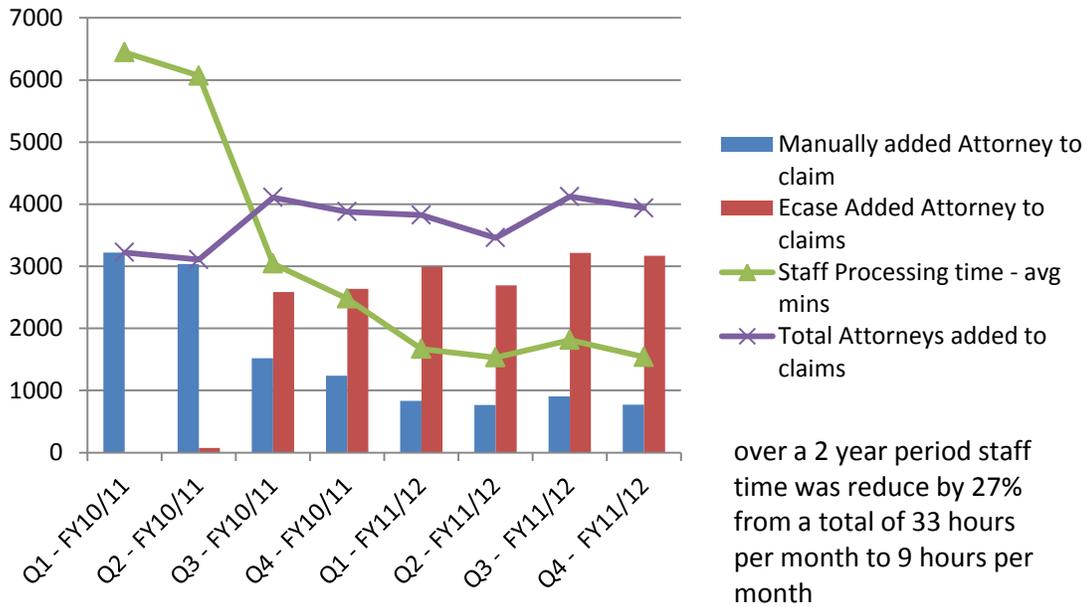
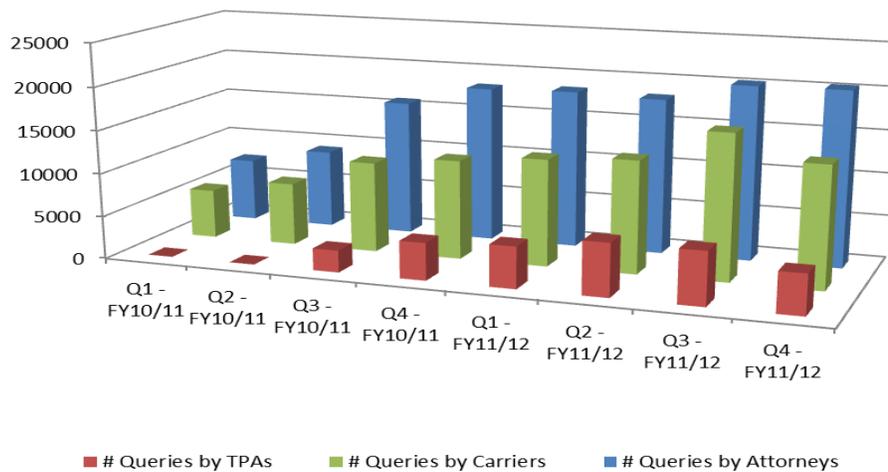
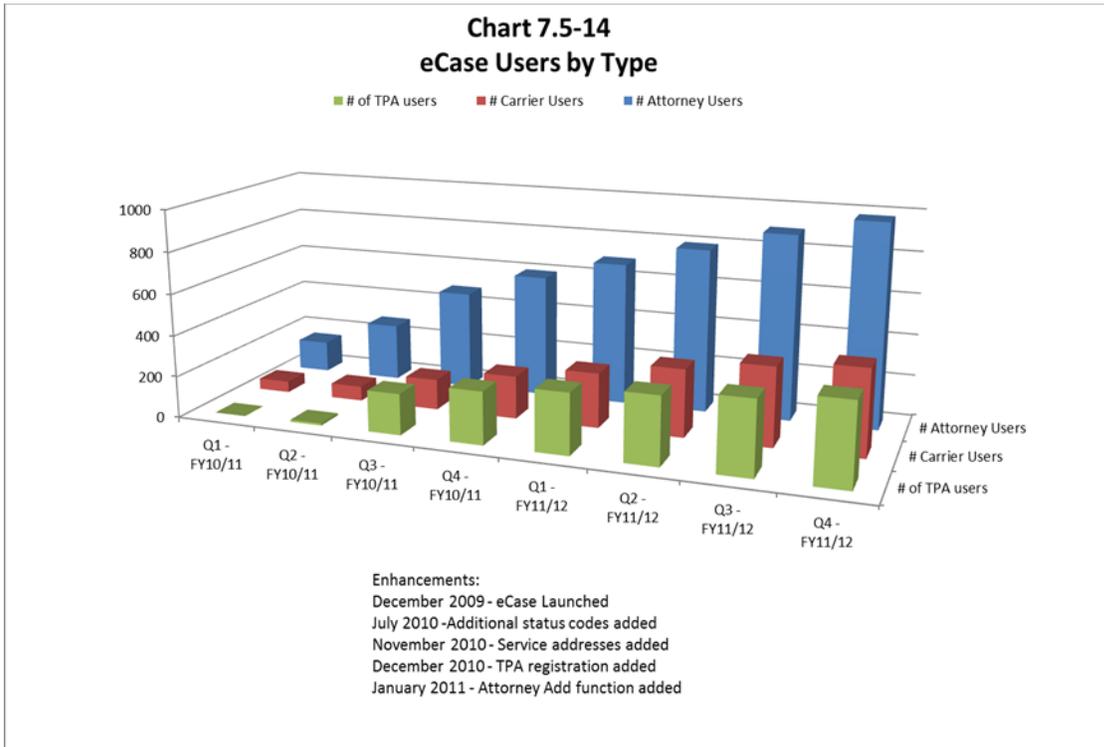


Chart 7.5-13 Quarterly eCase Queries by Type of User





6. What are your performance levels and trends for the key measures of regulator/legal compliance and community support?

The State Auditor’s Office conducted an audit of the Commission’s financial records for the FY ending June 30, 2011. The report was published July 31, 2012. Four exceptions were noted in Accountant’s Comments Section. The Commission responded to each comment and provided reasonable explanation for each comment the Commission disputed. The SC Human Affairs Commission Report to the General Assembly in 2011, the Commission achieved 100% of its goal with regard to minority recruitment and retention.