

**A G E N D A**

**SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION**

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

**August 27, 2012 – 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 AUGUST 27, 2012 *CHAIRMAN BECK*
  
2. APPROVAL OF MINUTES OF THE BUSINESS MEETING OF JULY 16, 2012 (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. Medical Services Provider Manual (Tab 10) *Mr. Cannon*
  
8. NEW BUSINESS *CHAIRMAN BECK*  
A. Informal Conference and Hearing Costs Assessment (Tab 11) *Mr. Cannon*
  
9. ADJOURNMENT *CHAIRMAN BECK*

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THE  
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION  
BUSINESS MEETING

**Monday, July 16, 2012**

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, July 16, 2012 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  
SUSAN S. BARDEN, VICE CHAIR  
MELODY L. JAMES, COMMISSIONER  
GENE MCCASKILL, COMMISSIONER  
ANDREA C. ROCHE, COMMISSIONER  
AVERY B. WILKERSON, JR., COMMISSIONER  
DERRICK L. WILLIAMS, COMMISSIONER

Present also were Gary M. Cannon, Executive Director, Virginia Crocker, Judicial Director; Greg Line, Claims Director; Diana Gantt, Accounting/Fiscal Manager; Cathy Floyd, Human Resources Manager; and Betsy Hartman, IT Director. Visitors present were Clara Smith, Injured Workers' Advocates; Kristian Cross, Collins & Lacy, P.C.; and Marti Bluestein, Bluestein, Nichols, Thompson, Delgado, LLC.

Chairman Beck called the meeting to order at 10:35 a.m.

**AGENDA**

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

**APPROVAL OF MINUTES – BUSINESS MEETING OF JUNE 18, 2012**

Commissioner Williams moved that the minutes of the Business Meeting of June 18, 2012 be approved. Commissioner Wilkerson seconded the motion, and the motion was approved.

**GENERAL ANNOUNCEMENTS**

There were no general announcements.

**APPLICATIONS FOR APPROVAL TO SELF-INSURE**

On behalf of Self-Insurance Director W.C. Smith, Gary Cannon, Executive Director, presented the Self-insurance applications. Twenty Two (22) prospective members of two (2) funds were presented to the Commission for approval. The applications were:

**Palmetto Timber Fund**  
Tri-County Timber LLC

### **SC Home Builders SIF**

Andrew Williams Concrete Finishing, Inc.  
Anson Construction Co., Inc.  
Carolina Designer Cabinets, LLC  
Carolinas General Contractors, LLC  
C.B.G., Inc.  
Charleston Electrical Services Inc.  
Danny Callahan dba DC Masonry  
Debark Fine Homes, Inc.  
Harris Carpets & Linoleum, Inc.  
John Barr dba J&B's Landscaping  
Ken L Lyons Construction, Inc.  
McMahan Concrete, Inc.  
Metro Contracting, Inc.  
Mullet Vinyl, Inc.  
Perry Construction, Inc.  
Past Management systems, Inc.  
Roper Brothers, Inc.  
R&R Framing  
Solid Construction, LLC  
Suncoast Seamless Gutters, Inc.  
Steven McDaniel dba Palmetto State Pest Control

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 June 30, 2012. The last day to process payments for Fiscal Year 2012 is July 13. Therefore, the report does not reflect actual year-end figures. The benchmark for June is 100%. The Commission's revenues are at 91.25%, and expenses are at 95%.

#### **Human Resources Department**

Cathy Floyd presented the Human Resources report for the period of June 12 – July 10, 2012. Ms. Floyd gave the following highlights from her report:

- Processed the General Increase in SCEIS for all agency employees,
- Assisted the State Auditors with their financial audit of the Agency,
- Two job analyses were conducted using the Dacum process: (1) Medical Services Coordinator, and (2) Director of Compliance.

#### **Information Services**

Betsy Hartman presented the Information Services Department's report. Ms. Hartman reported the first trading partner to implement with Claims EDI Release 3 upgrade is scheduled

for July 28. Chairman Beck asked about the status of the iPads. Ms. Hartman said that once the upgrade to OnBase Imaging System is complete the iPad app will work. She said that the upgrade should be complete by the end of August.

### **Insurance & Medical Services**

On behalf of Grant Duffield, Gary Cannon presented the Insurance & Medical Services Department's report. He announced Mr. Garry Smith retired as Director of Compliance effective June 29, 2012. Mr. Wayne Ducote will continue with his duties as Coverage Director as well as serve as Interim Director of Compliance.

### **Claims Department**

Greg Line presented the Claims Department's report. There were 492 fines for the month of June, which is up from assessing 392 fines for the month of May. The dollar amount of the fines assessed for the month of June is \$122,550, which is up from assessing \$84,200 for the month of May. For the last five months the Form 18 fines assessed have averaged 233 fines per month. Mr. Line said he will provide a report next month comparing current year and prior year forms processed by month.

### **Judicial Department**

Virginia Crocker presented the Judicial Department's report. Ms. Crocker reported Consent Orders are now being served to include the Judicial Department. This process brings the case status in Progress more up to date. Ms. Crocker reported that at Judicial Conference today, the Commissioners decided that all Motions to Compel and Motions for Rule to Show Cause shall be assigned to the Jurisdictional Commissioner.

## **EXECUTIVE DIRECTOR'S REPORT**

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

### **Surgical Implant Advisory Committee**

The Surgical Implant Advisory Committee met on Wednesday, June 27, 2012 and will meet again sometime in September. The Committee asked Mr. Cannon to attend a Hospital Association's Reimbursement Council Meeting in August.

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

As of July 9, 2012 there are 269 individuals receiving notifications electronically from the Commission.

### **Department of Corrections Hearing Location**

Chairman Beck asked Mr. Cannon to address the procedure for conducting hearings for individuals in the custody of the SC Department of Corrections (SCDOC). Mr. Cannon reviewed the Commission's decision made at the August 16, 2010 Business Meeting to have all inmate hearings held at the Broad River Correctional Institute and that the jurisdictional Commissioner assigned to Richland County to be responsible for hearing those cases. He said there have been some questions about the security measures the Commissioner goes through to get to the hearing room at the facility. Mr. Cannon stated that following discussion with Mr. Russell Rush, Director, Occupational Safety and Workers' Compensation Division for the SC Department of Corrections, it was decided that those hearings will take place in the conference rooms located in

the Administration Building at the facility. The Commissioner will sign-in and will be accompanied by SCDOC personnel to the conference room for the hearings.

**OLD BUSINESS**

There was no old business.

**NEW BUSINESS**

There was no new business.

**ADJOURNMENT**

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

The July 16, 2012 meeting of the South Carolina Workers' Compensation Commission adjourned at 10:46 a.m.

Reported August 27, 2012  
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 JULY 31, 2012  
**DATE:** 8/15/2012

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The Summary of Revenues and Expenditures for the period ending June 30, 2012 & July 31, 2012, are attached.

- The Fiscal Year 2012 report is final.
- Revenue collected for FY12 was under budget by 8.75%.
- 100% of the State Appropriations were spent and 93.6% of the Earmarked Funds were spent.
  
- July is the 1<sup>st</sup> Fiscal Month of Fiscal Year 2013
- The benchmark for July is 8.33%. The Commission's revenues are at 8.09% and expenses are at 8%.
- 35 payments have been made to vendors, travelers, and other State Agencies
- The following is a summary of each department expenditure benchmarks:

**General Fund:** Total expenditures are at 9%.

**Earmark Fund:**

*Commissioners –*

- Total expenditures are at 5% of budget.

*Administration –*

- Overall the expenditures are 6% of budget.

*Claims –*

- Expenditures are at 7% of budget.

*Insurance & Medical –*

- Total expenditures are at 8% of budget

*Judicial –*

- Total expenditures are at 7% of budget.

**Activity Report from the Procurement Office:**

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

**Mail Room Activity:**

	MTD	YTD
Files Copied for Outside Parties	203	203
Pages Copied	5,420	5,420

**South Carolina Workers' Compensation Commission**  
**Summary of Revenues and Expenditures**  
**2011 - 2012 Budget**

June 30, 2012

Final				
	Budget	FY To Date	Benchmark	100.00%
<b>STATE APPROPRIATIONS</b>				
General Appropriation	<u>\$ 1,763,619</u>	<u>\$ 1,763,619.00</u>		100.00%

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,364,494	\$ 1,364,493	\$ 1	100.0%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	399,125	399,125	0	100.0%
<b>Total</b>	<u><b>\$ 1,763,619</b></u>	<u><b>\$ 1,763,618</b></u>	<u><b>\$ 1</b></u>	<u><b>100.0%</b></u>

**OTHER APPROPRIATIONS**

EARMARKED	Budgeted Revenues	Received thru 6/30/12	% Received
Training Conference Registration Fee	\$ 1,000	\$ 6,315	631.50%
Sale of Publication and Brochures	8,000	6,370	79.63%
Workers' Comp Award Review Fee	75,000	73,200	97.60%
Sale of Photocopies	95,000	88,250	92.89%
Workers' Compensation Filing Violation Fee	1,891,000	1,669,188	88.27%
Sale of Listings and Labels	30,000	25,133	83.78%
Workers' Comp Hearing Fee	600,000	562,050	93.68%
Insurance Reserve Refund (Prepaid Legal)		33,238	
Earmarked Funds - Original Authorization	<u>\$ 2,700,000</u>	<u>\$ 2,463,744</u>	<u>91.25%</u>
Increase Authorization	418,815		
Increase Authorization - BD100	193,675		
<b>Total Earmarked Revenues + Fund Balance</b>	<u><b>\$ 3,312,490</b></u>		

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,543,176	\$ 1,383,130	\$ 160,047	89.6%
Taxable Subsistence	72,350	61,834	10,516	85.5%
Other Operating Expenses	1,246,966	1,206,890	40,076	96.8%
Employer Contribution	449,998	449,998	(0)	100.0%
<b>Total Earmarked</b>	<u><b>\$ 3,312,490</b></u>	<u><b>\$ 3,101,852</b></u>	<u><b>\$ 210,638</b></u>	<u><b>93.6%</b></u>

**COMPUTER FUNDS CARRIED FORWARD**

Computer Services - Carry forward	<u>\$ 9,931</u>	<u>\$ 9,931</u>	<u>\$ -</u>	<u>100.0%</u>
<b>TOTAL OTHER APPROPRIATIONS</b>	<u><b>\$ 3,322,421</b></u>	<u><b>\$ 3,111,783</b></u>	<u><b>\$ 210,638</b></u>	<u><b>93.7%</b></u>

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

**Consolidated**

	Year-To-Date : 100.00%							
	Original Budget	Budget Amendments	Amended Budget	Expended June	Year to Date	%	Encumb	Balance
<b>Commissioners</b>								
Salaries	\$ 1,142,594	\$ 24,615	\$ 1,167,209	\$ 94,681	\$ 1,156,693	99%	\$ -	\$ 10,516
<b>Other Operating Expenditures</b>								
Total Contractual Services	206,100	-	206,100	28,110	203,438	99%	-	2,662
Total Supplies & Materials	17,499	-	17,499	7,650	25,202	144%	-	(7,703)
Total Fixed Charges	146,102	1,500	147,602	15,861	150,109	102%	-	(2,507)
Total Travel	80,450	-	80,450	10,663	72,831	91%	-	7,619
<b>Total Other Operating Exp</b>	<b>450,151</b>	<b>1,500</b>	<b>451,651</b>	<b>62,284</b>	<b>451,580</b>	<b>100%</b>	<b>-</b>	<b>71</b>
<b>Total Commissioners</b>	<b>\$ 1,592,745</b>	<b>\$ 26,115</b>	<b>\$ 1,618,860</b>	<b>\$ 156,965</b>	<b>\$ 1,608,273</b>	<b>99%</b>	<b>\$ -</b>	<b>\$ 10,587</b>
<b>Administration</b>								
Salaries	\$ 458,224	\$ 94,784	\$ 553,008	\$ 42,902	\$ 459,800	83%	\$ -	\$ 93,208
<b>Other Operating Expenditures</b>								
Total Contractual Services	194,027	3,000	197,027	18,181	169,474	86%	-	27,553
Total Supplies & Materials	19,803	(2,000)	17,803	2,154	18,730	105%	-	(927)
Total Fixed Charges	118,095	15,000	133,095	15,417	126,664	95%	-	6,431
Total Travel	12,490	5,500	17,990	2,907	13,639	76%	-	4,351
Total Equipment	-	-	-	-	-	0%	-	-
<b>Total Other Operating Exp</b>	<b>344,415</b>	<b>21,500</b>	<b>365,915</b>	<b>38,659</b>	<b>328,507</b>	<b>90%</b>	<b>-</b>	<b>37,408</b>
<b>Total Administration</b>	<b>\$ 802,639</b>	<b>\$ 116,284</b>	<b>\$ 918,923</b>	<b>\$ 81,561</b>	<b>\$ 788,307</b>	<b>86%</b>	<b>\$ -</b>	<b>\$ 130,616</b>
<b>Claims</b>								
Salaries	\$ 375,000	\$ 6,700	\$ 381,700	\$ 31,582	\$ 375,454	98%	\$ -	\$ 6,246
<b>Other Operating Expenditures</b>								
Total Contractual Services	56,005	-	56,005	9,130	57,506	103%	-	(1,501)
Total Supplies & Materials	26,546	-	26,546	4,771	30,776	116%	-	(4,230)
Total Fixed Charges	73,739	-	73,739	7,450	76,137	103%	-	(2,398)
Total Travel	2,100	-	2,100	91	798	38%	-	1,302
<b>Total Other Operating Exp</b>	<b>158,390</b>	<b>-</b>	<b>158,390</b>	<b>21,441</b>	<b>165,218</b>	<b>104%</b>	<b>-</b>	<b>(6,828)</b>
<b>Total Claims</b>	<b>\$ 533,390</b>	<b>\$ 6,700</b>	<b>\$ 540,090</b>	<b>\$ 53,023</b>	<b>\$ 540,672</b>	<b>100%</b>	<b>\$ -</b>	<b>\$ (582)</b>
<b>Insurance and Medical Services</b>								
Salaries	\$ 458,368	\$ 14,956	\$ 473,324	\$ 38,284	\$ 440,302	93%	\$ -	\$ 33,022
<b>Other Operating Expenditures</b>								
Total Contractual Services	53,050	9,500	62,550	6,743	61,270	98%	-	1,281
Total Supplies & Materials	15,725	7,080	22,805	2,419	21,708	95%	-	1,097
Total Fixed Charges	55,520	6,620	62,140	5,961	57,937	93%	-	4,203
Total Travel	1,350	-	1,350	40	681	50%	-	669
<b>Total Other Operating Exp</b>	<b>125,645</b>	<b>23,200</b>	<b>148,845</b>	<b>15,163</b>	<b>141,596</b>	<b>95%</b>	<b>-</b>	<b>7,249</b>
<b>Total Insurance and Medical Services</b>	<b>\$ 584,013</b>	<b>\$ 38,156</b>	<b>\$ 622,169</b>	<b>\$ 53,447</b>	<b>\$ 581,898</b>	<b>94%</b>	<b>\$ -</b>	<b>\$ 40,271</b>
<b>Judicial</b>								
Salaries	\$ 379,608	\$ 25,171	\$ 404,779	\$ 29,266	\$ 377,209	93%	\$ -	\$ 27,571
<b>Other Operating Expenditures</b>								
Total Contractual Services	28,054	8,000	36,054	4,826	30,800	85%	-	5,254
Total Supplies & Materials	13,545	1,000	14,545	2,143	17,094	118%	-	(2,549)
Total Fixed Charges	63,116	3,000	66,116	6,445	66,844	101%	-	(728)
Total Travel	2,950	2,500	5,450	1,778	5,250	96%	-	200
<b>Total Other Operating Exp</b>	<b>107,665</b>	<b>14,500</b>	<b>122,165</b>	<b>15,193</b>	<b>119,989</b>	<b>98%</b>	<b>-</b>	<b>2,176</b>
<b>Total Judicial</b>	<b>\$ 487,273</b>	<b>\$ 39,671</b>	<b>\$ 526,944</b>	<b>\$ 44,458</b>	<b>\$ 497,197</b>	<b>94%</b>	<b>\$ -</b>	<b>\$ 29,747</b>
<b>Totals By Departments</b>								
<b>Department Totals</b>								
Commissioners	\$ 1,592,745	\$ 26,115	\$ 1,618,860	\$ 156,965	\$ 1,608,273	99%	\$ -	\$ 10,587
Administration	802,639	116,284	918,923	81,561	788,307	86%	-	130,616
Claims	533,390	6,700	540,090	53,023	540,672	100%	-	(582)
Insurance & Medical	584,013	38,156	622,169	53,447	581,898	94%	-	40,271
Judicial	487,273	39,671	526,944	44,458	497,197	94%	-	29,747
<b>Total Departmental Expend</b>	<b>\$ 4,000,060</b>	<b>\$ 226,926</b>	<b>\$ 4,226,986</b>	<b>\$ 389,455</b>	<b>\$ 4,016,347</b>	<b>95%</b>	<b>\$ -</b>	<b>\$ 210,639</b>
Employer Contributions	882,374	(33,252)	849,123	75,837	849,123	100%	-	(0)
<b>Total General &amp; Earmarked Funds</b>	<b>\$ 4,882,434</b>	<b>\$ 193,675</b>	<b>\$ 5,076,109</b>	<b>\$ 465,292</b>	<b>\$ 4,865,470</b>	<b>96%</b>	<b>\$ -</b>	<b>\$ 210,639</b>

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

**General Appropriation**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100.00%				
				Expended June	Year to Date to Date	%	Encumb	Balance
<b>Commissioners</b>								
<b>Salaries</b>								
Chairman	\$ 115,567	\$ (4,800)	\$ 110,767	\$ 9,231	\$ 110,767	100%	\$ -	\$ -
Commissioner	664,602	(9,466)	655,136	55,784	655,136	100%	-	-
Terminal Leave		38,340	38,340	-	38,340	100%	-	-
Classified Employees	290,075	541	290,616	24,256	290,616	100%	-	-
<b>Total Commissioners</b>	<b>1,070,244</b>	<b>24,615</b>	<b>1,094,859</b>	<b>89,271</b>	<b>1,094,859</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>Administration</b>								
<b>Salaries</b>								
Director	\$ 94,152	\$ -	\$ 94,152	\$ 7,846	\$ 94,152	100%	\$ -	\$ -
Classified Positions	44,825	3,750	48,575	7,485	48,575	100%	-	0
<b>Total Administration</b>	<b>138,977</b>	<b>3,750</b>	<b>142,727</b>	<b>15,331</b>	<b>142,727</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>Claims</b>								
<b>Salaries</b>								
Classified Positions	\$ 67,000	\$ 6,700	\$ 73,700	\$ 6,421	\$ 73,699	100%	\$ -	\$ 1
<b>Total Claims</b>	<b>67,000</b>	<b>6,700</b>	<b>73,700</b>	<b>6,421</b>	<b>73,699</b>	<b>100%</b>	<b>-</b>	<b>1</b>
<b>Insurance and Medical Services</b>								
<b>Salaries</b>								
Classified Positions	\$ 25,350	\$ -	\$ 25,350	\$ 2,113	\$ 25,350	100%	\$ -	\$ -
<b>Total Ins and Medical Svcs</b>	<b>25,350</b>	<b>-</b>	<b>25,350</b>	<b>2,113</b>	<b>25,350</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>Judicial</b>								
<b>Salaries</b>								
Classified Positions	\$ 27,858	\$ -	\$ 27,858	\$ 2,322	\$ 27,858	100%	\$ -	\$ -
<b>Total Judicial</b>	<b>27,858</b>	<b>-</b>	<b>27,858</b>	<b>2,322</b>	<b>27,858</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>General Funds</b>								
<b>Department Totals</b>								
Commissioners	\$ 1,070,244	\$ 24,615	\$ 1,094,859	\$ 89,271	\$ 1,094,859	100%	\$ -	\$ -
Administration	138,977	3,750	142,727	15,331	142,727	100%	-	-
Claims	67,000	6,700	73,700	6,421	73,699	100%	-	1
Insurance & Medical	25,350	-	25,350	2,113	25,350	100%	-	-
Judicial	27,858	-	27,858	2,322	27,858	100%	-	-
<b>Total Departmental Expend</b>	<b>\$ 1,329,429</b>	<b>\$ 35,065</b>	<b>\$ 1,364,494</b>	<b>\$ 115,457</b>	<b>\$ 1,364,493</b>	<b>100%</b>	<b>\$ -</b>	<b>\$ 1</b>
Employer Contributions	434,190	(35,065)	399,125	42,648	399,125	100%	-	0
<b>Total General Fund Appropriations</b>	<b>\$ 1,763,619</b>	<b>\$ (0)</b>	<b>\$ 1,763,619</b>	<b>\$ 158,104</b>	<b>\$ 1,763,618</b>	<b>100%</b>	<b>\$ -</b>	<b>\$ 1</b>

**South Carolina Workers' Compensation Commission**

**2011 - 2012 Budget**

June 30, 2012

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100.00%				
				Expended June	Year to Date	%	Encumb	Balance
<b>Commissioners</b>								
<b>Salaries</b>								
Taxable Subsistence	\$ 72,350	\$ -	\$ 72,350	\$ 5,410	\$ 61,834	85%	\$ -	\$ 10,516
<b>Total Salaries</b>	<b>72,350</b>	<b>-</b>	<b>72,350</b>	<b>5,410</b>	<b>61,834</b>	<b>85%</b>	<b>-</b>	<b>10,516</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	700	-	700	-	84	12%	-	616
Copying Equipment Service	200	-	200	-	-	0%	-	200
Print/Bind/Advertisement	510	-	510	-	508	100%	-	2
Print Pub Annual Reports	28	-	28	-	-	0%	-	28
Data Processing Services	30,000	-	30,000	4,489	32,346	108%	-	(2,346)
Freight Express Delivery	490	-	490	-	-	0%	-	490
Telephone	5,100	-	5,100	655	4,683	92%	-	417
Cellular Phone Service	8,100	-	8,100	608	7,427	92%	-	674
Legal Services/Attorney Fees	160,000	-	160,000	22,091	156,561	98%	-	3,439
Other Professional Services	972	-	972	268	1,828	188%	-	(856)
<b>Total Contractual Services</b>	<b>206,100</b>	<b>-</b>	<b>206,100</b>	<b>28,110</b>	<b>203,438</b>	<b>99%</b>	<b>-</b>	<b>2,662</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	4,000	-	4,000	355	6,190	155%	-	(2,190)
Office Equipment - non cap	-	-	-	5,272	5,273	-	-	(5,273)
Copying Equipment	3,200	-	3,200	44	2,769	87%	-	431
Printing	1,200	-	1,200	62	1,533	128%	-	(333)
Data Processing Supplies	649	-	649	317	317	49%	-	332
Postage	8,000	-	8,000	1,545	8,822	110%	-	(822)
Communication Supplies	50	-	50	-	-	0%	-	50
Maint/Janitorial Supplies	200	-	200	15	152	76%	-	48
Motor Vehicle Supp/Gasoline	100	-	100	40	40	40%	-	60
Other Supplies	100	-	100	-	107	107%	-	(7)
<b>Total Supplies &amp; Materials</b>	<b>17,499</b>	<b>-</b>	<b>17,499</b>	<b>7,650</b>	<b>25,202</b>	<b>144%</b>	<b>-</b>	<b>(7,703)</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	2,500	-	2,500	114	2,231	89%	-	269
Rent-Non State Owned Property	141,000	1,500	142,500	11,694	142,985	100%	-	(485)
Rent-Other	250	-	250	-	-	0%	-	250
Insurance-State	1,633	-	1,633	3,633	4,473	274%	-	(2,840)
Insurance-Non State	169	-	169	-	-	0%	-	169
Fees & Fines	50	-	50	420	420	840%	-	(370)
Equipment Maintenance	500	-	500	-	-	0%	-	500
<b>Total Fixed Charges</b>	<b>146,102</b>	<b>1,500</b>	<b>147,602</b>	<b>15,861</b>	<b>150,109</b>	<b>102%</b>	<b>-</b>	<b>(2,507)</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals (Non-Reportable)	350	-	350	-	103	29%	-	247
In State - Auto Mileage	10,000	-	10,000	1,044	11,010	110%	-	(1,010)
In State - Subsistence Allowance	30,000	-	30,000	615	22,616	75%	-	7,384
Out State - Meals	100	-	100	-	70	70%	-	30
Out State - Auto Mileage	2,000	-	2,000	-	692	35%	-	1,308
Leased Car	38,000	-	38,000	9,004	38,340	101%	-	(340)
<b>Total Travel</b>	<b>80,450</b>	<b>-</b>	<b>80,450</b>	<b>10,663</b>	<b>72,831</b>	<b>91%</b>	<b>-</b>	<b>7,619</b>
<b>Total Other Operating Expenditures</b>	<b>450,151</b>	<b>1,500</b>	<b>451,651</b>	<b>62,284</b>	<b>451,580</b>	<b>100%</b>	<b>-</b>	<b>71</b>
<b>Total Commissioners</b>	<b>\$ 522,501</b>	<b>\$ 1,500</b>	<b>\$ 524,001</b>	<b>\$ 67,694</b>	<b>\$ 513,414</b>	<b>98%</b>	<b>\$ -</b>	<b>\$ 10,587</b>

**South Carolina Workers' Compensation Commission**

**2011 - 2012 Budget**

June 30, 2012

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100.00%				
				Expended June	Year to Date	%	Encumb Balance	
<b>Administration</b>								
<b>Salaries</b>								
Classified Positions	\$ 307,000	\$ 91,034	\$ 398,034	\$ 25,556	\$ 306,670	77%	\$ -	\$ 91,364
Temporary Employees	11,247	-	11,247	2,015	10,402	92%	-	845
Terminal Leave	1,000	-	1,000	-	-	0%	-	1,000
<b>Total Salaries</b>	<b>319,247</b>	<b>91,034</b>	<b>410,281</b>	<b>27,571</b>	<b>317,073</b>	<b>77%</b>	<b>-</b>	<b>93,208</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	5,200	6,000	11,200	-	5,792	52%	-	5,408
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	(3,000)	140,000	9,939	139,175	99%	-	825
Freight Express Delivery	1,000	-	1,000	68	750	75%	-	250
Telephone	6,200	-	6,200	780	4,661	75%	-	1,539
Cellular Phone Service	1,925	-	1,925	524	2,256	117%	-	(331)
Education & Training Services	1,000	-	1,000	-	949	95%	-	51
Attorney Fees	34,000	-	34,000	6,870	13,977	41%	-	20,023
General Repair	230	-	230	-	120	52%	-	110
Audit Acct Finance	100	-	100	-	101	101%	-	(1)
Catered Meals	-	-	-	-	154	0%	-	(154)
Other Professional Services	100	-	100	-	-	0%	-	100
Other Contractual Services	200	-	200	-	1,257	629%	-	(1,057)
<b>Total Contractual Services</b>	<b>194,027</b>	<b>3,000</b>	<b>197,027</b>	<b>18,181</b>	<b>169,474</b>	<b>86%</b>	<b>-</b>	<b>27,553</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	5,000	(1,000)	4,000	264	3,171	79%	-	829
Subscriptions	175	-	175	-	-	0%	-	175
Copying Equipment Supplies	3,934	(1,000)	2,934	35	2,473	84%	-	461
Printing	1,964	-	1,964	54	1,522	77%	-	442
Data Processing Supplies	500	-	500	-	921	184%	-	(421)
Postage	6,800	-	6,800	1,662	9,088	134%	-	(2,288)
Maint/Janitorial Supplies	150	-	150	46	154	103%	-	(4)
Fees & Fines	280	-	280	-	50	18%	-	230
Gasoline/ Motor Vehicle Supply	100	-	100	-	-	0%	-	100
Employee Recog Award	800	-	800	93	991	124%	-	(191)
Other Supplies	100	-	100	-	360	360%	-	(260)
<b>Total Supplies &amp; Materials</b>	<b>19,803</b>	<b>(2,000)</b>	<b>17,803</b>	<b>2,154</b>	<b>18,730</b>	<b>105%</b>	<b>-</b>	<b>(927)</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	5,000	5,000	10,000	369	5,953	60%	-	4,047
Rent-Non State Owned Property	88,986	-	88,986	7,567	92,519	104%	-	(3,533)
Rent-Other	3,500	5,000	8,500	55	10,030	118%	-	(1,530)
Insurance-State	7,490	-	7,490	6,443	7,108	95%	-	383
Insurance-Non State	134	-	134	-	-	0%	-	134
Dues and Memberships	3,985	5,000	8,985	85	4,735	53%	-	4,250
Sales Tax Paid	9,000	-	9,000	898	6,320	70%	-	2,680
<b>Total Fixed Charges</b>	<b>118,095</b>	<b>15,000</b>	<b>133,095</b>	<b>15,417</b>	<b>126,664</b>	<b>95%</b>	<b>-</b>	<b>6,431</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals Non/ Reportable	100	-	100	-	21	21%	-	79
Reportable Meals	100	-	100	-	-	0%	-	100
Out of State - Milage	90	-	90	-	-	0%	-	90
In State - Registration Fees	200	500	700	-	113	16%	-	587
Leased Car	12,000	5,000	17,000	2,907	13,505	79%	-	3,495
<b>Total Travel</b>	<b>12,490</b>	<b>5,500</b>	<b>17,990</b>	<b>2,907</b>	<b>13,639</b>	<b>76%</b>	<b>-</b>	<b>4,351</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>-</b>
<b>Total Other Operating Expenditures</b>	<b>344,415</b>	<b>21,500</b>	<b>365,915</b>	<b>38,659</b>	<b>328,507</b>	<b>90%</b>	<b>-</b>	<b>37,408</b>
<b>Total Administration</b>	<b>\$ 663,662</b>	<b>\$ 112,534</b>	<b>\$ 776,196</b>	<b>\$ 66,230</b>	<b>\$ 645,580</b>	<b>83%</b>	<b>\$ -</b>	<b>\$ 130,616</b>

**South Carolina Workers' Compensation Commission**

**2011 - 2012 Budget**

June 30, 2012

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100.00%				
				Expended June	Year to Date	%	Encumb	Balance
<b>Claims</b>								
<b>Salaries</b>								
Classified Positions	\$ 293,000		\$ 293,000	\$ 24,291	\$ 291,492	99%	\$ -	\$ 1,508
Temporary Positions	14,000		14,000	870	10,263	73%	-	3,738
Terminal Leave	1,000		1,000	-	-	0%	-	1,000
<b>Total Salaries</b>	<b>308,000</b>	<b>-</b>	<b>308,000</b>	<b>25,161</b>	<b>301,755</b>	<b>98%</b>	<b>-</b>	<b>6,245</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Services	200	-	200	-	66	33%	-	134
Copying Equipment Service		338	338	338	338	100%	-	-
Print / Bind / Adv	750	(338)	412	-	282	69%	-	130
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	21,933	-	21,933	3,797	28,116	128%	-	(6,183)
Freight Express Delivery	500	-	500	-	-	0%	-	500
Telephone	4,000	-	4,000	609	3,663	92%	-	337
Cellular Phone Service	2,500	-	2,500	54	608	24%	-	1,892
Temporary Services	26,000	-	26,000	4,332	24,403	94%	-	1,597
Other Professional Services	100	-	100	-	30	30%	-	70
<b>Total Contractual Services</b>	<b>56,005</b>	<b>-</b>	<b>56,005</b>	<b>9,130</b>	<b>57,506</b>	<b>103%</b>	<b>-</b>	<b>(1,501)</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	8,271	-	8,271	134	3,001	36%	-	5,270
Copying Equipment	3,000	-	3,000	35	2,192	73%	-	808
Printing	900	-	900	-	1,164	129%	-	(264)
Data Processing Supplies	75	-	75	1,023	2,393	3191%	-	(2,318)
Postage	14,000	-	14,000	3,566	21,869	156%	-	(7,869)
Maint/Janitorial Supplies	200	-	200	12	157	79%	-	43
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>26,546</b>	<b>-</b>	<b>26,546</b>	<b>4,771</b>	<b>30,776</b>	<b>116%</b>	<b>-</b>	<b>(4,230)</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	2,500	-	2,500	337	2,714	109%	-	(214)
Rent-Non State Owned Property	68,000	-	68,000	5,847	71,492	105%	-	(3,492)
Rent-Other	225	-	225	-	-	0%	-	225
Insurance-State	1,080	-	1,080	1,266	1,931	179%	-	(851)
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>7,450</b>	<b>76,137</b>	<b>103%</b>	<b>-</b>	<b>(2,398)</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	-	339	57%	-	261
In-State Registration	200	-	200	-	-	0%	-	200
Reportable Meals	400	-	400	91	459	115%	-	(59)
<b>Total Travel</b>	<b>2,100</b>	<b>-</b>	<b>2,100</b>	<b>91</b>	<b>798</b>	<b>38%</b>	<b>-</b>	<b>1,302</b>
<b>Total Other Operating Expenditures</b>	<b>158,390</b>	<b>-</b>	<b>158,390</b>	<b>21,441</b>	<b>165,218</b>	<b>104%</b>	<b>-</b>	<b>(6,828)</b>
<b>Total Claims</b>	<b>\$ 466,390</b>	<b>\$ -</b>	<b>\$ 466,390</b>	<b>\$ 46,602</b>	<b>\$ 466,973</b>	<b>100%</b>	<b>\$ -</b>	<b>\$ (583)</b>

**South Carolina Workers' Compensation Commission**

**2011 - 2012 Budget**

June 30, 2012

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100.00%				
				Expended June	Year to Date	%	Encumb Balance	
<b>Insurance and Medical Services</b>								
<b>Salaries</b>								
Classified Positions	418,000	14,956	432,956	34,920	399,860	92%	-	33,096
Temporary Employees	15,018		15,018	1,251	15,092	100%	-	(74)
<b>Total Salaries</b>	<b>433,018</b>	<b>14,956</b>	<b>447,974</b>	<b>36,172</b>	<b>414,952</b>	<b>93%</b>	<b>-</b>	<b>33,022</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	200	-	200	-	73	37%	-	127
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	5,508	46,592	95%	-	2,408
Telephone	2,626	-	2,626	451	2,710	103%	-	(84)
Cell Phone	3,000	-	3,000	59	855	29%	-	2,145
Catered Meals	2,000	-	2,000	-	3,048	152%	-	(1,048)
Other Professional Services	1,800	-	1,800	205	5,425	301%	-	(3,625)
Other Contractual Services	2,600	-	2,600	521	2,254	87%	-	346
<b>Total Contractual Services</b>	<b>53,050</b>	<b>9,500</b>	<b>62,550</b>	<b>6,743</b>	<b>61,270</b>	<b>98%</b>	<b>-</b>	<b>1,281</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	3,000	-	3,000	179	4,003	133%	-	(1,003)
Copying Equipment	3,500	-	3,500	39	2,423	69%	-	1,077
Printing	1,500	-	1,500	-	1,565	104%	-	(65)
Data Processing Supplies	500	-	500	512	1,272	254%	-	(772)
Postage	7,000	5,000	12,000	1,676	10,286	86%	-	1,714
Maintenance/Janitorial Supplies	75	100	175	13	133	76%	-	42
Building Materials	-	1,880	1,880	-	2,001	106%	-	(121)
Fees & Fines	50	100	150	-	25	17%	-	125
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>15,725</b>	<b>7,080</b>	<b>22,805</b>	<b>2,419</b>	<b>21,708</b>	<b>95%</b>	<b>-</b>	<b>1,097</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	2,104	3,500	5,604	489	3,560	64%	-	2,044
Rent-Non State Owned Property	48,000	2,000	50,000	4,127	50,465	101%	-	(465)
Rent-Other	225	2,000	2,225	-	1,223	55%	-	1,002
Insurance-State	1,101	1,000	2,101	1,266	2,001	95%	-	100
Insurance-Non State	148	-	148	-	-	0%	-	148
Equipment Maintenance	942	-	942	-	-	0%	-	942
Sales Tax Paid	3,000	(1,880)	1,120	79	688	61%	-	432
<b>Total Fixed Charges</b>	<b>55,520</b>	<b>6,620</b>	<b>62,140</b>	<b>5,961</b>	<b>57,937</b>	<b>93%</b>	<b>-</b>	<b>4,203</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals (Non-Reportable)	400	-	400	-	58	15%	-	342
In-State Registration	100	-	100	-	-	0%	-	100
Reportable Meals	150	-	150	40	326	217%	-	(176)
In State - Lodging	700	-	700	-	297	42%	-	403
<b>Total Travel</b>	<b>1,350</b>	<b>-</b>	<b>1,350</b>	<b>40</b>	<b>681</b>	<b>50%</b>	<b>-</b>	<b>669</b>
<b>Total Other Operating Expenditures</b>	<b>125,645</b>	<b>23,200</b>	<b>148,845</b>	<b>15,163</b>	<b>141,596</b>	<b>95%</b>	<b>-</b>	<b>7,249</b>
<b>Total Insurance and Medical Services</b>	<b>\$ 558,663</b>	<b>\$ 38,156</b>	<b>\$ 596,819</b>	<b>\$ 51,335</b>	<b>\$ 556,548</b>	<b>93%</b>	<b>\$ -</b>	<b>\$ 40,271</b>

**South Carolina Workers' Compensation Commission**

**2011 - 2012 Budget**

June 30, 2012

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 100.00%				
				Expended June	Year to Date	%	Encumb Balance	
<b>Judicial</b>								
<b>Salaries</b>								
Classified Positions	\$ 351,750	\$ 24,178	\$ 375,928	\$ 26,944	\$ 348,357	93%	\$ -	\$ 27,571
Terminal Leave		993	993	0	993	100%	-	-
<b>Total Salaries</b>	<b>351,750</b>	<b>25,171</b>	<b>376,921</b>	<b>26,944</b>	<b>349,351</b>	<b>93%</b>	<b>-</b>	<b>27,571</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Services	80	-	80	-	59	74%	-	21
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	8,000	31,000	4,338	26,840	87%	-	4,160
Telephone	2,000	-	2,000	416	2,507	125%	-	(507)
Cellular Phone Service	1,104	-	1,104	72	838	76%	-	266
Other Professional Services	200	-	200	-	-	0%	-	200
<b>Total Contractual Services</b>	<b>28,054</b>	<b>8,000</b>	<b>36,054</b>	<b>4,826</b>	<b>30,800</b>	<b>85%</b>	<b>-</b>	<b>5,254</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	2,000	-	2,000	131	4,565	228%	-	(2,565)
Copying Equipment Supplies	1,200	1,000	2,200	31	1,972	90%	-	228
Printing	1,000	-	1,000	-	1,111	111%	-	(111)
Data Processing Supplies	75	-	75	512	958	1277%	-	(883)
Postage	9,000	-	9,000	1,458	8,391	93%	-	609
Maintenance/Janitorial Supplies	150	-	150	11	97	64%	-	53
Promotional Supplies	20	-	20	-	-	0%	-	20
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>13,545</b>	<b>1,000</b>	<b>14,545</b>	<b>2,143</b>	<b>17,094</b>	<b>118%</b>	<b>-</b>	<b>(2,549)</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	1,750	500	2,250	103	1,985	88%	-	265
Rent-Non State Owned Property	60,000	2,000	62,000	5,159	63,081	102%	-	(1,081)
Rent-Other	125	-	125	-	-	0%	-	125
Insurance-State	1,121	500	1,621	1,183	1,778	110%	-	(157)
Insurance-Non State	120	-	120	-	-	0%	-	120
<b>Total Fixed Charges</b>	<b>63,116</b>	<b>3,000</b>	<b>66,116</b>	<b>6,445</b>	<b>66,844</b>	<b>101%</b>	<b>-</b>	<b>(728)</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals / Non-Reportable	250	-	250	175	444	178%	-	(194)
Reportable Meals	250	500	750	86	770	103%	-	(20)
In State - Lodging	750	1,000	1,750	1,083	2,163	124%	-	(413)
In State - Auto Mileage	1,200	1,000	2,200	414	1,852	84%	-	348
In State - Misc Travel Expense	100	-	100	21	21	21%	-	79
In-State Registration	100	-	100	-	-	0%	-	100
Out State - Auto Mileage	300	-	300	-	-	0%	-	300
<b>Total Travel</b>	<b>2,950</b>	<b>2,500</b>	<b>5,450</b>	<b>1,778</b>	<b>5,250</b>	<b>96%</b>	<b>-</b>	<b>200</b>
<b>Total Other Operating Expenditures</b>	<b>107,665</b>	<b>14,500</b>	<b>122,165</b>	<b>15,193</b>	<b>119,989</b>	<b>98%</b>	<b>-</b>	<b>2,176</b>
<b>Total Judicial</b>	<b>\$ 459,415</b>	<b>\$ 39,671</b>	<b>\$ 499,086</b>	<b>\$ 42,137</b>	<b>\$ 469,339</b>	<b>94%</b>	<b>\$ -</b>	<b>\$ 29,747</b>
<b>Earmarked Funds</b>								
<b>Department Totals</b>								
Commissioners	\$ 522,501	\$ 1,500	\$ 524,001	\$ 67,694	\$ 513,414	98%	\$ -	\$ 10,587
Administration	663,662	112,534	776,196	66,230	645,580	83%	-	130,616
Claims	466,390	-	466,390	46,602	466,973	100%	-	(583)
Insurance & Medical	558,663	38,156	596,819	51,335	556,548	93%	-	40,271
Judicial	459,415	39,671	499,086	42,137	469,339	94%	-	29,747
<b>Total Departmental Expend</b>	<b>\$ 2,670,631</b>	<b>\$ 191,861</b>	<b>\$ 2,862,492</b>	<b>\$ 273,998</b>	<b>\$ 2,651,854</b>	<b>93%</b>	<b>\$ -</b>	<b>\$ 210,638</b>
Employer Contributions	448,184	1,814	449,998	33,189	449,998	100%	-	(0)
<b>Total Earmarked Funds</b>	<b>\$ 3,118,815</b>	<b>\$ 193,675</b>	<b>\$ 3,312,490</b>	<b>\$ 307,187</b>	<b>\$ 3,101,852</b>	<b>94%</b>	<b>\$ -</b>	<b>\$ 210,638</b>
<b>Capital / Computer Project Carryforward</b>	<b>\$ 9,931</b>	<b>\$ -</b>	<b>\$ 9,931</b>	<b>\$ 7,456</b>	<b>\$ 9,931</b>	<b>100%</b>	<b>\$ -</b>	<b>\$ -</b>

**South Carolina Workers' Compensation Commission**  
**Summary of Revenues and Expenditures**  
**2012 - 2013 Budget**  
**July 31, 2012**

	<b>Budget</b>	<b>FY To Date</b>	<b>Benchmark</b>	<b>8.33%</b>
<b>STATE APPROPRIATIONS</b>				
General Appropriation	<u>\$ 1,763,619</u>	<u>\$ 146,968.25</u>		8.33%

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,329,429	\$ 122,769	\$ 1,206,660	9.2%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	434,190	36,681	397,509	8.4%
<b>Total</b>	<b><u>\$ 1,763,619</u></b>	<b><u>\$ 159,451</u></b>	<b><u>\$ 1,604,168</u></b>	<b><u>9.0%</u></b>

**OTHER APPROPRIATIONS**

**EARMARKED**

	Budgeted Revenues	Received thru 7/31/12	% Received
Training Conference Registration Fee	\$ 1,000	\$ 35	3.50%
Sale of Publication and Brochures	8,000	450	5.63%
Workers' Comp Award Review Fee	75,000	6,150	8.20%
Sale of Photocopies	95,000	9,113	9.59%
Workers' Compensation Filing Violation Fee	1,891,000	142,501	7.54%
Sale of Listings and Labels	30,000	2,368	7.89%
Workers' Comp Hearing Fee	600,000	54,375	9.06%
Insurance Reserve Refund (Prepaid Legal)		3,460	
Earmarked Funds - Original Authorization	<b><u>\$ 2,700,000</u></b>	<b><u>\$ 218,452</u></b>	<b><u>8.09%</u></b>
Increase Authorization	535,066		
Increase Authorization - BD100	-		
<b>Total Earmarked Revenues + Fund Balance</b>	<b><u>\$ 3,235,066</u></b>		

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,464,017	\$ 121,502	\$ 1,342,515	8.3%
Taxable Subsistence	80,000	6,236	73,764	7.8%
Other Operating Expenses	1,242,865	53,768	1,189,097	4.3%
Employer Contribution	448,184	58,549	389,635	13.1%
<b>Total Earmarked</b>	<b><u>\$ 3,235,066</u></b>	<b><u>\$ 240,055</u></b>	<b><u>\$ 2,995,011</u></b>	<b><u>7.4%</u></b>

**COMPUTER FUNDS CARRIED FORWARD**

Computer Services - Carry forward	\$ -	\$ -	\$ -	0.0%
<b>TOTAL OTHER APPROPRIATIONS</b>	<b><u>\$ 3,235,066</u></b>	<b><u>\$ 240,055</u></b>	<b><u>\$ 2,995,011</u></b>	<b><u>7.4%</u></b>

**South Carolina Workers' Compensation Commission**  
**2012 - 2013 Budget**  
**July 31, 2012**

**Consolidated**

Year-To-Date : 8.33%

	Original Budget	Budget Amendments	Amended Budget	Expended July	Year to Date	%	Encumb	Balance
<b>Commissioners</b>								
<b>Salaries</b>	\$ 1,150,244	\$ -	\$ 1,150,244	\$ 98,172	\$ 98,172	9%	\$ -	\$ 73,764
<b>Other Operating Expenditures</b>								
Total Contractual Services	219,128	-	219,128	6,689	6,689	3%	-	212,439
Total Supplies & Materials	23,499	-	23,499	81	81	0%	-	23,418
Total Fixed Charges	158,028	-	158,028	11,694	11,694	7%	-	146,334
Total Travel	90,950	-	90,950	2,247	2,247	2%	-	88,703
<b>Total Other Operating Exp</b>	<b>491,605</b>	<b>-</b>	<b>491,605</b>	<b>20,711</b>	<b>20,710</b>	<b>4%</b>	<b>-</b>	<b>470,895</b>
<b>Total Commissioners</b>	<b>\$ 1,641,849</b>	<b>\$ -</b>	<b>\$ 1,641,849</b>	<b>\$ 118,882</b>	<b>\$ 118,882</b>	<b>7%</b>	<b>\$ -</b>	<b>\$ 544,659</b>
<b>Administration</b>								
<b>Salaries</b>	\$ 559,791	\$ -	\$ 559,791	\$ 46,900	\$ 46,899	8%	\$ -	\$ 512,892
<b>Other Operating Expenditures</b>								
Total Contractual Services	105,502	-	105,502	6,188	6,188	6%	-	99,314
Total Supplies & Materials	23,053	-	23,053	82	82	0%	-	22,971
Total Fixed Charges	132,810	-	132,810	8,519	8,519	6%	-	124,291
Total Travel	14,490	-	14,490	154	154	1%	-	14,336
Total Equipment	-	-	-	-	-	0%	-	-
<b>Total Other Operating Exp</b>	<b>275,855</b>	<b>-</b>	<b>275,855</b>	<b>14,942</b>	<b>14,942</b>	<b>5%</b>	<b>-</b>	<b>260,913</b>
<b>Total Administration</b>	<b>\$ 835,646</b>	<b>\$ -</b>	<b>\$ 835,646</b>	<b>\$ 61,842</b>	<b>\$ 61,842</b>	<b>7%</b>	<b>\$ -</b>	<b>\$ 773,804</b>
<b>Claims</b>								
<b>Salaries</b>	\$ 376,757	\$ -	\$ 376,757	\$ 32,345	\$ 32,345	9%	\$ -	\$ 344,412
<b>Other Operating Expenditures</b>								
Total Contractual Services	64,472	-	64,472	469	469	1%	-	64,004
Total Supplies & Materials	37,471	-	37,471	96	96	0%	-	37,375
Total Fixed Charges	79,659	-	79,659	5,847	5,847	7%	-	73,812
Total Travel	2,100	-	2,100	-	-	0%	-	2,100
<b>Total Other Operating Exp</b>	<b>183,702</b>	<b>-</b>	<b>183,702</b>	<b>6,411</b>	<b>6,411</b>	<b>3%</b>	<b>-</b>	<b>177,291</b>
<b>Total Claims</b>	<b>\$ 560,459</b>	<b>\$ -</b>	<b>\$ 560,459</b>	<b>\$ 38,757</b>	<b>\$ 38,757</b>	<b>7%</b>	<b>\$ -</b>	<b>\$ 521,703</b>
<b>Insurance and Medical Services</b>								
<b>Salaries</b>	\$ 422,768	\$ -	\$ 422,768	\$ 42,948	\$ 42,948	10%	\$ -	\$ 379,820
<b>Other Operating Expenditures</b>								
Total Contractual Services	73,104	-	73,104	2,154	2,154	3%	-	70,950
Total Supplies & Materials	22,725	-	22,725	71	71	0%	-	22,654
Total Fixed Charges	62,194	-	62,194	4,127	4,127	7%	-	58,067
Total Travel	1,350	-	1,350	-	-	0%	-	1,350
<b>Total Other Operating Exp</b>	<b>159,373</b>	<b>-</b>	<b>159,373</b>	<b>6,352</b>	<b>6,352</b>	<b>4%</b>	<b>-</b>	<b>153,021</b>
<b>Total Insurance and Medical Services</b>	<b>\$ 582,141</b>	<b>\$ -</b>	<b>\$ 582,141</b>	<b>\$ 49,300</b>	<b>\$ 49,300</b>	<b>8%</b>	<b>\$ -</b>	<b>\$ 532,841</b>
<b>Judicial</b>								
<b>Salaries</b>	\$ 363,886	\$ -	\$ 363,886	\$ 30,143	\$ 30,143	8%	\$ -	\$ 333,743
<b>Other Operating Expenditures</b>								
Total Contractual Services	33,570	-	33,570	70	70	0%	-	33,500
Total Supplies & Materials	22,770	-	22,770	57	57	0%	-	22,713
Total Fixed Charges	70,545	-	70,545	5,159	5,159	7%	-	65,386
Total Travel	5,445	-	5,445	66	66	1%	-	5,379
<b>Total Other Operating Exp</b>	<b>132,330</b>	<b>-</b>	<b>132,330</b>	<b>5,352</b>	<b>5,352</b>	<b>4%</b>	<b>-</b>	<b>126,978</b>
<b>Total Judicial</b>	<b>\$ 496,216</b>	<b>\$ -</b>	<b>\$ 496,216</b>	<b>\$ 35,495</b>	<b>\$ 35,495</b>	<b>7%</b>	<b>\$ -</b>	<b>\$ 460,721</b>
<b>Totals By Departments</b>								
<b>Department Totals</b>								
Commissioners	\$ 1,641,849	\$ -	\$ 1,641,849	\$ 118,882	\$ 118,882	7%	\$ -	\$ 544,659
Administration	835,646	-	835,646	61,842	61,842	7%	-	773,804
Claims	560,459	-	560,459	38,757	38,757	7%	-	521,703
Insurance & Medical	582,141	-	582,141	49,300	49,300	8%	-	532,841
Judicial	496,216	-	496,216	35,495	35,495	7%	-	460,721
<b>Total Departmental Expend</b>	<b>\$ 4,116,311</b>	<b>\$ -</b>	<b>\$ 4,116,311</b>	<b>\$ 304,276</b>	<b>\$ 304,275</b>	<b>7%</b>	<b>\$ -</b>	<b>\$ 2,833,728</b>
Employer Contributions	882,374	-	882,374	95,231	95,230	11%	-	787,144
<b>Total General &amp; Earmarked Funds</b>	<b>\$ 4,998,685</b>	<b>\$ -</b>	<b>\$ 4,998,685</b>	<b>\$ 399,506</b>	<b>\$ 399,505</b>	<b>8%</b>	<b>\$ -</b>	<b>\$ 3,620,871</b>

**South Carolina Workers' Compensation Commission**  
**2012 - 2013 Budget**  
**July 31, 2012**

**General Appropriation**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 8.33%				
				Expended July	Year to Date to Date	%	Encumb	Balance
<b>Commissioners</b>								
<b>Salaries</b>								
Chairman	\$ 115,567	\$ -	\$ 115,567	\$ 9,508	\$ 9,508	8%	\$ -	\$ 106,060
Commissioner	664,602	-	664,602	57,445	57,445	9%	-	607,157
Terminal Leave	-	-	-	-	-	0%	-	-
Classified Employees	290,075	-	290,075	24,983	24,983	9%	-	265,092
<b>Total Commissioners</b>	<b>1,070,244</b>	<b>-</b>	<b>1,070,244</b>	<b>91,936</b>	<b>91,936</b>	<b>9%</b>	<b>-</b>	<b>-</b>
<b>Administration</b>								
<b>Salaries</b>								
Director	\$ 94,152	\$ -	\$ 94,152	\$ 8,081	\$ 8,081	9%	\$ -	\$ 86,071
Classified Positions	44,825	-	44,825	11,572	11,572	26%	-	33,253
<b>Total Administration</b>	<b>138,977</b>	<b>-</b>	<b>138,977</b>	<b>19,654</b>	<b>19,653</b>	<b>14%</b>	<b>-</b>	<b>119,324</b>
<b>Claims</b>								
<b>Salaries</b>								
Classified Positions	\$ 67,000	\$ -	\$ 67,000	\$ 6,613	\$ 6,613	10%	\$ -	\$ 60,387
<b>Total Claims</b>	<b>67,000</b>	<b>-</b>	<b>67,000</b>	<b>6,613</b>	<b>6,613</b>	<b>10%</b>	<b>-</b>	<b>60,387</b>
<b>Insurance and Medical Services</b>								
<b>Salaries</b>								
Classified Positions	\$ 25,350	\$ -	\$ 25,350	\$ 2,176	\$ 2,176	9%	\$ -	\$ 23,174
<b>Total Ins and Medical Svcs</b>	<b>25,350</b>	<b>-</b>	<b>25,350</b>	<b>2,176</b>	<b>2,176</b>	<b>9%</b>	<b>-</b>	<b>23,174</b>
<b>Judicial</b>								
<b>Salaries</b>								
Classified Positions	\$ 27,858	\$ -	\$ 27,858	\$ 2,391	\$ 2,391	9%	\$ -	\$ 25,467
<b>Total Judicial</b>	<b>27,858</b>	<b>-</b>	<b>27,858</b>	<b>2,391</b>	<b>2,391</b>	<b>9%</b>	<b>-</b>	<b>25,467</b>
<b>General Funds</b>								
<b>Department Totals</b>								
Commissioners	\$ 1,070,244	\$ -	\$ 1,070,244	\$ 91,936	\$ 91,936	9%	\$ -	\$ 978,309
Administration	138,977	-	138,977	19,654	19,653	14%	-	119,324
Claims	67,000	-	67,000	6,613	6,613	10%	-	60,387
Insurance & Medical	25,350	-	25,350	2,176	2,176	9%	-	23,174
Judicial	27,858	-	27,858	2,391	2,391	9%	-	25,467
<b>Total Departmental Expend</b>	<b>\$ 1,329,429</b>	<b>\$ -</b>	<b>\$ 1,329,429</b>	<b>\$ 122,770</b>	<b>\$ 122,769</b>	<b>9%</b>	<b>\$ -</b>	<b>\$ 1,206,660</b>
Employer Contributions	434,190	-	434,190	36,681	36,681	8%	-	397,509
<b>Total General Fund Appropriations</b>	<b>\$ 1,763,619</b>	<b>\$ -</b>	<b>\$ 1,763,619</b>	<b>\$ 159,451</b>	<b>\$ 159,451</b>	<b>9%</b>	<b>\$ -</b>	<b>\$ 1,604,168</b>

**South Carolina Workers' Compensation Commission**

**2012 - 2013 Budget**

July 31, 2012

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 8.33%				
				Expended July	Year to Date	%	Encumb Balance	
<b>Commissioners</b>								
<b>Salaries</b>								
Taxable Subsistence	\$ 80,000	\$ -	\$ 80,000	\$ 6,236	\$ 6,236	8%	\$ -	\$ 73,764
<b>Total Salaries</b>	<b>80,000</b>	<b>-</b>	<b>80,000</b>	<b>6,236</b>	<b>6,236</b>	<b>8%</b>	<b>-</b>	<b>73,764</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	1,700	-	1,700	-	-	0%	-	1,700
Copying Equipment Service	1,200	-	1,200	-	-	0%	-	1,200
Print/Bind/Advertisement	1,510	-	1,510	-	-	0%	-	1,510
Print Pub Annual Reports	1,028	-	1,028	-	-	0%	-	1,028
Data Processing Services	34,000	-	34,000	-	-	0%	-	34,000
Freight Express Delivery	1,490	-	1,490	-	-	0%	-	1,490
Telephone	6,100	-	6,100	-	-	0%	-	6,100
Cellular Phone Service	9,100	-	9,100	1,001	1,001	11%	-	8,099
Legal Services/Attorney Fees	160,000	-	160,000	5,688	5,688	4%	-	154,313
Other Professional Services	3,000	-	3,000	-	-	0%	-	3,000
<b>Total Contractual Services</b>	<b>219,128</b>	<b>-</b>	<b>219,128</b>	<b>6,689</b>	<b>6,689</b>	<b>3%</b>	<b>-</b>	<b>212,439</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	7,500	-	7,500	68	68	1%	-	7,432
Copying Equipment	4,200	-	4,200	-	-	0%	-	4,200
Printing	1,200	-	1,200	-	-	0%	-	1,200
Data Processing Supplies	1,649	-	1,649	-	-	0%	-	1,649
Postage	8,500	-	8,500	-	-	0%	-	8,500
Communication Supplies	50	-	50	-	-	0%	-	50
Maint/Janitorial Supplies	200	-	200	13	13	6%	-	187
Motor Vehicle Supp/Gasoline	100	-	100	-	-	0%	-	100
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>23,499</b>	<b>-</b>	<b>23,499</b>	<b>81</b>	<b>81</b>	<b>0%</b>	<b>-</b>	<b>23,418</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	2,500	-	2,500	-	-	0%	-	2,500
Rent-Non State Owned Property	149,000	-	149,000	11,694	11,694	8%	-	137,306
Rent-Other	250	-	250	-	-	0%	-	250
Insurance-State	4,500	-	4,500	-	-	0%	-	4,500
Insurance-Non State	1,169	-	1,169	-	-	0%	-	1,169
Fees & Fines	109	-	109	-	-	0%	-	109
Equipment Maintenance	500	-	500	-	-	0%	-	500
<b>Total Fixed Charges</b>	<b>158,028</b>	<b>-</b>	<b>158,028</b>	<b>11,694</b>	<b>11,694</b>	<b>7%</b>	<b>-</b>	<b>146,334</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals (Non-Reportable)	350	-	350	-	-	0%	-	350
In State - Auto Mileage	20,000	-	20,000	1,017	1,017	5%	-	18,983
In State - Subsistence Allowance	30,000	-	30,000	1,230	1,230	4%	-	28,770
Out State - Meals	100	-	100	-	-	0%	-	100
Out State - Auto Mileage	2,000	-	2,000	-	-	0%	-	2,000
Leased Car	38,500	-	38,500	-	-	0%	-	38,500
<b>Total Travel</b>	<b>90,950</b>	<b>-</b>	<b>90,950</b>	<b>2,247</b>	<b>2,247</b>	<b>2%</b>	<b>-</b>	<b>88,703</b>
<b>Total Other Operating Expenditures</b>	<b>491,605</b>	<b>-</b>	<b>491,605</b>	<b>20,711</b>	<b>20,710</b>	<b>4%</b>	<b>-</b>	<b>470,895</b>
<b>Total Commissioners</b>	<b>\$ 571,605</b>	<b>\$ -</b>	<b>\$ 571,605</b>	<b>\$ 26,947</b>	<b>\$ 26,946</b>	<b>5%</b>	<b>\$ -</b>	<b>\$ 544,659</b>

**South Carolina Workers' Compensation Commission**

**2012 - 2013 Budget**

July 31, 2012

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 8.33%				
				Expended July	Year to Date	%	Encumb Balance	
<b>Administration</b>								
<b>Salaries</b>								
Classified Positions	\$ 408,567	\$ -	\$ 408,567	\$ 26,322	\$ 26,322	6%	\$ -	\$ 382,245
Temporary Employees	11,247	-	11,247	924	924	8%	-	10,323
Terminal Leave	1,000	-	1,000	-	-	0%	-	1,000
<b>Total Salaries</b>	<b>420,814</b>	<b>-</b>	<b>420,814</b>	<b>27,246</b>	<b>27,246</b>	<b>6%</b>	<b>-</b>	<b>393,568</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Service	5,800	-	5,800	4,727	4,727	82%	-	1,073
Copying Equipment Service	550	-	550	-	-	0%	-	550
Print/Bind/Advertisement	500	-	500	-	-	0%	-	500
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	62,000	-	62,000	1,247	1,247	2%	-	60,753
Freight Express Delivery	800	-	800	-	-	0%	-	800
Telephone	4,600	-	4,600	-	-	0%	-	4,600
Cellular Phone Service	3,000	-	3,000	213	213	7%	-	2,787
Education & Training Services	1,000	-	1,000	-	-	0%	-	1,000
Attorney Fees	25,000	-	25,000	-	-	0%	-	25,000
General Repair	230	-	230	-	-	0%	-	230
Audit Acct Finance	100	-	100	-	-	0%	-	100
Catered Meals	300	-	300	-	-	0%	-	300
Other Professional Services	100	-	100	-	-	0%	-	100
Other Contractual Services	1,500	-	1,500	-	-	0%	-	1,500
<b>Total Contractual Services</b>	<b>105,502</b>	<b>-</b>	<b>105,502</b>	<b>6,188</b>	<b>6,188</b>	<b>6%</b>	<b>-</b>	<b>99,314</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	5,000	-	5,000	72	72	1%	-	4,928
Subscriptions	175	-	175	-	-	0%	-	175
Copying Equipment Supplies	3,434	-	3,434	-	-	0%	-	3,434
Printing	1,964	-	1,964	-	-	0%	-	1,964
Data Processing Supplies	500	-	500	-	-	0%	-	500
Postage	10,000	-	10,000	-	-	0%	-	10,000
Maint/Janitorial Supplies	200	-	200	10	10	5%	-	190
Fees & Fines	280	-	280	-	-	0%	-	280
Gasoline/ Motor Vehicle Supply	100	-	100	-	-	0%	-	100
Employee Recog Award	1,000	-	1,000	-	-	0%	-	1,000
Other Supplies	400	-	400	-	-	0%	-	400
<b>Total Supplies &amp; Materials</b>	<b>23,053</b>	<b>-</b>	<b>23,053</b>	<b>82</b>	<b>82</b>	<b>0%</b>	<b>-</b>	<b>22,971</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	6,000	-	6,000	304	304	5%	-	5,696
Rent-Non State Owned Property	95,000	-	95,000	7,567	7,567	8%	-	87,433
Rent-Other	11,000	-	11,000	628	628	6%	-	10,372
Insurance-State	7,490	-	7,490	-	-	0%	-	7,490
Insurance-Non State	134	-	134	-	-	0%	-	134
Dues and Memberships	5,000	-	5,000	20	20	0%	-	4,980
Sales Tax Paid	8,186	-	8,186	-	-	0%	-	8,186
<b>Total Fixed Charges</b>	<b>132,810</b>	<b>-</b>	<b>132,810</b>	<b>8,519</b>	<b>8,519</b>	<b>6%</b>	<b>-</b>	<b>124,291</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals Non/ Reportable	100	-	100	-	-	0%	-	100
Reportable Meals	100	-	100	-	-	0%	-	100
Out of State - Milage	90	-	90	-	-	0%	-	90
In State - Registration Fees	200	-	200	154	154	77%	-	46
Leased Car	14,000	-	14,000	-	-	0%	-	14,000
<b>Total Travel</b>	<b>14,490</b>	<b>-</b>	<b>14,490</b>	<b>154</b>	<b>154</b>	<b>1%</b>	<b>-</b>	<b>14,336</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>-</b>
<b>Total Other Operating Expenditures</b>	<b>275,855</b>	<b>-</b>	<b>275,855</b>	<b>14,942</b>	<b>14,942</b>	<b>5%</b>	<b>-</b>	<b>260,913</b>
<b>Total Administration</b>	<b>\$ 696,669</b>	<b>\$ -</b>	<b>\$ 696,669</b>	<b>\$ 42,188</b>	<b>\$ 42,188</b>	<b>6%</b>	<b>\$ -</b>	<b>\$ 654,481</b>

**South Carolina Workers' Compensation Commission**

**2012 - 2013 Budget**

July 31, 2012

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 8.33%				
				Expended July	Year to Date	%	Encumb Balance	
<b>Claims</b>								
<b>Salaries</b>								
Classified Positions	\$ 294,757	\$ -	\$ 294,757	\$ 25,019	\$ 25,019	8%	\$ -	\$ 269,738
Temporary Positions	14,000	-	14,000	712	712	5%	-	13,288
Terminal Leave	1,000	-	1,000	-	-	0%	-	1,000
<b>Total Salaries</b>	<b>309,757</b>	<b>-</b>	<b>309,757</b>	<b>25,732</b>	<b>25,732</b>	<b>8%</b>	<b>-</b>	<b>284,025</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Services	200	-	200	-	-	0%	-	200
Copying Equipment Service	400	-	400	-	-	0%	-	400
Print / Bind / Adv	750	-	750	-	-	0%	-	750
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	30,000	-	30,000	-	-	0%	-	30,000
Freight Express Delivery	500	-	500	-	-	0%	-	500
Telephone	4,000	-	4,000	-	-	0%	-	4,000
Cellular Phone Service	2,500	-	2,500	52	52	2%	-	2,448
Temporary Services	26,000	-	26,000	417	417	2%	-	25,583
Other Professional Services	100	-	100	-	-	0%	-	100
<b>Total Contractual Services</b>	<b>64,472</b>	<b>-</b>	<b>64,472</b>	<b>469</b>	<b>469</b>	<b>1%</b>	<b>-</b>	<b>64,004</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	8,271	-	8,271	86	86	1%	-	8,185
Copying Equipment	3,000	-	3,000	-	-	0%	-	3,000
Printing	900	-	900	-	-	0%	-	900
Data Processing Supplies	3,000	-	3,000	-	-	0%	-	3,000
Postage	22,000	-	22,000	-	-	0%	-	22,000
Maint/Janitorial Supplies	200	-	200	10	10	5%	-	190
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>37,471</b>	<b>-</b>	<b>37,471</b>	<b>96</b>	<b>96</b>	<b>0%</b>	<b>-</b>	<b>37,375</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	2,500	-	2,500	-	-	0%	-	2,500
Rent-Non State Owned Property	73,000	-	73,000	5,847	5,847	8%	-	67,153
Rent-Other	225	-	225	-	-	0%	-	225
Insurance-State	2,000	-	2,000	-	-	0%	-	2,000
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>79,659</b>	<b>-</b>	<b>79,659</b>	<b>5,847</b>	<b>5,847</b>	<b>7%</b>	<b>-</b>	<b>73,812</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	-	-	0%	-	400
<b>Total Travel</b>	<b>2,100</b>	<b>-</b>	<b>2,100</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>2,100</b>
<b>Total Other Operating Expenditures</b>	<b>183,702</b>	<b>-</b>	<b>183,702</b>	<b>6,411</b>	<b>6,411</b>	<b>3%</b>	<b>-</b>	<b>177,291</b>
<b>Total Claims</b>	<b>\$ 493,459</b>	<b>\$ -</b>	<b>\$ 493,459</b>	<b>\$ 32,143</b>	<b>\$ 32,143</b>	<b>7%</b>	<b>\$ -</b>	<b>\$ 461,316</b>

**South Carolina Workers' Compensation Commission**

**2012 - 2013 Budget**

July 31, 2012

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 8.33%				
				Expended July	Year to Date	%	Encumb	Balance
<b>Insurance and Medical Services</b>								
<b>Salaries</b>								
Classified Positions	378,434	-	378,434	35,968	35,968	10%	-	342,466
Temporary Employees	15,469	-	15,469	1,289	1,289	8%	-	14,180
Terminal Leave	3,515	-	3,515	3,515	3,515	100%	-	(0)
<b>Total Salaries</b>	<b>397,418</b>	<b>-</b>	<b>397,418</b>	<b>40,772</b>	<b>40,772</b>	<b>10%</b>	<b>-</b>	<b>356,646</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	-	-	0%	-	500
Print Pub Annual Report	24	-	24	-	-	0%	-	24
Data Processing Services	47,000	-	47,000	1,968	1,968	4%	-	45,032
Telephone	2,626	-	2,626	-	-	0%	-	2,626
Cell Phone	3,000	-	3,000	56	56	2%	-	2,944
Catered Meals	2,000	-	2,000	-	-	0%	-	2,000
Other Professional Services	10,000	-	10,000	130	130	1%	-	9,870
Other Contractual Services	7,454	-	7,454	-	-	0%	-	7,454
<b>Total Contractual Services</b>	<b>73,104</b>	<b>-</b>	<b>73,104</b>	<b>2,154</b>	<b>2,154</b>	<b>3%</b>	<b>-</b>	<b>70,950</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	5,000	-	5,000	60	60	1%	-	4,940
Copying Equipment	3,500	-	3,500	-	-	0%	-	3,500
Printing	1,500	-	1,500	-	-	0%	-	1,500
Data Processing Supplies	500	-	500	-	-	0%	-	500
Postage	11,000	-	11,000	-	-	0%	-	11,000
Maintenance/Janitorial Supplies	75	-	75	11	11	15%	-	64
Building Materials	1,000	-	1,000	-	-	0%	-	1,000
Fees & Fines	50	-	50	-	-	0%	-	50
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>22,725</b>	<b>-</b>	<b>22,725</b>	<b>71</b>	<b>71</b>	<b>0%</b>	<b>-</b>	<b>22,654</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	2,104	-	2,104	-	-	0%	-	2,104
Rent-Non State Owned Property	52,000	-	52,000	4,127	4,127	8%	-	47,873
Rent-Other	2,000	-	2,000	-	-	0%	-	2,000
Insurance-State	2,000	-	2,000	-	-	0%	-	2,000
Insurance-Non State	148	-	148	-	-	0%	-	148
Equipment Maintenance	942	-	942	-	-	0%	-	942
Sales Tax Paid	3,000	-	3,000	-	-	0%	-	3,000
<b>Total Fixed Charges</b>	<b>62,194</b>	<b>-</b>	<b>62,194</b>	<b>4,127</b>	<b>4,127</b>	<b>7%</b>	<b>-</b>	<b>58,067</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals (Non-Reportable)	400	-	400	-	-	0%	-	400
In-State Registration	100	-	100	-	-	0%	-	100
Reportable Meals	150	-	150	-	-	0%	-	150
In State - Lodging	700	-	700	-	-	0%	-	700
<b>Total Travel</b>	<b>1,350</b>	<b>-</b>	<b>1,350</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>1,350</b>
<b>Total Other Operating Expenditures</b>	<b>159,373</b>	<b>-</b>	<b>159,373</b>	<b>6,352</b>	<b>6,352</b>	<b>4%</b>	<b>-</b>	<b>153,021</b>
<b>Total Insurance and Medical Services</b>	<b>\$ 556,791</b>	<b>\$ -</b>	<b>\$ 556,791</b>	<b>\$ 47,124</b>	<b>\$ 47,124</b>	<b>8%</b>	<b>\$ -</b>	<b>\$ 509,667</b>

**South Carolina Workers' Compensation Commission**

**2012 - 2013 Budget**

July 31, 2012

**Earmarked Funds**

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 8.33%				
				Expended July	Year to Date	%	Encumb Balance	
<b>Judicial</b>								
<b>Salaries</b>								
Classified Positions	\$ 333,028	\$ -	\$ 333,028	\$ 27,752	\$ 27,752	8%	\$ -	\$ 305,276
Temporary Employees	3000	0	3000	0	0	0%	-	3,000
<b>Total Salaries</b>	<b>336,028</b>	<b>-</b>	<b>336,028</b>	<b>27,752</b>	<b>27,752</b>	<b>8%</b>	<b>-</b>	<b>308,276</b>
<b>Other Operating Expenditures</b>								
<b>Contractual Services</b>								
Office Equipment Services	80	-	80	-	-	0%	-	80
Copy Equipment Services	850	-	850	-	-	0%	-	850
Print/Bind/Advertisement	800	-	800	-	-	0%	-	800
Print Pub Annual Reports	20	-	20	-	-	0%	-	20
Data Processing Services	28,000	-	28,000	-	-	0%	-	28,000
Telephone	2,500	-	2,500	-	-	0%	-	2,500
Cellular Phone Service	1,120	-	1,120	70	70	6%	-	1,050
Other Professional Services	200	-	200	-	-	0%	-	200
<b>Total Contractual Services</b>	<b>33,570</b>	<b>-</b>	<b>33,570</b>	<b>70</b>	<b>70</b>	<b>0%</b>	<b>-</b>	<b>33,500</b>
<b>Supplies &amp; Materials</b>								
Office Supplies	5,500	-	5,500	48	48	1%	-	5,452
Copying Equipment Supplies	2,500	-	2,500	-	-	0%	-	2,500
Printing	2,000	-	2,000	-	-	0%	-	2,000
Data Processing Supplies	2,500	-	2,500	-	-	0%	-	2,500
Postage	10,000	-	10,000	-	-	0%	-	10,000
Maintenance/Janitorial Supplies	150	-	150	9	9	6%	-	141
Promotional Supplies	20	-	20	-	-	0%	-	20
Other Supplies	100	-	100	-	-	0%	-	100
<b>Total Supplies &amp; Materials</b>	<b>22,770</b>	<b>-</b>	<b>22,770</b>	<b>57</b>	<b>57</b>	<b>0%</b>	<b>-</b>	<b>22,713</b>
<b>Fixed Charges</b>								
Rental-Cont Rent Payment	3,000	-	3,000	-	-	0%	-	3,000
Rent-Non State Owned Property	65,300	-	65,300	5,159	5,159	8%	-	60,141
Rent-Other	125	-	125	-	-	0%	-	125
Insurance-State	2,000	-	2,000	-	-	0%	-	2,000
Insurance-Non State	120	-	120	-	-	0%	-	120
<b>Total Fixed Charges</b>	<b>70,545</b>	<b>-</b>	<b>70,545</b>	<b>5,159</b>	<b>5,159</b>	<b>7%</b>	<b>-</b>	<b>65,386</b>
<b>Travel (Includes Leased Car)</b>								
In State - Meals / Non-Reportable	450	-	450	-	-	0%	-	450
Reportable Meals	770	-	770	47	47	6%	-	723
In State - Lodging	2,200	-	2,200	-	-	0%	-	2,200
In State - Auto Mileage	1,800	-	1,800	19	19	1%	-	1,781
In State - Misc Travel Expense	25	-	25	-	-	0%	-	25
In-State Registration	100	-	100	-	-	0%	-	100
Out State - Auto Mileage	100	-	100	-	-	0%	-	100
<b>Total Travel</b>	<b>5,445</b>	<b>-</b>	<b>5,445</b>	<b>66</b>	<b>66</b>	<b>1%</b>	<b>-</b>	<b>5,379</b>
<b>Total Other Operating Expenditures</b>	<b>132,330</b>	<b>-</b>	<b>132,330</b>	<b>5,352</b>	<b>5,352</b>	<b>4%</b>	<b>-</b>	<b>126,978</b>
<b>Total Judicial</b>	<b>\$ 468,358</b>	<b>\$ -</b>	<b>\$ 468,358</b>	<b>\$ 33,104</b>	<b>\$ 33,104</b>	<b>7%</b>	<b>\$ -</b>	<b>\$ 435,254</b>
<b>Earmarked Funds</b>								
<b>Department Totals</b>								
Commissioners	\$ 571,605	\$ -	\$ 571,605	\$ 26,947	\$ 26,946	5%	\$ -	\$ 544,659
Administration	696,669	-	696,669	42,188	42,188	6%	-	654,481
Claims	493,459	-	493,459	32,143	32,143	7%	-	461,316
Insurance & Medical	556,791	-	556,791	47,124	47,124	8%	-	509,667
Judicial	468,358	-	468,358	33,104	33,104	7%	-	435,254
<b>Total Departmental Expend</b>	<b>\$ 2,786,882</b>	<b>\$ -</b>	<b>\$ 2,786,882</b>	<b>\$ 181,506</b>	<b>\$ 181,506</b>	<b>7%</b>	<b>\$ -</b>	<b>\$ 2,605,376</b>
Employer Contributions	448,184	-	448,184	58,549	58,549	13%	-	389,635
<b>Total Earmarked Funds</b>	<b>\$ 3,235,066</b>	<b>\$ -</b>	<b>\$ 3,235,066</b>	<b>\$ 240,055</b>	<b>\$ 240,055</b>	<b>7%</b>	<b>\$ -</b>	<b>\$ 2,995,011</b>
<b>Capital / Computer Project Carryforward</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>	<b>\$ -</b>

## MEMORANDUM

Date: August 14, 2012

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

**FROM:** Cathy Floyd  
Human Resources

**SUBJECT:** Human Resources Report Period of July 11 – August 14, 2012

Below is a summary of the Human Resources activity for the period of July 11 – August 14, 2012.

### Employee Relations (ER)

- Four ER issues were addressed during the activity period
- Conducted many DACUM job analyses
  - Approximately half of the DACUM's within the Agency have been completed
- Reminders were sent regarding the EPMS Universal Review Date
- Conducted an agency wide survey on Snacks with E.D. resulting in 21 responses
- Attended the United Way Campaign Coordinator Training
- The Agency participated in the 2012 Multi-Agency Harvest Hope Food Drive
- The Social Committee continues to work on the bi-monthly office activities and Annual Holiday Event

### Benefits

- Assisted five employees with insurance coverage changes and/or inquires
- Issued one COBRA Notice
- Assisted three employees with retirement/TERI inquires
- Completed two inquiries with the Retirement Systems
- Coordinated with AFLAC representatives to speak with employees interested in their products

### Reporting

- Submitted the annual Bonus Report and Monetary Rewards report for the State Division of Human Resources
- Assisted Finance with the Compensated Absences Report

### SC Enterprise Information System (SCEIS)

- One employment verification
- Assisted one employee with payroll issues
- Assisted seven employees with leave and time issues
- Seventeen transactions were keyed into the system

### State Human Resources Department (HRD)

- Contacted HRD Consultant regarding two employee issues

### Ombudsman

- Assisted six claimants with inquires by email and phone

### Finance Related

- Assisted with the daily deposit
- Approved 93 SCEIS financial transactions



## Workers' Compensation Commission

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To: Gary Cannon  
SCWCC Executive Director

From: Betsy Hartman  
IT Director

Date: August 15, 2012

Subject: IT Department  
August 2012 Full Commission Report

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### Summary of IT Department Activities

#### Projects – In Process

##### Annual report

- Sent to Directors for final approval of statistics

##### Accountability Report

- Data gathering started – Due September 17, 2012

##### EDI Release 3

- Final coding and testing of matching criteria is slated for completion by the end of August 2012
- Testing with Trading Partners
  - Approved
    - Hewett Coleman
  - In Approval Process
    - State Accident Fund
    - Mitchell

##### Lapse in Insurance Web Portal

- Testing completed for registration process.
- Testing for batch notification process of midterm cancellations in process
- Move to Production after sign off by Home Builders Association
- Launch with users at Home Builders Association event September 12, 2012

## Projects – to be started in September 2012

### OnBase Upgrade

- Testing to begin after completion of EDI Release 3 testing and sign off by business owners (IMS)

### OnBase Mobile Application

- Server has been set up and in testing with DSIT. This will enable iPad users the ability to pull up images via the iPad application after OnBase Upgrade complete

### SC Vocational Rehabilitation Web Portal

- Finalizing the requirements before turning over to BravePoint for coding.
- Coding to start September 2012

## Help Desk Activities

In July 2010, the IT Department started a Help Desk database to track request and issues, mainly for prioritization by the Executive Director. The process is being revamped to better track the activities and time spent on each activity by the IT Department staff. In the next coming months we will have collected enough data to properly represent the activities of the department. To give you an idea of the number of requests the IT Department has received since the start of the Help Desk Ticketing base in July 2010:

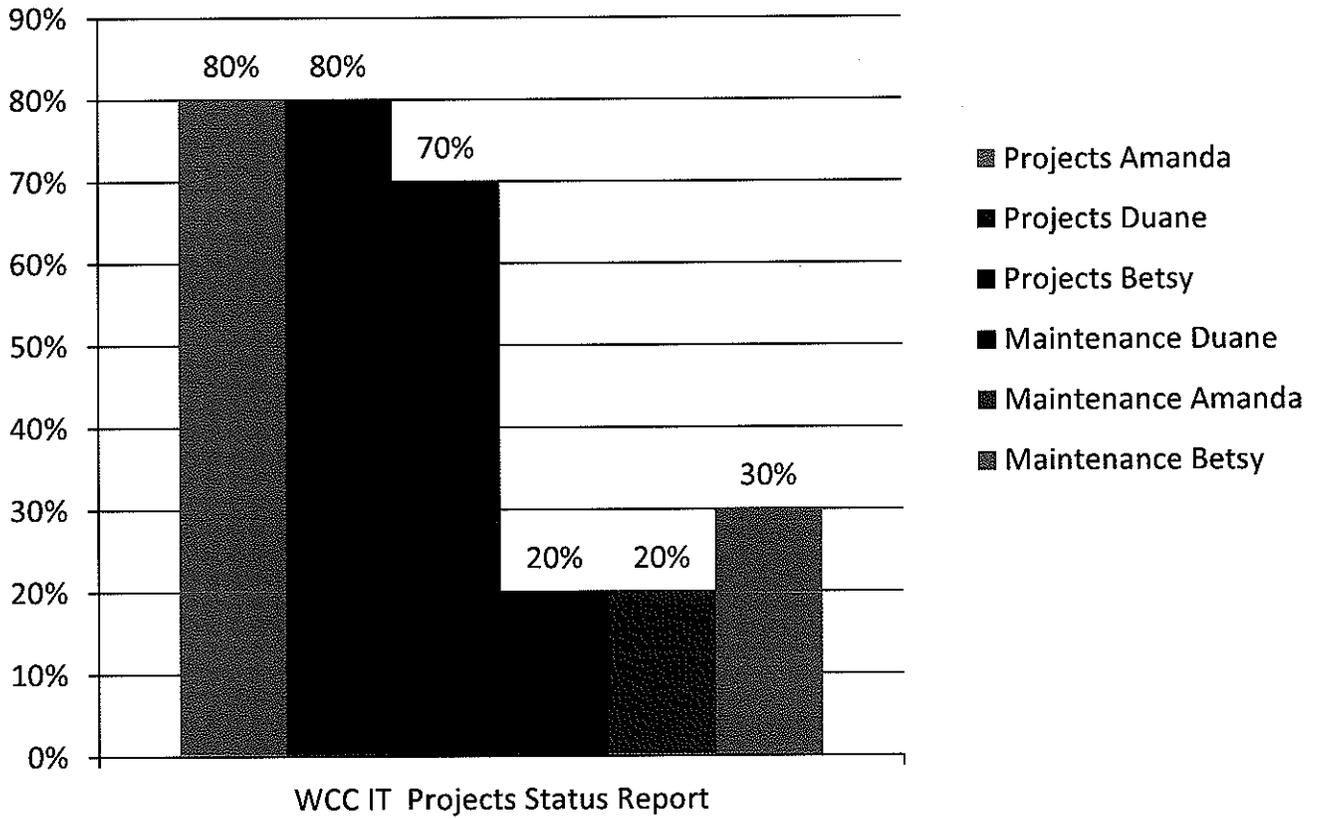
Year	# of Tickets Opened	# of tickets remaining open	# of tickets closed since July 2010
2010	84		
2011	388		
2012	77		
Total	549	87	462

## Current IT Staff Activities – 7/23/2012 to 8/15/2012

Non Help Desk Activities	Time spent on non-Help Desk Activities or projects	Open Help Desk tickets	Time spent on Help Desk tickets (including projects)
66	106.45 hours	87	Gathering data starting September 2012

I hope this new format is informative and I look for any suggestions to improve as you see fit.

IT Projects and Maintenance  
July 20, 2012 to August 15, 2012



**WCC IT Projects Status Report**

Period	08/20/12	Status Key:	Not Started	On Track	Timing		
Key Projects	Sub Project	Regulation	Due Date	% of completion	% of time devoted to issue	Lead	Issues / Comments
Phase II - Claims EDI release 3			August 2012	80%	80%	Duane	complete edit testing and roll out to prod
Phase II - Claims EDI release 3			August 2012	80%	80%	Amanda	Finish Match testing and get final approval from end users
A			August 2012	80%	50%	Betsy	Implementation Plan completed. Waiting on final OK from end users. Hewitt Coleman to be first.
Upgrade OnBase to Onbase 11X	EDI R3 complete		September 2012			Amanda	Need plan for testing and roll out
Lapse in Coverage notification			August 2012	80%	10%	Betsy	need to verify batch processing and testing with Home Builders. Frank Norris would like to present at Home Builders show in September.
iPad Application for eService	Upgrade to OnBase 11.X		September 2012	10%	5%	Betsy	Waiting on Onbase upgrade to 11X
Annual Report			August 2012	95%	15%	Amanda	Sent to Directors for final approval
Accountability Report			September 2012			Betsy	After approval of Annual Report Statistics
Upgrade wccsql server to Windows 2008 R2, Progress 10.2b.06	EDI RIs 3 and Lapse in coverage in projection		TBD				obtaining quotes for upgrading.
SC Voc. Rehab	Upgrade to WCCSQL		TBD	50%	5%	Betsy	Final review of specification prior to giving to coder
Upgrade wccsqlprodProgress 10.2b.06			TBD				obtaining quotes for upgrading.

**WCCO IT Projects Status Report**

Period	08/20/12	Status Key:	Not Started	On Track	Timing
Electronic Service Initiatives	Electronic Service Initiatives Clinchers 67-213	hold until after EDI RLS 3	0%		
	Electronic Service Initiatives Fee Petitions - Form 61 67-213	hold until after EDI RLS 3	0%		
	Electronic Service Initiatives - Receipt of electronic pleadings 67-211	TBD	0%		
	Electronic receipt of any form or document 67-205	TBD	0%		
	12 M Revamp of current Minor Medical Carriers 67-412	TBD	0%		
Mediation		TBD	15%	Betsy	have mediation info from Ginger Ticket 509 look at ITSC Security document
Security plan	ITSC guidelines			Betsy	
				Projects Amanda	80%
				Projects Duane	80%
				Projects Betsy	70%

**WCC IT Projects Status Report**

Period: 08/20/12 Status Key: Not Started On Track Timing

Maintenance issue	Project	Start date	Estimated completion	% complete	% of time devoted to issue	Assigned to	Status
FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing	Maintenance Duane	20%	Duane	
FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing	Maintenance Amanda	20%	Amanda	
FOIA report requests, general issues and questions from Coverage, claims and Judicial	all departments	ongoing	ongoing	Maintenance Betsy	30%	Betsy	

State of South Carolina



**Workers' Compensation Commission**

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**To:** Gary Cannon  
SCWCC Executive Director

**From:** Grant Duffield  
IMS Director

**Date:** 15 – August – 2012

**Subj:** Insurance and Medical Services Department  
July 2012 Full Commission Report

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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 July 2012 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. Processing of Outstanding Carrier fines.</li><li>2. GEAR program support and scheduling of GEAR Hearings.</li><li>3. Modification of workflows and process improvements following staff turnover.</li><li>4. Completion of DACUM studies for Compliance Officer positions.</li></ol>              |
| Coverage Division   | <ol style="list-style-type: none"><li>1. SC Homebuilder's Association coverage verification web interface module in testing.</li><li>2. Working to implement cross training / staff development opportunities within IMS dept.</li><li>3. Implementing of revised workflow process for ORSC and GEAR docketing.</li></ol>                  |
| Medical Services    | <ol style="list-style-type: none"><li>1. Identifying updates / edits needed within the Medical Services Provider Manual.</li><li>2. Working to Approve / Re-Approve Medical Bill review entities.</li><li>3. Division received 9 Bill Disputes in July 2012.</li><li>4. Weekly Bill Dispute resolution meetings with Dr. Adcock.</li></ol> |
| IMS Administration: | <ol style="list-style-type: none"><li>1. Monthly department-wide meetings.</li><li>2. Working with team-members to review / improve team processes and key functions.</li><li>3. Working on fiscal impacts analysis with Ms. Gantt.</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.

**Carryover Caseload:**

The Compliance Division endeavors to maintain a month-on-month "carry-over" caseload (backlog) of 300 cases. Compliance closed July 2012 with 461 cases active, compared to an active caseload of 681 at the close of July 2011.

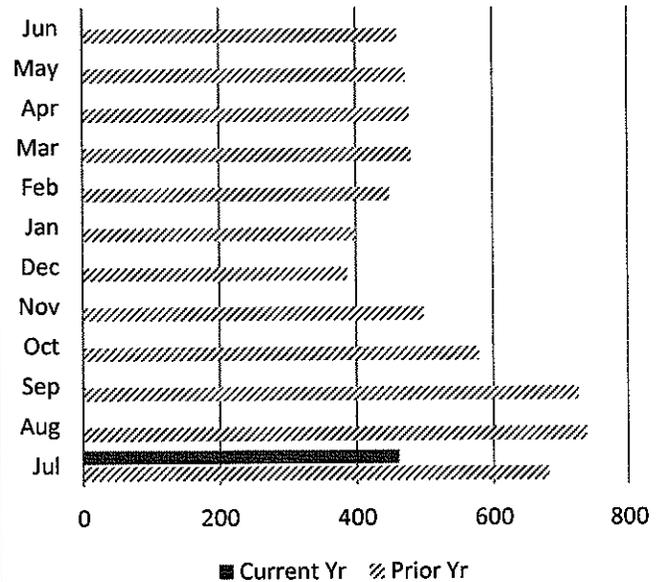
**Cases Resolved:**

Due to the decrease in carry-over, greater effort is focused on case resolution. For the month of July 2012, Compliance Division staff closed-out 45 cases.

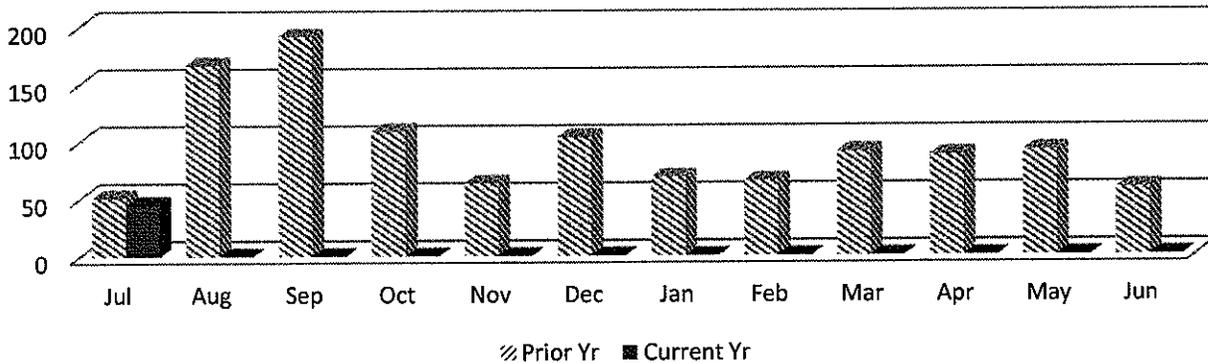
**Compliance Fines:**

Year to Date, the Compliance Division has collected \$18,895 in fines which represents 90% of prior year's accrual (\$20,968). Compliance fine revenue represents 19% of the Commission's annual earmarked revenue budget.

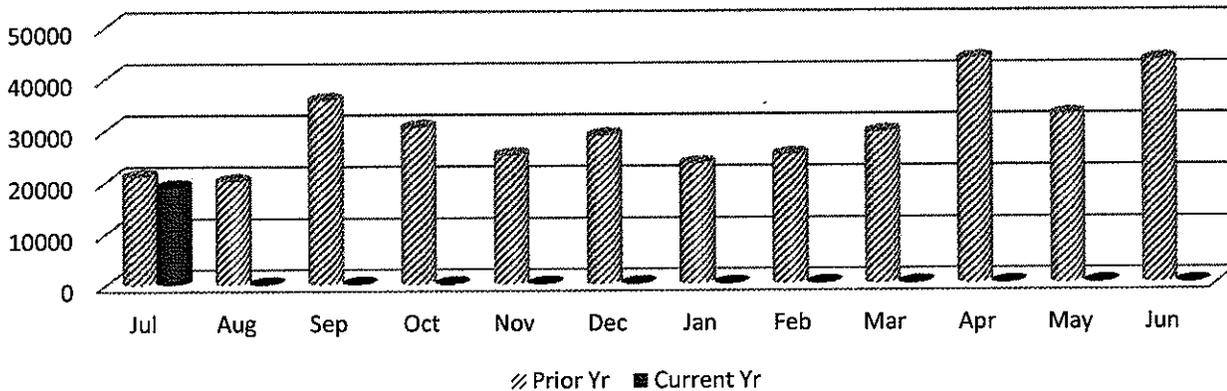
**Caseload Pending v. Prior Year**



**Cases Resolved v. Prior Year**



**Compliance Fines Collected v. Prior Year**



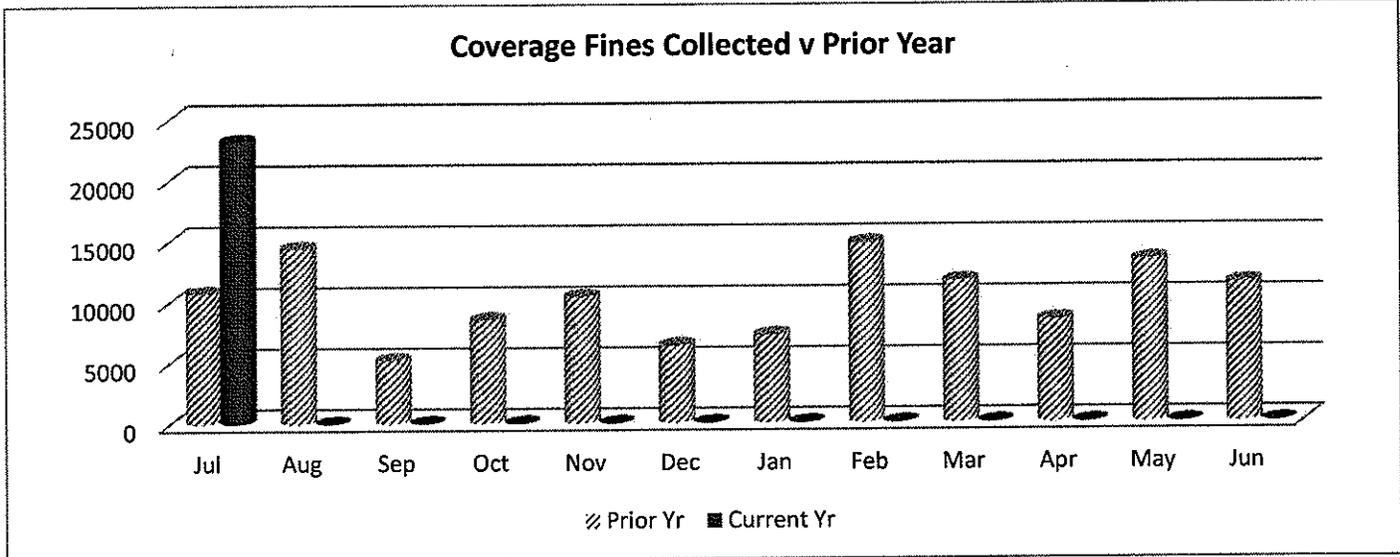
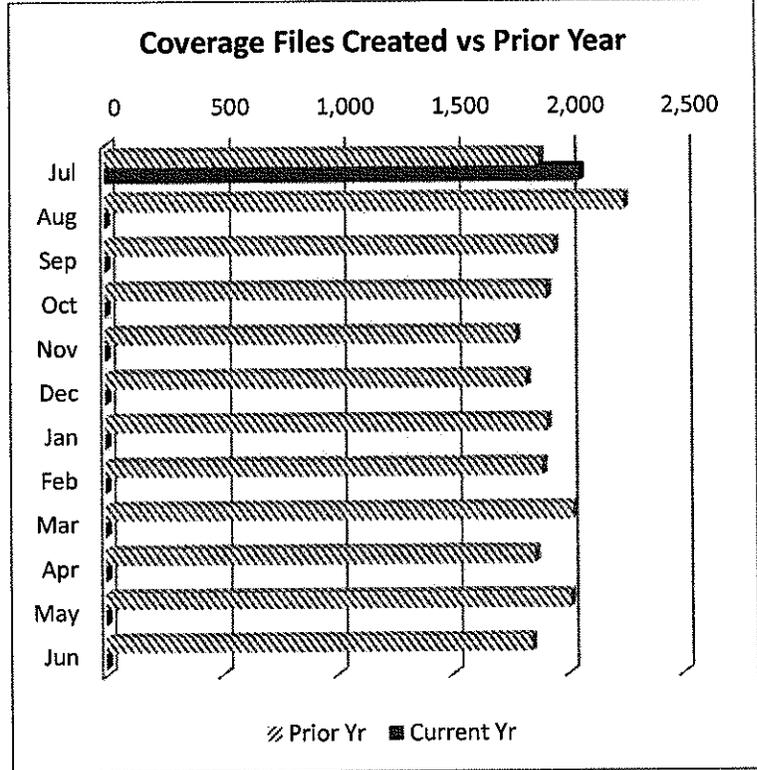
**WCC Claim Files:**

In July 2012, the Coverage Division created a total of 2,053 WCC Claim files. Of these, 1,653 were created electronically, and 400 were submitted in hard copy format. Year to Date, 2,053 Claim files have been created which is 109% of claim file volume for the same period in prior year (1,880).

**Coverage Fines:**

The Coverage Division collected \$23,300 in fine revenue in July 2012, an increase from \$10,075 in Coverage fines/penalties accrued during the same period in prior year (July 2011).

Coverage Division fines represent 10% of the Commission's annual earmarked budget.



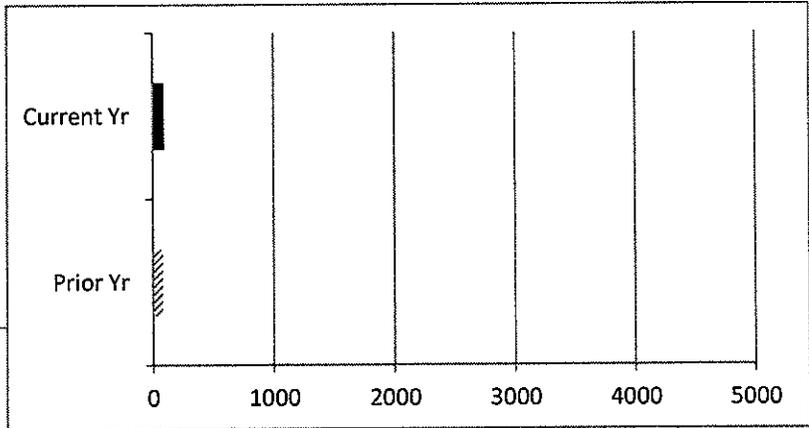
**IMS SELF INSURANCE DIVISION**

July 2012

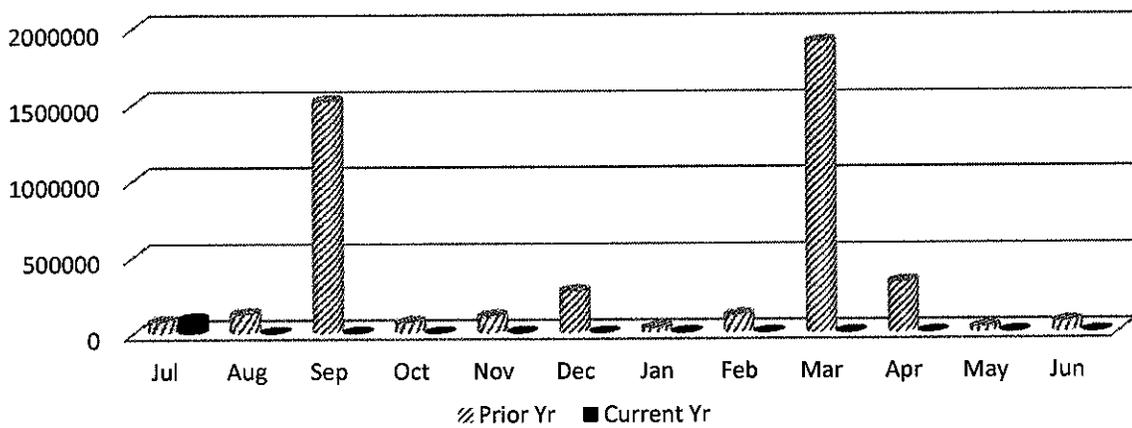
During the month of July 2012, the Self Insurance Division:

- \* collected \$91,016 in self-insurance tax.
- \* added 22 new self-insurers.
- \* conducted 3 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 119% of prior year and 3 Self Insurance audits have been completed.



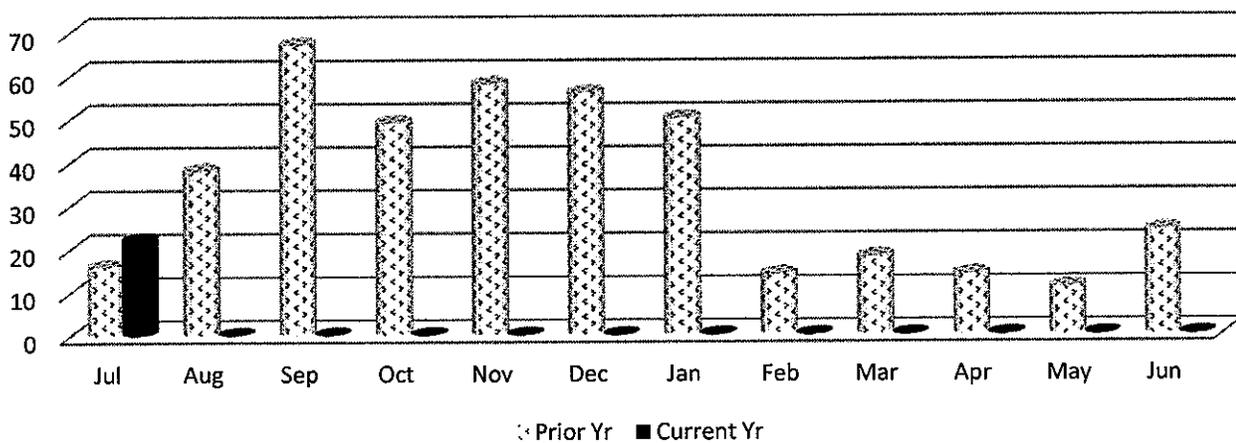
**Self Insurance Tax Collections v. Prior Year**



**IMS MEDICAL SERVICES DIVISION**

In July 2012, the Medical Services Division began the month with 24 bills pending review, received an additional 30 bills for review, conducted 32 bill reviews and ended the month with 22 bills pending.

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



**TO: GARY CANNON, EXECUTIVE DIRECTOR**  
**FROM: GREGORY S. LINE, DIRECTOR OF CLAIMS**  
**SUBJECT: CLAIMS REPORT FOR THE MONTH OF JULY**  
**DATE: August 14, 2012**

Forms and paperwork processed each month by the Claims Department

The department processes a lot of forms and paperwork each month. Over the past two years the department has averaged processing almost **11,230** forms and paperwork (clinchers, fee petitions and 3<sup>rd</sup> party settlements) per month.

These forms and paperwork are processed manually and checked by an individual in the Claims Department. Once the form or paperwork is reviewed and ready for processing the form or paperwork is scanned to the computer and then indexed to the appropriate file.

Over the last several years, the number of forms and paperwork processed by the department has pretty much stayed the same, as you can see on the attached sheet that compares the year **2010-2011** to **2011-2012**.

The Form 18's processed were down slightly from the year before but the Form 15's were up slightly from the year before.

The examiners and administrative assistants work hard to ensure that the paperwork and forms are processed timely and correctly.

As our computer processes keep improving the addition of having other forms filed electronically will certainly help in the time spent on entering each form manually.

Fines assessed for the month of July 2012:

- We assessed **406** fines for the month of **July** which was down from assessing **492** fines for the month of **June**.
- The dollar amount of the fines assessed for the month **July** was **\$ 86,325** which was down from assessing **\$122,550** for the month of **June**.

Fines received for the month of July 2012:

- We received payment on **363** fines for the month of **July** which was down from receiving **413** fines for the month of **June**.

- The dollar amount of fines received for the month **July** was **\$80,825** which was down from receiving **\$90,450** for the month of **June**.

The number of fines assessed and collected since July 2011:

• 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	434
• December fines assessed	444	December fines collected	511

2012

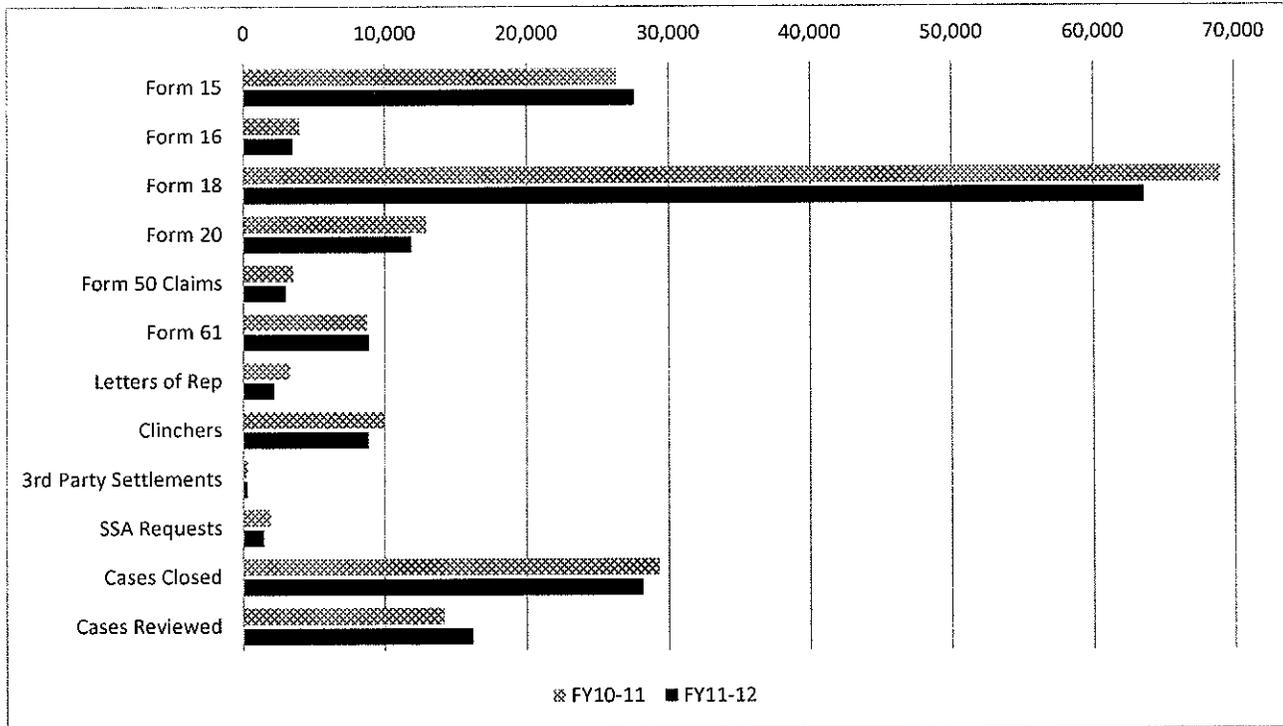
• January fines assessed	656	January fines collected	608
• February fines assessed	590	February fines collected	593
• March fines assessed	469	March fines collected	592
• April fines assessed	471	April fines collected	421
• May fines assessed	392	May fines collected	299
• June fines assessed	492	June fines collected	412

The fines assessed for Form 18's went down **35** fines for the month of July. The last five months the Form 18 fines assessed have averaged **229** fines per month.

The Department is working hard to ensure all files are reviewed timely. The examiners are diligently processing all forms daily to ensure the files/computer is as up to date as possible.

I would anticipate that the Form 18 fines would remain between the 200 and 250 fines per month for the next several months.

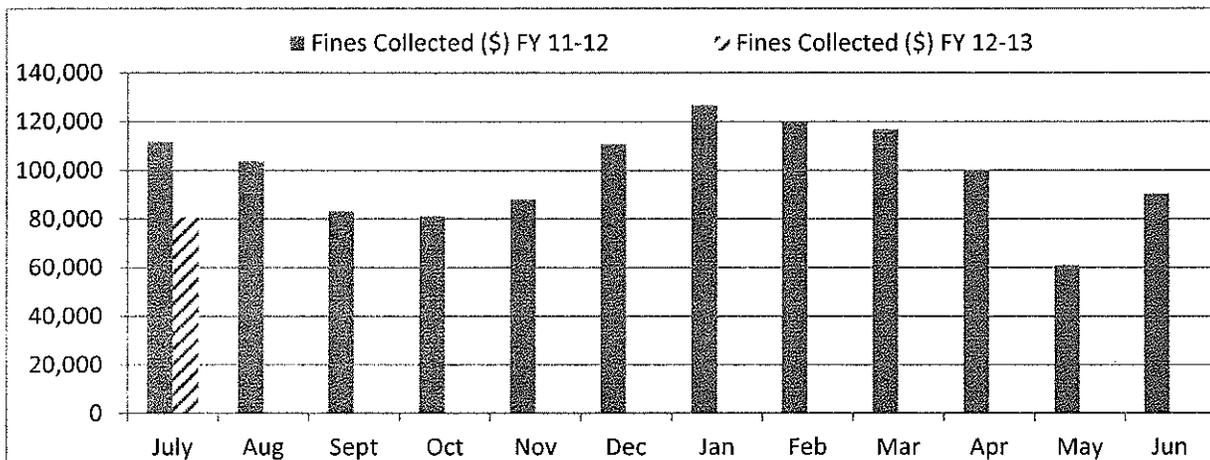
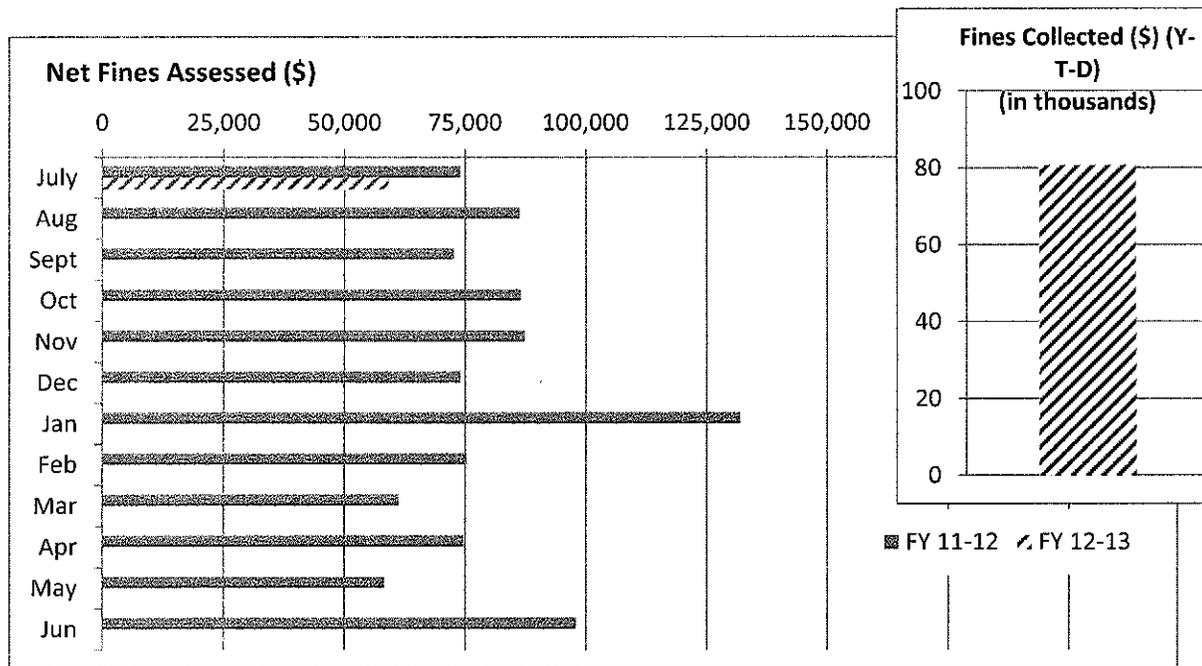
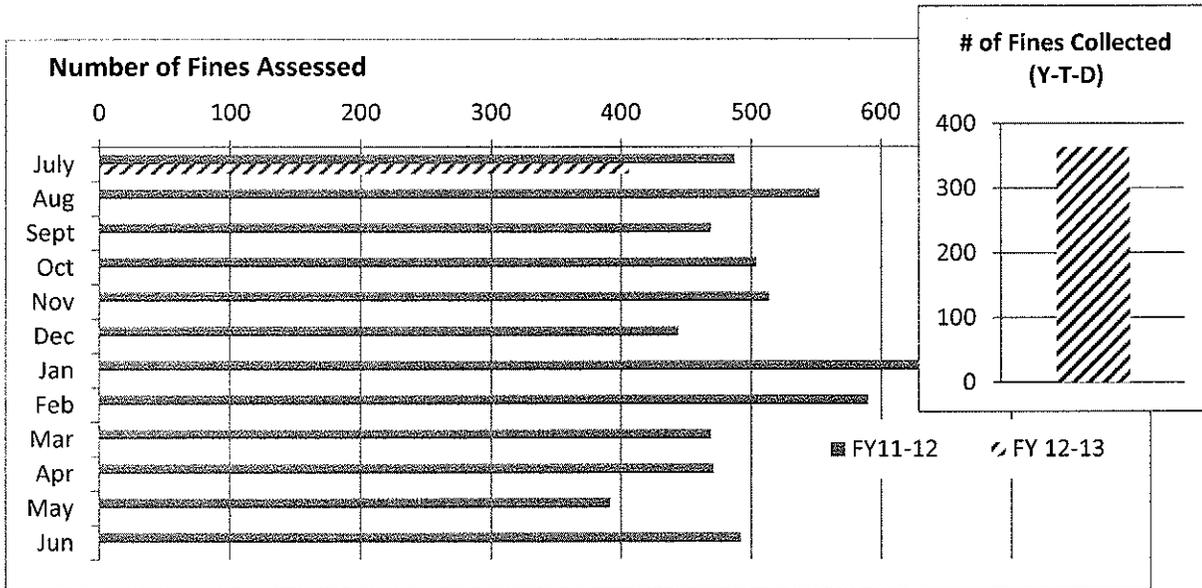
## Claims Department Statistics 2011-2012 vs Prior Year



	FY10-11	FY11-12	% diff
Form 15	26,292	27,610	5.01%
Form 16	3,964	3,486	-12.06%
Form 18	69,020	63,550	-7.93%
Form 20	12,900	11,883	-7.88%
Form 50 Claims	3,523	2,984	-15.30%
Form 61	8,701	8,858	1.80%
Letters of Rep	3,278	2,171	-33.77%
Clinchers	9,906	8,821	-10.95%
3rd Party Settlements	297	306	3.03%
SSA Requests	1,910	1,440	-24.61%
Cases Closed	29,337	28,144	-4.07%
Cases Reviewed	14,127	16,183	14.55%







Fines Assessed (#)			Fines Collected (#)			
	FY 11-12	FY 12-13		FY 11-12	FY 12-13	
July	487	406	July	543	363	
Aug	553	0	Aug	516	0	
Sept	469	0	Sept	406	0	
Oct	504	0	Oct	396	0	
Nov	514	0	Nov	434	0	
Dec	444	0	Dec	511	0	
Jan	656	0	Jan	608	0	
Feb	590	0	Feb	593	0	
Mar	469	0	Mar	592	0	
Apr	471	0	Apr	421	0	
May	392	0	May	299	0	
Jun	492	0	Jun	412	0	
	6,041	406	6.7%	5731	363	6.3%
YTD	487	406	83.4%	543	363	66.9%

Net Fines Assessed (\$)*			Fines Collected (\$)			
	FY 11-12	FY 12-13		FY 11-12	FY 12-13	
July	74,075	59,125	July	111,875	80,825	
Aug	86,375		Aug	103,800	0	
Sept	72,750		Sept	83,300	0	
Oct	86,600		Oct	81,300	0	
Nov	87,500	0	Nov	88,100	0	
Dec	74,050	0	Dec	110,700	0	
Jan	132,000	0	Jan	126,700	0	
Feb	75,375	0	Feb	120,225	0	
Mar	61,315	0	Mar	116,915	0	
Apr	74,750	0	Apr	100,200	0	
May	58,325	0	May	61,050	0	
Jun	98,075	0	Jun	90,450	0	
	981,190	59,125	6.0%	1,194,615	80,825	6.8%
Y-T-D	74,075	59,125	79.8%	111,875	80,825	72.2%

\*after reductions and recinded

Fines Collected Years 2007, 2008, 2009, 2010, 2011, 2012												
	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	110,700
2012	126,700	120,225	116,915	100,200	61,050	90,450	80,825					
*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 Feb, Mar, Apr, May, June and July 2012**

	Feb	Mar	Apr	May	Jun	July
Amt assess	\$130,050	\$103,950	\$101,350	\$84,200	\$122,550	\$86,325
# fines as	590	469	471	392	492	406
Amt coll	\$120,225	\$116,915	\$100,200	\$61,050	\$90,450	\$80,825
Fines coll	593	492	442	299	413	363

**Form 18's**

Fines assess						
Daily	\$49,600	\$47,200	\$44,400	\$45,600	\$38,900	\$38,925
Fines assessed						
file review	\$15,400	\$10,200	\$7,200	\$ 7,600	\$34,600	\$5,000
Total amount						
Assessed	\$65,000	\$57,400	\$51,600	\$53,200	\$73,500	\$43,925

fines assess daily	246	203	187	203	199	178
# fines assess						
file review	21	42	37	34	39	25
Total fines assess	267	245	224	237	238	203

Amt coll	\$62,925	\$70,200	\$61,000	\$39,450	\$90,450	\$80,825
# coll	289	347	238	184	413	363

**All other fines assessed**

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

Amt assess	\$65,050	\$46,550	\$49,750	\$31,000	\$49,050	\$42,400
# fines assess	323	224	247	155	254	203
Amt paid	\$57,300	\$46,715	\$39,200	\$21,600	\$34,650	\$31,825
# fines pd	304	245	218	113	182	164

The dollar amount of fines assessed for each form, for the month of June, and fines collected for each form from July 1, 2012 through July 31, 2012  
The number of fines assessed and collected, for each form, are in parenthesis.

	<u>Assessed</u>	<u>Collected</u>
Form 12A -	\$ 19,400.00 (100)	\$ 13,225.00 (66)
Form 15 Section I -	\$ 12,400.00 (50)	\$ 8,200.00 (38)
Form 15 Section II -	\$ 3,600.00 (18)	\$ 2,800.00 (14)
Form 15 S -	\$ 400.00 (2)	\$ 600.00 (3)
Form 17 -	\$ 800.00 (4)	\$ 800.00 (4)
Form 18 -	\$ 43,925.00 (203)	\$ 49,000.00 (199)
Form 19 -	\$ -0-	\$ 400.00 (9)
Denial letter -	\$ 4,800.00 (24)	\$ 2,300.00 (12)
Failure to respond -	\$ 1,000.00 (5)	\$ 3,500.00 (18)
<b>TOTAL -</b>	<b>\$ 86,325.00 (406)</b>	<b>\$ 80,825.00 (363)</b>

TO: Gary M. Cannon, Executive Director  
FROM: Gregory S. Line  
Director of Claims  
DATE: August 14, 2012  
RE: Claims  
Outstanding fine status

Below is a list of five carriers that were sent a Second and Final Notice of fines Assessment on June 5, 2012.

Twin City Fire Ins. Co. (00255)		
1.	a. Beginning bal	\$ 11,850.00
	b. Bal as of 7/5/12	\$ <b>7,150.00</b>
2. National Union Fire Ins. Co. (00171)		
	a. Beginning bal	\$ 2,700.00
	b. Bal as of 7/5/12	\$ <b>2,300.00</b>
3. American Home Assurance Co. (00170)		
	a. Beginning bal	\$ 7,450.00
	b. Bal as of 7/5/12	\$ <b>3,450.00</b>
4. New Hampshire Inc. Co. (00143)		
	a. Beginning bal	\$ 13,987.26
	b. Bal as of 7/5/12	\$ <b>11,987.26</b>
5. Employers Fire Ins. Co. (00140)		
	a. Beginning bal	\$ 1,100.00
	b. Bal as of 7/5/12	\$ <b>0</b>

TO: Gary M. Cannon, Executive  
FROM: Gregory S. Line  
Director of Claims  
DATE: August 14, 2012  
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, 2012

1. Castlepoint National Ins. Co. (01105)
  - a. Beginning bal \$ 1,000.00
  - b. Bal as of 08/14/12 \$ 800.00
  
2. Guarantee Insurance Co. (01094)
  - a. Beginning bal \$ 2,600.00
  - b. Bal as of 08/14/12 0
  
3. Firemans Insurance Co. of Washington DC (01076)
  - a. Beginning bal \$ 1,400.00
  - b. Bal as of 08/14/12 \$ 200.00
  
4. Premier Group Insurance Company (01100)
  - a. Beginning bal \$ 4,900.00
  - b. Bal as of 8/14/12 \$ 0

**SCWCC JUDICIAL DEPARTMENT**  
**MONTHLY REPORT**  
**August, 2012**

This report reflects the beginning of the new fiscal year 2012-2013. There have been some changes in the report reflecting specific tables for the different types of matters managed by the Judicial Department.

There are new tables indicating the actual numbers of pleadings before the Commissioners and the pleadings involving Informal Conferences and Mediations. We are reporting to you the monthly comparison for the past two years as well in order to give you a snapshot as to our yearly forecast.

In reviewing the composition of our seven districts, it appears there is no need to adjust them due to changes in the number of pending cases. We review these numbers each year in order to assure, as best we can, the equality of our caseload.

The Judicial Department has begun monitoring the receipt of Consent Orders and documenting the status of cases in the Progress System pursuant to those orders to document the most current information. In the month of July there were 287 Consent Orders processed and entered.

Additionally, we are continuing to develop our mediation process with expectation of the passage of the regulation at the beginning of next year. We are working closely with the IT Department to develop our tracking system with regard to timely setting should mediation not be successful.

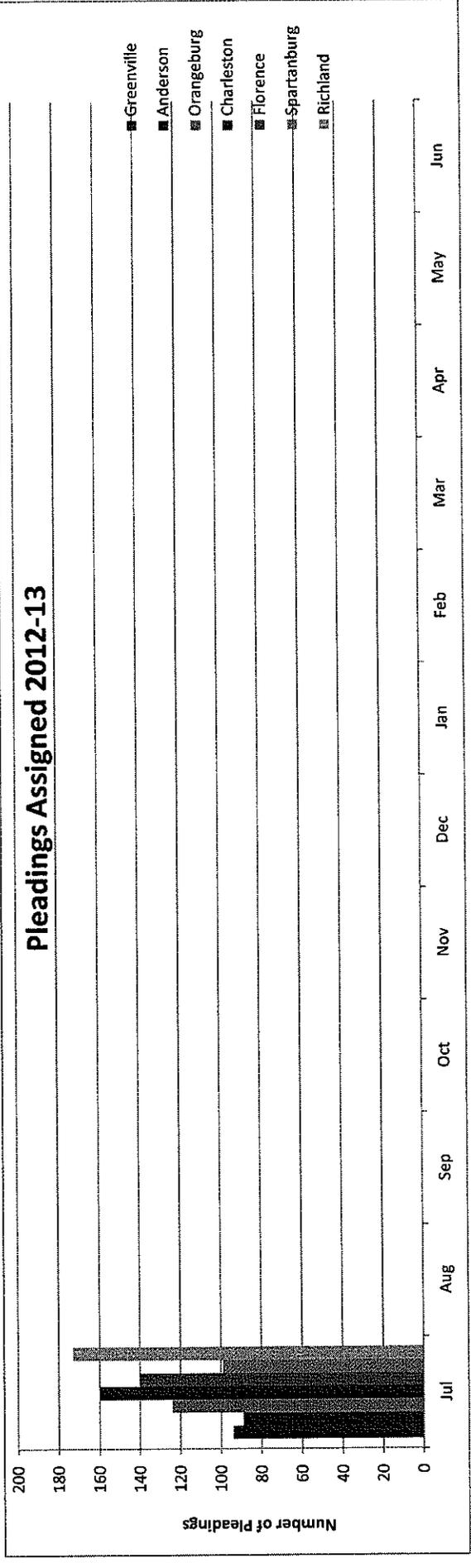
Cooperative efforts are being made to have the Judicial Department take on more of the administrative responsibilities of the Rule to Show Cause matters from the Coverage and Compliance Department and we are working with IMS to streamline this process.

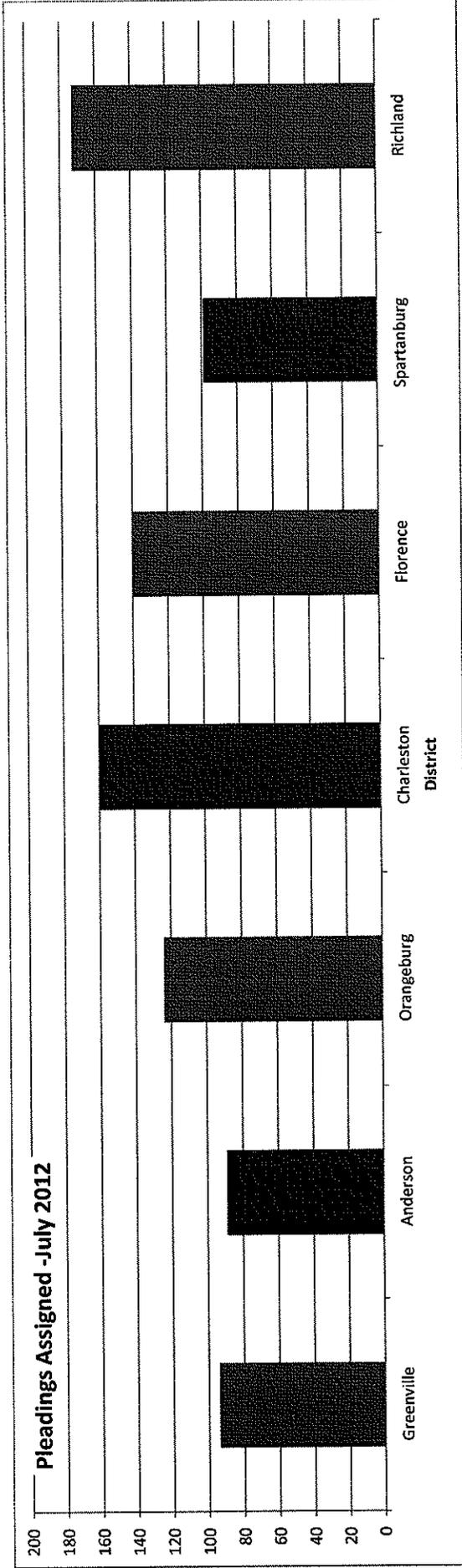
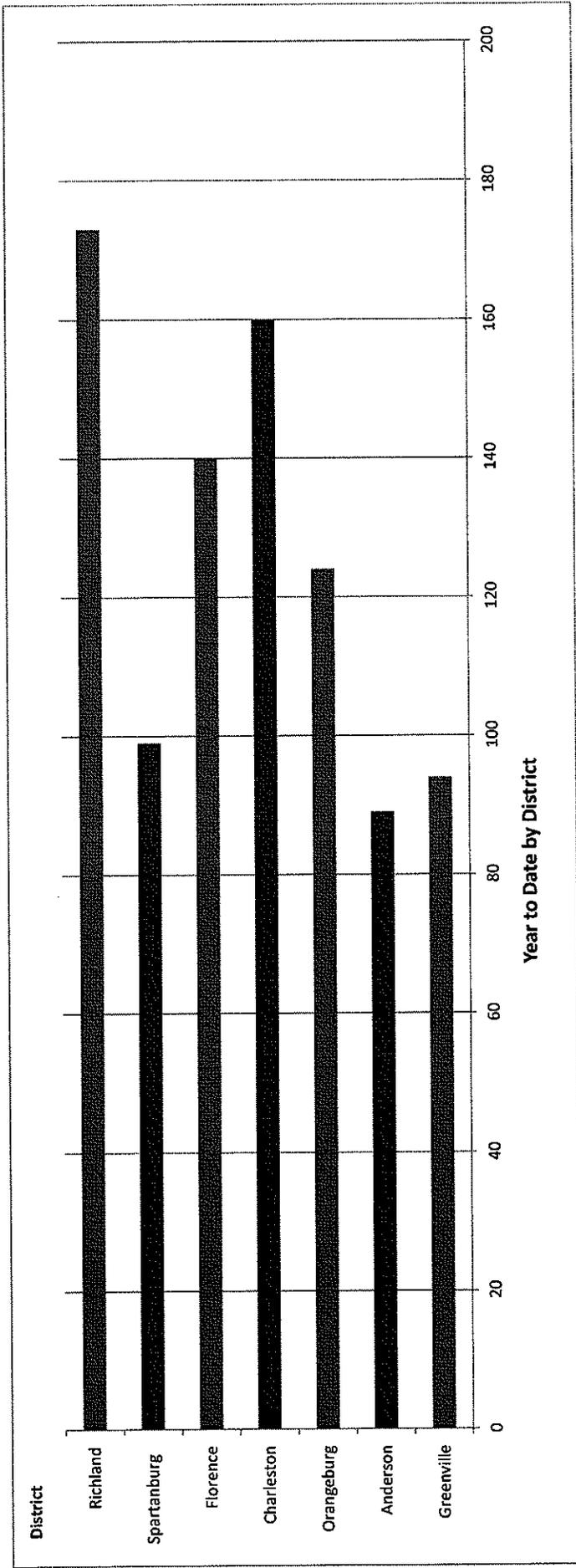
We continue to monitor the receipt of our Appellate Proposed Decision and Orders making sure they are received and processed in a timely manner.



### Pleadings Assigned

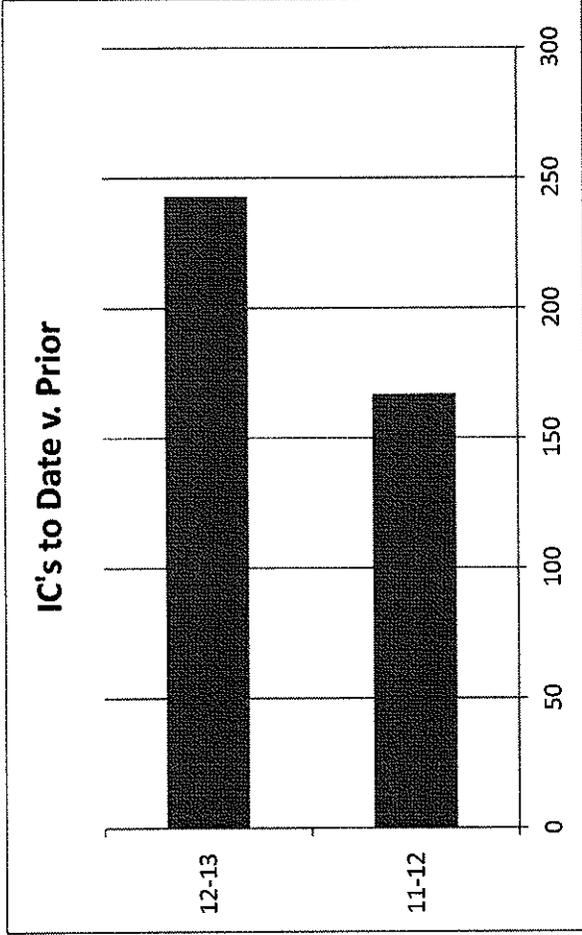
	District 1 Greenville			District 2 Anderson			District 3 Orangeburg			District 4 Charleston			District 5 Florence			District 6 Spartanburg			District 7 Richland		
	12-13	11-12	10-11	12-13	11-12	10-11	12-13	11-12	10-11	12-13	11-12	10-11	12-13	11-12	10-11	12-13	11-12	10-11	12-13	11-12	10-11
Jul	94	85	93	89	106	111	124	103	118	160	153	169	146	155	144	99	139	114	173	163	140
Aug		140	121		104	106		122	113		199	193		149	138		184	109		183	132
Sep		121	111		95	85		128	105		143	130		152	115		131	103		148	163
Oct		118	99		97	76		134	84		198	157		128	117		132	83		144	130
Nov		159	97		94	50		133	122		151	140		121	99		138	98		191	151
Dec		164	95		142	81		104	111		181	131		117	88		115	83		144	118
Jan		112	108		90	83		122	123		180	164		111	90		98	101		129	140
Feb		163	132		114	67		112	102		141	139		136	89		117	85		153	95
Mar		118	165		84	100		126	109		162	160		149	140		134	133		118	159
Apr		121	130		89	83		101	112		126	163		143	96		106	106		185	163
May		105	92		79	90		131	113		148	160		130	112		109	86		144	149
Jun		112	95		94	79		119	112		170	138		134	110		143	111		154	152
<b>Totals</b>	<b>94</b>	<b>1518</b>	<b>1338</b>	<b>89</b>	<b>1188</b>	<b>1011</b>	<b>124</b>	<b>1435</b>	<b>1324</b>	<b>160</b>	<b>1952</b>	<b>1844</b>	<b>140</b>	<b>1625</b>	<b>1340</b>	<b>99</b>	<b>1546</b>	<b>1212</b>	<b>173</b>	<b>1856</b>	<b>1692</b>



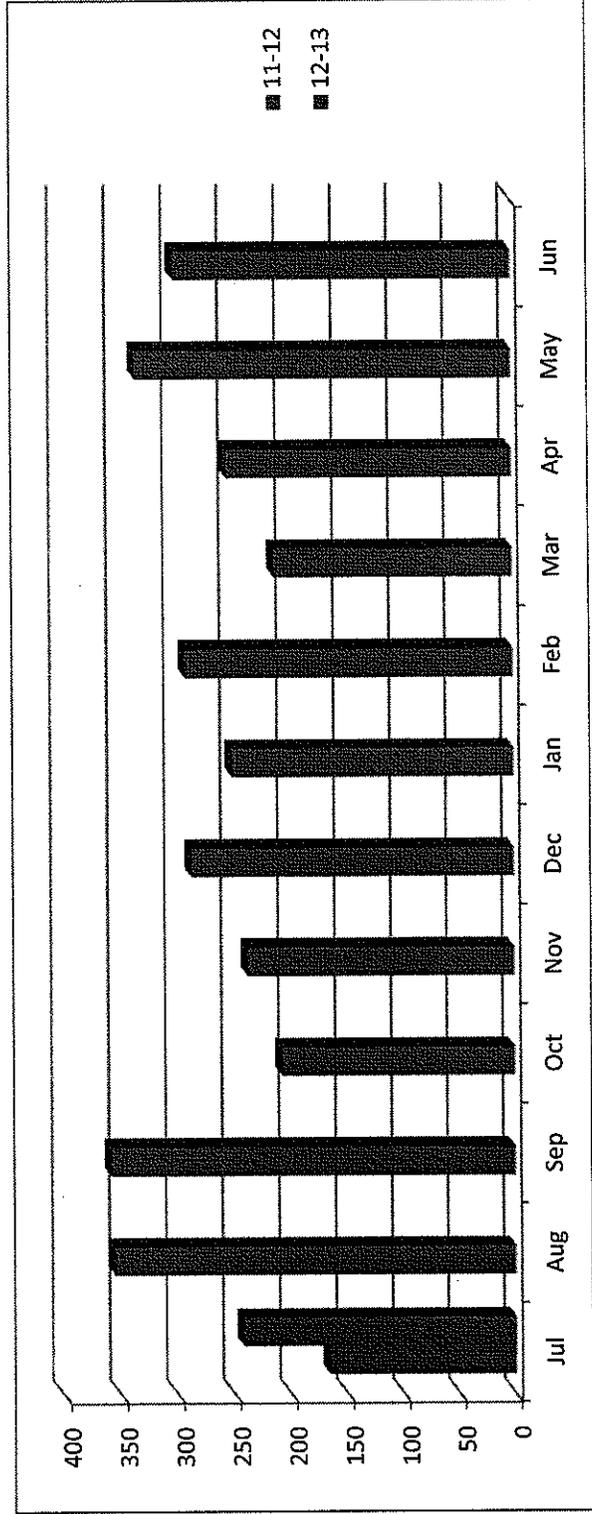


**Informal Conf. Conducted**

	11-12	12-13	
Jul	167	243	145.5%
Aug	356		0.0%
Sep	359		0.0%
Oct	208		0.0%
Nov	238		0.0%
Dec	287		0.0%
Jan	251		0.0%
Feb	292		0.0%
Mar	213		0.0%
Apr	255		0.0%
May	335		0.0%
Jun	301		0.0%
<b>Total</b>	<b>3262</b>	<b>243</b>	

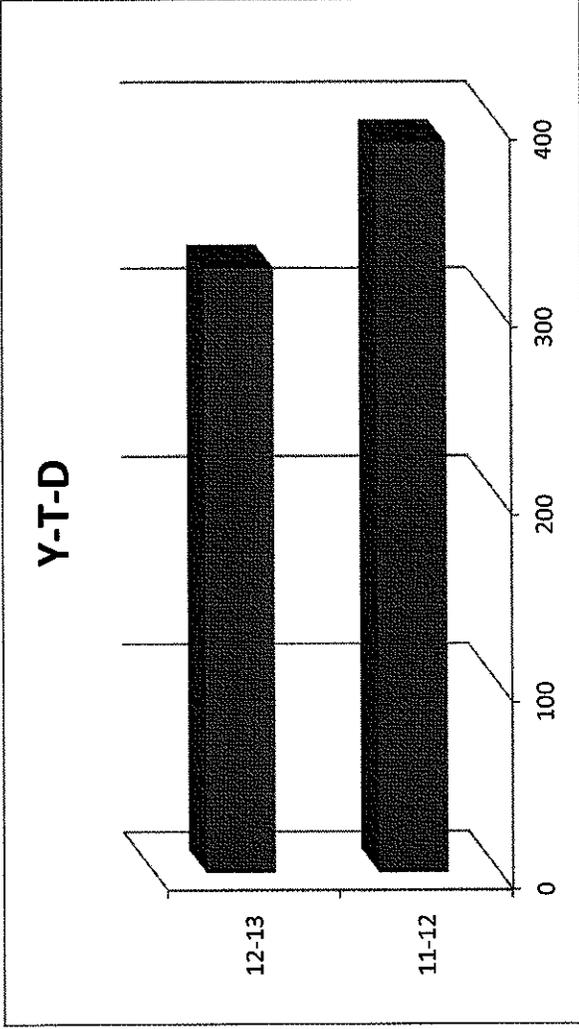


Y-T-D	11-12	12-13	%
	167	243	145.5%



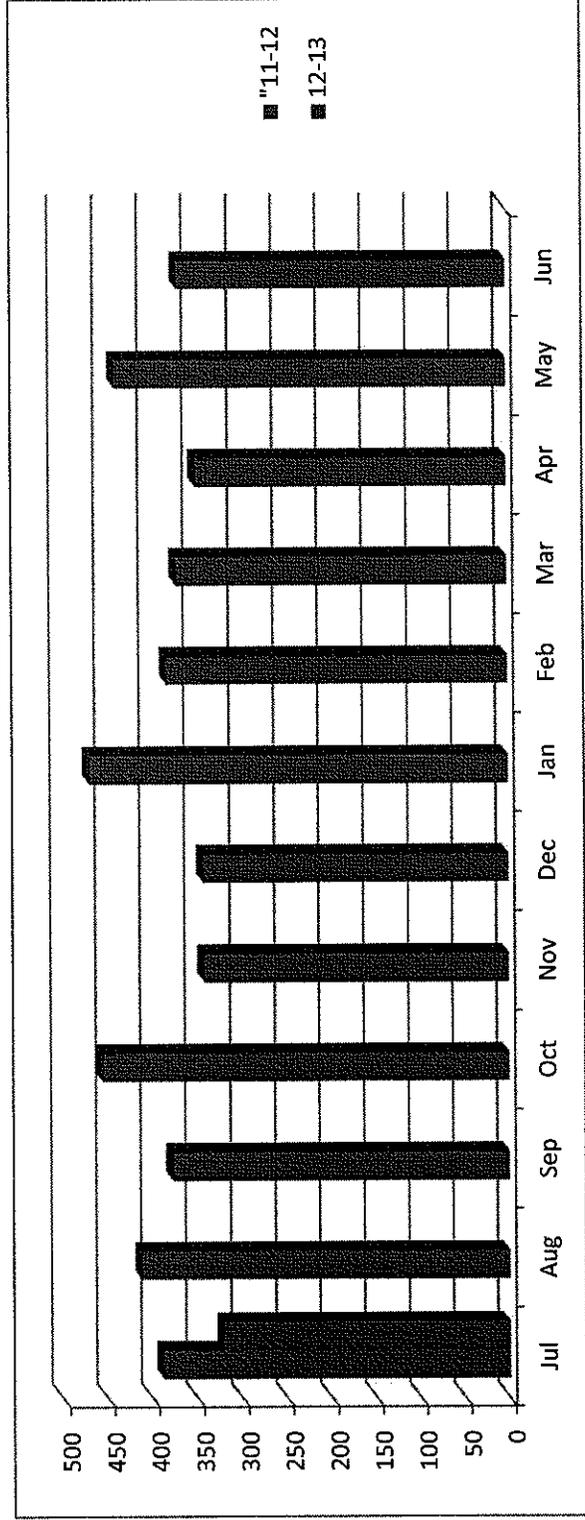
**Informal Conf. Requested**

	"11-12	12-13
Jul	389	322
Aug	413	
Sep	378	
Oct	456	
Nov	342	
Dec	343	
Jan	470	
Feb	383	
Mar	372	
Apr	350	
May	440	
Jun	370	
<b>Total</b>	<b>4706</b>	<b>322</b>



11-12 389 12-13 322 0.827763

**Y-T-D**



# Informal Conference & Mediations

Staff	Mileage/Hours	Month												Total			
		Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13				
Staff 1 Greg	SVM 615.00																615.00
	PVM 50.00																50.00
	Time 60.00																60.00
	Hotel 0.00																0.00
Staff 2 DIAnn	SVM 513.00																513.00
	PVM 0.00																0.00
	Time 42.00																42.00
	Hotel 0.00																0.00
Staff 3 Kelly	SVM 0.00																0.00
	PVM 0.00																0.00
	Time 12.50																12.50
	Hotel 0.00																0.00
Staff 4 Robin	SVM 0.00																0.00
	PVM 0.00																0.00
	Time 0.00																0.00
	Hotel 0.00																0.00
Staff 5 Ginger	SVM 0.00																0.00
Mediations	PVM 0.00																0.00
	Time 8.00																8.00
	Hotel 0.00																0.00

Totals FY 2012-2013	
SVM = State Vehicle Miles	1128.00
PVM = Personal Vehicle Miles	50.00
T = Time	122.50
H = Hotel Cost	0.00

**Pleadings Assigned**

Month	Grenville	Anderson	Orangeburg	Charleston	Florence	Spartanburg	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	164	142	104	181	117	115	144
Jan-12	112	90	122	180	111	98	129
Feb-12	163	114	112	141	136	117	153
Mar-12	118	84	126	162	149	134	118
Apr-12	121	89	101	126	143	106	185
May-12	105	79	131	148	130	109	144
Jun-12	112	94	119	170	134	143	154
<b>Totals</b>	<b>1518</b>	<b>1188</b>	<b>1435</b>	<b>1952</b>	<b>1625</b>	<b>1546</b>	<b>1692</b>
<b>FY 2011-2012</b>							



# *State of South Carolina*

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



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

## *Workers' Compensation Commission*

### **Executive Director's Report**

**Gary M. Cannon**

**August 17, 2012**

#### **Audit Report – State Auditor's Office**

The Commission received the preliminary draft of the State Auditor's Report dated July 31, 2012 for the fiscal year ending June 30, 2011. There were minor violations. A response to the findings was due August 14, 2012. Attached is the Commission's response to the Accountants Comments section.

#### **Commuted Value Discount Calculation Advisory Committee**

The Committee is scheduled to conduct its first meeting on August 24, 2012 in the first floor conference room.

#### **Surgical Implant Advisory Committee**

The SC Hospital Association formed a Task Force to develop the data requested by the Implant Advisory Committee. The Committee asked Commission staff to participate. The Task Force met on July 31 and by conference call on August 14.

#### **Workers' Compensation Advisory Committee**

The Governor's Advisory Committee, chaired by William Shaughnessy, Esq., met on July 27, 2012 in the first floor conference room. Mr. Cannon and Mr. Duffield made a presentation concerning the Commission's strategic considerations for sustainable operational resources. The Committee offered to assist with the Commission's efforts in making statutory and regulatory changes as needed.

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

An all Employee Meeting was held July 19, 2012. The Executive Staff met on August 7, 2012. The Leadership Team met on August 14, 2012.

#### **Employee Focus Group with Executive Director**

I have been conducting monthly Employee Focus Group meetings with the Executive Director for more than two years. During the past several months we have observed the attendance begin to decline. Therefore, I asked Ms. Floyd to conduct a written anonymous survey of the employees. From the 21 responses, we determined the meetings have been successful and beneficial, there needs to be better communication from the Executive Director with regard to

the follow up on the suggestions submitted during the meetings, and the staff suggested the meetings be held quarterly rather than monthly.

**Constituent /Public Information Services**

For the period July 10 through August 13, 2012 the Executive Director's Office had 384 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.

**SCWCC Stakeholder Electronic Distribution List**

For the period July 10 through August 13, 2012, we added 27 individuals to the Commission's stakeholder distribution list. We have 296 individuals currently receiving notifications from the Commission.

**SC Vocational Rehabilitation Department**

Attached is a progress report on SCVRD/WCC referrals provided by Michelle Prevost, SCVRD Counselor, for July 2012.

**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 July 31, 2012.

*State of South Carolina*

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

August 14, 2012

Mr. Richard H. Gilbert, Jr., CPA  
Deputy State Auditor  
1401 Main Street, Suite 1200  
Columbia, SC 29201

RE: SC Workers' Compensation Commission  
State Auditor's Report for FY 2011

Dear Mr. Gilbert:

The SC Workers' Compensation Commission has reviewed the preliminary draft of the State Auditor's Report dated July 31, 2012 for the fiscal year ending June 30, 2011. Enclosed you will find the Commission's response to the Accountants Comments section of the Report and the names and addresses of the members of the Commission.

Please accept this letter informing you that we have reviewed the report and authorize the State Auditor's Office to release the report, provided the released Report includes the Commission's comments.

Sincerely,

A handwritten signature in cursive script that reads "Gary M. Cannon".

Gary M. Cannon  
Executive Director

enclosures

# *State of South Carolina*

1333 Main Street, 5<sup>th</sup> Floor  
P.O. Box 1715  
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TEL: (803) 737-5700  
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## *Workers' Compensation Commission*

### **MANAGEMENT'S RESPONSE TO ACCOUNTANTS COMMENTS STATE AUDITOR'S REPORT JUNE 30, 2011**

#### **Section A – Violation of State Laws, Rules or Regulations**

##### **Revenue and Expenditure Cut-off**

Management does not dispute the finding that one (1) receipt transaction and five (5) disbursement transactions were recorded in the wrong fiscal year. However, the Commission disputes the five (5) disbursement transactions noted as violation of state laws, rules or regulations because the disbursements are required to be made through the state employee payroll system and beyond the accounting control of the Commission.

##### **Cash Receipt Transaction**

The Commission's standard operating procedure is to deposit receipts the next business day. This procedure was followed for the receipts of June 30, 2011, causing the deposits to be recorded in the next fiscal year. The Commission will continue to follow the standard operating procedure for depositing receipts the following business day of receipt with the exception of the end of the fiscal year. The Commission will implement new procedures to ensure receipts received June 30 or the last business day of June will be deposited and recorded the same day.

##### **Cash Disbursement Transaction**

The five (5) cash disbursement transactions recorded in fiscal year 2012 were reimbursement for employee travel categorized as Commissioner Taxable Subsistence which occurred in June 2011. The Commissioner Taxable Subsistence is processed through the state employee payroll system because of the federal and state tax liabilities on the reimbursable amount. The travel expenses incurred under this category during June and disbursed in July with payroll are automatically made through employee payroll system and beyond the accounting control of the Commission. To comply with the

requirement of travel expenses incurred be reimbursed within the same fiscal year would prohibit the Commissioners traveling and conducting hearings during the month of June.

### **Pay Calculations**

Management does not dispute the finding of the overpayment of one day's wages, approximately \$77, to one employee in fiscal year 2011. The similar finding reported in fiscal year 2007 was a result of the Commission's manual miscalculation of the former employee's wages while the employee was in a leave without pay status. However, all transactions during fiscal year 2011 were properly entered into SCEIS by Commission staff, the overpayment noted in the audit report finding was a result of the automatic calculation by the statewide employee payroll system, SCEIS. Management will review procedures and implement controls to ensure the accuracy of final payroll over which we have control. Management will coordinate with SCEIS to ensure final payroll which are automatically calculated are accurate.

### **Authorized Attorney Fees**

Management does not dispute the Commission paid an attorney for contracted legal services exceeded the maximum fees approved by the Attorney General by \$3,000. The fees noted in the Audit Report were for legal services performed by outside counsel after a final decision was issued by the court of pending litigation. The Commission will implement review and control procedures to ensure fees paid to attorneys will not exceed the amount approved by the Attorney General.

### **Reporting Packages**

#### **Compensated Absences Reporting Package**

Management does not dispute the finding one employee recorded one day (7.5 hours) of leave after the reporting package was completed. The Commission will implement procedures and controls to ensure employees record their leave within the required time prior to the preparation and submission of the financial closing package.

#### **Capital Assets Reporting Package**

Management does not dispute the finding the Commission improperly reported current year asset additions as net corrections to the beginning balance. The Commission will implement new control procedures to ensure all closing packages are completed as required by the Reporting Policies and Procedures Manual. Further, the Commission will review the SCEIS Asset History to identify errors and consult with SCEIS personnel to correct any errors discovered during the review

**Commissioners of South Carolina Workers' Compensation**

**Mailing Address**  
**SC Workers' Compensation Commission**  
**P.O. Box 1715**  
**1333 Main Street**  
**Columbia, SC 29202-1715**

**T. Scott Beck, Chairman**  
[sbeck@wcc.sc.gov](mailto:sbeck@wcc.sc.gov)

**Susan S. Barden, Vice Chair**  
[sbarden@wcc.sc.gov](mailto:sbarden@wcc.sc.gov)

**Andrea C. Roche**  
[aroche@wcc.sc.gov](mailto:aroche@wcc.sc.gov)

**Avery B. Wilkerson, Jr.**  
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**Derrick L. Williams**  
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**Gene McCaskill**  
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*State of South Carolina*



*Office of the State Auditor*

1401 MAIN STREET, SUITE 1200  
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA  
DEPUTY STATE AUDITOR

(803) 253-4160  
FAX (803) 343-0723

July 31, 2012

Mr. Gary M. Cannon, Executive Director  
South Carolina Workers' Compensation Commission  
1333 Main Street, Suite 500  
Columbia, South Carolina 29202

Dear Mr. Cannon:

We are enclosing a preliminary draft copy of the report resulting from our performance of agreed-upon procedures to the accounting records of the South Carolina Workers' Compensation Commission for the fiscal year ended June 30 2011. As soon as you have reviewed the draft, but not later than August 14, 2012, please write to us indicating your review has been completed and authorizing release of the report. If you wish, we would be glad to meet with you in a formal exit conference to discuss this report. Please telephone Mr. George Gentry, CPA, at (803) 832-8242 if you have any questions about this letter or would like to schedule a conference.

To enable us to expeditiously complete and distribute your report, you must provide us with a report release authorization and a current list of your Commission members and their mailing and e-mail addresses. Also, forward to us with your release authorization any written response or comments regarding the matters discussed in the Accountant's Comments which you wish to have included in the final report. In addition provide us an electronic copy of your written response so it can be included with our report on the State Auditor's internet homepage. If we do not receive your release authorization by the date stated in paragraph one, we will release the report at that time with our comment in the Management's Response section of the Accountant's Comments that you elected not to respond.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Richard H. Gilbert, Jr.".

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

RHGjr/cwc

**SOUTH CAROLINA  
WORKERS' COMPENSATION COMMISSION**

**COLUMBIA, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**JUNE 30, 2011**

**DRAFT**

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**DRAFT**

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

July 17, 2012

The Honorable Nikki R. Haley, Governor  
and  
Commissioners  
South Carolina Workers' Compensation Commission  
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the governing body and management of the South Carolina Workers' Compensation Commission (the Commission), solely to assist you in evaluating the performance of the Commission for the fiscal year ended June 30, 2011, in the areas addressed. The Commission's management is responsible for its financial records, internal controls and compliance with State laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. **Cash Receipts and Revenues**

- We inspected selected recorded receipts to determine if these receipts were properly described and classified in the accounting records in accordance with the agency's policies and procedures and State regulations.
- We inspected selected recorded receipts to determine if these receipts were recorded in the proper fiscal year.
- We made inquiries and performed substantive procedures to determine if revenue collection and retention or remittance were supported by law.
- We compared current year recorded revenues at the subfund and account level from sources other than State General Fund appropriations to those of the prior year. We investigated changes in the general and earmarked funds to ensure that revenue was classified properly in the agency's accounting records. The scope was based on agreed upon materiality levels (\$32,100 – general fund and \$25,100 – earmarked fund) and  $\pm 10$  percent.

**DRAFT**

- We made inquiries of management pertaining to the agency's policies for accountability and security over permits, licenses, and other documents issued for money. We observed agency personnel performing their duties to determine if they understood and followed the described policies.

The individual transactions selected were chosen randomly. Our finding as a result of these procedures is presented in Revenue and Expenditure Cut-Off in the Accountant's Comments section of this report.

**2. Non-Payroll Disbursements and Expenditures**

- We inspected selected recorded non-payroll disbursements to determine if these disbursements were properly described and classified in the accounting records in accordance with the agency's policies and procedures and State regulations, were bona fide disbursements of the Commission, and were paid in conformity with State laws and regulations; if the acquired goods and/or services were procured in accordance with applicable laws and regulations.
- We inspected selected recorded non-payroll disbursements to determine if these disbursements were recorded in the proper fiscal year.
- We compared current year expenditures at the subfund and account level to those of the prior year. We investigated changes in the general and earmarked funds to ensure that expenditures were classified properly in the agency's accounting records. The scope was based on agreed upon materiality levels (\$19,100 – general fund and \$26,500 – earmarked fund) and  $\pm 10$  percent.

The individual transactions selected were chosen randomly. Our finding as a result of these procedures is presented in Revenue and Expenditure Cut-Off in the Accountant's Comments section of this report.

**3. Payroll Disbursements and Expenditures**

- We inspected selected recorded payroll disbursements to determine if the selected payroll transactions were properly described, classified, and distributed in the accounting records; persons on the payroll were bona fide employees; payroll transactions were properly authorized and were in accordance with existing legal requirements and processed in accordance with the agency's policies and procedures and State regulations.
- We inspected payroll transactions for selected new employees and those who terminated employment to determine if the employees were added and/or removed from the payroll in accordance with the agency's policies and procedures, that the employee's first and/or last pay check was properly calculated and that the employee's leave payout was properly calculated in accordance with applicable State law.
- We compared current year payroll expenditures at the subfund and account level to those of the prior year. We investigated changes in the general and earmarked funds to ensure that expenditures were classified properly in the agency's accounting records. The scope was based on agreed upon materiality levels (\$19,100 – general fund and \$26,500 – earmarked fund) and  $\pm 10$  percent.

- We compared the percentage change in recorded personal service expenditures to the percentage change in employer contributions; and computed the percentage distribution of recorded fringe benefit expenditures by fund source and compared the computed distribution to the actual distribution of recorded payroll expenditures by fund source. We investigated changes of  $\pm 5$  percent to ensure that payroll expenditures were classified properly in the agency's accounting records.

The individual transactions selected were chosen randomly. Our finding as a result of these procedures is presented in Pay Calculations in the Accountant's Comments section of this report.

4. **Journal Entries, Operating Transfers and Appropriation Transfers**

- We inspected selected recorded journal entries, operating transfers, and appropriation transfers to determine if these transactions were properly described and classified in the accounting records; they agreed with the supporting documentation, the purpose of the transactions was documented and explained, the transactions were properly approved, and were mathematically correct; and the transactions were processed in accordance with the agency's policies and procedures and State regulations.

The individual transactions selected were chosen randomly. We found no exceptions as a result of the procedures.

5. **Appropriation Act**

- We inspected agency documents, observed processes, and/or made inquiries of agency personnel to determine the Agency's compliance with Appropriation Act general and agency specific provisions.

Our finding as a result of these procedures is presented in Authorized Attorney Fees in the Accountant's Comments section of this report.

6. **Reporting Packages**

- We obtained copies of all reporting packages as of and for the year ended June 30, 2011, prepared by the Commission and submitted to the State Comptroller General. We inspected them to determine if they were prepared in accordance with the Comptroller General's Reporting Policies and Procedures Manual requirements and if the amounts reported in the reporting packages agreed with the supporting workpapers and accounting records.

Our finding as a result of these procedures is presented in Reporting Packages in the Accountant's Comments section of this report.

The Honorable Nikki R. Haley, Governor  
and  
Commissioners  
South Carolina Workers' Compensation Commission  
July 17, 2012

7. **Status of Prior Findings**

- We inquired about the status of the findings reported in the Accountant's Comments section of the State Auditor's Report on the Commission resulting from our engagement for the fiscal year ended June 30, 2007, to determine if the Commission had taken corrective action. We applied no procedures to the Commission's accounting records and internal controls for the years ended June 30, 2010, 2009, and 2008.

Our finding as a result of these procedures is presented in Pay Calculations in the Accountant's Comments section of this report.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor and of the Commission and management of the South Carolina Workers' Compensation Commission and is not intended to be and should not be used by anyone other than these specified parties.

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

**ACCOUNTANT'S COMMENTS**

**DRAFT**

**SECTION A - VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS**

Management of each State agency is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations. The procedures agreed to by the agency require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

The conditions described in this section have been identified as violations of State Laws, Rules or Regulations.

## **REVENUE AND EXPENDITURE CUT-OFF**

We tested twenty-five cash receipt transactions and twenty-five cash disbursement transactions to ensure that the transactions were recorded in the proper fiscal year. One of the receipt transactions and five of the disbursement transactions were recorded in the wrong fiscal year. The receipt transaction related to receipts received on June 30, 2011 and deposited on July 1, 2011. The Commission recorded the deposit as a fiscal year 2012 transaction. The disbursement transactions all related to the reimbursement of June 2011 employee travel. The Commission recorded the transactions in fiscal year 2012. Commission personnel explained that they had encountered problems when posting the transactions in the new statewide accounting system.

State Treasurer and Comptroller General year-end close-out procedures require that receipts are recorded in the same fiscal year that cash is received and that expenditures are recorded in the same fiscal year that the good or service is received.

We recommend that the Commission implement procedures to ensure that accounting transactions are recorded in the proper fiscal year.

## **PAY CALCULATIONS**

Based on our review of support documentation we determined that one of eleven employees that terminated employment during the fiscal year ended June 30, 2011 was overpaid one day's wages, or approximately \$77. A similar finding was reported in the State Auditor's Report on the Commission for the fiscal year ended June 30, 2007. Commission personnel explained that they improperly paid the former employee one day's wages while the employee was in leave without pay status. The error was processed by new statewide accounting system and the error was not detected by Commission personnel.

Section 8-11-30 of the South Carolina Code of Laws prohibits a person from receiving a salary from the State, which is not due or persons employed by the State from paying salaries or monies not due to State employees.

We recommend the Commission develop and implement procedures to ensure that payments to employees are accurate and that errors are detected and corrected timely.

## **AUTHORIZED ATTORNEY FEES**

Section 1-7-170 of the South Carolina Code of Laws states, "A department or agency of the state government may not engage on a fee basis an attorney at law except upon written approval of the Attorney General and upon a fee as must be approved by him."

The Commission engaged an attorney on a fee basis with written approval of the Attorney General but attorney fees paid to that attorney exceeded the requested maximum fees approved by the Attorney General for the fiscal year ended June 30, 2011. The Attorney General's Office authorized payments totaling \$25,000; the Commission made payments of approximately \$28,000 to the attorney during the fiscal year.

We recommend the Commission develop and implement procedures to ensure compliance with all requirements of Section 1-7-170 of the South Carolina Code of Laws.

## **REPORTING PACKAGES**

Section 1.7 of the Comptroller General's Reporting Policies and Procedures Manual states, "Each agency's executive director and finance director are responsible for submitting to the Comptroller General's Office closing package forms and/or financial statements that are: Accurate and prepared in accordance with instructions, complete, and timely." Our testing of the Commission's closing packages disclosed the following exceptions:

### **Compensated Absences Reporting Package**

The annual leave balance for one of twenty-five employees selected for testing was incorrect because the annual leave balance did not include a leave request which was processed after the compensated absences closing package was prepared and submitted.

### **Capital Assets Reporting Package**

The Commission properly submitted a Capital Assets Summary Form (form 3.8.2) as required by the Capital Assets Questionnaire (form 3.8.1) because the SCEIS Asset History report was not accurate and complete. The Commission was required to complete form 3.8.2 due to differences between the Commission's Capital Asset Worksheet and the SCEIS Asset History report (e.g., fiscal year 2009 additions were omitted from the SCEIS Asset History report, asset useful lives did not agree and the current year additions did not agree). Based on our test of the Capital Assets Summary Form we determined that the Commission improperly reported current year asset additions as net corrections to the beginning balance.

We recommend that the Commission develop and implement procedures to ensure that all closing packages are completed in accordance with the Reporting Policies and Procedures Manual and form instructions. Furthermore, we recommend that the Commission analyze the SCEIS Asset History report to identify errors and consult with SCEIS personnel to correct the errors.

## **SECTION B - STATUS OF PRIOR FINDINGS**

During the current engagement, we reviewed the status of corrective action taken on each of the findings reported in the Accountant's Comments section of the State Auditor's Report on the Commission for the fiscal year ended June 30, 2007, and dated September 4, 2008. We applied no procedures to the Commission's accounting records and internal controls for the years ended June 30, 2010, 2009, and 2008. We determined that the Commission has taken adequate corrective action on each of the findings except we have repeated the finding titled Pay Calculations.



## South Carolina Vocational Rehabilitation Department

*Enabling eligible South Carolinians with disabilities to prepare for, achieve and maintain competitive employment.*

Barbara G. Hollis, Commissioner

### MEMO

TO: Gary Cannon  
FROM: Michelle A. Prevost, SCVRD Counselor  
DATE: August 1, 2012  
RE: SCVRD/WCC Referrals

---

As the SCVRD counselor assigned to the Workers Compensation Commission, I held office hours at WCC for four days this past month.

During this month's office hours, I have completed the review of approximately 1340 WCC Lexington County cases for 2009. In my review, I have identified 45 additional claimants to which I sent referral letters on July 27, 2012. I will begin review of 2010 cases for the Lexington/Richland area based upon body type and severity of injury through the Claims Maintenance and Documents on file for the cases.

As of July 31<sup>st</sup>, I have had the following contacts regarding potential WCC referrals:

- 2 previous applications for SCVRD eligibility were approved for SCVRD services and have begun the assessment process to help them work toward finding new appropriate work options based on their disability and functional limitations.
- Since letters were sent on 7/27, I have received 5 return calls for additional information about SCVRD to assist the claimant in making a decision regarding participation. I have sent them this information. I have scheduled appointments with two other people who responded to my letter and requested a meeting to discuss the eligibility application process.
- A referral received last month through a local Pain Management Program (active WCC case) decided to apply for SCVRD services. We are currently waiting on medical records to be received in order to complete her eligibility process.
- On July 19th, I provided a detailed presentation of SCVRD services to all WCC staff in attendance at their bi-monthly staff meeting. In addition to a detailed description of SCVRD services, I also explained my role as the WCC Counselor regarding potential referrals that can be sent to me directly from WCC staff if feel a claimant may benefit from SCVRD services. I provided handouts on our programs as well as my contact information in order to send me direct claimant referrals.
- As part of the presentation to WCC staff, I also explained that SCVRD can also provide Job Retention Services for someone employed through the WCC. This service is designed to help assist employed workers with services that may be needed to help them deal with a disability issue that may be hindering their ability to work at their current employment. Some examples of services discussed included our Muscular Development Center and Rehabilitation Technology services available.



Primary Disability	#
Mobility Impairments	
Manipulation/dexterity impairments (hand/fingers)	
Other Orthopedic Impairments (e.g. limited range of motion)	4
General physical debilitation (faigue, weakness, chronic pain)	
Hearing or visual impairments	
Other physical impairments (not listed above)	
Total	4







State of South Carolina

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



Tel: (803) 737-5700  
Fax: (803) 737-5768  
www.wcc.sc.gov

**Workers' Compensation Commission**

**TO: Workers' Compensation Commissioners**  
**FROM: Gary M. Cannon**  
**DATE: August 20, 2012**  
**RE: Medical Services Provider Manual Update**

---

**Issue:**

The South Carolina Workers' Compensation Commission (Commission) has commissioned and received an "alternatives analysis" report concerning revision to the 2010 Medical Services Provider Manual (MSPM Fee Schedule). Given recent changes in the legislative environment (passage of H3111), the Commission may wish to again consider several fundamental issues related to its Fee Schedule.

**Background:**

On July 1<sup>st</sup>, 2010, the Commission revised and updated its 2003 MSPM Fee Schedule to enable medical providers and carriers to more accurately process billing and payments related to Workers' Compensation claims in South Carolina. At the time of the 2010 revision, the Commission stated its intention to review the MSPM Fee Schedule annually and make revisions thereto as appropriate. On November 14<sup>th</sup>, 2011, the Commission contracted with Optum-Insight to conduct a review of the 2010 MSPM Fee Schedule and to present alternatives/recommendations concerning possible revisions to the MSPM.

As Optum-Insight began their research effort, regulatory and statutory changes were being considered by the General Assembly. Both had direct implications upon the MSPM. The first of these was an amendment to Regulation R1302 (document number R4188) which sought to

amend R 67-1302 to allow alternative methodologies that could provide a more simplistic/cost effective approach for developing the maximum allowable payments in the MSPM. The second was H3111. H3111 sought to allow medical providers the right to appeal to the Administrative Law Judge a Commission revision to the MSPM if, by so doing, the Commission changed the fee schedule by more than 10%. As originally drafted, the legislation was unclear as to whether the change was defined as a 10% variance to the overall system, 10% variance between “service area” categories (surgery, physical medicine, radiology, etc), or 10% variance between individual CPT codes.

During the Full Commission meeting of February 21<sup>st</sup>, 2012, Optum-Insight presented their study findings to the Commission for consideration. After a review of the data, the Commission moved to suspend further consideration of the MSPM Fee Schedule update until the outcome of the two pending legislative initiatives could be determined.

Following presentation of the issue to the Senate sub-committee, the request to amend R4188 was voluntarily withdrawn from legislative consideration by the SCWCC due to concerns expressed by representatives of South Carolina’s business community. H3111 was ratified by the legislature and signed into law by the Governor on June 7, 2012 (Act 183).

The intent of the MSPM Fee Schedule is to insure that quality medical services are accessible to Workers’ Compensation patients across the state, and that such services are provided at fair and uniform compensation levels. When considering revisions to the MSPM Fee Schedule, the Commission has sought to structure its modifications in such a way that the overall system cost experiences minimal variance (budget neutrality).

**Options Analysis:**

Given current legislative and industry contexts, staff finds that there are four (4) options that the Commission could consider relative to an update of the 2010 MSPM Fee Schedule.

**Option 1: No Change in MSPM Fee Schedule.**

Under this option, the Commission would implement no modifications to the existing 2010 MSPM Fee Schedule and would defer consideration of a revision until a future date.

Considerations. Adopting Option 1 would:

- a. Allow system costs to remain unchanged by Commission action.
- b. Not trigger the review/appeal provisions of H3111.

### Challenges.

- a. Requires providers to continue practice of “back coding” procedures to reflect non-current CPT codes, thus conflicting with the “National Correct Coding Initiative” (NCCI) as required under Section 6507 of the Affordable Care Act. The NCCI establishes the proper CPT/HCPCS medical coding definitions and protocols to which Providers and Carriers are required to adhere. The NCCI was developed by CMS in the mid 1990’s in conjunction with the AMA and the medical insurance industry. Its purpose is to eliminate unwarranted medical costs caused by the incorrect coding and billing of medical expenses.
- b. Continue to maintain the current system cost disparities inherent in using the 2010 MSPM. When compared to 2012 CPT coding for Workers’ Compensation, 2010 MSPM over-values certain procedures while under-valuing others.

### **Option 2: Revise 2010 MSPM using a Single Conversion Factor.**

Option 2 updates the MSPM using the methodology the Commission has used in the past. Attachment A illustrates the projected financial impact on each of the nine service area categories. The calculations were derived using 2011 utilization data and 2012 relative values (RBRVS) established by the Center for Medicare and Medicaid Services (CMS) and the current conversion factor of \$50.

Considerations. Adoption of Option 2 would:

- a. Bring the MSPM up to date with current CPT codes.
- b. Employ the use of a single conversion factor, thereby maintaining the current billing and payment methodology.
- c. Maintain a “budget neutral” overall system cost.
- d. Enable certain providers to trigger the appeals process to the ALJ as stipulated within H3111.

### Challenges.

- a. Negative impact on certain service area categories.

**Option 3: Update the MSPM Fee Schedule using Multiple Conversion Factors.** Option 3 provides for the adoption of a different conversion factor for each of the service area categories within the MSPM. Attachment B illustrates the financial impact on the nine service area categories using a separate conversion factor for each service area category.

Considerations. Adoption of Option 3 would:

- a. Maintain budget neutrality within the Workers' Compensation system.
- b. Allow for a complete update of all CPT codes within the MSPM.
- c. Allow the Commission to comply with the provisions of H3111.
- d. Place an artificial cap (10%) on otherwise justifiable compensatory amounts due medical providers.

Challenges.

- a. Adoption of multiple conversion factors may contradict the position taken by the Commission in a motion by Commissioner Huffstetler on September 12, 2011 to retain the single conversion factor if we continued to use the CMS RBRVS as a basis for determining the fee schedule.

**Option 4: Update the MSPM with new CPT codes.**

Under Option 4, the Commission updates the MSPM to add only those CPT codes that have been created since 2010 and to delete from the MSPM those CPT codes which are no longer in use / approved by the AMA. Attachment C illustrates the financial impact on each of the nine service area categories and the overall system using the current conversion factor of \$50 and the 2012 relative values without the new CPT codes approved by the AMA after the adoption of the updated MSPM in 2010.

Considerations. Adoption of Option 4 would:

- a. Enable medical providers to comply with the NCCI when processing workers' compensation billing in South Carolina.
- b. Enable medical providers and insurance carriers to process workers' compensation bills using industry current database methodologies.
- c. Potentially cause system cost to increase by .75% to 1.5%.
- d. Reduce Commission staff and consultant involvement in billing/coding issues.

Challenges.

- a. Does this option trigger the provisions of statutory changes provided in H3111 (Act 183) to allow appeals to the Administrative Law Court?

**Staff Recommendation**

Because of recent changes in statutes pertaining to the Commission's medical fee schedule it is the recommendation of staff to obtain a legal opinion from the SC Attorney General's Office concerning the statutory changes contained in H3111 (Act No. 183) and implications on the regulatory requirements provided in R1302 if the Commission were to update or revise the 2010 MSPM Fee Schedule.

Attachment A  
Option 2

Category	Total Current 2011 Fee	Total Proposed 2012 Fee	Difference	Pct Difference
Anesthesia	64,614,210	64,694,250	80,040	0.1239%
E&M	8,894,110	9,414,845	520,735	5.8548%
Medicine and Injections	3,174,433	3,874,236	699,802	22.0450%
Pathology	1,034,050	1,888,218	854,168	82.6041%
Physical Medicine	11,556,745	12,862,942	1,306,197	11.3025%
Radiology	4,535,391	6,404,607	1,869,216	41.2140%
Special Reports and Services	125,631	105,640	-19,992	-15.9129%
Supplies and DME	3,105,939	4,030,203	924,264	29.7579%
Surgery	13,129,354	13,811,270	681,916	5.1938%
Overall	110,169,864	117,086,209	6,916,345	6.2779%

Option 2 Table illustrates the fiscal impacts associated with updating the MSPM to include new codes at their 2012 weights while retaining a single \$50 Conversion Factor. Overall system costs increase due to the "reallocation" of relative weights by Medicare and the projected frequency of use (utilization) of each.

**Table 1: Multiple Conversion Factor Calculation.**

Category	Total Prior Fee	Total Claims Count	Total MC RVU	Conversion Factor
Anesthesia (CF not Calculated)	64,614,210.00	375,678	2,156,475.00	29.96
E&M	8,894,110.00	76,878	188,296.89	47.23
Medicine and Injections	2,532,831.25	42,426	57,960.33	43.70
Pathology	481,400.66	23,002	19,659.09	24.49
Physical Medicine	11,556,745.00	299,855	257,258.83	44.92
Radiology	4,535,391.00	39,132	128,063.38	35.42
Special Reports and Services	125,631.00	194,448	2,112.79	59.46
Supplies and DME* (in DMEPOS)	0.00	0	3,421.48	0.00
Surgery	13,129,354.00	28,058	276,020.56	47.57
Overall	41,255,462.91	703,799	932,793.35	44.23

**Table 2: System Cost Impact of Adoption of Multiple Conversion Factors.**

Category	Total Claims Count	Total Current 2011 Fee	Total Proposed 2012 Fee	Difference	Pct Difference
Anesthesia (CF not Calculated)	375,678	64,614,210.00	64,534,888.60	-79,321.40	-0.123%
E&M	76,878	8,894,110.00	8,893,262.11	-847.89	-0.010%
Medicine and Injections	42,426	2,532,831.25	2,535,008.16	2,176.91	0.086%
Pathology	23,002	481,400.66	481,451.11	50.45	0.010%
Physical Medicine	299,855	11,556,745.00	11,556,066.64	-678.36	-0.006%
Radiology	39,132	4,535,391.00	4,537,023.60	1,632.60	0.036%
Special Reports and Services	194,448	125,631.00	125,626.49	-4.51	-0.004%
Supplies and DME* (in DMEPOS)	0	0.00	0.00	0.00	0.000%
Surgery	28,058	13,129,354.00	13,130,298.04	944.04	0.007%
Overall	703,799	41,255,462.91	41,258,736.16	3,273.25	0.008%

\* All of the Supplies and DME are either priced in the DMEPOS file, have zero value in NPFS, or have been Newly valued this time so no 2011 data was available to calculate a conversion factor

Option 3, Table 1 defines the "Conversion Factor" values required to be adopted by service area to maintain "budget neutrality" within the Workers' Compensation System.

Option 3, Table 2 illustrates the budgetary effect of multiple conversion factors by service area as well as the system as a whole.

Attachment C  
Option 4

Category	Total Current 2011 Fee	Total Proposed 2012 Fee	Difference	Pct Difference
Anesthesia	64,614,210	64,621,050	6,840	0.0106%
E&M	8,894,110	9,411,978	517,868	5.8226%
Medicine and Injections	3,174,433	3,819,323	644,889	20.3151%
Pathology	1,034,050	1,827,811	793,760	76.7622%
Physical Medicine	11,556,745	12,773,636	1,216,891	10.5297%
Radiology	4,535,391	6,296,791	1,761,400	38.8368%
Special Reports and Services	125,631	37,739	-87,892	-69.9604%
Supplies and DME	3,105,939	2,945,786	-160,153	-5.1564%
Surgery	13,129,354	13,692,156	562,802	4.2866%
Overall	110,169,864	115,426,269	5,256,405	4.7712%

Projected System Cost Variation		
	With New Codes Included:	6.2779%
	Without New Codes Included:	4.7712%
	<b>Adoption of New Codes Only:</b>	<b>1.5067%</b>

Option 4 Table assumes that the current Single Conversion Factor methodology is maintained and that no new codes are updated, resulting in a 4.77% increase in system costs. When compared to the Option 2 analysis (6.27% increase in system costs), inclusion of new codes represent a 1.5% increase in system costs. ("New codes" are defined as those CPT codes that were developed by the AMA after the Commission adopted the 2010 MSPM).

To: Workers' Compensation Commissioners  
From: Diana Gantt, Director of Administration  
Subject: Hearing and Informal Conference Costs Assessments  
Date: August 14, 2012

Attached you will find calculations for the proposed assessments for the cost of a Hearing and the cost of an Informal Conference for Fiscal Year 2013. The assessments are calculated using an allocation of salaries and operating expenses related to the scheduling and conducting of hearings and informal conferences and the number of hearings and informal conferences conducted during FY 2012. These assessments are authorized pursuant to Regulation 67-614 and Regulation 67-804(H).

**Hearing Costs**

Regulation 67-614 authorizes a Commissioner may issue an order assessing the actual cost of a hearing if the Commissioner determines the hearing has been brought, prosecuted or defended on unreasonable Grounds.

The Hearing Cost is calculated using a cost allocation methodology in which a percentage of the total cost of salary, travel and other operating expenses of the Commissioners and Judicial Department are allocated to the process of scheduling or conducting hearings. For the FY2013 I recommend the Hearing Cost to be established by the Commission as \$1,123.49. This is an increase of \$108.63 or 10.7% over the current assessment cost approved by the Commission last year.

**Informal Conference Cost**

Regulation 67-804 (H) authorizes the Commissioner assigned to the case may impose upon the employer's representative or an attorney the actual costs of the informal conference for failure to appear.

The Informal Conference cost is calculated using an identical cost allocation methodology in which a percentage of the total cost of salary, travel and other operating expenses of the Commissioners and Judicial Department are allocated to the process of scheduling or conducting informal conferences. For the FY2013 I recommend the Informal Conference Cost Assessment to be established by the Commission as \$389.63. This is an increase of \$30.51 or 8.4% over the current assessment cost for Informal Conferences approved by the Commission last year.

Cost of a Hearing  
FY2012

	Total Expenses	% of Cost for Hearings	Total Hearing Cost
<b>Salaries</b>			
Commissioners	780,169.00	95%	741,160.55
Comm. Classified Staff	290,075.00	95%	275,571.25
Judicial Staff	351,189.00	98%	344,165.22
Total	<u>\$ 1,421,433.00</u>		<u>\$ 1,360,897.02</u>
 <b>Travel</b>			
Commissioners	94,105.12	95%	89,399.86
Legal Services (Court Reporters)	156,561.00	100%	156,561.00
Total	<u>\$ 250,666.12</u>		<u>\$ 245,960.86</u>
 <b>Other Operating Costs - Commission</b>			
DP Service	32,346.00	95%	30,728.70
Telephones	4,683.00	95%	4,448.85
Cell Phones	7,427.00	95%	7,055.65
Other Professional Services (D&B)	1,828.00	95%	1,736.60
Office Supplies	6,190.00	95%	5,880.50
Copying Supplies	2,769.00	95%	2,630.55
Printing	1,533.00	95%	1,456.35
Postage	8,822.00	95%	8,380.90
Copier Rent	2,231.00	95%	2,119.45
Building Rent	142,985.00	95%	135,835.75
Leased Cars	38,340.00	95%	36,423.00
Total	<u>\$ 249,154.00</u>		<u>\$ 236,696.30</u>
 <b>Other Operating Costs - Judicial</b>			
DP Service	26,840.00	98%	26,303.20
Telephones	2,507.00	98%	2,456.86
Cell Phones	838.00	98%	821.24
Office Supplies	4,565.00	98%	4,473.70
Copying Supplies	1,972.00	98%	1,932.56
Printing	1,111.00	98%	1,088.78
Postage	8,391.00	98%	8,223.18
Copier Rent	1,985.00	98%	1,945.30
Building Rent	63,081.00	98%	61,819.38
Total	<u>\$ 111,290.00</u>		<u>\$ 109,064.20</u>
<b>Total Expenses</b>	<u><u>\$ 2,032,543.12</u></u>		<u><u>\$ 1,952,618.38</u></u>
Total Hearings Docketed	<b>11,121</b>		
<b>Total PER CASE DOCKETED HEARINGS</b>			<u><u>\$ 175.58</u></u>
Total Hearings Conducted	<b>1,738</b>		
<b>TOTAL HEARING COST</b>			<u><u>\$ 1,123.49</u></u>

Cost of an Informal Conference  
FY2012

<u>Salaries</u>	<u>Total Expenses</u>
Claims	24,618.40
Insurance & Medical	12,054.25
Judicial	341,315.30
Total \$	<u>377,987.95</u>

<u>Travel</u>	
Claims	739.40
Insurance & Medical	429.35
Judicial	1,591.47
Total \$	<u>2,760.22</u>

<u>Agency Operating Costs</u>	
DP Service	273,069.00
Telephones	18,224.00
Cell Phones	11,984.00
Office Supplies	20,930.00
Copying Supplies	11,829.00
Printing	6,895.00
Postage	58,456.00
Copier Rent	16,443.00
Building Rent	420,542.00
Pool Vehicles	51,845.00
Total \$	<u>890,217.00</u>

**Total Expenses \$ 1,270,965.17**

Informal Conferences Conducted 3,262

Total Cost of an Informal Conference \$ 389.63