AGENDA

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

December 19, 2011 – 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.	APPROVAL OF AGENDA OF BUSINESS MEETING of December 19, 2011	*CHAIRMAN BECK*
2.	APPROVAL OF MINUTES OF BUSINESS MEETING of November 14, 2011 (Tab 1)	*CHAIRMAN BECK*
3.	GENERAL ANNOUNCEMENTS	*MR. CANNON*
4.	APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2)	*MR. SMITH*
5.	DEPARTMENT DIRECTORS' REPORTS	
	Administration – Financial Report (Tab 3)	*MS. GANTT*
	Human Resources (Tab 4)	*MS. FLOYD*
	Information Services (Tab 5)	*MS. HARTMAN*
	Insurance & Medical Services (Tab 6)	*MR. DUFFIELD*
	Claims (Tab 7)	*MR. LINE*
	Judicial (Tab 8)	*MS.CROCKER*
6.	EXECUTIVE DIRECTOR'S REPORT (Tab 9)	*MR. CANNON*
7.	OLD BUSINESS	*CHAIRMAN BECK*
	A. Pharmacy Fee Schedule Advisory Committee Recommendation (10)	Mr. Cannon
8.	NEW BUSINESS	*CHAIRMAN BECK*
	A. 2012 Average Weekly Wage (Tab 11)	Mr. Cannon
10.	ADJOURNMENT	*CHAIRMAN BECK*

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THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

Monday, November 14, 2011

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, November 14, 2011 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, INTERIM CHAIRMAN
G. BRYAN LYNDON, COMMISSIONER
ANDREA C. ROCHE, COMMISSIONER
DERRICK L. WILLIAMS, COMMISSIONER

Present also were Gary M. Cannon, Executive Director, and Virginia Crocker, Judicial Director.

Chairman Beck called the meeting to order at 10:30 a.m.

Motion to recess until 12:30 p.m.
Commissioner Williams moved to recess the business meeting until 12:30 p.m. for the purpose of attending Commissioner Wilkerson's mother's funeral. Commissioner Lyndon seconded the motion, and the motion was approved.

Chairman Beck reconvened the business meeting at 12:30 p.m. The following Commissioners were present:

T. SCOTT BECK, INTERIM CHAIRMAN
SUSAN S. BARDEN, VICE CHAIR
ANDREA C. ROCHE, COMMISSIONER
DERRICK L. WILLIAMS, COMMISSIONER

Present also were Gary M. Cannon, Executive Director; Virginia Crocker, Judicial Director; Greg Line, Claims Director; Grant Duffield, Insurance and Medical Services Director; Diana Gantt, Accounting/Fiscal Manager; Cathy Floyd, Human Resources Manager; Betsy Hartman, DSIT; Amanda Underhill, Senior Application Analyst; W.C. Smith, Self-Insurance Director; Wayne Ducote, Coverage Director; Garry Smith, Compliance Director; and Keith Roberts, Law Clerk. Visitors present were: Clara Smith, Injured Workers Advocates; Kristian Cross and Ellen Adams, Collins & Lacy Law Firm; Bob Herlong, PCI; and Hal Willson, Esq., Willson, Jones, Carter & Baxley, PA.

AGENDA
Commissioner Roche moved that the agenda be approved. Commissioner Williams seconded the motion, and the motion was approved.

APPROVAL OF MINUTES – BUSINESS MEETING OF OCTOBER 24, 2011

Commissioner Barden moved that the minutes of the Business Meeting of October 24, 2011 be approved. Commissioner Roche seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

There were no general announcements.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by W.C. Smith, Self-Insurance Director. Six (6) prospective members of three (3) funds were presented to the Commission for approval. The applications were:

Palmetto Timber Fund
Forestry Operations

SC Association of Counties
Town of Blackville
Town of Cameron
Town of Lamar

SC Home Builders SIF
Nature's Creations
Seacor Distribution dba Quality Pool & Spa & Quality Landscaping

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

DEPARTMENT DIRECTORS' REPORTS

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

Administration Department

Diana Gantt presented the Summary of Revenues and Expenditures for the period ending October 31, 2011. The benchmark for October is 33.33%. The Commission's revenues are at 30.6%, and expenses are at 31.6%.

Human Resources Department

Cathy Floyd presented the Human Resources report for the period of October 12 – November 8, 2011. The level of authorized full-time (FTE) equivalent positions has been reduced from 65 FTEs to 64 FTEs. Proviso 80A.7 of the FY 2011-2012 Appropriations Act authorizes the deletion of vacant FTE positions that are 13 months old or older. Each agency is allowed to retain a 5% vacancy factor based on the total number of authorized positions or a minimum of ten positions.

Ms. Floyd announced the Annual Employee Christmas holiday luncheon is scheduled for Monday, December 19.

Information Services
Betsy Hartman presented the Information Services Department's report. IT continues to work on EDI Release 3. Commissioner Roche asked about the status of iPads. Ms. Hartman said that DSIT expects to receive an iPad today for use in testing applications. Implementation could take up to six months.

Insurance & Medical Services
Grant Duffield presented the Insurance & Medical Services Department's report. The Department is coordinating the GEAR collection program process. Sixty-three notices were mailed to employers with outstanding judgment orders. Twelve to fifteen of the notices were returned as undeliverable. The Commission received several communications from employers acknowledging receipt of the notification.

Mr. Duffield reported he is initiating within the department quarterly personnel evaluations and a process to identify our customer base in efforts to achieve excellent customer service both internally and externally.

Commissioner Lyndon joined the business meeting at 12:38 p.m.

Mr. Duffield referred to the statistical portion of his report and said there is a small drop in caseload in October. The Compliance Division is implementing a process whereby the number of carryover cases is reduced in order to better manage the Division's overall backlog. The self-insurance tax collection is slightly behind the benchmark to date in October due to non-receipt of payment from a single payer. Bills pending review in Medical Services are down approximately 33%. Mr. Duffield said that additional effort is being made to direct customers to the website for helpful information.

Claims Department
Greg Line presented the Claims Department's report. There were 504 fines assessed for the month of October which was up from assessing 469 fines for the month of September. The dollar amount of fines assessed for the month of October was $105,400 which was up from assessing $96,900 for the month of September. The Claims Department processed 5,165 Form 18s for the month of October.

Judicial Department
Virginia Crocker presented the Judicial Department's report. The number of Informal Conferences and Clincher Conferences increased during October, which is typical for this time of year. The Judicial Department will conduct 155 status conferences with regard to reassigned cases by the end of the month. Richland County cases will be distributed equally among Commissioners on a weekly basis.

EXECUTIVE DIRECTOR'S REPORT
Gary Cannon, Executive Director, presented his report which was also submitted to the Commission in written form.

Surgical Implant Advisory Committee
The Surgical Implant Advisory Committee met on Friday, October 21. Eric Anderson from Optum Consulting is preparing the utilization data that requested from carriers and medical service providers in order to conduct the financial impact analysis.

Small Business Regulatory Review Committee
An Economic Impact Analysis with regard to the proposed changes to Regulation 67-1302 was submitted to the Small Business Regulatory Review Committee in response to their fiscal impact statement request. The proposed regulation will be submitted this week for General Assembly Review.

DSIT Contract
Discussions continue on the proposed contract with DSIT for Information Technology Infrastructure and Management Services. The Executive Director's Office is receiving information from third party vendors at the request of Commissioner Wilkerson. Presently the Agency will continue to operate under the current contract with DSIT.

Joint Other Funds Oversight Committee
The Joint Other Funds Oversight Committee met on Wednesday, November 9, 2011. The Committee approved the request to increase the authorized expenditures in the Earmarked Fund $193,675. The amount is for salary and benefits for four positions transferred from the General Fund as a result of the 10% reduction by the General Assembly for FY 2011-12.

Informal Conference Mediator Training
The Commission conducted a training session on November 7 with Commission employees who serve as mediators for Informal Conferences. Eight employees participated.

Potential Fraud Prevention Partnership with SC Department of Employment & Workforce
The Commission was approached by the SC Department of Employment & Workforce (SCDEW) to discuss potential partnership and data exchange in efforts to prevent fraud. One of SCDEW's initiatives is to identify individuals who are inappropriately receiving unemployment benefits and also workers' compensation benefits. It was determined that state statutes prevent data exchange between agencies.

Commission Website
The new website was launched on November 4. The Commission Forms may now be completed online. Additional interactive features are planned for the future.

Court Interpreters
Preliminary research on the use of court interpreters finds that North Carolina, Georgia, and Florida's workers' compensations rules, regulations, and statues do not address interpreter/translator services. We will continue to research the matter for future consideration.

OLD BUSINESS
There was no old business.

NEW BUSINESS

A. Proposed 2012 Commission Calendar

Mr. Cannon presented a recommendation to approve the proposed 2012 Commission Calendar. The proposed 2012 calendar reflects a two-day appellate panel hearing schedule each month. There was discussion. Ms. Crocker will evaluate and provide a two-month notice if it becomes necessary to schedule three days of appellate panel hearings.

Motion to approve proposed 2012 Commission Calendar

Commissioner Roche made the motion to accept the proposed 2012 Commission Calendar. Commissioner Williams seconded the motion, and the motion was approved.

B. Contract for Updating the Medical Services Provider Manual

Mr. Cannon said that in 2010 the Commission approved a new Medical Services Provider Manual (MSPM) and approved a policy that the MSPM will be reviewed annually by the Commission. The Commission staff does not have the resources to conduct the review and analysis of the MSPM. On May 16, 2011, the Commission extended the deadline for reviewing the MSPM to March 31, 2012. Mr. Cannon said that at its August 15, 2011 business meeting the Commission approved entering into contract with OptumInsight to conduct a surgical implant financial analysis. Mr. Cannon referred to the November 10, 2011 proposed Scope of Work from OptumInsight, Inc. for professional services to update the MSPM. He presented a recommendation that the Commission approve an amendment to the contract with OptumInsight to perform the scope of work proposed in the November 10, 2011 proposal for an amount not to exceed $32,950.

Motion to amend contract with OptumInsight

Commissioner Williams made a motion to approve the recommendation to amend the contract with OptumInsight to conduct the financial analysis and recommend changes to the Medical Services Provider manual for an amount not to exceed $32,950. Commissioner Barden seconded the motion. Following discussion the vote was taken, and the motion was approved.

C. Pharmacy Fee Schedule Advisory Committee Recommendation

Gary Cannon introduced Hal Willson, Esq., chairman, Pharmacy Fee Schedule Advisory Committee. Mr. Willson briefed the Commissioners on the work of the Pharmacy Fee Schedule Advisory Committee. He said that every prescription drug is assigned a National Drug Code (NDC) by the original manufacturer, and each NDC has an average wholesale price (AWP) associated with the prescription drug. Retail pharmacies, pharmacy benefit managers, and repackagers buy medications in large quantities at a cost that is substantially lower than the average wholesale price. The current fee schedule allows for AWP plus $5 dispensing fee. The cost of the repackaged medications can be significantly more than medications dispensed through a pharmacy. Based on NCCI 2008 data, the average cost per pill for repackaged medications was 221% higher than the cost of the same medication if not repackaged.

On behalf of the Pharmacy Fee Schedule Advisory Committee, Mr. Willson presented a recommendation that a new pharmacy fee schedule be adopted that requires all bills for repackaged medications to include the original manufacturer's NDC and that the

maximum allowable reimbursement shall be calculated by multiplying the number of units dispensed by the per unit AWP set by the original manufacturer for that medication.

Mr. Willson said the Committee also included a paragraph in the recommendation dealing with compound drugs.

Below is the full recommendation proposed by the Committee:

> **Recommendation:** Based upon the research and study conducted by the members of the Pharmacy Fee Schedule Advisory Committee, the following recommendation is proposed:
> Payment for prescription drugs is limited to the amount established by the following formula, or by the pharmacist's or health care provider's usual and customary charge, whichever is less. The formula applies to both brand name and generic drugs. However, all prescriptions must be filled using generic drugs, if available, unless the authorized treating physician directs that it be dispensed as written.
>
> **Average Wholesale Price + $5.00 Dispensing Fee**
>
> All bills under this section shall be itemized for proper reimbursement. Bills submitted for reimbursement shall be based on the original manufacturer's Average Wholesale Price (AWP) of the drug product on the date the drug was dispensed, and must include the National Drug Code (NDC) of the product dispensed. Medi-Span, published by Wolters-Kluwer Health, shall be used as the source for determining the average wholesale price (AWP). Where the AWP of a medication is not published by Medi-Span, any nationally published pharmacy price index may be used as a secondary source. Any issue arising as to the source of average wholesale price may be administratively reviewed by the Commission's Medical Services Division.
>
> Any medication or drugs not specifically prescribed by the treating physician shall not be reimbursed. In the event that treating physician recommends and/or prescribes a particular drug or medication that can be purchased over the counter (without a prescription) and the injured employee pays for the drug or medication, the injured employee is entitled to reimbursement for the purchase upon submission of the appropriate receipts to the employer/insurance carrier.
>
> The price determined by the formula will be the maximum allowable payment a provider can be paid under the Workers' Compensation Act. In instances where the pharmacy's charge is lower than the maximum allowable payment, or where the pharmacy has agreed by contract with an employer, insurance carrier or their agent to a contractual amount that is lower than the maximum allowable payment, reimbursement shall be made at the lower amount in accordance with the terms of the contract.
>
> Bills for repackaged drug products must include the original manufacturer or distributor's stock package NDC used in the repackaging process. Reimbursement for a drug that has been repackaged or relabeled shall be calculated by multiplying the number of units dispensed times the per-unit AWP set by the original manufacturer for the underlying drug, plus a $5.00 dispensing fee, expect where the carrier has contracted for a different amount.
>
> If the original manufacturer's or distributor's stock package NDC information is not provided or is unknown, the payer shall select the most reasonable and closely associated AWP to use for reimbursement of the repackaged drug. In no

case shall the repackaged or relabeled drug price exceed the amount otherwise payable had the drug not been repackaged or relabeled. Manufacturers of a repackaged or relabeled drug shall not be considered an "original manufacturer".

Compound drugs shall be billed by listing each drug included in the compound by NDC, and calculating the charge for each drug separately. Payment shall be based on the sum of the fee for each ingredient, plus a single dispensing fee of $5.00. If the NDC for any compounded ingredient is a repackaged medication NDC, reimbursement for the repackaged ingredient(s) shall be calculated as provided above. No payment shall be required for an ingredient not identified by an NDC.

Motion to Carry Over Pharmacy Fee Schedule Advisory Committee Recommendation until December Business Meeting

Following discussion, Commissioner Barden made a motion to carry over consideration of Pharmacy Fee Schedule Advisory Committee's recommendation until the December 19, 2011 Full Commission Business meeting. Commissioner Roche seconded the motion, and the motion was approved.

Chairman Beck expressed appreciation to Mr. Willson and the Committee for their work.

ADJOURNMENT

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

The November 14, 2011 meeting of the South Carolina Workers' Compensation Commission adjourned at 1:08 p.m.

Reported November 30, 2011
Kim Ballentine, Office of the Executive Director

INTEROFFICE MEMORANDUM

TO: GARY CANNON, EXECUTIVE DIRECTOR

FROM: DIANA GANTT, DIRECTOR OF ADMINISTRATION

SUBJECT: FINANCIAL REPORT PERIOD ENDING NOVEMBER 30, 2011

DATE: 12/13/2011

The Summary of Revenues and Expenditures for the period ending November 30, 2011, is attached.

- November is the 5th Fiscal Month of FY12.
- WCC was approved for an increase in authorization of $193,675 on November 9, by the Joint Other Funds Oversight Committee.
- There were 44 payments made to vendors, travelers, and other State Agencies.
- The benchmark for November is 41.67%. The Commission's revenues are at 37.92% and expenses are at 37.8%.
- The following is a summary of each department expenditure benchmarks:

General Fund: Total Expenses are at 41%.

Earmark Fund:

Commissioners –

- Total expenditures are at 38% of budget.

Administration –

- Overall the expenditures are 32% of budget.

Claims –

- Expenditures are at 41% of budget.

Insurance & Medical –

- Total expenditures are at 36% of budget.

Judicial –

- Total expenditures are at 39% of budget.

Activity Report from the Procurement Office:

	MTD	YTD
SCEIS Shopping Carts	0	5
Vendors Contacted for Price Quotes	9	55
Visa Procurement Card Orders Placed	3	19
SC Dept of Corrections Orders Placed	2	8
Staples Orders Placed	2	22
State Leased Vehicles taken for Service	4	13
State Reports filed by Procurement Officer	0	21

Mail Room Activity:

	MTD	YTD
Files Copied for Outside Parties	216	3937

South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures
2011 - 2012 Budget
November 30, 2011

	Budget	FY To Date	Benchmark	41.67%
STATE APPROPRIATIONS				
General Appropriation	$ 1,743,070	$ 726,279.17		41.67%

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	$ 1,329,429	$ 554,766	$ 774,663	41.7%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	413,641	159,858	253,783	38.6%
Total	**$ 1,743,070**	**$ 714,624**	**$ 1,028,446**	**41.0%**

OTHER APPROPRIATIONS

EARMARKED	Budgeted Revenues	Received thru 11/30/11	% Received
Training Conference Registration Fee	$ 1,000	$ 3,000	300.00%
Sale of Publication and Brochures	8,000	3,075	38.44%
Workers' Comp Award Review Fee	75,000	34,050	45.40%
Sale of Photocopies	95,000	41,395	43.57%
Workers' Compensation Filing Violation Fee	1,891,000	676,336	35.77%
Sale of Listings and Labels	30,000	11,745	39.15%
Workers' Comp Hearing Fee	600,000	254,125	42.35%
Earmarked Funds - Original Authorization	**$ 2,700,000**	**$ 1,023,725**	**37.92%**
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	$ 1,544,990	$ 567,522	$ 977,468	36.7%
Taxable Subsistence	72,350	27,095	45,255	37.4%
Other Operating Expenses	1,246,966	459,721	787,245	36.9%
Employer Contribution	448,184	202,691	245,493	45.2%
Total Earmarked	**$ 3,312,490**	**$ 1,257,029**	**$ 2,055,461**	**37.9%**

COMPUTER FUNDS CARRIED FORWARD	$ 9,931			
Computer Services - Carry forward	$ 9,931	$ 2,475	$ 7,456	24.9%
TOTAL OTHER APPROPRIATIONS	**$ 3,332,352**	**$ 1,259,504**	**$ 2,062,917**	**37.8%**

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
November 30, 2011

Consolidated

	Original Budget	Budget Amendments	Amended Budget	Expended September	Year to Date	%	Encumb	Balance
				Year-To-Date : 41.67%				
Commissioners								
Salaries	$ 1,142,594	$ -	$ 1,142,594	$ 94,526	$ 473,030	41%	$ -	$ 45,255
Other Operating Expenditures								
Total Contractual Services	206,100	-	206,100	15,603	75,362	37%	-	130,738
Total Supplies & Materials	17,499	-	17,499	1,560	6,339	36%	-	11,160
Total Fixed Charges	146,102	-	146,102	11,950	60,301	41%	-	85,801
Total Travel	80,450	-	80,450	5,436	29,518	37%	-	50,932
Total Other Operating Exp	450,151	-	450,151	34,549	171,520	38%	-	278,631
Total Commissioners	$ 1,592,745	$ -	$ 1,592,745	$ 129,075	$ 644,550	40%	$ -	$ 323,886
Administration								
Salaries	$ 458,224	$ 91,034	$ 549,258	$ 37,771	$ 191,374	35%	$ -	$ 357,884
Other Operating Expenditures								
Total Contractual Services	194,027	6,000	200,027	16,508	55,257	28%	-	144,770
Total Supplies & Materials	19,803	-	19,803	1,903	5,584	28%	-	14,219
Total Fixed Charges	118,095	10,000	128,095	13,203	49,813	39%	-	78,282
Total Travel	12,490	5,500	17,990	3,449	6,354	35%	-	11,636
Total Equipment	-	-	-	-	-	0%	-	-
Total Other Operating Exp	344,415	21,500	365,915	35,062	117,009	32%	-	248,906
Total Administration	$ 802,639	$ 112,534	$ 915,173	$ 72,834	$ 308,382	34%	$ -	$ 606,791
Claims								
Salaries	$ 375,000	$ -	$ 375,000	$ 31,749	$ 155,110	41%	$ -	$ 219,890
Other Operating Expenditures								
Total Contractual Services	56,005	-	56,005	5,627	22,885	41%	-	30,849
Total Supplies & Materials	26,546	-	26,546	2,951	12,309	46%	-	14,238
Total Fixed Charges	73,739	-	73,739	6,036	30,946	42%	-	42,793
Total Travel	2,100	-	2,100	-	124	6%	-	1,976
Total Other Operating Exp	158,390	-	158,390	14,614	66,264	42%	-	89,855
Total Claims	$ 533,390	$ -	$ 533,390	$ 46,363	$ 221,374	42%	$ -	$ 309,745
Insurance and Medical Services								
Salaries	$ 458,368	$ 14,956	$ 473,324	$ 38,284	$ 172,313	36%	$ -	$ 301,011
Other Operating Expenditures								
Total Contractual Services	53,050	9,500	62,550	6,331	24,294	39%	-	38,256
Total Supplies & Materials	15,725	5,200	20,925	2,143	7,484	36%	-	13,442
Total Fixed Charges	55,520	10,000	65,520	4,468	23,941	37%	-	41,579
Total Travel	1,350	-	1,350	20	107	8%	-	1,143
Total Other Operating Exp	125,645	24,700	150,345	12,962	55,826	37%	-	94,419
Total Insurance and Medical Services	$ 584,013	$ 39,656	$ 623,669	$ 51,246	$ 228,140	37%	$ -	$ 395,429
Judicial								
Salaries	$ 379,608	$ 26,985	$ 406,593	$ 31,632	$ 157,556	39%	$ -	$ 249,037
Other Operating Expenditures								
Total Contractual Services	28,054	9,000	37,054	4,460	14,583	39%	-	22,471
Total Supplies & Materials	13,545	1,000	14,545	1,379	5,587	38%	-	8,958
Total Fixed Charges	63,116	2,000	65,116	5,334	27,201	42%	-	37,915
Total Travel	2,950	2,500	5,450	261	1,731	32%	-	3,719
Total Other Operating Exp	107,665	14,500	122,165	11,435	49,102	40%	-	73,063
Total Judicial	$ 487,273	$ 41,485	$ 528,758	$ 43,067	$ 206,658	39%	$ -	$ 322,100
Totals By Departments								
Department Totals								
Commissioners	$ 1,592,745	$ -	$ 1,592,745	$ 129,075	$ 644,550	40%	$ -	$ 323,886
Administration	802,639	112,534	915,173	72,834	308,382	34%	-	606,791
Claims	533,390	-	533,390	46,363	221,374	42%	-	309,745
Insurance & Medical	584,013	39,656	623,669	51,246	228,140	37%	-	395,429
Judicial	487,273	41,485	528,758	43,067	206,658	39%	-	322,100
Total Departmental Expend	$ 4,000,060	$ 193,675	$ 4,193,735	$ 342,585	$ 1,609,103	38%	$ -	$ 1,957,951
Employer Contributions	861,825	-	861,825	67,804	362,549	42%	-	499,276
Total General & Earmarked Funds	$ 4,861,885	$ 193,675	$ 5,055,560	$ 410,389	$ 1,971,653	39%	$ -	$ 2,457,227

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
November 30, 2011

General Appropriation

	Original Budget	Budget Amendments	Amended Budget	Expended November	Year to Date to Date	%	Encumb	Balance
				Year-To-Date : 41.67%				
Commissioners								
Salaries								
Chairman	$ 115,567	$ -	$ 115,567	$ 9,231	$ 46,153	40%	$ -	$ 69,414
Commissioner	664,602	-	664,602	55,783	278,917	42%	-	385,685
Classified Employees	290,075	-	290,075	24,173	120,864	42%	-	169,211
Total Commissioners	**1,070,244**	**-**	**1,070,244**	**89,187**	**445,935**	**42%**	**-**	**-**
Administration								
Salaries								
Director	$ 94,152	$ -	$ 94,152	$ 7,846	$ 39,230	42%	$ -	$ 54,922
Classified Positions	44,825	-	44,825	3,735	18,677	42%	-	26,148
Total Administration	**138,977**	**-**	**138,977**	**11,581**	**57,907**	**42%**	**-**	**81,070**
Claims								
Salaries								
Classified Positions	$ 67,000	$ -	$ 67,000	$ 6,421	$ 28,754	43%	$ -	$ 38,246
Total Claims	**67,000**	**-**	**67,000**	**6,421**	**28,754**	**43%**	**-**	**38,246**
Insurance and Medical Services								
Salaries								
Classified Positions	$ 25,350	$ -	$ 25,350	$ 2,113	$ 10,563	42%	$ -	$ 14,788
Total Ins and Medical Svcs	**25,350**	**-**	**25,350**	**2,113**	**10,563**	**42%**	**-**	**14,788**
Judicial								
Salaries								
Classified Positions	$ 27,858	$ -	$ 27,858	$ 2,322	$ 11,608	42%	$ -	$ 16,251
Total Judicial	**27,858**	**-**	**27,858**	**2,322**	**11,608**	**42%**	**-**	**16,251**
General Funds								
Department Totals								
Commissioners	$ 1,070,244	$ -	$ 1,070,244	$ 89,187	$ 445,935	42%	$ -	$ 624,309
Administration	138,977	-	138,977	11,581	57,907	42%	-	81,070
Claims	67,000	-	67,000	6,421	28,754	43%	-	38,246
Insurance & Medical	25,350	-	25,350	2,113	10,563	42%	-	14,788
Judicial	27,858	-	27,858	2,322	11,608	42%	-	16,251
Total Departmental Expend	**$ 1,329,429**	**$ -**	**$ 1,329,429**	**$ 111,623**	**$ 554,766**	**42%**	**$ -**	**$ 774,663**
Employer Contributions	413,641	-	413,641	31,384	159,858	39%	-	253,783
Total General Fund Appropriations	**$ 1,743,070**	**$ -**	**$ 1,743,070**	**$ 143,007**	**$ 714,624**	**41%**	**$ -**	**$ 1,028,446**

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
November 30, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Expended November	Year to Date	%	Encumb	Balance
				Year-To-Date : 41.67%				
Commissioners								
Salaries								
Taxable Subsistence	$ 72,350	$ -	$ 72,350	$ 5,339	$ 27,095	37%	$ -	$ 45,255
Total Salaries	**72,350**	-	**72,350**	**5,339**	**27,095**	**37%**	-	**45,255**
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	700	-	700	-	-	0%	-	700
Copying Equipment Service	200	-	200	-	-	0%	-	200
Print/Bind/Advertisement	510	-	510	-	357	70%	-	153
Print Pub Annual Reports	28	-	28	-	-	0%	-	28
Data Processing Services	30,000	-	30,000	5,021	16,209	54%	-	13,791
Freight Express Delivery	490	-	490	-	-	0%	-	490
Telephone	5,100	-	5,100	532	1,802	35%	-	3,298
Cellular Phone Service	8,100	-	8,100	437	1,911	24%	-	6,189
Legal Services/Attorney Fees	160,000	-	160,000	9,583	55,053	34%	-	104,947
Other Professional Services	972	-	972	30	30	3%	-	942
Total Contractual Services	**206,100**	-	**206,100**	**15,603**	**75,362**	**37%**	-	**130,738**
Supplies & Materials								
Office Supplies	4,000	-	4,000	567	1,087	27%	-	2,913
Copying Equipment	3,200		3,200	336	1,287	40%	-	1,913
Printing	1,200	-	1,200	-	335	28%	-	865
Data Processing Supplies	649	-	649	-	-	0%	-	649
Postage	8,000		8,000	657	3,565	45%	-	4,435
Communication Supplies	50	-	50	-	-	0%	-	50
Maint/Janitorial Supplies	200		200	-	64	32%	-	136
Motor Vehicle Supp/Gasoline	100	-	100	-	-	0%	-	100
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	**17,499**	-	**17,499**	**1,560**	**6,339**	**36%**	-	**11,160**
Fixed Charges								
Rental-Cont Rent Payment	2,500	-	2,500	256	991	40%	-	1,509
Rent-Non State Owned Property	141,000	-	141,000	11,694	58,469	41%	-	82,531
Rent-Other	250	-	250	-	-	0%	-	250
Insurance-State	1,633	-	1,633	-	840	51%	-	793
Insurance-Non State	169	-	169	-	-	0%	-	169
Fees & Fines	50	-	50	-	-	0%	-	50
Equipment Maintenance	500	-	500	-	-	0%	-	500
Total Fixed Charges	**146,102**	-	**146,102**	**11,950**	**60,301**	**41%**	-	**85,801**
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	350	-	350	83	96	27%	-	254
In State - Auto Mileage	10,000		10,000	1,091	5,146	51%	-	4,854
In State - Subsistence Allowance	30,000		30,000	3,198	12,038	40%	-	17,962
Out State - Meals	100	-	100	-	18	18%	-	82
Out State - Auto Mileage	2,000	-	2,000	151	452	23%	-	1,548
Leased Car	38,000		38,000	913	11,768	31%	-	26,232
Total Travel	**80,450**	-	**80,450**	**5,436**	**29,518**	**37%**	-	**50,932**
Total Other Operating Expenditures	**450,151**	-	**450,151**	**34,549**	**171,520**	**38%**	-	**278,631**
Total Commissioners	**$ 522,501**	**$ -**	**$ 522,501**	**$ 39,888**	**$ 198,615**	**38%**	**$ -**	**$ 323,886**

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
November 30, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Expended November	Year to Date	%	Encumb	Balance
				Year-To-Date : 41.67%				
Administration								
Salaries								
Classified Positions	$ 307,000	$ 91,034	$ 398,034	$ 25,556	$ 127,779	32%	$ -	$ 270,255
Temporary Employees	11,247	-	11,247	634	5,687	51%	-	5,560
Terminal Leave	1,000	-	1,000	-	-	0%	-	1,000
Total Salaries	**319,247**	**91,034**	**410,281**	**26,190**	**133,467**	**33%**	**-**	**276,814**
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	5,200	6,000	11,200	549	4,993	45%	-	6,207
Copying Equipment Service	550	-	550	-	-	0%	-	550
Print/Bind/Advertisement	500	-	500	-	282	56%	-	218
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	143,000	-	143,000	15,319	43,082	30%	-	99,918
Freight Express Delivery	1,000	-	1,000	-	423	42%	-	577
Telephone	6,200	-	6,200	421	1,488	24%	-	4,712
Cellular Phone Service	1,925	-	1,925	118	510	27%	-	1,415
Education & Training Services	1,000	-	1,000	-	-	0%	-	1,000
Attorney Fees	34,000		34,000	-	3,094	9%	-	30,906
General Repair	230	-	230	-	120	52%	-	110
Audit Acct Finance	100	-	100	101	101	101%	-	(1)
Catered Meals	-	-	-	-	-	0%	-	-
Other Professional Services	100	-	100	-	-	0%		100
Other Contractual Services	200	-	200	-	1,164	582%	-	(964)
Total Contractual Services	**194,027**	**6,000**	**200,027**	**16,508**	**55,257**	**28%**	**-**	**144,770**
Supplies & Materials								
Office Supplies	5,000	-	5,000	782	510	10%	-	4,491
Subscriptions	175	-	175	-	-	0%	-	175
Copying Equipment Supplies	3,934	-	3,934	266	1,242	32%	-	2,692
Printing	1,964	-	1,964	-	266	14%	-	1,698
Data Processing Supplies	500	-	500	-	208	42%	-	292
Postage	6,800	-	6,800	805	3,258	48%	-	3,542
Maint/Janitorial Supplies	150		150	-	51	34%	-	99
Fees & Fines	280	-	280	50	50	18%	-	230
Gasoline/ Motor Vehicle Supply	100		100	-	-	0%	-	100
Employee Recog Award	800	-	800	-	-	0%	-	800
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	**19,803**	**-**	**19,803**	**1,903**	**5,584**	**28%**	**-**	**14,219**
Fixed Charges								
Rental-Cont Rent Payment	5,000	5,000	10,000	467	2,552	26%	-	7,448
Rent-Non State Owned Property	88,986	-	88,986	7,567	37,833	43%	-	51,153
Rent-Other	3,500	-	3,500	317	1,788	51%	-	1,712
Insurance-State	7,490	-	7,490	-	665	9%	-	6,825
Insurance-Non State	134	-	134	-	-	0%	-	134
Dues and Memberships	3,985	5,000	8,985	4,400	4,650	52%	-	4,335
Sales Tax Paid	9,000	-	9,000	453	2,325	26%	-	6,675
Total Fixed Charges	**118,095**	**10,000**	**128,095**	**13,203**	**49,813**	**39%**	**-**	**78,282**
Travel (Includes Leased Car)								
In State - Meals Non/ Reportable	100	-	100	-	7	7%	-	93
Reportable Meals	100	-	100	-	-	0%	-	100
Out of State - Milage	90	-	90	-	-	0%	-	90
In State - Registration Fees	200	500	700	-	92	13%	-	608
Leased Car	12,000	5,000	17,000	3,449	6,255	37%	-	10,745
Total Travel	**12,490**	**5,500**	**17,990**	**3,449**	**6,354**	**35%**	**-**	**11,636**
Equipment								
Equipment Data Processing- PC's	-	-	-		-	0%	-	-
Total Equipment	**-**	**-**	**-**	**-**	**-**	**0%**	**-**	**-**
Total Other Operating Expenditures	**344,415**	**21,500**	**365,915**	**35,062**	**117,009**	**32%**	**-**	**248,906**
Total Administration	**$ 663,662**	**$ 112,534**	**$ 776,196**	**$ 61,252**	**$ 250,475**	**32%**	**$ -**	**$ 525,721**

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
November 30, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Expended November	Year to Date	%	Encumb	Balance
				Year-To-Date : 41.67%				
Claims								
Salaries								
Classified Positions	$ 293,000		$ 293,000	$ 24,291	$ 121,455	41%	$ -	$ 171,545
Temporary Positions	14,000		14,000	1,037	4,901	35%	-	9,099
Terminial Leave	1,000		1,000	-	-	0%	-	1,000
Total Salaries	**308,000**	**-**	**308,000**	**25,328**	**126,356**	**41%**	**-**	**181,644**
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	200	-	200	-	-	0%	-	200
Print / Bind / Adv	750	-	750	-	282	38%	-	468
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	21,933	-	21,933	4,197	13,436	61%	-	8,497
Freight Express Delivery	500	-	500	-	-	0%	-	500
Telephone	4,000	-	4,000	306	1,223	31%	-	2,777
Cellular Phone Service	2,500	-	2,500	54	229	9%		
Temporary Services	26,000	-	26,000	1,070	7,684	30%	-	18,316
Other Professional Services	100	-	100	-	30	30%	-	70
Total Contractual Services	**56,005**	**-**	**56,005**	**5,627**	**22,885**	**41%**	**-**	**30,849**
Supplies & Materials								
Office Supplies	8,271		8,271	480	1,220	15%	-	7,051
Copying Equipment	3,000		3,000	266	1,019	34%	-	1,981
Printing	900		900	-	266	30%	-	634
Data Processing Supplies	75	-	75	478	478	637%	-	(403)
Postage	14,000	-	14,000	1,714	9,262	66%	-	4,738
Maint/Janitorial Supplies	200	-	200	13	64	32%	-	136
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	**26,546**	**-**	**26,546**	**2,951**	**12,309**	**46%**	**-**	**14,238**
Fixed Charges								
Rental-Cont Rent Payment	2,500	-	2,500	189	1,047	42%	-	1,453
Rent-Non State Owned Property	68,000	-	68,000	5,847	29,235	43%	-	38,766
Rent-Other	225	-	225	-	-	0%	-	225
Insurance-State	1,080	-	1,080	-	665	62%	-	415
Insurance-Non State	134	-	134	-	-	0%	-	134
Equipment- Copying	800	-	800	-	-	0%	-	800
Equipment Maintenance	1,000	-	1,000	-	-	0%	-	1,000
Total Fixed Charges	**73,739**	**-**	**73,739**	**6,036**	**30,946**	**42%**	**-**	**42,793**
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	300	-	300	-	-	0%	-	300
In State - Lodging	600	-	600	-	-	0%	-	600
In State - Auto Mileage	600	-	600	-	-	0%	-	600
In-State Registration	200	-	200	-	-	0%		200
Reportable Meals	400	-	400	-	124	31%	-	276
Total Travel	**2,100**	**-**	**2,100**	**-**	**124**	**6%**	**-**	**1,976**
Total Other Operating Expenditures	**158,390**	**-**	**158,390**	**14,614**	**66,264**	**42%**	**-**	**89,855**
Total Claims	**$ 466,390**	**$ -**	**$ 466,390**	**$ 39,942**	**$ 192,620**	**41%**	**$ -**	**$ 271,499**

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
November 30, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Expended November	Year to Date	%	Encumb	Balance
				Year-To-Date : 41.67%				
Insurance and Medical Services								
Salaries								
Classified Positions	418,000	14,956	432,956	34,920	155,418	36%	-	277,538
Temporary Employees	15,018		15,018	1,251	6,333	42%	-	8,685
Total Salaries	**433,018**	**14,956**	**447,974**	**36,172**	**161,751**	**36%**	**-**	**286,223**
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	200	-	200	-	-	0%	-	200
Copying Equipment Service	300	-	300	-	-	0%	-	300
Print/Bind/Advertisement	500	500	1,000	-	312	31%	-	688
Print Pub Annual Report	24	-	24	-	-	0%	-	24
Data Processing Services	40,000	9,000	49,000	5,984	20,518	42%	-	28,482
Telephone	2,626	-	2,626	226	904	34%	-	1,722
Cell Phone	3,000	-	3,000	51	176	6%	-	2,824
Catered Meals	2,000	-	2,000	-	957	48%	-	1,043
Other Professional Services	1,800	-	1,800	70	270	15%	-	1,530
Other Contractual Services	2,600	-	2,600	-	1,157	44%	-	1,444
Total Contractual Services	**53,050**	**9,500**	**62,550**	**6,331**	**24,294**	**39%**	**-**	**38,256**
Supplies & Materials								
Office Supplies	3,000	-	3,000	675	1,348	45%	-	1,652
Copying Equipment	3,500	-	3,500	294	1,126	32%	-	2,374
Printing	1,500	-	1,500	70	572	38%	-	928
Data Processing Supplies	500	-	500	-	102	20%	-	398
Postage	7,000	5,000	12,000	1,105	4,254	35%	-	7,746
Maintenance/Janitorial Supplies	75	100	175	-	56	32%	-	119
Fees & Fines	50	100	150	-	25	17%		125
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	**15,725**	**5,200**	**20,925**	**2,143**	**7,484**	**36%**	**-**	**13,442**
Fixed Charges								
Rental-Cont Rent Payment	2,104	5,000	7,104	310	1,288	18%	-	5,816
Rent-Non State Owned Property	48,000	2,000	50,000	4,127	20,636	41%	-	29,364
Rent-Other	225	2,000	2,225	-	848	38%	-	1,377
Insurance-State	1,101	1,000	2,101	-	735	35%	-	1,366
Insurance-Non State	148	-	148	-	-	0%	-	148
Equipment Maintenance	942	-	942	-	-	0%	-	942
Sales Tax Paid	3,000	-	3,000	31	433	14%	-	2,567
Total Fixed Charges	**55,520**	**10,000**	**65,520**	**4,468**	**23,941**	**37%**	**-**	**41,579**
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	400	-	400	-	-	0%	-	400
In-State Registration	100		100	-	-	0%		
Reportable Meals	150	-	150	20	107	71%	-	43
In State - Lodging	700	-	700	-	-	0%	-	700
Total Travel	**1,350**	**-**	**1,350**	**20**	**107**	**8%**	**-**	**1,143**
Total Other Operating Expenditures	**125,645**	**24,700**	**150,345**	**12,962**	**55,826**	**37%**	**-**	**94,419**
Total Insurance and Medical Services	**$ 558,663**	**$ 39,656**	**$ 598,319**	**$ 49,133**	**$ 217,577**	**36%**	**$ -**	**$ 380,642**

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
November 30, 2011

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Expended November	Year to Date	%	Encumb	Balance
				Year-To-Date : 41.67%				
Judicial								
Salaries								
Classified Positions	$ 351,750	$ 26,985	$ 378,735	$ 29,311	$ 145,948	39%	$ -	$ 232,787
Total Salaries	**351,750**	**26,985**	**378,735**	**29,311**	**145,948**	**39%**	**-**	**232,787**
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	80	-	80	-	-	0%	-	80
Copy Equipment Services	850	-	850	-	303	36%	-	547
Print/Bind/Advertisement	800	-	800	-	253	32%	-	547
Print Pub Annual Reports	20	-	20	-	-	0%	-	20
Data Processing Services	23,000	9,000	32,000	4,083	12,842	40%	-	19,158
Telephone	2,000	-	2,000	208	833	42%	-	1,167
Cellular Phone Service	1,104	-	1,104	170	352	32%	-	752
Other Professional Services	200	-	200	-	-	0%	-	200
Total Contractual Services	**28,054**	**9,000**	**37,054**	**4,460**	**14,583**	**39%**	**-**	**22,471**
Supplies & Materials								
Office Supplies	2,000	-	2,000	396	723	36%	-	1,277
Copying Equipment Supplies	1,200	1,000	2,200	238	923	42%	-	1,277
Printing	1,000	-	1,000	70	307	31%	-	693
Data Processing Supplies	75	-	75	-	-	0%	-	75
Postage	9,000	-	9,000	676	3,600	40%	-	5,400
Maintenance/Janitorial Supplies	150	-	150	-	35	23%	-	115
Promotional Supplies	20	-	20	-	-	0%	-	20
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	**13,545**	**1,000**	**14,545**	**1,379**	**5,587**	**38%**	**-**	**8,958**
Fixed Charges								
Rental-Cont Rent Payment	1,750	500	2,250	175	811	36%	-	1,439
Rent-Non State Owned Property	60,000	1,000	61,000	5,159	25,795	42%	-	35,205
Rent-Other	125	-	125	-	-	0%	-	125
Insurance-State	1,121	500	1,621	-	595	37%	-	1,026
Insurance-Non State	120	-	120	-	-	0%	-	120
Total Fixed Charges	**63,116**	**2,000**	**65,116**	**5,334**	**27,201**	**42%**	**-**	**37,915**
Travel (Includes Leased Car)								
In State - Meals / Non-Reportable	250	-	250	-	125	50%	-	125
Reportable Meals	250	500	750	73	304	41%	-	446
In State - Lodging	750	1,000	1,750	-	599	34%	-	1,151
In State - Auto Mileage	1,200	1,000	2,200	188	703	32%	-	1,497
In State - Misc Travel Expense	100	-	100	-	-	0%	-	100
In-State Registration	100		100	-	-	0%		100
Out State - Auto Mileage	300		300	-	-	0%	-	300
Total Travel	**2,950**	**2,500**	**5,450**	**261**	**1,731**	**32%**	**-**	**3,719**
Total Other Operating Expenditures	**107,665**	**14,500**	**122,165**	**11,435**	**49,102**	**40%**	**-**	**73,063**
Total Judicial	**$ 459,415**	**$ 41,485**	**$ 500,900**	**$ 40,746**	**$ 195,051**	**39%**	**$ -**	**$ 305,849**
Earmarked Funds								
Department Totals								
Commissioners	$ 522,501	$ -	$ 522,501	$ 39,888	$ 198,615	38%	$ -	$ 323,886
Administration	663,662	112,534	776,196	61,252	250,475	32%	-	525,721
Claims	466,390	-	466,390	39,942	192,620	41%	-	271,499
Insurance & Medical	558,663	39,656	598,319	49,133	217,577	36%	-	380,642
Judicial	459,415	41,485	500,900	40,746	195,051	39%	-	305,849
Total Departmental Expend	**$ 2,670,631**	**$ 193,675**	**$ 2,864,306**	**$ 230,961**	**$ 1,054,338**	**37%**	**$ -**	**$ 1,807,597**
Employer Contributions	448,184		448,184	36,421	202,691	45%	-	245,493
Total Earmarked Funds	**$ 3,118,815**	**$ 193,675**	**$ 3,312,490**	**$ 267,382**	**$ 1,257,029**	**38%**	**$ -**	**$ 2,053,090**
Capital / Computer Project Carryforward	**$ 9,931**	**$ -**	**$ 9,931**	**$ -**	**$ 2,475**	**25%**		**$ 7,456**

MEMORANDUM

December 14, 2011

TO: Mr. Gary Cannon
Executive Director

FROM: Cathy Floyd
Human Resources

SUBJECT: Human Resource Report Period of November 9 – December 13, 2011

Below is a summary of the Human Resource activity for the period of November 9 – December 13, 2011.

Employee Relations (ER)

- Two ER issues were addressed during the activity period
- An employee injury was reported to CompEndium
- Have begun coordinating with Kim Ballentine on the content of the Employee Web Page
- The Toys for Tots Toy Drive was very successful, the collection bin was overflowing with toys
- The Holiday Luncheon will be held December 19, 2011 at noon

Reporting

- Reminded all employees of the Employee Performance Management System (EPMS) Planning Stage and continuous communication process

Benefits

- Assisted an employee with retirement/TERI participation
- Assisted an employee with insurance coverage changes
- Approved two insurance changes
- Completed two inquiries with the Retirement Systems for former employees
- 2012 Insurance Benefits Guide has been issued

SC Enterprise Information System (SCEIS)

- Processed an employment verification
- Twenty-four transactions were keyed into the system
- Assisted four employees with leave/time issues

Training

- Began coordinating the 2012 Leadership Retreat to be held January 20, 2012
- Attended the 2011 Membership Event co-sponsored by the SC Government Improvement Network and SC Society of Certified Public Managers
- Attended a SHRM webinar entitled Rethinking and Revitalizing Your Performance Management

WCC IT Projects Status Report

Period			12/19/11		Status Key:	Not Started	On Track	Timing

Projects

#	Key Projects	Sub Project	Regulation	Due Date	% of completion	% of time devoted to issue	Lead	Issues / Comments
2	PC and Server Refresh	Refresh		8/31/2011	95%	40%	Duane	Server in production 12/16/2011
2	PC and Server Refresh	Refresh		8/31/2011	95%	20%	Amanda	Ready for user testing
3	Phase II - Claims EDI release 3			April 2012	0%	10%	Duane	verification & validation of RIs 3 formats to RIs 1 formats
3	Phase II - Claims EDI release 3			April 2012	0%	45%	Amanda	Develop SC Standards
3	Phase II - Claims EDI release 3			April 2012	0%	5%	Betsy	Develp project plan and set meetings for SC Standards development
4h	Electronic Service Initiatives	67-213	hold until after EDI RLS 3	0	0%			Begin estimate of project plan
4i		67-213	hold until after EDI RLS 4	0	0%			Begin estimate of project plan
4j		67-211	TBD	0	0%			Tied to electronic payment
4k		67-205	TBD	0	0%			
4l		67-412	TBD	0	0%			
8	SC Voc. Rehab			2/1/2012	45%	30%	Betsy	Design Portal - send for estimate to Bravepoint

WCC IT Projects Status Report

Period			12/19/11		Status Key:	Not Started	On Track	Timing

9	Late fees	Automation of the Show Cause fines for printing invoices and letters automatically rather than manually		TBD	15%	10%	Betsy	Have requirements from Compliance - need to write up for Bravepoint.		
10	Lapse in Coverage notification	notification of canceled coverage for Home Builders Association request			50%	25%	Betsy	write up requirements for estimate		
					Projects Amanda	65%				
					Projects Duane	50%				
					Projects Betsy	60%				

WCC IT Projects Status Report

Period			12/19/11		Status Key:	Not Started	On Track	Timing

Maintenance

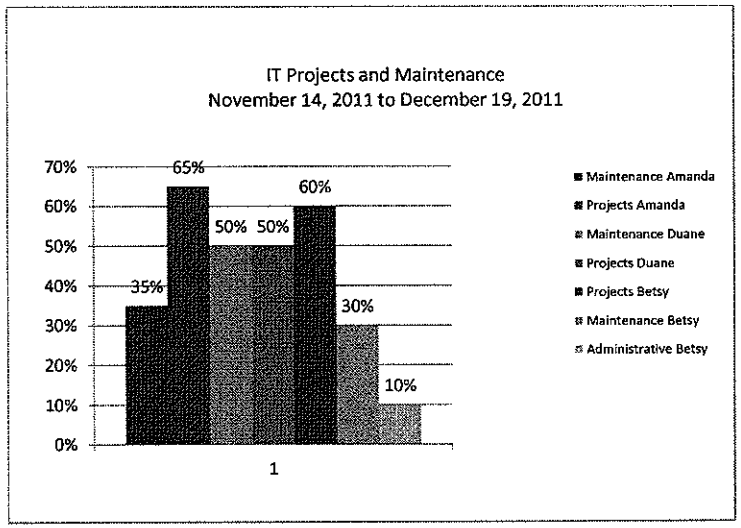
Priority	Maintenance issue	Project	Start date	Estimated completion	% complete	% of time devoted to issue	Assigned to	Status
2	POC issues	EDI Coverage	August	4/30/2011	95%	30%	Duane	Completed
8	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing		20%	Duane	
					Maintenance Duane	50%		
	Duplicate Claim calification template and email process	Imaging	April	5/31/2011		5%	Amanda	Completed
2	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing		30%	Amanda	General issues
					Maintenance Amanda	35%		
2	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing		30%	Betsy	
					Maintenance Betsy	30%		

WCC IT Projects Status Report

Period			12/19/11		Status Key:	Not Started	On Track	Timing

Administrative Betsy

#	Project	Sub Project		Due Date	% of completion	% of time devoted to issue	Assigned to	Status
2	PC and Server Refresh	Refresh		TBD	95%	5%	Betsy	Waiting on user testing
3	IT Help Desk Issues	Help Desk		ongoing	95%	0%	Betsy	Working on modifications to the application and each Director on priorities in each department. Will meet with G Cannon for over all prioitizaion
4	Contracts	DSIT		ongoing	85%	5%	Betsy	obtain information from other states
					Administrative Betsy	10%		



To: Gary M. Cannon
Executive Director, SCWCC

From: Grant W. Duffield
Insurance and Medical Services Director

Subj: Insurance and Medical Services Department
November 2011 Full Commission Report

Date: 14 – December – 2011

Mr. Cannon:

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

The statistical data concerning the IMS Department's November 2011 endeavors is organized as follows:

Page 1: Compliance Division Information.

Page 2: Coverage Division Information.

Page 3: Self Insurance and Medical Services.

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

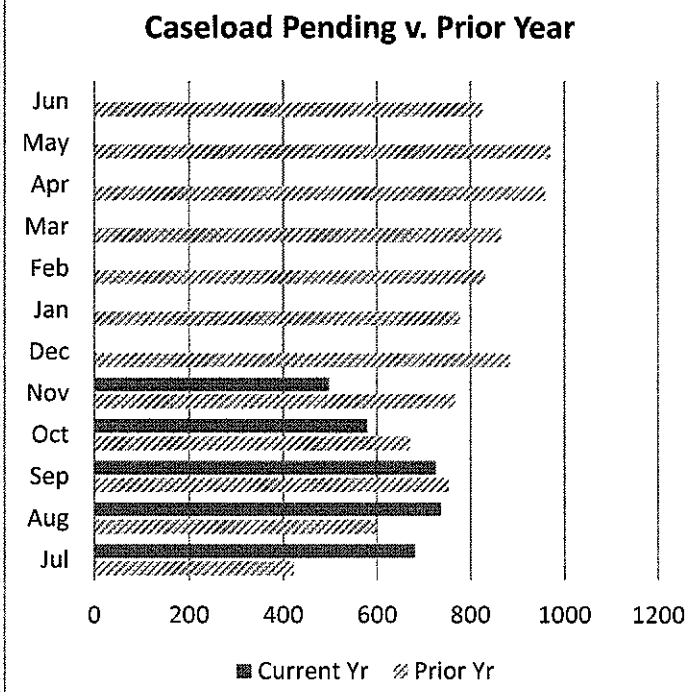
Compliance Division	1. Clarification leading to formal process by which fine settlement is pursued. 2. Issuance of initial GEAR employer file to SCDOR. 3. Establishment of future GEAR Hearing and administrative processes. 4. Identified outstanding carrier fines as workflow priority.
Coverage Division	1. Implementation of data clarification and file consolidation processes. 2. Evaluate the need for Form 39 submittal. 3. Attempt to gain more efficient access to State Accident Fund data.
Medical Services	1. Disputed Billing process improvements. 2. Medical Bill Reviewer approval standards and process.
IMS Administration:	1. Monthly department-wide meetings. 2. Weekly Division Mgrs meetings 3. Quarterly personnel evaluation coordinations. 4. Released "IMS Internal Customer Survey" instrument within agency. 5. Coordinating data collection effort for Surgical Implant and Fee Schedule initiatives.

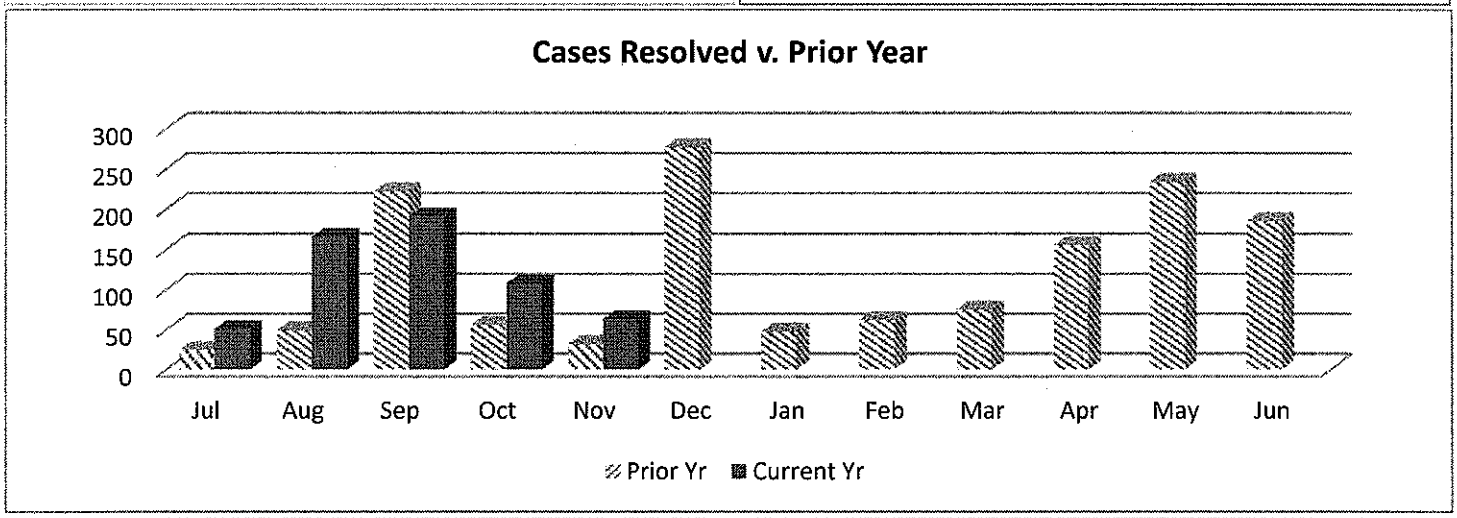
Mr. Cannon, while this summary is in no way all-inclusive, it may serve to assist you and our Commissioners in understanding the key initiatives underway in the IMS Department and provide measures by which the Department's effectiveness can be gauged. IMS welcomes any guidance that you and/or our Commissioners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

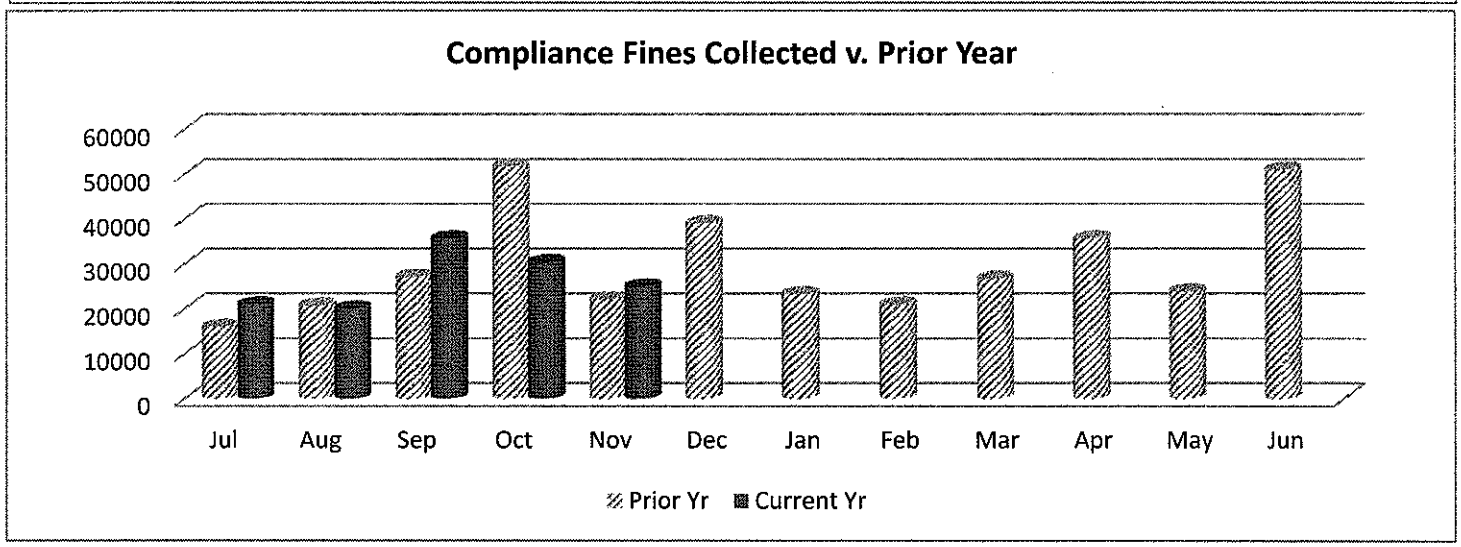
Carryover Caseload:
The Compliance Division is decreasing the "carry-over" caseload (backlog) in support of a 300 carry-over caseload metric. Year to Date, Compliance has managed as many cases this year (3,222) as the same time last year (3,216). For the month of November 2011, caseload carry-over is 65% of November 2010.

Cases Resolved:
Due to the decrease in carry-over, greater effort is focused on case resolution. Year to Date, Compliance has closed 50% more cases than at this time last year. In November, Compliance resolved 96% more cases than during November 2010.

Compliance Fines:
Year to Date, Compliance fines are being collected at a rate of 96% of prior year. Compliance fine revenue represents 19% of the Commission's annual earmarked revenue budget.

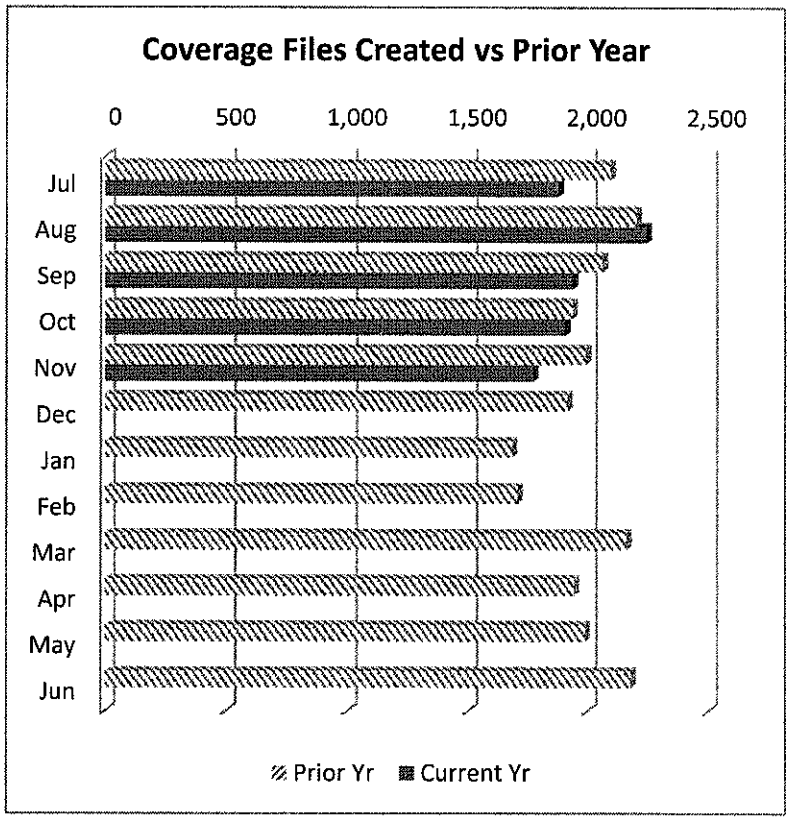


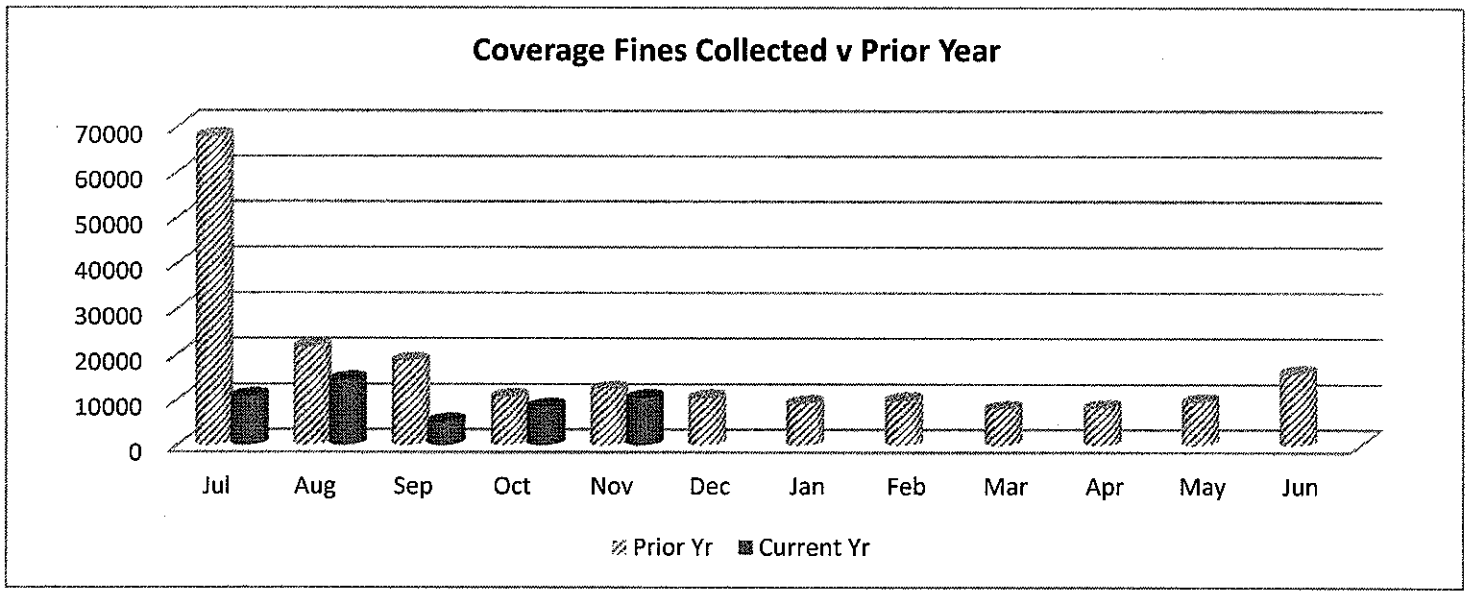




WCC Claim Files:
In November, the Coverage Division created a total of 1,774 WCC Claim files. Of these, 1,430 were created electronically, and 344 were submitted in hard copy format. Year to Date, 9,752 Claim files have been created which is 95% of claim file volume for the same time during the prior year.

Coverage Fines:
The Coverage Division collected $10,400 in fine revenue. Due to a reporting error, the amount of fines assessed during the month of November is not available.
Coverage Division fines represent 10% of the Commission's annual earmarked budget.





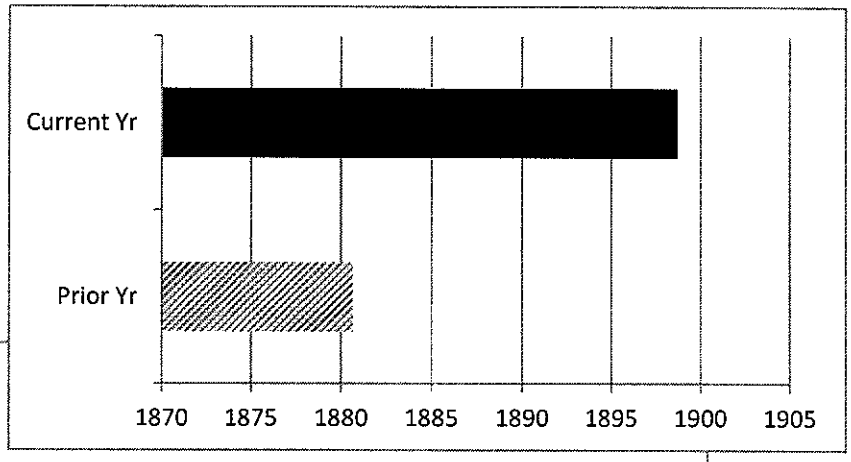
IMS Self Insurance Division

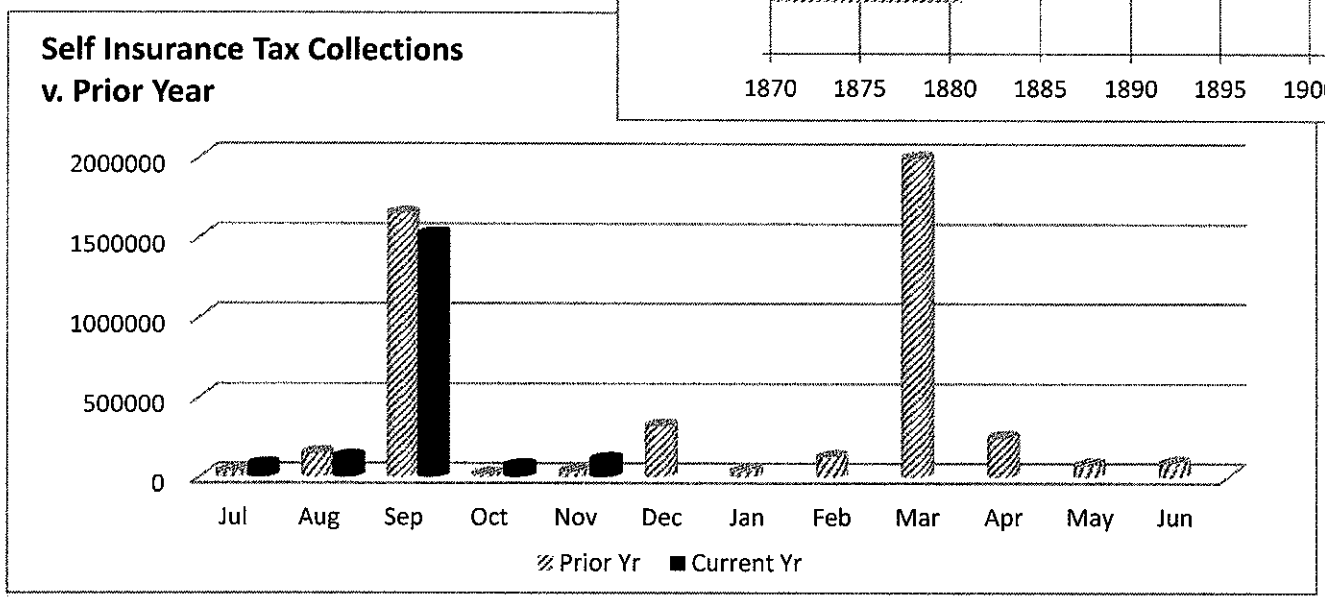
November 2011

During the month of November, the Self Insurance Division:

* collected $110,227 in self-insurance tax.
* added 6 new self-insurers.
* conducted 4 SI audits.

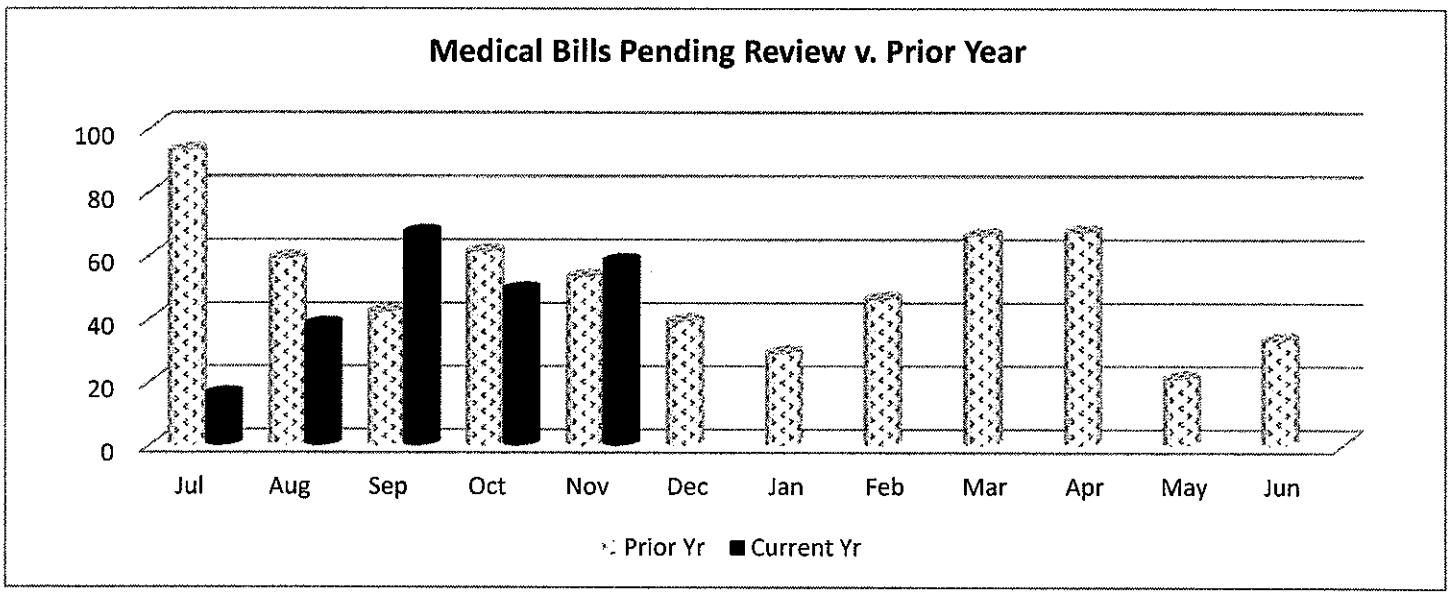
Year to Date, Self Insurance tax collections outpace prior year by $17,000.





IMS Medical Services Division

In November, the Medical Services Division began the month with 49 bills pending review, received an additional 57 bills for review and ended the month with 58 bills pending. Year to Date, Medical Services has seen a 50% reduction in the number of bills required for review.



TO: GARY CANNON, EXECUTIVE DIRECTOR

FROM: GREGORY S. LINE, DIRECTOR OF CLAIMS

SUBJECT: CLAIMS REPORT FOR THE MONTH OF NOVEMBER

DATE: 12/09/11

Fines assessed for the month of November 2011:

- We assessed **514** fines for the month of November which was up from assessing **504** fines for the month of October.
- The dollar amount of the fines assessed for the month November was **$113,450** which was up from assessing **$105,400** for the month of October.

Fines received for the month of November 2011:

- We received payment on **419** fines for the month of November which was slightly up from receiving **396** fines for the month of October.
- The dollar amount of fines received for the month November was **$85,100** which was slightly up from receiving **$81,300**for the month of October.

The number of fines assessed went down for the month of September and the number of fines collected went down slightly for the month:

July'10 fines assessed	**1,195**	July fines collected	**742**
August fines assessed	**699**	August fines collected	**722**
September fines assessed	**839**	September fine collected	**580**
October fines assessed	**560**	October fines collected	**599**
November fines assessed	**715**	November fines collected	**649**
December fines assessed	**661**	December fines collected	**488**
January '11 fines assessed	**701**	January fines collected	**510**
February fines assessed	**479**	February fines collected	**512**
March fines assessed	**579**	March fines collected	**552**
April fines assessed	**631**	April fines collected	**620**
May fines assessed	**487**	May fines collected	**577**
June fines assessed	**358**	June fines collected	**609**
July fines assessed	**487**	July fines collected	**543**
August fines assessed	**553**	August fines collected	**516**
September fines assessed	**469**	September fines collected	**406**

- October fines assessed **504** October fines collected **396**
- November fines assessed **514** November fines collected **419**

The fines assessed for Form 18's went up **26** fines for the month of November. The previous two months the fines had gone down **82** fines. We collected **$3,700.00** more for the month of November from the previous month. The last four months the Form 18 fines assessed have averaged **228** fines per month.

Since October 2010, we are averaging assessing **551** fines per month and collecting **528** fines per month. The Claims Department processed **4,696** Form 18's for the month of November.

I would think the fines being assessed, for Form 18's, would stay between 200 and 250 per month for the next several months.

CLAIMS DEPARTMENT REPORT

STATISTICS FOR FISCAL YEAR 2011-2012

Prepared December 13, 2011

I. Claims Services Division

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Forms 15 for TT/TP	2,327	2,541	2,183	2,268	2,077								11,396
Forms 16 for PP/Disf	195	350	316	292	246								1,399
Forms 18	5,595	5,867	5,373	5,165	4,696								26,696
Forms 20	978	1,042	1,087	965	992								978
Form 50 Claims Only	188	246	273	264	253								188
Form 61	673	829	561	884	625								3,572
Letters of Rep	165	196	177	167	211								916
Clinchers	864	975	946	953	793								4,531
Third Party Settlements	17	23	32	19	38								129
SSA Requests for Info	119	152	147	109	101								628
Cases Closed	2,038	2,935	2,090	2,101	2,321								11,485
Cases Reviewed	1,057	1,626	1,043	1,050	1,334								6,110

CLAIMS DEPARTMENT REPORT

STATISTICS FOR FISCAL YEAR 2011-2012

Prepared December 13, 2011

II. Fines Assesed by Claims Department

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Number Assessed	487	553	469	504	514								2,527
Number Rescinded	116	136	92	85	104								533
Number Reduced	25	19	18	16	29								107
Number Paid	543	516	406	396	434								543
Number Outstanding*	1,871	1,772	1,743	1,766	1,742								1,742
Total Amt. Assessed	$103,850	$120,450	$96,900	$105,400	$113,450								$540,050
Total Amt. Rescinded	$25,950	$29,550	$21,500	$17,000	$21,700								$115,700
Total Amt. Reduced	$3,825	$4,525	$2,650	$1,800	$4,250								$17,050
Total Amt. Paid	$111,875	$103,800	$83,300	$81,300	$88,100								$468,375
Total Outstanding*	$372,223	$354,798	$344,248	$349,548	$348,948								$348,948

Fines Collected Years 2007, 2008, 2009, 2010, 2011

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec
2007	21,620	34,891	36,520	35,339	45,785	36,760	46,555	68,018	49,261	58,934	45,203	40,261
2008	48,613	38,805	45,167	34,710	40,525	79,055	67,769	51,195	65,230	59,817	37,309	39,583
2009	37,080	44,750	35,960	49,842	93,182	65,351	100,383	119,853	100,026	66,565	61,627	54,390
2010	66,200	103,600	203,410	159,375	*218,150*	86,500	147,025	144,825	119,325	120,300	128,000	103,000
2011	104,200	101,700	110,650	119,525	117,875	124,650	111,875	103,800	83,300	81,300	85,100	

*May collected figures include payments 5/1/2010 through 6/11/2010

June collected figure includes payments 6/12/2010 through 6/30/2010*

Fine Report for May, June, July, August, September & October 2011

	Jun	Jul	Aug	Sept	Oct	Nov
Amt assess	$72,500	$103,850	$120,450	$96,900	$105,400	$113,450
# fines assess	358	487	553	470	504	514
Amt coll	$124,650	$111,875	$103,800	$83,300	$81,300	$85,100
Fines coll	609	542	516	406	396	434

Form 18's

Fines assess Daily	$28,000	$42,400	$50,300	$43,200	$47,700	$42,400
Fines assessed file review	$3,200	$ 6,200	$4,600	$ 4,800	$4,200	$13,200
Total amount Assessed	$31,200	$48,600	$54,900	$48,000	$51,900	$55,600
fines assess daily	140	181	206	184	225	190
# fines assess file review	16	26	18	22	20	36
Total fines assess	156	210	224	226	245	226
Amt coll	$91,250	$75,200	$61,350	$45,000	$40,000	$49,300
# coll	432	350	295	206	182	230

All other fines assessed

(Form 12-A, Form 15, Form 17, Form 19, denial letter, Form 20, failure to respond)

Amt assess	$41,300	$55,250	$65,550	$48,900	$57,400	$57,850
# fines assess	194	277	329	244	259	288
Amt paid	$33,400	$36,675	$42,450	$38,300	$41,300	$35,800
# fines pd	177	192	221	200	214	189

The dollar amount of fines assessed for each form, for the month of June, and fines collected for each form from November 1, 2011 through November 30, 2011
The number of fines assessed and collected, for each form, are in parenthesis.

	Assessed		Collected	
Form 12A -	$ 24,600.00	(123)	$ 14,100.00	(73)
Form 15 Section I -	$ 16,000.00	(66)	$ 10,750.00	(53)
Form 15 Section II -	$ 3,800.00	(18)	$ 2,750.00	(15)
Form 15 S -	$ 3,200.00	(16)	$ 2,000.00	(10)
Form 17 -	$ 1,200.00	(6)	$ 600.00	(3)
Form 18 -	$ 55,600.00	(226)	$ 49,300.00	(230)
Form 19 -	$ 1,050.00	(21)	$ 300.00	(6)
Denial letter -	$ 4,200.00	(21)	$ 2,000.00	(12)
Failure to respond -	$ 3,400.00	(17)	$ 3,300.00	(17)
Form 16	$ 400.00	(2)	$ 0	
TOTAL -	**$ 113,450**	**(514)**	**$ 85,100.00**	**(419)**

TO: Gary M. Cannon, Executive Director

FROM: Gregory S. Line

DATE: December 8, 2011

RE: Claims
Outstanding Fines Status

Below is the status of 4 companies that were sent a Second and Final Notice of fines Assessment on August 8, 2011.

1. YRC, Inc. (00767)
   a. Beginning bal $ 1,800.00
   b. Bal as of 12/8/11 **$ 400.00**

2. Accident Fund Ins. Co. of America (01072)
   a. Beginning bal $ 5,875.00
   b. Bal as of 12/8/11 $ 900.00

3. Lexington County Health Services (01702)
   a. Beginning bal $ 3,600.00
   b. Bal as of 12/8/11 **$ 1,800.00**

4. Preimer Group Ins. Co. (01100)
   a. Beginning bal $4,200.00
   b. Bal as of 12/8/11 **400.00**

TO: Gary M. Cannon, Executive Director

FROM: Gregory S. Line
Director of Claims

DATE: December 8, 2011

RE: Claims
Outstanding fine status

Below is a list of four carriers that were sent a Second and Final Notice of fines Assessment on July 14, 2011.

1. Electric Insurance Company (00497)
   a. Beginning bal $ 2,250.00
   b. Bal as of 12/8 /11 **$ 200.00**

2. US Fire Insurance Co. (00125)
   a. Beginning bal $ 2,000.00
   b. Bal as of 12/811 **$ 400.00**

3. Limitedbrands, Inc. (01644)
   a. Beginning bal $ 3,400.00
   b. Bal as of 12/8/11 **$ 1,200.00**

4. Great American Alliance Ins. Co. (00372)
   a. Beginning bal $ 7,400.00
   b. Bal as of 12/8/11 **$ 2,200.00**

TO: Gary M. Cannon, Executive Director

FROM: Gregory S. Line
Director of Claims

DATE: December 8, 2011

RE: Claims
Outstanding fine status

Below is a list of five carriers that were sent a Second and Final Notice of fines Assessment on February 28, 2011.

1. American Casualty Co. of Rdg PA (00017)
   a. Beginning bal $ 7,086.33
   b. Bal as of 12/8/11 **$ 400.00**

2. Lowe's Companies, Inc. (00946)
   a. Beginning bal $ 4,386.33
   b. Bal as of 12/8/11 **$ 886.33**

3. Kroger Company (01691)
   a. Beginning bal $ 4,000.00
   b. Bal as of 12/8/11 **$ 400.00**

4. SC School Board Self Ins. Trust Fund (00926)
   a. Beginning bal $ 9,600.00
   b. Bal as of 12/8/11 **$ 800.00**

5. Federal Express Corp. (00956)
   a. Beginning bal $ 1,400.00
   b. Bal as of 12/8/11 **$ 400.00**

TO: Gary M. Cannon, Executive

FROM: Gregory S. Line
Director of Claims

DATE: December 8, 2011

RE: Claims
Outstanding Fines Status

Below is a list of four carriers that were sent a Second and Final Notice of fines Assessment on February 18, 2011

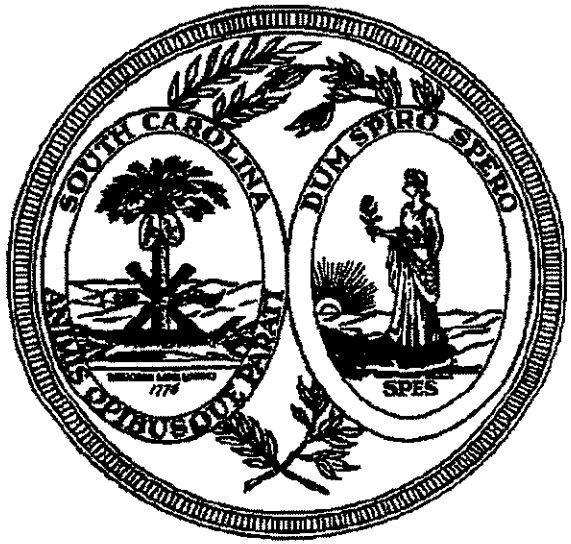
1. Williamsburg National Ins. Co. (01058).
   a. Beginning bal $ 1,200.00
   b. Bal as of 12/8/11 $ **200.00**

2. Safety National Casualty Corp. (01026)
   a. Beginning bal $ 1,800.00
   b. Bal as of 12/8/11 $ **400.00**

3. PA Manufacturers Assn. Ins. Co. (00394)
   a. Beginning bal $ 5,200.00
   b. Bal as of 12/8/11 $ **600.00**

4. Nash Johnson & Sons Farm, Inc. (00994)
   a. Beginning bal $ 4,800.00
   b. Bal as of 12/8/11 $ **400.00**

SCWCC Judicial Report



December 2011

Judicial Report

Month	Claimant Pleadings	Defense Response to Pleadings	Defense Pleadings	Motions	Clincher Conf. Requested	Informal Conf. Requested	Informal Conf. Conducted	Mediations	Form 30	FC Hearings Held	FC Orders Served	Single Comm. Hearings Held	D&O Served
Jul-11	856	736	256	91	103	389	167	2	41	18	48	150	180
Aug-11	707	642	292	109	99	413	356	0	47	28	40	160	169
Sep-11	706	544	276	94	87	378	359	126	29	21	15	157	131
Oct-11	771	586	283	81	115	456	208	2	38	28	31	137	188
Nov-11	724	606	297	108	120	342	238	167	57	11	35	158	161
Dec-11													
Jan-12													
Feb-12													
Mar-12													
Apr-12													
May-12													
Jun-12													
Totals FY 2011-2012	**3764**	**3114**	**1404**	**483**	**524**	**1978**	**1328**	**297**	**212**	**106**	**169**	**762**	**829**

Pleadings Assigned

Month	District 1 Greenville	District 2 Anderson	District 3 Orangeburg	District 4 Charleston	District 5 Florence	District 6 Spartanburg	District 7 Richland
Jul-11	85	106	103	153	155	139	163
Aug-11	140	104	122	199	149	184	183
Sep-11	121	95	128	143	152	131	148
Oct-11	118	97	134	198	128	132	144
Nov-11	159	94	133	151	121	138	191
Dec-11							
Jan-12							
Feb-12							
Mar-12							
Apr-12							
May-12							
Jun-12							
Totals FY 2011-2012	**623**	**496**	**620**	**844**	**705**	**724**	**829**

Informal Conference & Mediations

Staff		Mileage/ Hours	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Total
Staff 1	Greg	SVM	225.00	410.00	0.00	218.00	769.00								1622.00
		PVM	0.00	0.00	0.00	0.00	0.00								0.00
		Time	12.00	23.00	44.00	12.00	56.00								147.00
		Hotel	0.00	0.00	0.00	0.00	0.00								0.00
Staff 2	Ginger	SVM	426.00	187.00	0.00	620.00	455.00								1688.00
		PVM	0.00	43.00	28.00	34.00	390.00								495.00
		Time	32.00	26.00	48.00	44.50	51.00								201.50
		Hotel	0.00	0.00	0.00	0.00	0.00								0.00
Mediations		SVM	0.00	0.00	0.00	0.00	0.00								0.00
		PVM	0.00	0.00	301.00	0.00	0.00								301.00
		Time	0.00	0.00	133.00	0.00	12.00								145.00
		Hotel	0.00	0.00	0.00	0.00	0.00								0.00
Staff 3	Vivian	SVM	302.00	0.00	0.00	0.00	0.00								302.00
		PVM	0.00	0.00	0.00	0.00	0.00								0.00
		Time	28.00	8.00	8.00	0.00	0.00								44.00
		Hotel	0.00	0.00	0.00	0.00	0.00								0.00
Staff 4	Garry	SVM	713.00	509.00	725.00	273.00	552.00								2772.00
		PVM	0.00	0.00	0.00	0.00	0.00								0.00
		Time	38.50	32.50	41.00	27.50	31.50								171.00
		Hotel	0.00	0.00	0.00	0.00	0.00								0.00
Staff 5	Kelly	SVM	0.00	0.00	0.00	0.00	0.00								0.00
		PVM	0.00	0.00	0.00	0.00	0.00								0.00
		Time	0.00	13.00	24.50	12.50	12.50								62.50
		Hotel	0.00	0.00	0.00	0.00	0.00								0.00
Staff 6	Robin	SVM	0.00	0.00	0.00	0.00	0.00								0.00
	DiAnn	PVM	190.00	0.00	367.00	139.00	56.00								752.00
		Time	43.50	18.50	86.00	23.00	27.50								198.50
		Hotel	0.00	0.00	0.00	0.00	0.00								0.00

	Totals FY 2011-2012
SVM = State Vehicle Miles	6384.00
PVM = Personal Verhicle Miles	1548.00
T = Time	969.50
H = Hotel Cost	0.00

State of South Carolina

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Workers' Compensation Commission

Executive Director's Report
Gary M. Cannon
December 19, 2011

Employee Meetings/Staff Training
The All Employee Meeting was held on November 17, 2011. Ten employees participated in the employee focus group with the Executive Director on November 18. Executive Staff met on November 29. The Executive Staff/Leadership Team met on December 6, 2011. The Executive Team Leadership retreat is scheduled for January 20, 2012.

Constituent /Public Information Services
For the period November 10 through December 14 the Executive Director's Office had 176 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.

Regulation 67-1302. Maximum Allowable Payments to Medical Practitioners
At a Special Business meeting on September 12, 2011, the Commission voted to proceed with the promulgation of the amendment to Regulation 67-1302(A). The proposed amendment removes language in the current regulation that limits the Commission to using a relative value scale and a conversion factor when establishing maximum allowable payments for medical service providers. On November 18, 2011 the proposed amendment was submitted to the State Register's Office for legislative review.

Regulation 67-706. Oral Argument
The Commission approved a motion at the April 27, 2009 Full Commission Business Meeting that a regulation be drafted for parties to show up and sign in thirty minutes prior to their Appellate Hearing. No action had been taken by the Commission to proceed with publishing the Notice of Drafting. At the September 19, 2011 Full Commission Business Meeting, Chairman Beck instructed staff to initiate the process to publicize the Notice of Drafting. A Notice of Drafting was submitted to the State Register's Office on November 29, 2011 for publication in the December 23, 2011 issue of the *State Register.* Comment period closes 5:00 p.m. January 24, 2012.

GEAR Program
On November 30 the Commission submitted the names of 17 employers to the SC Department of Revenue for collection of $1.2 million of outstanding debt owed to the Commission. The SCDOR will utilize the GEAR program to collect the funds.

Informal Conferences
On December 14 the Executive Director and the Claims Director led a focus group discussion on the Informal Conference process. Sixteen employer/carrier representatives participated and provided good comments and suggestions for improvements.

Other Meetings
- Attended the MGC Educational Conference in Charlotte, NC with Chairman Beck - November 17
- Conference call James Blake, Business Vitals – November 18
- Participated in the SCWCEA Medical Seminar Planning Committee on November 21
- Conference Call with OptumInsight - November 22 re: MSPM Revision Data Request
- Bill Hunnell, Liberty Mutual – December 7

Court Fines and Assessments Aging Report
The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for the period ending November 30, 2011.

Vocational Rehabilitation
We continue to work with Vocational Rehabilitation to develop a portal for them to have electronic access to our case data base. The technical requirements are complete and we are waiting on cost estimates for programming changes. We anticipate presenting the Memorandum of Understanding between the Commission and Vocational Rehabilitation at the Commission Business meeting on January 17.

DSIT Contract
We continue to operate under the previous contract. I have contacted two other third party vendors to discuss IT services. I am awaiting supplemental information.

Interpreters for Commissioners' Hearings
We are continuing our research on policies and procedures for court interpreters. We anticipate providing a final report at the Business meeting in January.

Fines and Assessments Aging Report
Monthly Totals

12/14/2011

Summary All Depts.		August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Total	$1,241,794	$1,159,840	$1,234,176	$1,208,332	$1,304,713							
Count	3,499	3,396	3,427	3,479	3,449							
> 91 Days	$1,012,890	$910,973	$900,257	$909,163	$896,275							
Count	2,726	2,589	2,522	2,577	2,508							
61-90 Days	$59,842	$36,867	$48,768	$45,694	$49,704							
Count	197	109	164	188	166							
31-60 Days	$72,480	$66,439	$83,613	$80,385	$114,064							
Count	204	230	289	251	285							
< 30 days	$96,582	$145,561	$201,538	$173,090	$244,669							
Count	372	468	452	463	490							
Of Fines Over 90 Days Old												
Orders	$2,585	$2,485	$2,385	$2,385	$2,385							
Count	10	9	8	8	8							
Judgments	$200,174	$251,597	$253,507	$253,387	$253,267							
Count	532	542	542	541	540							

Claims	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Division Total	$648,378	$627,953	$627,083	$637,413	$641,193							
Count	3,094	2,991	2990	3044	3036							
> 91 Days	$498,178	$467,253	$453,533	$467,113	$453,343							
Count	2423	2284	2219	2271	2204							
61-90 Days	$31,950	$19,150	$34,800	$35,000	$29,750							
Count	147	94	150	159	145							
31-60 Days	$38,300	$49,250	$59,250	$45,700	$56,600							
Count	180	214	256	213	254							
< 30 days	$79,950	$92,300	$79,500	$89,600	$101,500							
Count	344	399	365	401	433							
Of Fines Over 90 Days Old												
Orders	$2,585	$2,485	$2,385	$2,385	$2,385							
Count	10	9	8	8	8							
Judgments	$93,468	$93,468	$92,848	$92,728	$92,608							
Count	479	479	478	477	476							

Compliance	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Division Total	$502,164	$446,015	$513,772	$480,998	$581,760							
Count	173	172	196	199	228							
> 91 Days	$449,998	$368,741	$366,445	$364,597	$363,722							
Count	143	127	131	135	134							
61-90 Days	$7,390	$16,973	$13,393	$6,750	$19,036							
Count	5	12	10	10	15							
31-60 Days	$31,637	$16,471	$19,675	$31,993	$55,977							
Count	14	11	10	22	23							
< 30 days	$13,139	$43,830	$114,259	$77,659	$143,025							
Count	11	22	45	32	56							
Of Fines Over 90 Days Old												
Orders												
Count												
Judgments	$106,706	$158,129	$160,659	$160,659	$160,659							
Count	53	63	64	64	64							

Coverage	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Division Total	$64,650	$60,400	$66,700	$63,300	$55,900							
Count	170	174	174	169	123							
> 91 Days	$42,450	$51,600	$56,500	$53,100	$54,500							
Count	113	130	123	118	116							
61-90 Days	$19,200	$200	$0	$3,400	$200							
Count	42	1	0	17	1							
31-60 Days	$1,600	$0	$4,000	$1,400	$1,200							
Count	8	0	20	7	6							
< 30 days	$1,400	$8,600	$6,200	$5,400	$0							
Count	7	43	31	27	0							
Of Fines Over 90 Days Old												
Orders												
Count												
Judgments												
Count												

Judicial	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Division Total	$26,601	$25,471	$26,620	$26,620	$25,859							
Count	62	59	67	67	62							
> 91 Days	$22,263	$23,378	$23,778	$24,353	$24,710							
Count	47	48	49	53	54							
61-90 Days	$1,302	$544	$575	$544	$718							
Count	3	2	4	2	5							
31-60 Days	$944	$718	$687	$1,293	$287							
Count	2	5	3	9	2							
< 30 days	$2,093	$831	$1,580	$431	$144							
Count	10	4	11	3	1							

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Workers' Compensation Commission

TO: **SCWCC Commissioners**

FROM: **Hal Willson, Chairman**
Pharmacy Fee Schedule Advisory Committee

DATE: **November 10, 2011**

RE: **Pharmacy Fee Schedule Advisory Committee Recommendation**

Issue: In recent years, the South Carolina Workers' Compensation system has seen a significant rise in the volume of physician dispensed, "repackaged" medication. The reimbursement model currently employed by the SCWCC does not equitably address "repackaged" medications, creating substantial imbalance in the WC prescription medication marketplace and driving up overall system costs.

Challenge: Given the presence of "repackaged" medications in the WC system, the SCWCC is tasked with determining a reimbursement approach/methodology that effectively regulates "repackaged" medication in a manner that is equitable for all involved.

Background: Acting in response to concerns raised within the Workers' Compensation community, on March 21, 2011, the South Carolina Workers' Compensation Commission approved the formation of a "Pharmacy Fee Schedule Advisory Committee" (membership roster attached) to develop a strategy for addressing the presence of "repackaged" medication in the Workers' Compensation system. The committee convened on June 24, 2011 with Mr. Harold Willson serving as Chair. Over the course of meetings held on June 24, August 26 and October 7, Mr. Willson and the committee examined numerous elements of the "repackaged medication" issue. These elements included:

1. Review of the existing Pharmacy Fee Schedule model.
2. Reconsideration of "Average Wholesale Price" (AWP) as the key determinant in prescription reimbursement.
3. Issues of fair and equitable return for local pharmacy operators under a revised reimbursement model.
4. Consideration of the cost components that comprise the "repackaging" process.
5. Comparison of the cost of repackaged medication to non-repackaged medication.

Recommendation: Based upon the research and study conducted by the members of the Pharmacy Fee Schedule Advisory Committee, the following recommendation is proposed:

Payment for prescription drugs is limited to the amount established by the following formula, or by the pharmacist's or health care provider's usual and customary charge, whichever is less. The formula applies to both brand name and generic drugs. However, all prescriptions must be filled using generic drugs, if available, unless the authorized treating physician directs that it be dispensed as written.

Average Wholesale Price + $5.00 Dispensing Fee

All bills under this section shall be itemized for proper reimbursement. Bills submitted for reimbursement shall be based on the original manufacturer's Average Wholesale Price (AWP) of the drug product on the date the drug was dispensed, and must include the National Drug Code (NDC) of the product dispensed. Medi-Span, published by Wolters-Kluwer Health, shall be used as the source for determining the average wholesale price (AWP). Where the AWP of a medication is not published by Medi-Span, any nationally published pharmacy price index may be used as a secondary source. Any issue arising as to the source of average wholesale price may be administratively reviewed by the Commission's Medical Services Division.

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

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

Bills for repackaged drug products must include the original manufacturer or distributor's stock package NDC used in the repackaging process. Reimbursement for a drug that has been repackaged or relabeled shall be calculated by multiplying the number of units dispensed times the per-unit AWP set by the original manufacturer for the underlying drug, plus a $5.00 dispensing fee, expect where the carrier has contracted for a different amount.

If the original manufacturer's or distributor's stock package NDC information is not provided or is unknown, the payer shall select the most reasonable and closely associated AWP to use for reimbursement of the repackaged drug. In no case shall the repackaged or relabeled drug price exceed the amount otherwise payable had the drug not been repackaged or relabeled. Manufacturers of a repackaged or relabeled drug shall not be considered an "original manufacturer".

Compound drugs shall be billed by listing each drug included in the compound by NDC, and calculating the charge for each drug separately. Payment shall be based on the sum of the fee for each ingredient, plus a single dispensing fee of $5.00. If the NDC for any compounded ingredient is a repackaged medication NDC, reimbursement for the repackaged ingredient(s) shall be calculated as provided above. No payment shall be required for an ingredient not identified by an NDC.

Pharmacy Fee Schedule Advisory Committee
October 7, 2011

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STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

)

BEFORE THE SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

In Re: Average Weekly Wage
Maximum Compensation Rate
Effective January 1, 2012

The South Carolina Department of Employment and Workforce has certified the average weekly wage in South Carolina for the period of July 1, 2010 through June 30, 2011, was Seven Hundred twenty Five Dollars and Forty Seven cents ($725.47). South Carolina Code Ann. Section 42-9-10, provides, in pertinent part, that "The injured employee may not be paid more each week than the average weekly wage in this State for the preceding fiscal year." Therefore according to South Carolina Code Sections 42-1-50; 42-9-10; and 42-9-20, et seq. (Law. Co-op 1976), the maximum weekly compensation rate for injuries arising on and after January 1, 20121, shall be Seven Hundred twenty Five Dollars and Forty Seven cents ($725.47).

AND IT IS SO ORDERED!

T. Scott Beck, Chairman

Susan S. Barden, Vice Chair

G. Bryan Lyndon, Commissioner

Andrea C. Roche, Commissioner

Avery B. Wilkerson, Jr. Commissioner

Derrick L. Williams, Commissioner

In Chambers
Columbia, South Carolina

Date

PO Box 995
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Nikki R. Haley
Governor

Abraham J. Turner
Executive Director

December 12, 2011

Mr. Gary Cannon
Office of Executive Director
Workers' Compensation Commission
1333 Main Street
Columbia, SC 29202-1715

Re: Average Weekly Wage

Dear Mr. Cannon,

This is in reference to your correspondence sent to Abraham Turner dated November 30, 2011, in which you requested the average weekly wage.

This letter certifies that the average weekly wage for July 1, 2010 through June 30, 2011 as computed under South Carolina Employment Security Law was $725.47.

If you should have any questions or need any further information, please contact Brenda Lisbon, Labor Market Information Manager, at 737-2813.

Sincerely,

Nicholas J. Anderson, PhD
Assistant Executive Director
Employment and Training Division

cc: Abraham J. Turner

AJT:tcm

ES-8

"Putting South Carolinians Back to Work"