

## A G E N D A

### SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

**November 14, 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 November 14, 2011 *CHAIRMAN BECK*
  
2. APPROVAL OF MINUTES OF BUSINESS MEETING of October 24, 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)	<i>MS. GANTT</i>
Human Resources (Tab 4)	<i>MS. FLOYD</i>
Information Services (Tab 5)	<i>MS. HARTMAN</i>
Insurance & Medical Services (Tab 6)	<i>MR. DUFFIELD</i>
Claims (Tab 7)	<i>MR. LINE</i>
Judicial (Tab 8)	<i>MS. CROCKER</i>
  
6. EXECUTIVE DIRECTOR'S REPORT (Tab 9) *MR. CANNON*
  
7. OLD BUSINESS *CHAIRMAN BECK*
  
8. NEW BUSINESS *CHAIRMAN BECK*
  - A. Proposed 2012 Commission Calendar (10) Mr. Cannon
  - B. Contract for Updating the Medical Services Provider Manual (11) Mr. Cannon
  - C. Pharmacy Fee Schedule Advisory Committee Recommendation (12) Mr. Hal Willson, Esq.
  
10. ADJOURNMENT *CHAIRMAN BECK*

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<b>9</b>	<b>Executive Director's Report</b>
<b>10</b>	<b>2012 Commission Calendar</b>
<b>11</b>	<b>Contract for Updating the Medical Services Provider Manual</b>
<b>12</b>	<b>Pharmacy Free Schedule Advisory Committee Recommendation</b>

THE  
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION  
BUSINESS MEETING

**Monday, October 24, 2011**

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, October 24, 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 at the meeting:

T. SCOTT BECK, INTERIM CHAIRMAN  
SUSAN S. BARDEN, VICE CHAIR  
DAVID W. HUFFSTETLER, COMMISSIONER  
G. BRYAN LYNDON, COMMISSIONER  
ANDREA C. ROCHE, COMMISSIONER  
AVERY B. WILKERSON, JR., COMMISSIONER  
DERRICK L. WILLIAMS, COMMISSIONER

Present also were Gary M. Cannon, Executive 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 Mark Arden and Clara Smith, Injured Workers Advocates; AnnMargaret McCraw, Midlands Orthopaedics/SC Orthopaedic Association; and Ashley Hunter, McKay Law Firm.

Chairman Beck called the meeting to order at 10:33 a.m.

**AGENDA**

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

**APPROVAL OF MINUTES – BUSINESS MEETING OF SEPTEMBER 19, 2011**

Commissioner Roche moved that the minutes of the Business Meeting of September 19, 2011 be approved. Commissioner Williams 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. Eight (8) prospective members of two (2) funds were presented to the Commission for approval. The applications were:

**Palmetto Timber Fund**

Bruce Stone LLC

**SC Home Builders SIF**

East Coast Restoration LLC

Grady H Snipes Construction & Home Remodeling Inc.

Lancaster Exterminating

Muns Builders

Paragon Custom Construction LLC

Skolas Construction of South Carolina LLC

Steve Dominick dba Oliver Dominick & Son Contractors

After examination of the applications, it was determined that each complied with the Commission's requirements and each was recommended for approval. Commissioner Wilkerson made the motion to approve the applications to self-insure, and Commissioner Williams 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 September 30, 2011. The benchmark for September is 25%. The Commission's revenues are at 24.55%, and expenses are at 27%. Ms. Gantt noted that the benchmark for salaries is high due to three payrolls were processed during the month of September.

**Human Resources Department**

Cathy Floyd presented the Human Resources report for the period of September 14 – October 11, 2011.

- The United Way Campaign concluded on October 7, 2011 with 31% participation.
- The annual Equal Employment Opportunity Report was submitted to the General Assembly on October 3, 2011. The Commission reached 100% goal attainment for the third consecutive year.
- October 1, 2011 was the universal review date for the Employee Performance Management System. Ms. Floyd reported a 65% completion rate. There is a 30-day window for submission after the review date or the rating results in a successful by default in the system.
- Insurance Open Enrollment ends October 31, 2011.

**Information Services**

Betsy Hartman presented the Information Services Department's report. IT is in the final stages of implementing the new SQL server. Ms. Hartman said that IT is exploring the potential of the Commissioners using iPads for access to case file documents while conducting hearings across the state. DSIT is looking into the licensing and security issues as well as data plan costs.

### **Insurance & Medical Services**

Grant Duffield presented the Insurance & Medical Services Department's report. The Compliance Division issued 62 violation letters, received 34 compliance agreements, and issued 15 subpoenas during the month of September. The next Order and Rule to Show Cause Hearing is scheduled for Thursday, October 27, 2011. Three orders resulting from the August 29, 2011 Order and Rule to Show Cause Hearing were published in September, and three civil judgments were filed. Medical Services has 67 billing disputes outstanding.

### **Claims Department**

Greg Line presented the Claims Department's report. There were 469 fines assessed during September, down from 552 in August; 406 fines received during September, down from 516 in August; and 5,373 Form 18s processed for the month of September, down from 5,867 in August.

### **Judicial Department**

Virginia Crocker presented the Judicial Department's report. The number of claimant pleadings remains consistent with previous month. A total of 126 cases were mediated during September and 124 of those cases were settled. Commissioner Williams requested district names be listed on the Pleadings Assigned Report.

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

Gary Cannon, Executive Director, presented his report which was also submitted to the Commission in written form.

### **FY 2010-2011 Accountability Report**

The FY 2010-2011 Accountability Report was submitted to the Office of State Budget on October 19, 2011.

### **FY 2012-2013 Budget Plan**

The FY 2012-2013 Budget Plan was submitted to the Office of State Budget on September 30, 2011.

### **Ethics Training for Commissioners and Administrative Assistants**

The three hours required ethics and APA training for the Commissioners and Administrative Assistants is scheduled for Tuesday, November 15, 2011 from 1:00 p.m. to 4:00 p.m. The Informal Conference mediators will participate also.

### **Pharmacy Fee Schedule Advisory Committee**

The Pharmacy Fee Schedule Advisory Committee met on Friday, October 7, 2011. A proposed recommendation was adopted and will be presented to the Commission at the Business Meeting on November 14, 2011.

### **Surgical Implant Advisory Committee**

The Surgical Implant Advisory Committee met October 21, 2011. Eric Anderson from Optum Consulting met with the Committee to discuss the process and data necessary to conduct the financial analysis.

## **Mediation Regulation Advisory Committee**

The Mediation Regulation Advisory Committee will hold its first meeting on Friday, October 28, 2011.

### **OLD BUSINESS**

#### **A. Court Interpreters**

Commissioner Roche said that recently a couple of lawyers shared their concern with her about family members, paralegals, etc., providing interpreter services and requested the Commission consider regulating or establishing requirements for the use of court interpreters and translators. Following discussion it was decided Mr. Cannon would check with other states to see how they deal with court interpreters.

### **NEW BUSINESS**

There was no new business.

### **ADJOURNMENT**

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

The October 24, 2011 meeting of the South Carolina Workers' Compensation Commission adjourned at 10:48 a.m.

Reported November 1, 2011

Kim Ballentine, Office of the Executive Director

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**INTEROFFICE MEMORANDUM**

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**TO:** GARY CANNON, EXECUTIVE DIRECTOR  
**FROM:** DIANA GANTT, DIRECTOR OF ADMINISTRATION  
**SUBJECT:** FINANCIAL REPORT PERIOD ENDING OCTOBER 31, 2011  
**DATE:** 11/9/2011

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The Summary of Revenues and Expenditures for the period ending October 31, 2011, is attached.

- October is the 4th Fiscal Month of FY12.
- There were 52 payments made to vendors, travelers, and other State Agencies.
- The benchmark for October 33.33%. The Commission's revenues are at 30.60% and expenses are at 31.6%.
- The following is a summary of each department expenditure benchmarks:

General Fund: Total Expenses are at 33%.

Earmark Fund:

*Commissioners –*

- Total expenditures are at 30% of budget.

*Administration –*

- Overall the expenditures are 29% of budget.

*Claims –*

- Expenditures are at 33% of budget.

*Insurance & Medical –*

- Total expenditures are at 30% of budget.

*Judicial –*

- Total expenditures are at 34% of budget.

Activity Report from the Procurement Office:

SCEIS Shopping Carts	0	Staples Orders Placed	5
Vendors Contacted for Price Quotes	13	State Leased Vehicles taken for Service	4
Visa Procurement Card Orders Placed	5	State Reports filed by Procurement Officer	8
SC Dept of Corrections Orders Placed	0		

Mail Room Activity:

Files Copied for Outside Parties	188
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**South Carolina Workers' Compensation Commission**  
**Summary of Revenues and Expenditures**  
**2011 - 2012 Budget**  
**October 31, 2011**

	Budget	FY To Date	Benchmark	<b>33.33%</b>
<b>STATE APPROPRIATIONS</b>				
General Appropriation	<u>\$ 1,743,070</u>	<u>\$ 581,023.33</u>		33.33%

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,329,429	\$ 443,143	\$ 886,286	33.3%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	413,641	128,475	285,166	31.1%
<b>Total</b>	<u><b>\$ 1,743,070</b></u>	<u><b>\$ 571,617</b></u>	<u><b>\$ 1,171,453</b></u>	<u><b>32.8%</b></u>

**OTHER APPROPRIATIONS**

EARMARKED	Budgeted Revenues	Received thru 10/31/11	% Received
Training Conference Registration Fee	\$ 1,000	\$ 3,000	300.00%
Sale of Publication and Brochures	8,000	2,550	31.88%
Workers' Comp Award Review Fee	75,000	24,750	33.00%
Sale of Photocopies	95,000	33,095	34.84%
Workers' Compensation Filing Violation Fee	1,891,000	549,030	29.03%
Sale of Listings and Labels	30,000	9,462	31.54%
Workers' Comp Hearing Fee	600,000	204,275	34.05%
Earmarked Funds - Original Authorization	<u>\$ 2,700,000</u>	<u>\$ 826,161</u>	<u>30.60%</u>
Increase Authorization	418,815		
<b>Total Earmarked Revenues + Fund Balance</b>	<u><b>\$ 3,118,815</b></u>		

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,412,015	\$ 450,522	\$ 961,493	31.9%
Taxable Subsistence	72,350	21,756	50,594	30.1%
Other Operating Expenses	1,186,266	351,292	834,974	29.6%
Employer Contribution	448,184	166,687	281,497	37.2%
<b>Total Earmarked</b>	<u><b>\$ 3,118,815</b></u>	<u><b>\$ 990,256</b></u>	<u><b>\$ 2,128,559</b></u>	<u><b>31.8%</b></u>

**COMPUTER FUNDS CARRIED FORWARD**

	<u>\$ 9,931</u>			
Computer Services - Carry forward	<u>\$ 9,931</u>	<u>\$ 2,475</u>	<u>\$ 7,456</u>	<u>24.9%</u>

**TOTAL OTHER APPROPRIATIONS**

	<u><b>\$ 3,138,677</b></u>	<u><b>\$ 992,731</b></u>	<u><b>\$ 2,136,014</b></u>	<u><b>31.6%</b></u>
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**South Carolina Workers' Compensation Commission**  
**2011 - 2012 Budget**  
**October 31, 2011**

**Consolidated**

Year-To-Date : 33.33%

	Original Budget	Budget Amendments	Amended Budget	Expended September	Year to Date	%	Encumb	Balance
<b>Commissioners</b>								
Salaries	\$ 1,142,594	\$ -	\$ 1,142,594	\$ 47,228	\$ 378,504	33%	\$ -	\$ 50,594
<b>Other Operating Expenditures</b>								
Total Contractual Services	206,100	-	206,100	21,812	59,759	29%	-	146,341
Total Supplies & Materials	17,499	-	17,499	1,602	4,779	27%	-	12,720
Total Fixed Charges	146,102	-	146,102	12,625	48,350	33%	-	97,752
Total Travel	80,450	-	80,450	8,024	24,082	30%	-	56,368
<b>Total Other Operating Exp</b>	<b>450,151</b>	<b>-</b>	<b>450,151</b>	<b>44,063</b>	<b>136,970</b>	<b>30%</b>	<b>-</b>	<b>313,181</b>
<b>Total Commissioners</b>	<b>\$ 1,592,745</b>	<b>\$ -</b>	<b>\$ 1,592,745</b>	<b>\$ 91,291</b>	<b>\$ 515,474</b>	<b>32%</b>	<b>\$ -</b>	<b>\$ 363,775</b>
<b>Administration</b>								
Salaries	\$ 458,224	\$ -	\$ 458,224	\$ 18,865	\$ 153,603	34%	\$ -	\$ 304,621
<b>Other Operating Expenditures</b>								
Total Contractual Services	194,027	-	194,027	7,816	38,851	20%	-	155,176
Total Supplies & Materials	19,803	-	19,803	2,404	3,681	19%	-	16,122
Total Fixed Charges	118,095	-	118,095	10,090	36,610	31%	-	81,485
Total Travel	12,490	-	12,490	1,036	2,906	23%	-	9,584
Total Equipment	-	-	-	-	-	0%	-	-
<b>Total Other Operating Exp</b>	<b>344,415</b>	<b>-</b>	<b>344,415</b>	<b>21,346</b>	<b>82,047</b>	<b>24%</b>	<b>-</b>	<b>262,368</b>
<b>Total Administration</b>	<b>\$ 802,639</b>	<b>\$ -</b>	<b>\$ 802,639</b>	<b>\$ 40,211</b>	<b>\$ 235,650</b>	<b>29%</b>	<b>\$ -</b>	<b>\$ 566,989</b>
<b>Claims</b>								
Salaries	\$ 375,000	\$ -	\$ 375,000	\$ 15,408	\$ 123,362	33%	\$ -	\$ 251,638
<b>Other Operating Expenditures</b>								
Total Contractual Services	56,005	-	56,005	2,286	17,257	31%	-	36,422
Total Supplies & Materials	26,546	-	26,546	2,236	9,357	35%	-	17,189
Total Fixed Charges	73,739	-	73,739	6,710	24,911	34%	-	48,828
Total Travel	2,100	-	2,100	65	124	6%	-	1,976
<b>Total Other Operating Exp</b>	<b>158,390</b>	<b>-</b>	<b>158,390</b>	<b>11,297</b>	<b>51,649</b>	<b>33%</b>	<b>-</b>	<b>104,415</b>
<b>Total Claims</b>	<b>\$ 533,390</b>	<b>\$ -</b>	<b>\$ 533,390</b>	<b>\$ 26,706</b>	<b>\$ 175,011</b>	<b>33%</b>	<b>\$ -</b>	<b>\$ 356,054</b>
<b>Insurance and Medical Services</b>								
Salaries	\$ 458,368	\$ -	\$ 458,368	\$ 19,142	\$ 134,029	29%	\$ -	\$ 324,339
<b>Other Operating Expenditures</b>								
Total Contractual Services	53,050	-	53,050	2,928	17,963	34%	-	35,087
Total Supplies & Materials	15,725	-	15,725	1,899	5,340	34%	-	10,385
Total Fixed Charges	55,520	-	55,520	6,019	19,473	35%	-	36,047
Total Travel	1,350	-	1,350	34	87	6%	-	1,163
<b>Total Other Operating Exp</b>	<b>125,645</b>	<b>-</b>	<b>125,645</b>	<b>10,880</b>	<b>42,863</b>	<b>34%</b>	<b>-</b>	<b>82,682</b>
<b>Total Insurance and Medical Services</b>	<b>\$ 584,013</b>	<b>\$ -</b>	<b>\$ 584,013</b>	<b>\$ 30,022</b>	<b>\$ 176,892</b>	<b>30%</b>	<b>\$ -</b>	<b>\$ 407,021</b>
<b>Judicial</b>								
Salaries	\$ 379,608	\$ -	\$ 379,608	\$ 15,816	\$ 125,923	33%	\$ -	\$ 253,685
<b>Other Operating Expenditures</b>								
Total Contractual Services	28,054	-	28,054	299	10,213	36%	-	17,841
Total Supplies & Materials	13,545	-	13,545	1,249	4,211	31%	-	9,334
Total Fixed Charges	63,116	-	63,116	5,852	21,867	35%	-	41,249
Total Travel	2,950	-	2,950	1,148	1,470	50%	-	1,480
<b>Total Other Operating Exp</b>	<b>107,665</b>	<b>-</b>	<b>107,665</b>	<b>8,548</b>	<b>37,761</b>	<b>35%</b>	<b>-</b>	<b>69,904</b>
<b>Total Judicial</b>	<b>\$ 487,273</b>	<b>\$ -</b>	<b>\$ 487,273</b>	<b>\$ 24,364</b>	<b>\$ 163,685</b>	<b>34%</b>	<b>\$ -</b>	<b>\$ 323,588</b>
<b>Totals By Departments</b>								
<b>Department Totals</b>								
Commissioners	\$ 1,592,745	\$ -	\$ 1,592,745	\$ 91,291	\$ 515,474	32%	\$ -	\$ 363,775
Administration	802,639	-	802,639	40,211	235,650	29%	-	566,989
Claims	533,390	-	533,390	26,706	175,011	33%	-	356,054
Insurance & Medical	584,013	-	584,013	30,022	176,892	30%	-	407,021
Judicial	487,273	-	487,273	24,364	163,685	34%	-	323,588
<b>Total Departmental Expend</b>	<b>\$ 4,000,060</b>	<b>\$ -</b>	<b>\$ 4,000,060</b>	<b>\$ 212,594</b>	<b>\$ 1,266,712</b>	<b>32%</b>	<b>\$ -</b>	<b>\$ 2,017,426</b>
Employer Contributions	861,825	-	861,825	34,130	295,161	34%	-	566,664
<b>Total General &amp; Earmarked Funds</b>	<b>\$ 4,861,885</b>	<b>\$ -</b>	<b>\$ 4,861,885</b>	<b>\$ 246,724</b>	<b>\$ 1,561,873</b>	<b>32%</b>	<b>\$ -</b>	<b>\$ 2,584,090</b>

**South Carolina Workers' Compensation Commission**  
**2011 - 2012 Budget**  
**October 31, 2011**

**General Appropriation**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 33.33%				
				Expended October	Year to Date to Date	%	Encumb	Balance
<b>Commissioners</b>								
<b>Salaries</b>								
Chairman	\$ 115,567	\$ -	\$ 115,567	\$ 4,615	\$ 36,922	32%	\$ -	\$ 78,645
Commissioner	664,602	-	664,602	27,892	223,134	34%	-	441,468
Classified Employees	290,075	-	290,075	12,086	96,692	33%	-	193,383
<b>Total Commissioners</b>	<b>1,070,244</b>	<b>-</b>	<b>1,070,244</b>	<b>44,593</b>	<b>356,748</b>	<b>33%</b>	<b>-</b>	<b>-</b>
<b>Administration</b>								
<b>Salaries</b>								
Director	\$ 94,152	\$ -	\$ 94,152	\$ 3,923	\$ 31,384	33%	\$ -	\$ 62,768
Classified Positions	44,825	-	44,825	1,868	14,942	33%	-	29,883
<b>Total Administration</b>	<b>138,977</b>	<b>-</b>	<b>138,977</b>	<b>5,791</b>	<b>46,326</b>	<b>33%</b>	<b>-</b>	<b>92,651</b>
<b>Claims</b>								
<b>Salaries</b>								
Classified Positions	\$ 67,000	\$ -	\$ 67,000	\$ 2,792	\$ 22,333	33%	\$ -	\$ 44,667
<b>Total Claims</b>	<b>67,000</b>	<b>-</b>	<b>67,000</b>	<b>2,792</b>	<b>22,333</b>	<b>33%</b>	<b>-</b>	<b>44,667</b>
<b>Insurance and Medical Services</b>								
<b>Salaries</b>								
Classified Positions	\$ 25,350	\$ -	\$ 25,350	\$ 1,056	\$ 8,450	33%	\$ -	\$ 16,900
<b>Total Ins and Medical Svcs</b>	<b>25,350</b>	<b>-</b>	<b>25,350</b>	<b>1,056</b>	<b>8,450</b>	<b>33%</b>	<b>-</b>	<b>16,900</b>
<b>Judicial</b>								
<b>Salaries</b>								
Classified Positions	\$ 27,858	\$ -	\$ 27,858	\$ 1,161	\$ 9,286	33%	\$ -	\$ 18,572
<b>Total Judicial</b>	<b>27,858</b>	<b>-</b>	<b>27,858</b>	<b>1,161</b>	<b>9,286</b>	<b>33%</b>	<b>-</b>	<b>18,572</b>
<b>General Funds</b>								
<b>Department Totals</b>								
Commissioners	\$ 1,070,244	\$ -	\$ 1,070,244	\$ 44,593	\$ 356,748	33%	\$ -	\$ 713,496
Administration	138,977	-	138,977	5,791	46,326	33%	-	92,651
Claims	67,000	-	67,000	2,792	22,333	33%	-	44,667
Insurance & Medical	25,350	-	25,350	1,056	8,450	33%	-	16,900
Judicial	27,858	-	27,858	1,161	9,286	33%	-	18,572
<b>Total Departmental Expend</b>	<b>\$ 1,329,429</b>	<b>\$ -</b>	<b>\$ 1,329,429</b>	<b>\$ 55,393</b>	<b>\$ 443,143</b>	<b>33%</b>	<b>\$ -</b>	<b>\$ 886,286</b>
Employer Contributions	413,641	-	413,641	16,052	128,475	31%	-	285,166
<b>Total General Fund Appropriations</b>	<b>\$ 1,743,070</b>	<b>\$ -</b>	<b>\$ 1,743,070</b>	<b>\$ 71,445</b>	<b>\$ 571,617</b>	<b>33%</b>	<b>\$ -</b>	<b>\$ 1,171,453</b>

**South Carolina Workers' Compensation Commission**

**2011 - 2012 Budget**

October 31, 2011

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 33.33%				
				Expended October	Year to Date	%	Encumb	Balance
<b>Commissioners</b>								
<b>Salaries</b>								
Taxable Subsistence	\$ 72,350	\$ -	\$ 72,350	\$ 2,635	\$ 21,756	30%	\$ -	\$ 50,594
<b>Total Salaries</b>	<b>72,350</b>	<b>-</b>	<b>72,350</b>	<b>2,635</b>	<b>21,756</b>	<b>30%</b>	<b>-</b>	<b>50,594</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
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	-	11,188	37%	-	18,812
Freight Express Delivery	490	-	490	-	-	0%	-	490
Telephone	5,100	-	5,100	411	1,270	25%	-	3,830
Cellular Phone Service	8,100	-	8,100	487	1,474	18%	-	6,626
Legal Services/Attorney Fees	160,000	-	160,000	20,914	45,470	28%	-	114,530
Other Professional Services	972	-	972	-	-	0%	-	972
<b>Total Contractual Services</b>	<b>206,100</b>	<b>-</b>	<b>206,100</b>	<b>21,812</b>	<b>59,759</b>	<b>29%</b>	<b>-</b>	<b>146,341</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	4,000	-	4,000	164	520	13%	-	3,480
Copying Equipment	3,200	-	3,200	500	951	30%	-	2,249
Printing	1,200	-	1,200	66	335	28%	-	865
Data Processing Supplies	649	-	649	-	-	0%	-	649
Postage	8,000	-	8,000	831	2,908	36%	-	5,092
Communication Supplies	50	-	50	-	-	0%	-	50
Maint/Janitorial Supplies	200	-	200	41	64	32%	-	136
Motor Vehicle Supp/Gasoline	100	-	100	-	-	0%	-	100
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>17,499</b>	<b>-</b>	<b>17,499</b>	<b>1,602</b>	<b>4,779</b>	<b>27%</b>	<b>-</b>	<b>12,720</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	2,500	-	2,500	91	735	29%	-	1,765
Rent-Non State Owned Property	141,000	-	141,000	11,694	46,775	33%	-	94,225
Rent-Other	250	-	250	-	-	0%	-	250
Insurance-State	1,633	-	1,633	840	840	51%	-	793
Insurance-Non State	169	-	169	-	-	0%	-	169
Fees & Fines	50	-	50	-	-	0%	-	50
Equipment Maintenance	500	-	500	-	-	0%	-	500
<b>Total Fixed Charges</b>	<b>146,102</b>	<b>-</b>	<b>146,102</b>	<b>12,625</b>	<b>48,350</b>	<b>33%</b>	<b>-</b>	<b>97,752</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals (Non-Reportable)	350	-	350	-	13	4%	-	337
In State - Auto Mileage	10,000	-	10,000	1,155	4,056	41%	-	5,944
In State - Subsistence Allowance	30,000	-	30,000	2,856	8,840	29%	-	21,160
Out State - Meals	100	-	100	-	18	18%	-	82
Out State - Auto Mileage	2,000	-	2,000	-	301	15%	-	1,699
Leased Car	38,000	-	38,000	4,013	10,855	29%	-	27,145
<b>Total Travel</b>	<b>80,450</b>	<b>-</b>	<b>80,450</b>	<b>8,024</b>	<b>24,082</b>	<b>30%</b>	<b>-</b>	<b>56,368</b>
<b>Total Other Operating Expenditures</b>	<b>450,151</b>	<b>-</b>	<b>450,151</b>	<b>44,063</b>	<b>136,970</b>	<b>30%</b>	<b>-</b>	<b>313,181</b>
<b>Total Commissioners</b>	<b>\$ 522,501</b>	<b>\$ -</b>	<b>\$ 522,501</b>	<b>\$ 46,698</b>	<b>\$ 158,726</b>	<b>30%</b>	<b>\$ -</b>	<b>\$ 363,775</b>

**South Carolina Workers' Compensation Commission**

**2011 - 2012 Budget**

October 31, 2011

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 33.33%			
				Expended October	Year to Date	%	Encumb Balance
<b>Administration</b>							
<b>Salaries</b>							
Classified Positions	\$ 307,000	\$ -	\$ 307,000	\$ 12,778	\$ 102,223	33%	\$ - \$ 204,777
Temporary Employees	11,247	-	11,247	296	5,054	45%	- 6,193
Terminal Leave	1,000	-	1,000	-	-	0%	- 1,000
<b>Total Salaries</b>	<b>319,247</b>	<b>-</b>	<b>319,247</b>	<b>13,074</b>	<b>107,277</b>	<b>34%</b>	<b>- 211,970</b>
<b>Other Operating Expenditures</b>							
<b>Contractual Services</b>							
Office Equipment Service	5,200	-	5,200	-	4,444	85%	- 756
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	6,160	27,763	19%	- 115,237
Freight Express Delivery	1,000	-	1,000	117	423	42%	- 577
Telephone	6,200	-	6,200	406	1,067	17%	- 5,133
Cellular Phone Service	1,925	-	1,925	130	392	20%	- 1,533
Education & Training Services	1,000	-	1,000	-	-	0%	- 1,000
Attorney Fees	34,000	-	34,000	783	3,094	9%	- 30,906
General Repair	230	-	230	120	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)
<b>Total Contractual Services</b>	<b>194,027</b>	<b>-</b>	<b>194,027</b>	<b>7,816</b>	<b>38,851</b>	<b>20%</b>	<b>- 155,176</b>
<b>Supplies &amp; Materials</b>							
Office Supplies	5,000	-	5,000	197	(272)	-5%	- 5,272
Subscriptions	175	-	175	-	-	0%	- 175
Copying Equipment Supplies	3,934	-	3,934	451	976	25%	- 2,958
Printing	1,964	-	1,964	53	266	14%	- 1,698
Data Processing Supplies	500	-	500	81	208	42%	- 292
Postage	6,800	-	6,800	1,589	2,453	36%	- 4,347
Maint/Janitorial Supplies	150	-	150	33	51	34%	- 99
Fees & Fines	280	-	280	-	-	0%	- 280
Gasoline/ Motor Vehicle Supply	100	-	100	-	-	0%	- 100
Employee Recog Award	800	-	800	-	-	0%	- 800
Other Supplies	100	-	100	-	-	0%	- 100
<b>Total Supplies &amp; Materials</b>	<b>19,803</b>	<b>-</b>	<b>19,803</b>	<b>2,404</b>	<b>3,681</b>	<b>19%</b>	<b>- 16,122</b>
<b>Fixed Charges</b>							
Rental-Cont Rent Payment	5,000	-	5,000	766	2,086	42%	- 2,914
Rent-Non State Owned Property	88,986	-	88,986	7,567	30,266	34%	- 58,720
Rent-Other	3,500	-	3,500	325	1,471	42%	- 2,029
Insurance-State	7,490	-	7,490	665	665	9%	- 6,825
Insurance-Non State	134	-	134	-	-	0%	- 134
Dues and Memberships	3,985	-	3,985	250	250	6%	- 3,735
Sales Tax Paid	9,000	-	9,000	518	1,872	21%	- 7,128
<b>Total Fixed Charges</b>	<b>118,095</b>	<b>-</b>	<b>118,095</b>	<b>10,090</b>	<b>36,610</b>	<b>31%</b>	<b>- 81,485</b>
<b>Travel (Includes Leased Car)</b>							
In State - Meals Non/ Reportable	100	-	100	-	7	7%	- 93
Reportable Meals	100	-	100	-	-	0%	- 100
Out of State - Mileage	90	-	90	-	-	0%	- 90
In State - Registration Fees	200	-	200	49	92	46%	- 108
Leased Car	12,000	-	12,000	987	2,807	23%	- 9,193
<b>Total Travel</b>	<b>12,490</b>	<b>-</b>	<b>12,490</b>	<b>1,036</b>	<b>2,906</b>	<b>23%</b>	<b>- 9,584</b>
<b>Equipment</b>							
Equipment Data Processing- PC's	-	-	-	-	-	0%	- -
<b>Total Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>- -</b>
<b>Total Other Operating Expenditures</b>	<b>344,415</b>	<b>-</b>	<b>344,415</b>	<b>21,346</b>	<b>82,047</b>	<b>24%</b>	<b>- 262,368</b>
<b>Total Administration</b>	<b>\$ 663,662</b>	<b>\$ -</b>	<b>\$ 663,662</b>	<b>\$ 34,420</b>	<b>\$ 189,324</b>	<b>29%</b>	<b>\$ - \$ 474,338</b>

**South Carolina Workers' Compensation Commission**

**2011 - 2012 Budget**

October 31, 2011

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 33.33%				
				Expended October	Year to Date	%	Encumb	Balance
<b>Claims</b>								
<b>Salaries</b>								
Classified Positions	\$ 293,000		\$ 293,000	\$ 12,146	\$ 97,164	33%	\$ -	\$ 195,836
Temporary Positions	14,000		14,000	471	3,864	28%	-	10,136
Terminal Leave	1,000		1,000	-	-	0%	-	1,000
<b>Total Salaries</b>	<b>308,000</b>	<b>-</b>	<b>308,000</b>	<b>12,617</b>	<b>101,028</b>	<b>33%</b>	<b>-</b>	<b>206,972</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
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	-	9,238	42%	-	12,695
Freight Express Delivery	500	-	500	-	-	0%	-	500
Telephone	4,000	-	4,000	306	918	23%	-	3,082
Cellular Phone Service	2,500	-	2,500	54	175	7%	-	-
Temporary Services	26,000	-	26,000	1,926	6,614	25%	-	19,386
Other Professional Services	100	-	100	-	30	30%	-	70
<b>Total Contractual Services</b>	<b>56,005</b>	<b>-</b>	<b>56,005</b>	<b>2,286</b>	<b>17,257</b>	<b>31%</b>	<b>-</b>	<b>36,422</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	8,271	-	8,271	130	740	9%	-	7,531
Copying Equipment	3,000	-	3,000	396	753	25%	-	2,247
Printing	900	-	900	53	266	30%	-	634
Data Processing Supplies	75	-	75	-	-	0%	-	75
Postage	14,000	-	14,000	1,625	7,548	54%	-	6,452
Maint/Janitorial Supplies	200	-	200	33	51	25%	-	149
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>26,546</b>	<b>-</b>	<b>26,546</b>	<b>2,236</b>	<b>9,357</b>	<b>35%</b>	<b>-</b>	<b>17,189</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	2,500	-	2,500	198	858	34%	-	1,642
Rent-Non State Owned Property	68,000	-	68,000	5,847	23,388	34%	-	44,612
Rent-Other	225	-	225	-	-	0%	-	225
Insurance-State	1,080	-	1,080	665	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
<b>Total Fixed Charges</b>	<b>73,739</b>	<b>-</b>	<b>73,739</b>	<b>6,710</b>	<b>24,911</b>	<b>34%</b>	<b>-</b>	<b>48,828</b>
<b>Travel (Includes Leased Car)</b>								
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	65	124	31%	-	276
<b>Total Travel</b>	<b>2,100</b>	<b>-</b>	<b>2,100</b>	<b>65</b>	<b>124</b>	<b>6%</b>	<b>-</b>	<b>1,976</b>
<b>Total Other Operating Expenditures</b>	<b>158,390</b>	<b>-</b>	<b>158,390</b>	<b>11,297</b>	<b>51,649</b>	<b>33%</b>	<b>-</b>	<b>104,415</b>
<b>Total Claims</b>	<b>\$ 466,390</b>	<b>\$ -</b>	<b>\$ 466,390</b>	<b>\$ 23,914</b>	<b>\$ 152,678</b>	<b>33%</b>	<b>\$ -</b>	<b>\$ 311,387</b>

**South Carolina Workers' Compensation Commission**

**2011 - 2012 Budget**

October 31, 2011

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 33.33%				
				Expended October	Year to Date	%	Encumb Balance	
<b>Insurance and Medical Services</b>								
<b>Salaries</b>								
Classified Positions	418,000		418,000	17,460	120,497	29%	-	297,503
Temporary Employees	15,018		15,018	626	5,082	34%	-	9,936
<b>Total Salaries</b>	<b>433,018</b>	<b>-</b>	<b>433,018</b>	<b>18,086</b>	<b>125,579</b>	<b>29%</b>	<b>-</b>	<b>307,439</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	200	-	200	-	-	0%	-	200
Copying Equipment Service	300	-	300	-	-	0%	-	300
Print/Bind/Advertisement	500	-	500	-	312	62%	-	188
Print Pub Annual Report	24	-	24	-	-	0%	-	24
Data Processing Services	40,000	-	40,000	1,620	14,534	36%	-	25,466
Telephone	2,626	-	2,626	226	678	26%	-	1,948
Cell Phone	3,000	-	3,000	126	126	4%	-	2,874
Catered Meals	2,000	-	2,000	957	957	48%	-	1,043
Other Professional Services	1,800	-	1,800	-	200	11%	-	1,600
Other Contractual Services	2,600	-	2,600	-	1,157	44%	-	1,444
<b>Total Contractual Services</b>	<b>53,050</b>	<b>-</b>	<b>53,050</b>	<b>2,928</b>	<b>17,963</b>	<b>34%</b>	<b>-</b>	<b>35,087</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	3,000	-	3,000	450	673	22%	-	2,327
Copying Equipment	3,500	-	3,500	427	832	24%	-	2,668
Printing	1,500	-	1,500	58	502	33%	-	998
Data Processing Supplies	500	-	500	64	102	20%	-	398
Postage	7,000	-	7,000	864	3,150	45%	-	3,850
Maintenance/Janitorial Supplies	75	-	75	36	56	75%	-	19
Fees & Fines	50	-	50	-	25	50%	-	25
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>15,725</b>	<b>-</b>	<b>15,725</b>	<b>1,899</b>	<b>5,340</b>	<b>34%</b>	<b>-</b>	<b>10,385</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	2,104	-	2,104	247	979	47%	-	1,125
Rent-Non State Owned Property	48,000	-	48,000	4,127	16,509	34%	-	31,491
Rent-Other	225	-	225	848	848	377%	-	(623)
Insurance-State	1,101	-	1,101	735	735	67%	-	366
Insurance-Non State	148	-	148	-	-	0%	-	148
Equipment Maintenance	942	-	942	-	-	0%	-	942
Sales Tax Paid	3,000	-	3,000	62	402	13%	-	2,598
<b>Total Fixed Charges</b>	<b>55,520</b>	<b>-</b>	<b>55,520</b>	<b>6,019</b>	<b>19,473</b>	<b>35%</b>	<b>-</b>	<b>36,047</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals (Non-Reportable)	400	-	400	-	-	0%	-	400
In-State Registration	100	-	100	-	-	0%	-	
Reportable Meals	150	-	150	34	87	58%	-	63
In State - Lodging	700	-	700	-	-	0%	-	700
<b>Total Travel</b>	<b>1,350</b>	<b>-</b>	<b>1,350</b>	<b>34</b>	<b>87</b>	<b>6%</b>	<b>-</b>	<b>1,163</b>
<b>Total Other Operating Expenditures</b>	<b>125,645</b>	<b>-</b>	<b>125,645</b>	<b>10,880</b>	<b>42,863</b>	<b>34%</b>	<b>-</b>	<b>82,682</b>
<b>Total Insurance and Medical Services</b>	<b>\$ 558,663</b>	<b>\$ -</b>	<b>\$ 558,663</b>	<b>\$ 28,966</b>	<b>\$ 168,442</b>	<b>30%</b>	<b>\$ -</b>	<b>\$ 390,121</b>

**South Carolina Workers' Compensation Commission**

**2011 - 2012 Budget**

October 31, 2011

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 33.33%				
				Expended October	Year to Date	%	Encumb	Balance
<b>Judicial</b>								
<b>Salaries</b>								
Classified Positions	\$ 351,750	\$ -	\$ 351,750	\$ 14,655	\$ 116,637	33%	\$ -	\$ 235,113
<b>Total Salaries</b>	<b>351,750</b>	<b>-</b>	<b>351,750</b>	<b>14,655</b>	<b>116,637</b>	<b>33%</b>	<b>-</b>	<b>235,113</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
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	-	23,000	-	8,760	38%	-	14,240
Telephone	2,000	-	2,000	209	625	31%	-	1,375
Cellular Phone Service	1,104	-	1,104	91	273	25%	-	831
Other Professional Services	200	-	200	-	-	0%	-	200
<b>Total Contractual Services</b>	<b>28,054</b>	<b>-</b>	<b>28,054</b>	<b>299</b>	<b>10,213</b>	<b>36%</b>	<b>-</b>	<b>17,841</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	2,000	-	2,000	116	327	16%	-	1,673
Copying Equipment Supplies	1,200	-	1,200	354	688	57%	-	512
Printing	1,000	-	1,000	46	238	24%	-	762
Data Processing Supplies	75	-	75	-	-	0%	-	75
Postage	9,000	-	9,000	704	2,924	32%	-	6,076
Maintenance/Janitorial Supplies	150	-	150	29	35	23%	-	115
Promotional Supplies	20	-	20	-	-	0%	-	20
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>13,545</b>	<b>-</b>	<b>13,545</b>	<b>1,249</b>	<b>4,211</b>	<b>31%</b>	<b>-</b>	<b>9,334</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	1,750	-	1,750	98	636	36%	-	1,114
Rent-Non State Owned Property	60,000	-	60,000	5,159	20,636	34%	-	39,364
Rent-Other	125	-	125	-	-	0%	-	125
Insurance-State	1,121	-	1,121	595	595	53%	-	526
Insurance-Non State	120	-	120	-	-	0%	-	120
<b>Total Fixed Charges</b>	<b>63,116</b>	<b>-</b>	<b>63,116</b>	<b>5,852</b>	<b>21,867</b>	<b>35%</b>	<b>-</b>	<b>41,249</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals / Non-Reportable	250	-	250	125	125	50%	-	125
Reportable Meals	250	-	250	113	231	92%	-	19
In State - Lodging	750	-	750	599	599	80%	-	151
In State - Auto Mileage	1,200	-	1,200	311	515	43%	-	685
In State - Misc Travel Expense	100	-	100	-	-	0%	-	100
In-State Registration	100	-	100	-	-	0%	-	100
Out State - Auto Mileage	300	-	300	-	-	0%	-	300
<b>Total Travel</b>	<b>2,950</b>	<b>-</b>	<b>2,950</b>	<b>1,148</b>	<b>1,470</b>	<b>50%</b>	<b>-</b>	<b>1,480</b>
<b>Total Other Operating Expenditures</b>	<b>107,665</b>	<b>-</b>	<b>107,665</b>	<b>8,548</b>	<b>37,761</b>	<b>35%</b>	<b>-</b>	<b>69,904</b>
<b>Total Judicial</b>	<b>\$ 459,415</b>	<b>\$ -</b>	<b>\$ 459,415</b>	<b>\$ 23,204</b>	<b>\$ 154,399</b>	<b>34%</b>	<b>\$ -</b>	<b>\$ 305,016</b>
<b>Earmarked Funds</b>								
<b>Department Totals</b>								
Commissioners	\$ 522,501	\$ -	\$ 522,501	\$ 46,698	\$ 158,726	30%	\$ -	\$ 363,775
Administration	663,662	-	663,662	34,420	189,324	29%	-	474,338
Claims	466,390	-	466,390	23,914	152,678	33%	-	311,387
Insurance & Medical	558,663	-	558,663	28,966	168,442	30%	-	390,121
Judicial	459,415	-	459,415	23,204	154,399	34%	-	305,016
<b>Total Departmental Expend</b>	<b>\$ 2,670,631</b>	<b>\$ -</b>	<b>\$ 2,670,631</b>	<b>\$ 157,202</b>	<b>\$ 823,570</b>	<b>31%</b>	<b>\$ -</b>	<b>\$ 1,844,636</b>
Employer Contributions	448,184	-	448,184	18,078	166,687	37%	-	281,497
<b>Total Earmarked Funds</b>	<b>\$ 3,118,815</b>	<b>\$ -</b>	<b>\$ 3,118,815</b>	<b>\$ 175,279</b>	<b>\$ 990,256</b>	<b>32%</b>	<b>\$ -</b>	<b>\$ 2,126,134</b>
<b>Capital / Computer Project Carryforward</b>	<b>\$ 9,931</b>	<b>\$ -</b>	<b>\$ 9,931</b>	<b>\$ -</b>	<b>\$ 2,475</b>	<b>25%</b>	<b>\$ -</b>	<b>\$ 7,456</b>

## MEMORANDUM

November 9, 2011

**TO:** Mr. Gary Cannon  
Executive Director

**FROM:** Cathy Floyd  
Human Resources

**SUBJECT:** Human Resource Report Period of October 12, 2011 – November 8, 2011

Below is a summary of the Human Resource activity for the period of October 12, 2011 – November 8, 2011.

### Employee Relations (ER)

- One ER issue was addressed during the activity period
- Preparations have begun for the Holiday Luncheon to be held December 19, 2011

### Reporting

- The level of authorized full-time equivalent (FTE) positions has been reduced from 65 FTE's to 64 FTE's
  - Proviso 80A.7 of the FY 2011-12 Appropriation Act authorizes the deletion of vacant FTE positions that are more than one year old (13 months or greater). Each agency is allowed to retain a 5% vacancy factor based on the total number of authorized positions or a minimum of ten positions.
- We have been provided the statistics for the Harvest Hope Food/Fund Drive that was held at the end of the summer
  - The agency collected a total of 122 pounds of non-perishable food items
  - A total of 7,142 pounds of non-perishable food items and \$2,529 in donations were collected from the 19 participating agencies
- Employee Performance Management System completion rate – 90%

### Benefits

- Insurance Open Enrollment has ended
  - There were 17 insurance changes made
  - The number of MoneyPlu\$ transactions will not be reported to the agencies until December
- Assisted an employee with retirement/TERI participation
- Assisted two employees with insurance coverage changes
- Issued three COBRA letters and two FMLA letters
- Completed three inquiries with the Retirement Systems for former employees

### SC Enterprise Information System (SCEIS)

- Processed three employment verifications
- Ten transactions were keyed into the system
- Assisted three employees with leave/time issues
- Reconciled a payroll issue
- Finished entering all EPMS reviews into the system

### Training

- Attended the monthly SCEIS User Group Meeting
- Attended a Building an Ethical Culture Workshop sponsored by the SC Government Improvement Network
- Attended a webinar sponsored by the State Credit Union for HR Directors advising of personal finance workshops available to State employees through a new partnership with Money Management International

WGC IT Projects Status Report

Period	11/14/11	Status Key:	Not Started	On Track	Timing
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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%	25%	Duane	Ready for user testing
2	PC and Server Refresh	Refresh		8/31/2011	95%	10%	Amanda	
3	Phase II - Claims EDI release 3			April 2012	0%	50%	Duane	verification & validation of Ris 3 formats to Ris 1 formats
3	Phase II - Claims EDI release 3			April 2012	0%	20%	Amanda	Develop SC Standards
3	Phase II - Claims EDI release 3			April 2012	0%	30%	Betsy	Develop 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	11/14/11	Status Key: Not Started	On Track	Timing	
###	Automation of the Show Cause fines for printing invoices and letters automatically rather than manually	TBD	5%	0%	Have requirements from Compliance - need to write up for Bravepoint.
#REF!			Projects Amanda	Betsy	
			Projects Duane	30%	
			Projects Betsy	75%	
				60%	

**WCC IT Projects Status Report**

Period	11/14/11	Status Key: Not Started	On Track	Timing
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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%	5%	Duane	Completed	
8	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing	Maintenance Duane	20%	Duane		
	Duplicate Claim certification template and email process	Imaging	April	5/31/2011		40%	Amanda	Workflow development	
2	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing	Maintenance Amanda	30%	Amanda	General issues	
2	FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing	Maintenance Betsy	30%	Betsy		

**WCC IT Projects Status Report**

Period

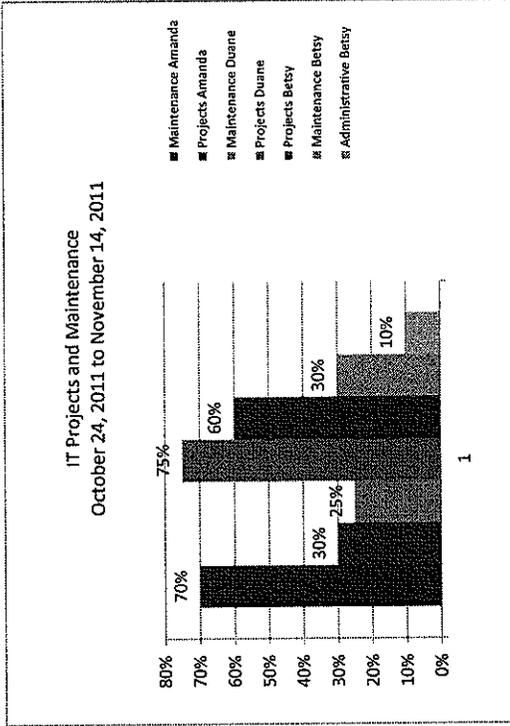
11/14/11

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 prioritization
4	Contracts	DSIT	ongoing	85%	5%	Betsy	Meeting with DSIT
				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  
October 2011 Full Commission Report

Date: 8 – November – 2011

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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. In future reports, it is the intention of IMS to provide this information in a format that more fully supports ongoing strategic analysis of the Department as presented within the Commission's annual Accountability Report.

The statistical data concerning the IMS Department's October 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 | <ol style="list-style-type: none"><li>1. Establishment of formal protocols concerning fine implementation.</li><li>2. Coordination of GEAR program data support and resolution processes.</li><li>3. Creation of formal Xfile to ORSC Hearing workflow process.</li><li>4. Strategic revision of case "backlog management" protocol.</li></ol> |
| Coverage Division   | <ol style="list-style-type: none"><li>1. Duplicate WCC file corrective measures. (IT; Claims)</li><li>2. Form 50 "proper carrier service" verification. (Judicial)</li><li>3. Homebuilders email notification interface.</li></ol>   |
| Medical Services    | <ol style="list-style-type: none"><li>1. Disputed Billing process improvements.</li><li>2. Medical Bill Reviewer approval standards and process.</li></ol>   |
| IMS Administration: | <ol style="list-style-type: none"><li>1. Monthly department-wide meetings.</li><li>2. Weekly Division Mgrs meetings</li><li>3. Quarterly personnel evaluation coordinations.</li><li>4. Internal customer survey development.</li><li>5. Review of key functions and customer/process support roles.</li></ol>                                 |

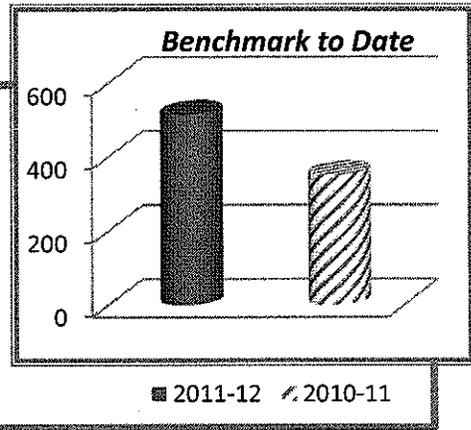
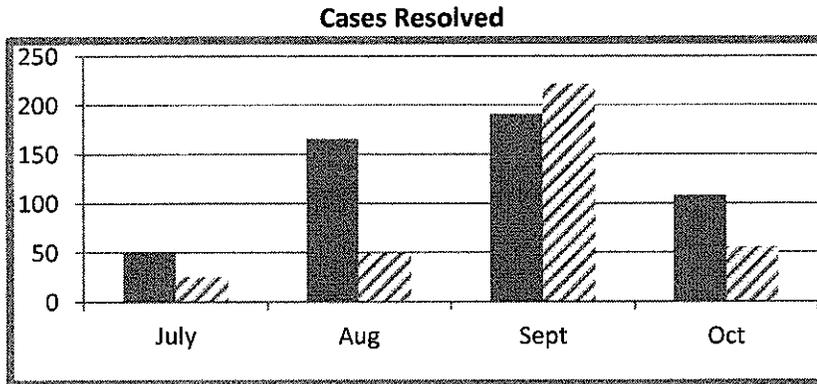
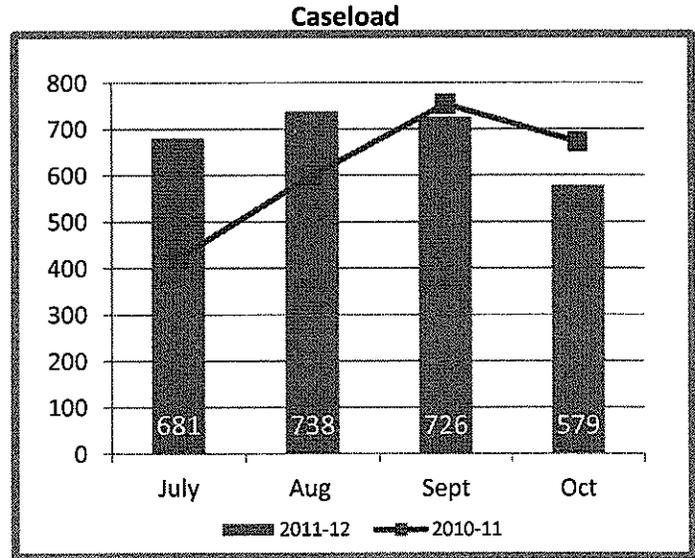
Mr. Cannon, while this summary is in no way all-inclusive, it may serve to assist you and our Commissioners in understanding the key initiatives underway in the IMS Department and provide measures by which the Department's effectiveness can be gauged. IMS welcomes any guidance that you and/or our Commissioners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

# IMS COMPLIANCE DIVISION

During the month of October 2011, the Compliance Division caseload was as follows:

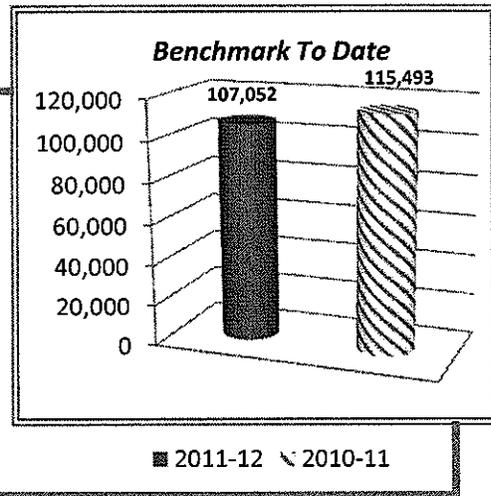
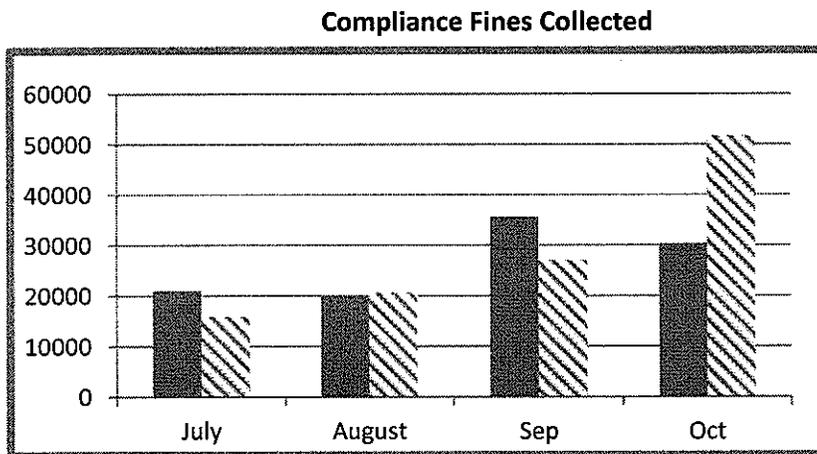
Carryover from Sept:	579
New Cases Initiated:	27
Cases Resolved:	108
Cases Carried Forward	498

- 1 Oct 2011-12 caseload is 80% of prior year.
- 2 The Compliance Division is implementing a process whereby the number of "carry-over" cases is reduced in order to better manage the Division's overall backlog. In so doing, the Division believes it can provide enhanced service to its customers in the processing and adjudication of claims.
- 3 YTD Compliance has closed 45% more cases than same period last year.



## Compliance Actions and Fines Collected

Violation Letters:	40	Orders Published:	8
Compliance Agreements:	24	Civil Judgements Filed:	0
Subpoenas Issued:	27	Fine Revenue Trend vs Budget:	90%
Fines Collected:	\$30,374	(compliance fines = 19% of earmarked budget)	

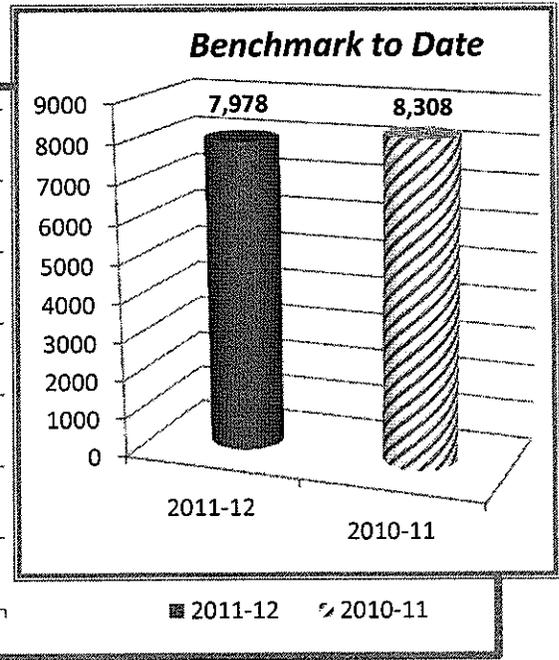
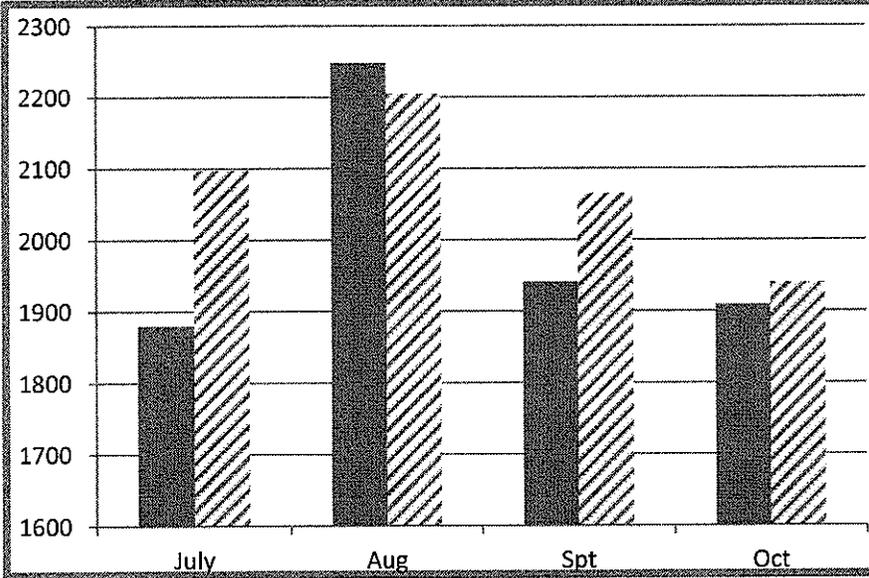


**IMS COVERAGE DIVISION**

During the month of October 2011, the Coverage Division caseload was as follows:

WCC files (EDI): 1,523 Total WCC Files Created: 1,909  
 WCC files (manual): 386

**WCC Files Created**

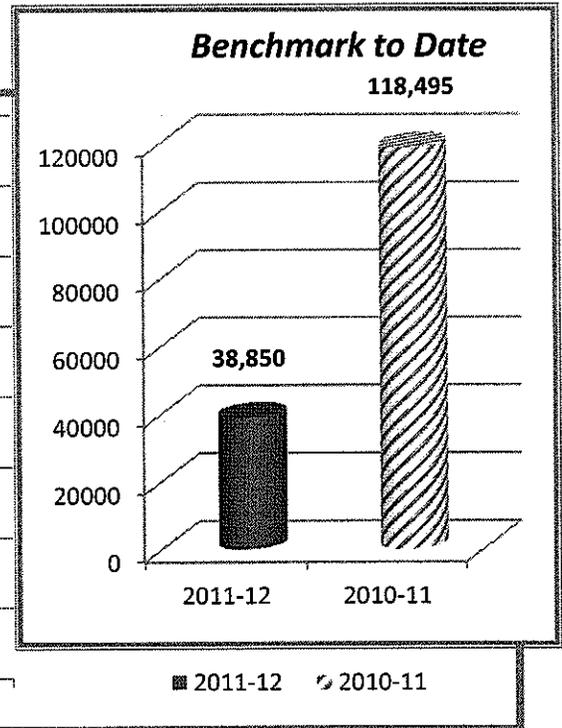
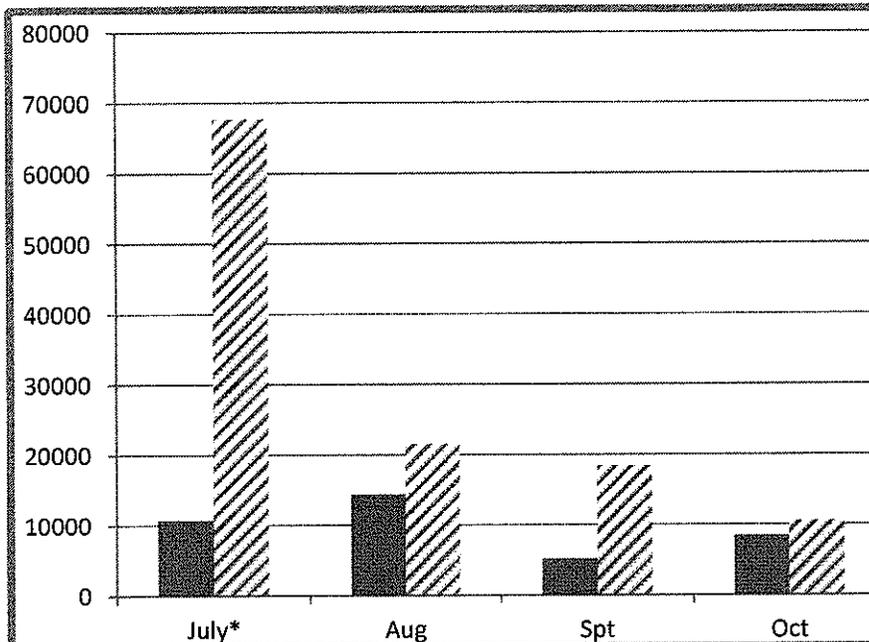


**Coverage Actions and Fines Collected**

Coverage Fines Assessed: \$5,600  
 Coverage Fines Collected: \$8,500

Fine Revenue Trend vs. Budget: 58% \*  
 (coverage fines = 10% of earmarked budget)

**Coverage Fines Collected**

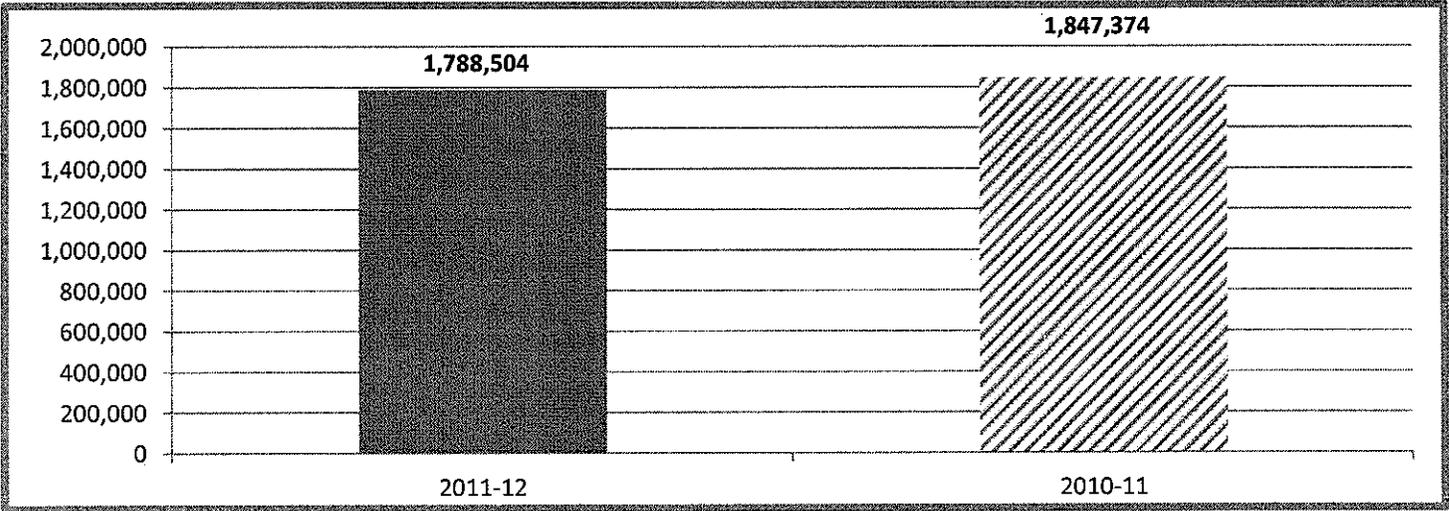


\* July 2010-11 Coverage Fines Collected value skewed due to delayed collection in April, May, June of 2010. Adjusted trend is 71% of budget.

**IMS SELF INSURANCE PROGRAM**

October New Self Insurers Approved: 8  
 October Self Insurance Tax Collected: \$70,046

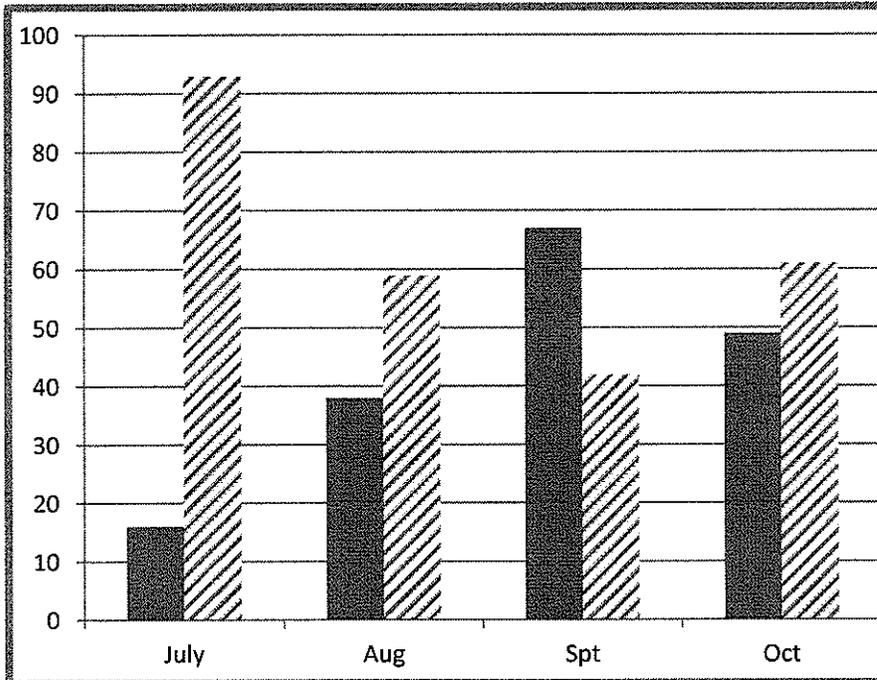
SI tax collection trended behind the Benchmark to Date in October due to non receipt of payment of single payer (\$80k).



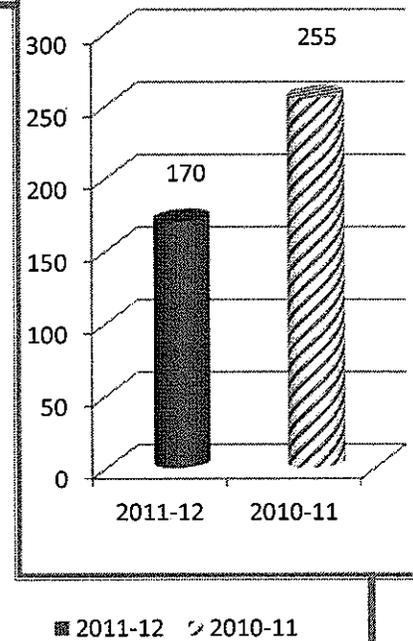
**IMS MEDICAL SERVICES DIVISION**

Bills Pending Review on Oct 1: 67  
 Bills Pending Review on Nov 1: 49

**Medical Bills Pending Resolution**



**Benchmark to Date**



TO: GARY CANNON, EXECUTIVE DIRECTOR  
 FROM: GREGORY S. LINE, DIRECTOR OF CLAIMS  
 SUBJECT: CLAIMS REPORT FOR THE MONTH OF OCTOBER  
 DATE: 11/04/11

Fines assessed for the month of October 2011:

- We assessed **504** fines for the month of October which was up from assessing **469** fines for the month of September.
- The dollar amount of the fines assessed for the month October was **\$105,400** which was up from assessing **\$96,900** for the month of September.

Fines received for the month of October 2011:

- We received payment on **396** fines for the month of October which was slightly down from receiving **406** fines for the month of September.
- The dollar amount of fines received for the month October was **\$81,300** which was slightly down from receiving **\$83,300** for the month of September.

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

- October fines assessed **504**      October fines collected **396**

The fines assessed for Form 18's went up **34** fines for the month of October. The previous two months the files had gone down **82** fines. We collected **\$2,000.00** less for the month of October from the previous month. The last four months the Form 18 fines assessed have averaged **226** fines per month.

Since October 2010, we are averaging assessing **553** fines per month and collecting **537** fines per month. The Claims Department processed **5,165** Form 18's for the month of October.

The fines assessed for Form 18's went down **22** fines for the month. The last two months the fines for Form 18's have gone down **82** fines which shows in the amount of fines collected for the month of September which was down **89** fines collected for Form 18's for the month. I would think the Form 18 fines assessed may stay between **200 and 250** per month.

Since October, we are averaging assessing **557** fines and collecting **548** fines per month. The Claims Department processed **5,373** Form 18's for the month of September.





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		
*May collected figures include payments 5/1/2010 through 6/1/2010												
** June collected figure includes payments 6/12/2010 through 6/30/2010***												

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

	May	Jun	Jul	Aug	Sept	Oct
Amt assess	\$102,650	\$72,500	\$103,850	\$120,450	\$96,900	\$105,400
# fines assess	487	358	487	553	470	504
Amt coll	\$117,875	\$124,650	\$111,875	\$103,800	\$83,300	\$81,300
<u>Fines coll</u>	<u>577</u>	<u>609</u>	<u>542</u>	<u>516</u>	<u>406</u>	<u>396</u>

**Form 18's**

Fines assess						
Daily	\$51,600	\$28,000	\$42,400	\$50,300	\$43,200	\$47,700
Fines assessed						
file review	\$6,600	\$3,200	\$6,200	\$4,600	\$4,800	\$4,200
Total amount						
<u>Assessed</u>	<u>\$58,200</u>	<u>\$31,200</u>	<u>\$48,600</u>	<u>\$54,900</u>	<u>\$48,000</u>	<u>\$51,900</u>

fines assess daily	233	140	181	206	184	225
# fines assess						
file review	33	16	26	18	22	20
<u>Total fines assess</u>	<u>266</u>	<u>156</u>	<u>210</u>	<u>224</u>	<u>226</u>	<u>245</u>

Amt coll	\$87,300	\$91,250	\$75,200	\$61,350	\$45,000	\$40,000
# coll	416	432	350	295	206	182

**All other fines assessed**

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

Amt assess	\$44,250	\$41,300	\$55,250	\$65,550	\$48,900	\$57,400
# fines assess	221	194	277	329	244	259
Amt paid	\$30,575	\$33,400	\$36,675	\$42,450	\$38,300	\$41,300
# fines pd	161	177	192	221	200	214

The dollar amount of fines assessed for each form, for the month of June, and fines collected for each form from October 1, 2011 through October 31, 2011  
The number of fines assessed and collected, for each form, are in parenthesis.

	<u>Assessed</u>	<u>Collected</u>
Form 12A -	\$ 20,200.00 (101)	\$ 16,500.00 (86)
Form 15 Section I -	\$ 14,800.00 (64)	\$ 10,750.00 (51)
Form 15 Section II -	\$ 5,800.00 (29)	\$ 3,800.00 (20)
Form 15 S -	\$ 3,000.00 (15)	\$ 2,000.00 (10)
Form 17 -	\$ 800.00 (4)	\$ 400.00 (2)
Form 18 -	\$ 51,900.00 (245)	\$ 40,000.00 (182)
Form 19 -	\$ 100.00 (2)	\$ 250.00 (5)
Denial letter -	\$ 4,600.00 (23)	\$ 3,000.00 (16)
Failure to respond -	\$ 4,200.00 (21)	\$ 4,600.00 (24)
<b>TOTAL -</b>	<b>\$ 105,400 (504)</b>	<b>\$ 81,300.00 (396)</b>

TO: Gary M. Cannon, Executive Director  
FROM: Gregory S. Line  
Director of Claims  
DATE: November 4, 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 April 14, 2011.

1. Electric Insurance Company (00497)
  - a. Beginning bal \$ 2,250.00
  - b. Bal as of 11/4 /11 \$ **200.00**
  
2. US Fire Insurance Co. (00125)
  - a. Beginning bal \$ 2,000.00
  - b. Bal as of 11/4/11 \$ **400.00**
  
3. Limitedbrands, Inc. (01644)
  - a. Beginning bal \$ 3,400.00
  - b. Bal as of 11/4/11 \$ **1,200.00**
  
4. Great American Alliance Ins. Co. (00372)
  - a. Beginning bal \$ 7,400.00
  - b. Bal as of 11/4/11 \$ **2,200.00**

TO: Gary M. Cannon, Executive

FROM: Gregory S. Line  
Director of Claims

DATE: November 4, 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 11/4/11 \$ **200.00**
  
2. Safety National Casualty Corp. (01026)
  - a. Beginning bal \$ 1,800.00
  - b. Bal as of 11/4/11 \$ **400.00**
  
3. PA Manufacturers Assn. Ins. Co. (00394)
  - a. Beginning bal \$ 5,200.00
  - b. Bal as of 11/4/11 \$ **600.00**
  
4. Nash Johnson & Sons Farm, Inc. (00994)
  - a. Beginning bal \$ 4,800.00
  - b. Bal as of 11/4/11 \$ **400.00**

TO: Gary M. Cannon, Executive Director  
FROM: Gregory S. Line  
DATE: November 4, 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.

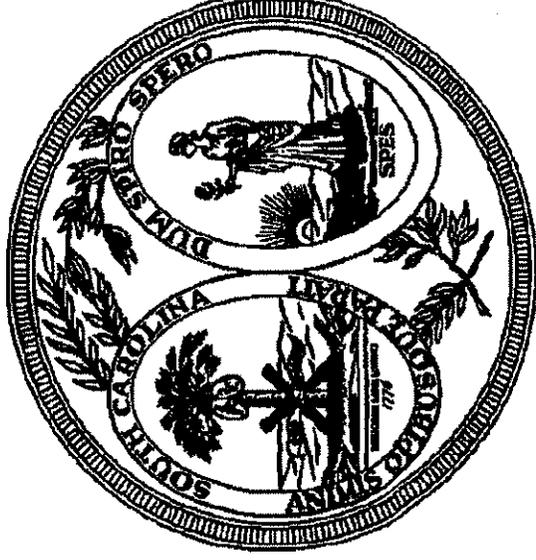
1. YRC, Inc. (00767)
  - a. Beginning bal \$ 1,800.00
  - b. Bal as of 11/4/11 \$ **400.00**
  
2. Accident Fund Ins. Co. of America (01072)
  - a. Beginning bal \$ 5,875.00
  - b. Bal as of 11/4/11 \$ 900.00
  
3. Lexington County Health Services (01702)
  - a. Beginning bal \$ 3,600.00
  - b. Bal as of 11/4/11 \$ **2,800.00**
  
4. Preimer Group Ins. Co. (01100)
  - a. Beginning bal \$4,200.00
  - b. Bal as of 11/4/11 **400.00**

TO: Gary M. Cannon, Executive Director  
FROM: Gregory S. Line  
Director of Claims  
DATE: November 4, 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 11/4/11 \$ **400.00**
  
2. Lowe's Companies, Inc. (00946)
  - a. Beginning bal \$ 4,386.33
  - b. Bal as of 11/4/11 \$ **1,186.33**
  
3. Kroger Company (01691)
  - a. Beginning bal \$ 4,000.00
  - b. Bal as of 11/4/11 \$ **400.00**
  
4. SC School Board Self Ins. Trust Fund (00926)
  - a. Beginning bal \$ 9,600.00
  - b. Bal as of 11/4/11 \$ **2,200.00**
  
5. Federal Express Corp. (00956)
  - a. Beginning bal \$ 1,400.00
  - b. Bal as of 11/4/11 \$ **400.00**

# SCWCC Judicial Report



**November 2011**



**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							
Dec-11							
Jan-12							
Feb-12							
Mar-12							
Apr-12							
May-12							
Jun-12							
<b>Totals</b>	<b>464</b>	<b>402</b>	<b>487</b>	<b>693</b>	<b>584</b>	<b>586</b>	<b>638</b>
<b>FY 2011-2012</b>							

# Informal Conference & Mediations

Staff	Mileage/Hours	Month												Total			
		Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12				
Staff 1 Greg	SVM 225.00	410.00	0.00	218.00													853.00
	PVM 0.00	0.00	0.00	0.00													0.00
	Time 12.00	23.00	44.00	12.00													91.00
	Hotel 0.00	0.00	0.00	0.00													0.00
Staff 2 Ginger	SVM 426.00	187.00	0.00	620.00													1233.00
	PVM 0.00	43.00	28.00	34.00													105.00
	Time 32.00	26.00	48.00	44.50													150.50
	Hotel 0.00	0.00	0.00	0.00													0.00
Mediations	SVM 0.00	0.00	0.00	0.00													0.00
	PVM 0.00	0.00	301.00	0.00													301.00
	Time 0.00	0.00	133.00	0.00													133.00
	Hotel 0.00	0.00	0.00	0.00													0.00
Staff 3 Vivian	SVM 302.00	0.00	0.00	0.00													302.00
	PVM 0.00	0.00	0.00	0.00													0.00
	Time 28.00	8.00	8.00	0.00													44.00
	Hotel 0.00	0.00	0.00	0.00													0.00
Staff 4 Garry	SVM 713.00	509.00	725.00	273.00													2220.00
	PVM 0.00	0.00	0.00	0.00													0.00
	Time 38.50	32.50	41.00	27.50													139.50
	Hotel 0.00	0.00	0.00	0.00													0.00
Staff 5 Kelly	SVM 0.00	0.00	0.00	0.00													0.00
	PVM 0.00	0.00	0.00	0.00													0.00
	Time 0.00	13.00	24.50	12.50													50.00
	Hotel 0.00	0.00	0.00	0.00													0.00
Staff 6 Robin	SVM 0.00	0.00	0.00	0.00													0.00
DiAnn	PVM 190.00	0.00	367.00	139.00													696.00
	Time 43.50	18.50	86.00	23.00													171.00
	Hotel 0.00	0.00	0.00	0.00													0.00

Totals FY 2011-2012	
SVM = State Vehicle Miles	4608.00
PVM = Personal Vehicle Miles	1102.00
T = Time	779.00
H = Hotel Cost	0.00

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## *Workers' Compensation Commission*

**Executive Director's Report**  
**Gary M. Cannon**  
**November 14, 2011**

### **Fines and Assessments Aging Report**

The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for the period ending October 31, 2011.

### **Employee Meetings/Staff Training**

An All Employee Meeting was held on October 26, 2011 to brief staff on the proposal for the Commission to be incorporated into the Department of Labor, License and Regulation (LLR). Executive Staff met on October 27. The Executive Staff/Leadership Team met on November 8, 2011.

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

For the period October 13 through November 9 the Executive Director's Office had 212 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.

### **Surgical Implant Advisory Committee**

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

### **Mediation Regulation Advisory Committee**

The Mediation Regulation Advisory Committee met on Friday, October 28, 2011. The next meeting has not been scheduled.

### **Small Business Regulatory Review Committee**

On behalf of Chairman Beck, an Economic Impact Analysis with regard to the proposed changes to Regulation 67-1302 was submitted to the Small Business Regulatory Review Committee on November 3, 2011.

### **SC Self Insurers Association**

The SC Self Insurers Association met in Columbia on November 3. Chairman Beck presented a report on current activities at the Commission. Commissioner Williams provided a status report on the Mediation Advisory Committee activities. Grant Duffield, W.C. Smith and Gary Cannon also attended the meeting.

### **SC Injured Workers' Advocates Association Annual Meeting**

Commissioners Beck, Barden, Williams, Wilkerson, Lyndon, and Roche, the Judicial Director, and the Executive Director participated in presentations and roundtable discussion at the Injured Workers' Advocates Association's annual meeting November 3-5 in Asheville, N.C.

### **DSIT Contract**

The Executive Director and the VCIO, Ms. Hartman, met with Jimmy Early, Director State Information Technology Division to discuss the proposed contract with DSIT for IT Infrastructure and Management Services on November 8.

### **Joint Other Funds Oversight Committee**

The Joint Other Funds Oversight Committee met on Wednesday, November 9, 2011. The Committee approved our 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 FY2011-12.

### **NCCI**

The Executive Director made a presentation on the current activities of the Commission at the NCCI State Advisory Forum on October 25. Three Commission staff members also attended the meeting.

### **Other Meetings**

- Met with Dr. Floyd and Ms. Crocker to discuss Form 14-B on October 28
- Met with Commission staff and representatives from Vocational Rehabilitation on November 1 to discuss the data interface portal
- The Executive Director and the Insurance and Medical Services Director participated in an IAIABC Webinar on November 2. The topic was "A Holistic Approach to Controlling Opiates Abuse in Workers' Compensation."

### **Informal Conference Mediator Training**

Pursuant to the recommendations from the Legislative Audit Council, the Commission conducted a training session on November 7 with the Commission employees who serve as mediators for Informal Conferences. Eight employees participated. Chairman Beck and the Executive Director facilitated the training and discussion, which focused on the recommendations from the LAC, mediation techniques, advising parties of their rights, and do's and don'ts of conducting an effective Informal Conference and referrals to Vocational Rehabilitation. Several positive suggestions were offered by the participants for improvements to the system. Documentation of the IC process and a follow up meeting is planned during the first quarter of 2012.

### **Potential Fraud Prevention Partnership with SC Department of Employment & Workforce**

The Executive Director and other Commission staff met with David Salley, Assistant Executive Director, Appellate Division, and other personnel from the SC Department of Employment and Workforce on November 10 to discuss potential collaboration with SCWCC and SCDEW on fraud prevention and prosecution.

### **Ethics Training for Commissioners and Administrative Assistants**

The three hours required ethics and APA training for the Commissioners and Administrative Assistants is scheduled for Tuesday, November 15, 2011 from 1:00 p.m. to 4:00 p.m. in the First Floor Conference Room. This year staff members who conduct Informal Conferences will participate. John Freeman, Professor Emeritus, USC School of Law and Cathy Hazelwood, Assistant Director and General Counsel of the SC Ethics Commission, will lead the discussion.

### **Commission Website**

The new Commission website was launched on November 4. The format is the same however it contains a new color scheme and is more functional for the user. The Commission Forms may now be completed on-line. Additional interactive features are planned for the future.

### **Court Interpreters**

Commissioners discussed at the October Full Commission Business Meeting the use of court interpreters. The following is the result of Mr. Robert's preliminary research. We will continue to research the matter for your consideration in the future.

The North Carolina Industrial Commission does not address the use of translators in its statutes or regulations. The North Carolina Court system uses a similar process to South Carolina however North Carolina uses their own process where interpreters are certified by the NC Administrative Office of the Courts.

Georgia State Board of Workers' Compensation's rules, regulations, and statutes do not address translation services. The Georgia Courts regulate their translators through the Georgia Commission on Interpreters for Non-English Speakers.

Florida's workers' compensation act and rules and regulations do not address translators. The courts of Florida have no statewide regulations regarding interpreter certification. The qualification of the interpreter is left to be decided by the Judge in each individual case. However, the Court website indicated that they are considering adopting a statewide certification system using the Consortium for State Court Interpreter Certification.







# Commission 2012 Calendar

2 – New Year's Day observance  
 16 – Martin Luther King Day  
 17, 18 – Full Commission  
 27, 28, 29 – IWA Paralegal & Legal Assist Conference (Charleston)

JANUARY						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

JULY						
S	M	T	W	Th	F	S
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

4 – Independence Day Holiday  
 16, 17 – Full Commission  
 26, 27, 28 SCDTAA Conference

20 – President's Day  
 21, 22 – Full Commission  
 26, 27, 28 – SCWCEA Medical Seminar (Charleston)

FEBRUARY						
S	M	T	W	Th	F	S
			1	2	3	4
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12	13	14	15	16	17	18
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26	27	28	29			

AUGUST						
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
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2, 3, 4 – SCAJ Convention  
 20, 21 – Full Commission

19, 20 – Full Commission

MARCH						
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18	19	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER						
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

3 – Labor Day  
 17, 18 – Full Commission

11, 12, 13 – SC Self-Insurers Conference – Litchfield  
 16, 17 – Full Commission

APRIL						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
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15	16	17	18	19	20	21
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29	30					

OCTOBER						
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7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

14, 15, 16, 17 – SCWCEA Annual Conference (Hilton Head)  
 22, 23 Full Commission

10 – Confederate Memorial Day  
 21, 22 – Full Commission  
 28 – Memorial Day

MAY						
S	M	T	W	Th	F	S
		1	2	3	4	5
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27	28	29	30	31		

NOVEMBER						
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1, 2, 3 – Injured Workers' Advocates Conference  
 6 – Election Day  
 12 – Veterans Day observance  
 13, 14 – Full Commission  
 22, 23 – Thanksgiving Holidays

18, 19 – Full Commission

JUNE						
S	M	T	W	Th	F	S
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
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DECEMBER						
S	M	T	W	Th	F	S
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2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

17, 18 – Full Commission  
 24, 25, 26 – Christmas Holidays

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## *Workers' Compensation Commission*

**TO: Commissioners**

**FROM: Gary M. Cannon**

**DATE: November 10, 2011**

**RE: Medical Services Provider Manual**

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. On May 16, 2011 the Commission extended the deadline for reviewing the MSPM to March 31, 2012. The Commission staff does not have the resources to conduct the review and analysis of the MSPM therefore we recommend these services be contracted to a third party vendor.

Attached is a proposed Scope of Work from OptumInsight, Inc. for professional services to update the Medical Services Provider Manual. OptumInsight (formerly Ingenix) is the company we contracted with to conduct the financial analysis for the Surgical Implant Advisory Committee.

The cost for these services can be found on page 4 of the proposal. The cost is not to exceed \$32,950. The expense for the services will be recovered from the revenues generated by the sale of the updated fee schedule.

**Action Recommended:** 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.

**SOUTH CAROLINA WORKERS' COMPENSATION  
COMMISSION**

**2012 UPDATE TO THE SOUTH CAROLINA MEDICAL  
SERVICES PROVIDER MANUAL  
EFFECTIVE MARCH 31, 2012**

**SCOPE OF WORK**

*NOVEMBER 10, 2011*

# 2012 UPDATE TO THE SOUTH CAROLINA MEDICAL SERVICES PROVIDER MANUAL

## *Objective:*

The current objective is to update the current 2010 South Carolina Medical Services Provider Manual procedure codes by using Ingenix's 2012 Essential RBRVS (please see page 4) or CMS's RBRVS. The fee schedule will be updated by using 2012 procedure codes which will include new, changed and deleted 2012 CPT, HCPCS, and ASA codes and fees. In addition, supporting information such as professional fees, professional and technical components, multiple procedure indicator, follow-up days, and assistant surgery indicators where applicable. Indicators showing whether the procedure code is a New (N), or Changed (C) procedure code.

Review of the current conversion factor using Frequency data information provided to Ingenix by the state will be required to complete this study. The data will include procedure codes, modifiers, units, date of service (1/1/10 – 10/31/2011) and the allowed amounts for the procedure codes.

## *Deliverables:*

Under direction of the State, Ingenix will create a statewide fee schedule adding the new 2012 CPT, ASA, and HCPCS procedure codes, descriptions, and fees. Also included are professional component fees, follow-up days and assistant surgery indicators based on Essential RBRVS. Anesthesia services will include the latest 2012 ASA codes, fees, and descriptions.

The state will provide Ingenix with data containing

## *Data Sets:*

- ❖ 2012 AMA CPT procedure codes with descriptions
- ❖ 2012 ASA codes and descriptions
- ❖ 2012 Professional Component splits (CMS)
- ❖ 2012 Medicare Assistant Surgery Indicators
- ❖ 2012 Medicare Follow-up Days
- ❖ 2012 Ingenix's Essential RBRVS (please see page 4) or CMS's RBRVS

## *Methods:*

2012 OPSS Non-Facility Payment Amount = (OPSS Non-Facility PE RVU \* PE GPCI) + (OPSS MP RVU \* MP GPCI) \* Conversion Factor to be determined once the conversion factor modeling is completed (currently \$50.00).

2012 OPSS Facility Payment Amount = OPSS Facility PE RVU \* PE GPCI) + (OPSS MP RVU \* MP GPCI) \* Conversion Factor to be determined once the conversion factor modeling is completed (currently \$50.00).

- ❖ Frequency data information will be required from the State to complete the study
- ❖ Conversion Factor modeling will look at whether the current conversion factor of \$50.00 for all services except for Anesthesia needs to be changed. This change will be determined by the state.
- ❖ Insertion of gap fill values

## *Codes and Descriptions*

This update provides new, changed and deleted CPT codes and fees along with new AMA and ASA values.

### *MAP Amount*

The 2010 South Carolina Medical Services Provider Manual procedure codes MAP amounts will be updated using Ingenix's 2012 Essential RBRVS (please see page 4) or CMS's RBRVS.

### *PC Amount*

In any instance where there is a new 2012 CPT code with an applicable PC/TC split, the Global fee will first be determined and then a professional and technical fee will be calculated.

### *FUD (Follow-up Days)*

The number of Follow-up Days (FUD) associated with the procedure is established in the 2012 CMS Fee Schedule.

Postoperative periods of 0, 10, and 90 days are designated in the fee schedule as 000, 010, and 090 respectively. These postoperative periods correspond with those assigned by CMS. Use the values printed in this fee schedule for determining postoperative days.

Also we can add the additional information on the FUDs for special circumstances.

The following special circumstances are also listed in the postoperative period:

MMM Designates services furnished in uncomplicated maternity care. This includes antepartum, delivery, and postpartum care.

XXX Designates services where the global concept does not apply.

YYY Designates services where the payer must assign a follow-up period based on documentation submitted with the claim. Procedures designated as YYY in the fee schedule include unlisted procedure codes.

ZZZ Designates services that are add-on procedures and as such have a global period that is determined by the primary procedure.

### *Surgical Assist*

The list of CPT codes that warrant an assistant surgeon as determined by Medicare.

*Indicates services where an assistant at surgery is never paid for per Medicare Claims Manual.*

- *0=Payment restriction for assistants at surgery applies to this procedure unless supporting documentation is submitted to establish medical necessity.*
- *1=Statutory payment restriction for assistants at surgery applies to this procedure. Assistant at surgery may not be paid.*
- *2=Payment restriction for assistants at surgery does not apply to this procedure. Assistant at surgery may be paid.*

- 9=Concept does not apply.

### *Services without MAP Amounts*

Some service codes were not assigned a numeric relative value unit under the Essential RBRVS. These services are listed in the Schedule as "IC" (individual consideration) in the MAP column. See Chapter IV, Payment Policy.

### *Data collection/analysis phase*

Costs for this phase are the most variable because of uncertainty about what data maybe available and in what format. This estimate presumes straightforward data collection.

Update data - RVUs, New, Deleted, and Changed codes - \$6,000

Update - PC/TC splits, FUDs, Assist Surgeon, all indicators, etc. - \$6,000

Review Conversion Factor Modeling - \$3,000

Project Management - \$1,950

CPU time - \$1,500 (this is for server time to run analysis for the conversion factors and the development of the MAP values.

CMS RBRVS – No Cost

*Ingenix Essential RBRVS – Licensing - \$10,000*

*The RBRVS for the Medicare physician fee schedule (MPFS), developed by CMS is not a complete schedule. Medicare does not pay for certain services—these services usually are not assigned relative value units (RVUs) by CMS. Codes not valued by Medicare are referred to as “gap codes.” Essential RBRVS gives you all codes valued by CMS, as well as relative values 'gap codes' for codes not valued by Medicare when available.*

*This helps in preventing disputes concerning codes without values and is currently being used by other Workers' Compensation states.*

### *Presentation*

This is the presentation of the final report to stakeholders, others. **Travel is not to exceed \$4,500.**

\*\* CPT codes and other CPT material only are copyright 2011 American Medical Association (AMA). All Rights Reserved. No fee schedules, basic units, relative values or related listings are included in CPT. AMA does not directly or indirectly practice medicine or dispense medical services. AMA assumes no liability for data contained or not contained herein.

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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

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**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, except 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  
September 14, 2011**

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**Sedgwick CMS, Inc. Resigned (retired 8/31)**

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**Pharmacy Fee Schedule Advisory Committee  
September 14, 2011**

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