

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

March 19, 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 March 19, 2012 *CHAIRMAN BECK*

2. APPROVAL OF MINUTES OF BUSINESS MEETING of February 21, 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. GANTT*
 - 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. Approval of Special Meeting for Mediation Regulation (Tab 10) *Mr. Cannon*
 - B. Proposed Regulation Changes to R67-1302 (R 4188) (Tab 11) *Mr. Cannon*
 - D. Court Interpreters Guidelines (Tab 12) *Mr. Cannon*

8. NEW BUSINESS *CHAIRMAN BECK*

9. EXECUTIVE SESSION *CHAIRMAN BECK*
 - A. Personnel Matter (13)

10. ADJOURNMENT *CHAIRMAN BECK*

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THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

Tuesday, February 21, 2012

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Tuesday, February 21, 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
GENE MCCASKILL, COMMISSIONER
G. BRYAN LYNDON, COMMISSIONER
ANDREA C. ROCHE, COMMISSIONER
AVERY B. WILKERSON, JR., COMMISSIONER
DERRICK L. WILLIAMS, COMMISSIONER

Present also were Gary M. Cannon, Executive Director, Virginia Crocker, Judicial Director; Diana Gantt, Accounting/Fiscal Manager; Greg Line, Claims Director; Grant Duffield, Insurance and Medical Services Director; Betsy Hartman, DSIT; Amanda Underhill, Senior Application Analyst; W.C. Smith, Self-Insurance Director; Wayne Ducote, Coverage Director; Garry Smith, Compliance Director; and Keith Roberts, Law Clerk. Visitors present were: Clara Smith and Allison Sullivan, Injured Workers' Advocates; AnnMargaret McCraw, Midlands Orthopaedics/SC Orthopaedic Association; Kristian Cross, Collins & Lacy, P.C.; and Carla Gee and Stephanie Brewer, Representatives of OptumInsight.

Chairman Beck called the meeting to order at 10:31 a.m.

AGENDA

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

APPROVAL OF MINUTES – BUSINESS MEETING OF JANUARY 17, 2012

Commissioner Roche moved that the minutes of the Business Meeting of January 17, 2012 be approved. Commissioner Barden seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

There were no general announcements.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by W.C. Smith, Self-Insurance Director. Fifteen prospective members of two (2) funds were presented to the Commission for approval. The applications were:

SC Automobile Dealers SIF

Thag, LLC dba Island Chrysler Dodge Jeep Ram

SC Home Builders SIF

AHG Painting, LLC
Brazell's Contracting, Inc.
Commercial Steel Builders, LLC
Gravely Enterprises, Inc.
Harold Knight Builders
John Cobb dba JBC Construction
Jones Builders
Parnell Construction, Inc.
Pearsall's Projects, LTD
Premier Specialties, LLC
Seaside Pool and Spas, Inc.
Spears Masonry Co.
Thomas Maintenance and Construction services
Yoder's Building Supply

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 Lyndon seconded the motion. The motion was unanimously approved.

Request of D.H. Griffin Wrecking Company, Inc. to Self-Insure

Mr. Smith presented a request from D.H. Griffin Wrecking Company, Inc. to self-insure. D.H. Griffin Wrecking Company is currently self-insured for workers' compensation in North Carolina, Alabama, and Florida.

Mr. Smith presented a recommendation that D.H. Griffin Wrecking Company, Inc. be granted the privilege of self-insuring its workers' compensation liabilities contingent on the following:

1. D.H. Griffin Wrecking Company, Inc. secure specific excess insurance with an initial retention of not more than \$250,000 and a statutory limit of liability;
2. D.H. Griffin Wrecking Company, Inc. provides the Commission a surety bond or irrevocable letter-of-credit in the amount of \$800,000.

Motion to approve D.H. Griffin Wrecking Company, Inc. to Self-Insure

Following discussion Commissioner Wilkerson made the motion to approve D.H. Griffin Wrecking Company, Inc. to self-insure, and that a review of their financial statements is conducted on a six-month basis reporting any concerns to the Commissioners. Commissioner Williams seconded the motion, and the motion was 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

January 31, 2012. The benchmark for January is 58.33%. The Commission's revenues are at 52.69%, and expenses are at 55%.

Human Resources Department

On behalf of Cathy Floyd, Ms. Gantt presented the Human Resources report for the period of January 11, 2012 through February 14, 2012.

- Nominations for the 2011 Employee of the Year close on February 15, 2012
- Launched the Employee Web Page
- Completed the OSHA 300 Report for 2011
- The 2012 Leadership Team Retreat was held January 20, 2012

Information Services

Betsy Hartman presented the Information Services Department's report. Ms. Hartman included in the report a list of current and future projects as of February 21, 2012 and a list of IT accomplishments for 2010-2012.

Insurance & Medical Services

Grant Duffield presented the Insurance & Medical Services Department's report. The Compliance Division closed January 2012 with 400 cases active, compared to an active caseload of 778 at the close of January 2011. The outstanding carrier fines have reduced from approximately \$379,000 to \$233,000. Year to date, Compliance fines are being collected at a rate of 92% of prior year. The Coverage Division collected \$7,200 in fine revenue in January 2012, an increase from \$6,350 in Coverage fines/penalties assessed in December 2011.

Mr. Duffield reported the Coverage Division has completed a memo of understanding with SC Homebuilder's Association for creation of a coverage verification web interface module. This interface will allow general contractors to receive notification when subcontractors have lapse of coverage.

Claims Department

Greg Line presented the Claims Department's report. There were 656 fines for the month of January which is up from assessing 444 fines for the month of December. The dollar amount of the fines assessed for the month of January is \$172,600 which is up from assessing \$96,100 for the month of December.

Judicial Department

Virginia Crocker presented the Judicial Department's report. Ms. Crocker reported a new process in place to ensure Consent Orders are scanned to claimants' files in Progress. The Commissioners' administrative assistants email Consent Orders to the Judicial Department and Judicial staff scans the Orders in Progress. Judicial scanned 326 Consent Orders in January.

EXECUTIVE DIRECTOR'S REPORT

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

Mr. Cannon reported the following highlights from his report:

- Seventeen staff members participated in the Leadership Team Staff Retreat on January 20, 2012.

- The 2012-2013 proposed budget was presented to the House Ways and Means Subcommittee on January 24, 2012. No action was taken at that time.
- The Senate Judiciary Subcommittee conducted a hearing on the proposed changes to R 67-1302 on February 15, 2012. The Subcommittee carried the matter over and requested additional information be provided about the request.
- Discussions continue with SC Vocational Rehabilitation Department on implementing a plan for referring workers' compensation claimants to their Department.
- Eight staff members participated in the Chili Cook-Off on February 17, 2012. Brittany Cullbreath was awarded first prize and Diana Gantt was awarded second prize.
- Chairman Beck, Mr. Duffield, and Mr. Cannon attended the SC Workers' Compensation Advisory Committee on Friday, February 10, 2012.

OLD BUSINESS

A. Medical Services Provider Manual Update (MSPM)

Grant Duffield briefly talked about the use, benefits, and purpose of updating the MSPM (Fee Schedule). The Commission adopted the Fee Schedule in 2003 and updated in 2010. The Commission contracted with OptumInsight, Inc., to conduct the 2011 analysis and extended the deadline for completing the update to March 30, 2012.

Mr. Duffield introduced Stephanie Brewer and Carla Gee, representatives of OptumInsight, to present their findings from a review of the 2010 utilization data provided by insurance carriers and 2012 Resource Based Relative Values published by the Centers for Medicare and Medicaid Services (CMS). The data represents 747,976 professional/physician procedures for date of service range June 1, 2010 through October 31, 2011, for a total of \$41.3 million in costs performed for workers' compensation patients in South Carolina.

Mr. Cannon presented a recommendation to carry this matter over in light of the pending proposed amendment that is before the Senate to Regulation 67-1302, Maximum Allowable Payments to Medical Practitioners, which allows the Commission the ability to consider more than one methodology when developing the maximum allowable payment for medical practitioners providing medical services in workers' compensation cases and pending legislation H-3111.

Motion to carry over Medical Services Provider Manual Update

Following discussion Commissioner Roche moved to accept the recommendation from the Executive Director to carry over discussions on Medical Services Provider Manual Update until we get a better handle as to what is happening with Regulation 4188 (67-1302) and pending legislation H-3111. Commissioner Barden seconded the motion. The vote was taken. The motion carried by majority vote, with Commissioner Wilkerson voting against the motion.

B. Regulation Change 67-706 Oral Argument

Mr. Cannon presented for approval a draft of the Proposed Regulation Change to 67-706 Oral Argument for publication in the March 23, 2012 *State Register*. The amendment requires parties to arrive at the Appellate Panel Hearing 30 minutes prior to the scheduled time for the hearing to begin. Commissioner Barden noted two grammatical changes.

Motion to Approve Draft of Proposed Regulation Change to 67-706 Oral Argument

Commissioner Wilkerson made the motion to approve the draft of the Proposed Regulation Change to 67-706 Oral Argument for publication in the March 23, 2012 *State Register*. Commissioner Williams seconded the motion, and the motion was approved with the understanding that staff would make grammatical changes recommended by Commissioner Barden.

NEW BUSINESS

A. Date for Strategic Planning Session

Mr. Cannon said Commissioner Wilkerson asked staff to prepare a financial review and pro forma calculations with regard to the future of the Commission's revenues and expenditures. Mr. Cannon and Mr. Duffield have completed preliminary work and would like to review the various scenarios with the Commissioners. He presented a request to conduct a three-hour workshop with the Commissioners on May 21, 2012 from 1:00 p.m. to 4:00 p.m. in the Commissioners' Conference Room. The purpose of the workshop is to review the Commission's current financial position and develop a long-term strategy to continue the Commission's financial viability. The workshop will be noticed in compliance with the Freedom of Information Act and will be open to the public. The Commissioners agreed to schedule the workshop for May 21, 2012 from 1:00 p.m. to 4:00 p.m. in the Commissioners' Conference Room.

EXECUTIVE SESSION

Commissioner Roche moved to adjourn into Executive Session to discuss a personnel matter. Commissioner Williams seconded the motion. The Commission adjourned into Executive Session at 11:50 a.m.

[EXECUTIVE SESSION]

Commissioner Roche made a motion to arise from Executive Session. Commissioner Barden seconded the motion, and the motion was approved. The Commission arose from Executive Session at 12:15 p.m. Upon arising from Executive Session, Chairman Beck stated there was discussion with no action taken.

ADJOURNMENT

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

The February 21, 2012 meeting of the South Carolina Workers' Compensation Commission adjourned at 12:15 p.m.

Reported March 19, 2012
Kim Ballentine, Office of the Executive Director

INTEROFFICE MEMORANDUM

TO: GARY CANNON, EXECUTIVE DIRECTOR
FROM: DIANA GANTT, DIRECTOR OF ADMINISTRATION
SUBJECT: FINANCIAL REPORT PERIOD ENDING FEBRUARY 29, 2012
DATE: 3/13/2012

The Summary of Revenues and Expenditures for the period ending February 29, 2012, is attached.

- February is the 8th Fiscal Month of FY12.
- There were 58 payments made to vendors, travelers, and other State Agencies.
- The benchmark for February 66.67%. The Commission's revenues are at 60.0% and expenses are at 63%.
- The following is a summary of each department expenditure benchmarks:

General Fund: Total Expenses are at 65%.

Earmark Fund:

Commissioners –

- Total expenditures are at 62% of budget.

Administration –

- Overall the expenditures are 55% of budget.

Claims –

- Expenditures are at 66% of budget.

Insurance & Medical –

- Total expenditures are at 60% of budget.

Judicial –

- Total expenditures are at 63% of budget.

Activity Report from the Procurement Office:

	MTD	YTD
SCEIS Shopping Carts	0	6
Vendors Contacted for Price Quotes	12	101
Visa Procurement Card Orders Placed	5	39
SC Dept of Corrections Orders Placed	1	9
Staples Orders Placed	5	37
State Leased Vehicles taken for Service	3	20
State Reports filed by Procurement Officer	1	28

Mail Room Activity:

	MTD	YTD
Files Copied for Outside Parties	231	1900
Pages Copied	1028	7272

South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures
2011 - 2012 Budget
February 29, 2012

	Budget	FY To Date	Benchmark	66.67%
STATE APPROPRIATIONS				
General Appropriation	\$ 1,763,619	\$ 1,175,746.00		66.67%

<u>Account Description</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Balance</u>	<u>% Expended</u>
Personal Services	\$ 1,329,429	\$ 894,748	\$ 434,681	67.3%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	434,190	253,394	180,796	58.4%
Total	\$ 1,763,619	\$ 1,148,142	\$ 615,477	65.1%

OTHER APPROPRIATIONS

EARMARKED

	<u>Budgeted</u> <u>Revenues</u>	<u>Received</u> <u>thru 2/29/12</u>	<u>% Received</u>
Training Conference Registration Fee	\$ 1,000	\$ 3,000	300.00%
Sale of Publication and Brochures	8,000	4,200	52.50%
Workers' Comp Award Review Fee	75,000	49,500	66.00%
Sale of Photocopies	95,000	60,915	64.12%
Workers' Compensation Filing Violation Fee	1,891,000	1,106,627	58.52%
Sale of Listings and Labels	30,000	18,170	60.57%
Workers' Comp Hearing Fee	600,000	377,600	62.93%
Earmarked Funds - Original Authorization	\$ 2,700,000	\$ 1,620,011	60.00%
Increase Authorization	418,815		
Increase Authorization - BD100	193,675		
Total Earmarked Revenues + Fund Balance	\$ 3,312,490		

<u>Account Description</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Balance</u>	<u>% Expended</u>
Personal Services	\$ 1,544,990	\$ 919,114	\$ 625,876	59.5%
Taxable Subsistence	72,350	39,315	33,035	54.3%
Other Operating Expenses	1,246,966	774,283	472,683	62.1%
Employer Contribution	448,184	313,672	134,512	70.0%
Total Earmarked	\$ 3,312,490	\$ 2,046,384	\$ 1,266,106	61.8%

COMPUTER FUNDS CARRIED FORWARD

Computer Services - Carry forward	\$ 9,931	\$ 2,475	\$ 7,456	24.9%
TOTAL OTHER APPROPRIATIONS	\$ 3,322,421	\$ 2,048,859	\$ 1,273,561	61.7%

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
February 29, 2012

Consolidated

Year-To-Date : 66.67%

	Original Budget	Budget Amendments	Amended Budget	Expended February	Year to Date	%	Encumb	Balance
Commissioners								
Salaries	\$ 1,142,594	\$ -	\$ 1,142,594	\$ 91,695	\$ 757,923	66%	\$ -	\$ 33,035
Other Operating Expenditures								
Total Contractual Services	206,100	-	206,100	22,874	129,217	63%	-	76,883
Total Supplies & Materials	17,499	-	17,499	3,401	13,229	76%	-	4,270
Total Fixed Charges	146,102	-	146,102	11,929	95,976	66%	-	50,126
Total Travel	80,450	-	80,450	7,132	48,078	60%	-	32,372
Total Other Operating Exp	450,151	-	450,151	45,337	286,501	64%	-	163,650
Total Commissioners	\$ 1,592,745	\$ -	\$ 1,592,745	\$ 137,032	\$ 1,044,424	66%	\$ -	\$ 196,685
Administration								
Salaries	\$ 458,224	\$ 91,034	\$ 549,258	\$ 37,628	\$ 304,053	55%	\$ -	\$ 245,205
Other Operating Expenditures								
Total Contractual Services	194,027	6,000	200,027	16,902	121,052	61%	-	78,975
Total Supplies & Materials	19,803	-	19,803	1,329	10,234	52%	-	9,569
Total Fixed Charges	118,095	10,000	128,095	8,997	76,197	59%	-	51,898
Total Travel	12,490	5,500	17,990	1,015	9,191	51%	-	8,799
Total Equipment	-	-	-	-	-	0%	-	-
Total Other Operating Exp	344,415	21,500	365,915	28,243	216,674	59%	-	149,241
Total Administration	\$ 802,639	\$ 112,534	\$ 915,173	\$ 65,871	\$ 520,727	57%	\$ -	\$ 394,446
Claims								
Salaries	\$ 375,000	\$ -	\$ 375,000	\$ 31,194	\$ 249,482	67%	\$ -	\$ 125,518
Other Operating Expenditures								
Total Contractual Services	56,005	-	56,005	7,416	38,034	68%	-	17,971
Total Supplies & Materials	26,546	-	26,546	944	17,862	67%	-	8,684
Total Fixed Charges	73,739	-	73,739	6,010	48,975	66%	-	24,764
Total Travel	2,100	-	2,100	65	449	21%	-	1,651
Total Other Operating Exp	158,390	-	158,390	14,435	105,320	66%	-	53,070
Total Claims	\$ 533,390	\$ -	\$ 533,390	\$ 45,629	\$ 354,803	67%	\$ -	\$ 178,587
Insurance and Medical Services								
Salaries	\$ 458,368	\$ 14,956	\$ 473,324	\$ 38,284	\$ 287,166	61%	\$ -	\$ 186,158
Other Operating Expenditures								
Total Contractual Services	53,050	9,500	62,550	6,007	36,788	59%	-	25,762
Total Supplies & Materials	15,725	7,080	22,805	911	12,015	53%	1,873	8,917
Total Fixed Charges	55,520	8,120	63,640	4,421	37,222	58%	-	26,418
Total Travel	1,350	-	1,350	40	213	16%	-	1,137
Total Other Operating Exp	125,645	24,700	150,345	11,379	86,238	57%	1,873	62,234
Total Insurance and Medical Services	\$ 584,013	\$ 39,656	\$ 623,669	\$ 49,663	\$ 373,403	60%	\$ 1,873	\$ 248,393
Judicial								
Salaries	\$ 379,608	\$ 26,985	\$ 406,593	\$ 32,332	\$ 254,553	63%	\$ -	\$ 152,040
Other Operating Expenditures								
Total Contractual Services	28,054	8,000	36,054	4,093	21,158	59%	-	14,896
Total Supplies & Materials	13,545	1,000	14,545	2,992	11,248	77%	-	3,297
Total Fixed Charges	63,116	3,000	66,116	5,258	43,095	65%	-	23,021
Total Travel	2,950	2,500	5,450	311	2,176	40%	-	3,274
Total Other Operating Exp	107,665	14,500	122,165	12,653	77,677	64%	-	44,488
Total Judicial	\$ 487,273	\$ 41,485	\$ 528,758	\$ 44,986	\$ 332,230	63%	\$ -	\$ 196,528
Totals By Departments								
Department Totals								
Commissioners	\$ 1,592,745	\$ -	\$ 1,592,745	\$ 137,032	\$ 1,044,424	66%	\$ -	\$ 196,685
Administration	802,639	112,534	915,173	65,871	520,727	57%	-	394,446
Claims	533,390	-	533,390	45,629	354,803	67%	-	178,587
Insurance & Medical	584,013	39,656	623,669	49,663	373,403	60%	1,873	248,393
Judicial	487,273	41,485	528,758	44,986	332,230	63%	-	196,528
Total Departmental Expend	\$ 4,000,060	\$ 193,675	\$ 4,193,735	\$ 343,181	\$ 2,625,587	63%	\$ 1,873	\$ 1,214,639
Employer Contributions	882,374	-	882,374	69,411	567,067	64%	-	315,307
Total General & Earmarked Funds	\$ 4,882,434	\$ 193,675	\$ 5,076,109	\$ 412,592	\$ 3,192,654	63%	\$ 1,873	\$ 1,529,947

South Carolina Workers' Compensation Commission
2011 - 2012 Budget
February 29, 2012

General Appropriation

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 66.67%				Encumb	Balance
				Expended February	Year to Date to Date	%			
Commissioners									
Salaries									
Chairman	\$ 115,567	\$ -	\$ 115,567	\$ 9,231	\$ 73,845	64%	\$ -	\$ 41,722	
Commissioner	664,602	(19,170)	645,432	55,364	432,002	67%	-	213,430	
Terminal Leave		19,170	19,170	-	19,170	100%	-	-	
Classified Employees	290,075	-	290,075	24,256	193,591	67%	-	96,484	
Total Commissioners	1,070,244	-	1,070,244	88,851	718,608	67%	-	-	
Administration									
Salaries									
Director	\$ 94,152	\$ -	\$ 94,152	\$ 7,846	\$ 62,768	67%	\$ -	\$ 31,384	
Classified Positions	44,825	-	44,825	3,735	29,883	67%	-	14,942	
Total Administration	138,977	-	138,977	11,581	92,651	67%	-	46,326	
Claims									
Salaries									
Classified Positions	\$ 67,000	\$ -	\$ 67,000	\$ 6,421	\$ 48,017	72%	\$ -	\$ 18,983	
Total Claims	67,000	-	67,000	6,421	48,017	72%	-	18,983	
Insurance and Medical Services									
Salaries									
Classified Positions	\$ 25,350	\$ -	\$ 25,350	\$ 2,113	\$ 16,900	67%	\$ -	\$ 8,450	
Total Ins and Medical Svcs	25,350	-	25,350	2,113	16,900	67%	-	8,450	
Judicial									
Salaries									
Classified Positions	\$ 27,858	\$ -	\$ 27,858	\$ 2,322	\$ 18,572	67%	\$ -	\$ 9,286	
Total Judicial	27,858	-	27,858	2,322	18,572	67%	-	9,286	
General Funds									
Department Totals									
Commissioners	\$ 1,070,244	\$ -	\$ 1,070,244	\$ 88,851	\$ 718,608	67%	\$ -	\$ 351,636	
Administration	138,977	-	138,977	11,581	92,651	67%	-	46,326	
Claims	67,000	-	67,000	6,421	48,017	72%	-	18,983	
Insurance & Medical	25,350	-	25,350	2,113	16,900	67%	-	8,450	
Judicial	27,858	-	27,858	2,322	18,572	67%	-	9,286	
Total Departmental Expend	\$ 1,329,429	\$ -	\$ 1,329,429	\$ 111,287	\$ 894,748	67%	\$ -	\$ 434,681	
Employer Contributions	434,190	-	434,190	32,410	253,394	58%	-	180,796	
Total General Fund Appropriations	\$ 1,763,619	\$ -	\$ 1,763,619	\$ 143,697	\$ 1,148,142	65%	\$ -	\$ 615,477	

South Carolina Workers' Compensation Commission

2011 - 2012 Budget

February 29, 2012

Earmarked Funds

Year-To-Date : 66.67%

	Original Budget	Budget Amendments	Amended Budget	Expended February	Year to Date	%	Encumb	Balance
Commissioners								
Salaries								
Taxable Subsistence	\$ 72,350	\$ -	\$ 72,350	\$ 2,844	\$ 39,315	54%	\$ -	\$ 33,035
Total Salaries	72,350	-	72,350	2,844	39,315	54%	-	33,035
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	700	-	700	-	-	0%	-	700
Copying Equipment Service	200	-	200	-	-	0%	-	200
Print/Bind/Advertisement	510	-	510	152	508	100%	-	2
Print Pub Annual Reports	28	-	28	-	-	0%	-	28
Data Processing Services	30,000	-	30,000	4,588	23,143	77%	-	6,858
Freight Express Delivery	490	-	490	-	-	0%	-	490
Telephone	5,100	-	5,100	522	3,061	60%	-	2,039
Cellular Phone Service	8,100	-	8,100	407	3,207	40%	-	4,893
Legal Services/Attorney Fees	160,000	-	160,000	15,815	97,797	61%	-	62,203
Other Professional Services	972	-	972	1,391	1,501	154%	-	(529)
Total Contractual Services	206,100	-	206,100	22,874	129,217	63%	-	76,883
Supplies & Materials								
Office Supplies	4,000	-	4,000	3,401	5,327	133%	-	(1,327)
Copying Equipment	3,200	-	3,200	-	1,790	56%	-	1,410
Printing	1,200	-	1,200	-	796	66%	-	404
Data Processing Supplies	649	-	649	-	-	0%	-	649
Postage	8,000	-	8,000	-	5,228	65%	-	2,772
Communication Supplies	50	-	50	-	-	0%	-	50
Maint/Janitorial Supplies	200	-	200	-	89	44%	-	111
Motor Vehicle Supp/Gasoline	100	-	100	-	-	0%	-	100
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	17,499	-	17,499	3,401	13,229	76%	-	4,270
Fixed Charges								
Rental-Cont Rent Payment	2,500	-	2,500	235	1,586	63%	-	914
Rent-Non State Owned Property	141,000	-	141,000	11,694	93,550	66%	-	47,450
Rent-Other	250	-	250	-	-	0%	-	250
Insurance-State	1,633	-	1,633	-	840	51%	-	793
Insurance-Non State	169	-	169	-	-	0%	-	169
Fees & Fines	50	-	50	-	-	0%	-	50
Equipment Maintenance	500	-	500	-	-	0%	-	500
Total Fixed Charges	146,102	-	146,102	11,929	95,976	66%	-	50,126
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	350	-	350	-	96	27%	-	254
In State - Auto Mileage	10,000	-	10,000	1,012	7,283	73%	-	2,717
In State - Subsistence Allowance	30,000	-	30,000	2,829	17,573	59%	-	12,427
Out State - Meals	100	-	100	18	70	70%	-	30
Out State - Auto Mileage	2,000	-	2,000	89	692	35%	-	1,308
Leased Car	38,000	-	38,000	3,184	22,364	59%	-	15,636
Total Travel	80,450	-	80,450	7,132	48,078	60%	-	32,372
Total Other Operating Expenditures	450,151	-	450,151	45,337	286,501	64%	-	163,650
Total Commissioners	\$ 522,501	\$ -	\$ 522,501	\$ 48,181	\$ 325,816	62%	\$ -	\$ 196,685

South Carolina Workers' Compensation Commission

2011 - 2012 Budget

February 29, 2012

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 66.67%				
				Expended February	Year to Date	%	Encumb Balance	
Administration								
Salaries								
Classified Positions	\$ 307,000	\$ 91,034	\$ 398,034	\$ 25,556	\$ 204,447	51%	\$ -	\$ 193,587
Temporary Employees	11,247	-	11,247	490	6,955	62%	-	4,292
Terminal Leave	1,000	-	1,000	-	-	0%	-	1,000
Total Salaries	319,247	91,034	410,281	26,046	211,402	52%	-	198,879
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	5,200	6,000	11,200	-	5,312	47%	-	5,888
Copying Equipment Service	550	-	550	-	-	0%	-	550
Print/Bind/Advertisement	500	-	500	-	282	56%	-	218
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	143,000	-	143,000	15,385	103,792	73%	-	39,208
Freight Express Delivery	1,000	-	1,000	28	546	55%	-	454
Telephone	6,200	-	6,200	420	2,706	44%	-	3,494
Cellular Phone Service	1,925	-	1,925	120	874	45%	-	1,051
Education & Training Services	1,000	-	1,000	949	949	95%	-	51
Attorney Fees	34,000	-	34,000	-	5,052	15%	-	28,948
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	-	1,164	582%	-	(964)
Total Contractual Services	194,027	6,000	200,027	16,902	121,052	61%	-	78,975
Supplies & Materials								
Office Supplies	5,000	-	5,000	1,430	2,430	49%	-	2,570
Subscriptions	175	-	175	-	-	0%	-	175
Copying Equipment Supplies	3,934	-	3,934	-	1,640	42%	-	2,294
Printing	1,964	-	1,964	-	630	32%	-	1,334
Data Processing Supplies	500	-	500	-	550	110%	-	(50)
Postage	6,800	-	6,800	(101)	4,864	72%	-	1,936
Maint/Janitorial Supplies	150	-	150	-	70	47%	-	80
Fees & Fines	280	-	280	-	50	18%	-	230
Gasoline/ Motor Vehicle Supply	100	-	100	-	-	0%	-	100
Employee Recog Award	800	-	800	-	-	0%	-	800
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	19,803	-	19,803	1,329	10,234	52%	-	9,569
Fixed Charges								
Rental-Cont Rent Payment	5,000	5,000	10,000	505	4,059	41%	-	5,941
Rent-Non State Owned Property	88,986	-	88,986	7,567	60,533	68%	-	28,453
Rent-Other	3,500	-	3,500	317	2,408	69%	-	1,092
Insurance-State	7,490	-	7,490	-	665	9%	-	6,825
Insurance-Non State	134	-	134	-	-	0%	-	134
Dues and Memberships	3,985	5,000	8,985	-	4,650	52%	-	4,335
Sales Tax Paid	9,000	-	9,000	608	3,883	43%	-	5,117
Total Fixed Charges	118,095	10,000	128,095	8,997	76,197	59%	-	51,898
Travel (Includes Leased Car)								
In State - Meals Non/ Reportable	100	-	100	-	14	14%	-	86
Reportable Meals	100	-	100	-	-	0%	-	100
Out of State - Milage	90	-	90	-	-	0%	-	90
In State - Registration Fees	200	500	700	-	95	14%	-	605
Leased Car	12,000	5,000	17,000	1,015	9,082	53%	-	7,918
Total Travel	12,490	5,500	17,990	1,015	9,191	51%	-	8,799
Equipment								
Equipment Data Processing- PC's	-	-	-	-	-	0%	-	-
Total Equipment	-	-	-	-	-	0%	-	-
Total Other Operating Expenditures	344,415	21,500	365,915	28,243	216,674	59%	-	149,241
Total Administration	\$ 663,662	\$ 112,534	\$ 776,196	\$ 54,290	\$ 428,076	55%	\$ -	\$ 348,120

South Carolina Workers' Compensation Commission

2011 - 2012 Budget

February 29, 2012

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 66.67%				
				Expended February	Year to Date	%	Encumb	Balance
Claims								
Salaries								
Classified Positions	\$ 293,000		\$ 293,000	\$ 24,291	\$ 194,328	66%	\$ -	\$ 98,672
Temporary Positions	14,000		14,000	482	7,138	51%	-	6,862
Terminal Leave	1,000		1,000	-	-	0%	-	1,000
Total Salaries	308,000	-	308,000	24,773	201,466	65%	-	106,534
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	200	-	200	-	-	0%	-	200
Print / Bind / Adv	750	-	750	-	282	38%	-	468
Print Pub Annual Reports	22	-	22	-	-	0%	-	22
Data Processing Services	21,933	-	21,933	3,897	19,322	88%	-	2,611
Freight Express Delivery	500	-	500	-	-	0%	-	500
Telephone	4,000	-	4,000	305	2,140	53%	-	1,860
Cellular Phone Service	2,500	-	2,500	54	391	16%	-	2,109
Temporary Services	26,000	-	26,000	3,161	15,868	61%	-	10,132
Other Professional Services	100	-	100	-	30	30%	-	70
Total Contractual Services	56,005	-	56,005	7,416	38,034	68%	-	17,971
Supplies & Materials								
Office Supplies	8,271	-	8,271	931	2,589	31%	-	5,682
Copying Equipment	3,000	-	3,000	-	1,417	47%	-	1,583
Printing	900	-	900	-	630	70%	-	270
Data Processing Supplies	75	-	75	-	478	637%	-	(403)
Postage	14,000	-	14,000	-	12,653	90%	-	1,347
Maint/Janitorial Supplies	200	-	200	13	96	48%	-	104
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	26,546	-	26,546	944	17,862	67%	-	8,684
Fixed Charges								
Rental-Cont Rent Payment	2,500	-	2,500	163	1,535	61%	-	965
Rent-Non State Owned Property	68,000	-	68,000	5,847	46,775	69%	-	21,225
Rent-Other	225	-	225	-	-	0%	-	225
Insurance-State	1,080	-	1,080	-	665	62%	-	415
Insurance-Non State	134	-	134	-	-	0%	-	134
Equipment- Copying	800	-	800	-	-	0%	-	800
Equipment Maintenance	1,000	-	1,000	-	-	0%	-	1,000
Total Fixed Charges	73,739	-	73,739	6,010	48,975	66%	-	24,764
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	300	-	300	-	-	0%	-	300
In State - Lodging	600	-	600	-	-	0%	-	600
In State - Auto Mileage	600	-	600	-	234	39%	-	366
In-State Registration	200	-	200	-	-	0%	-	200
Reportable Meals	400	-	400	65	215	54%	-	185
Total Travel	2,100	-	2,100	65	449	21%	-	1,651
Total Other Operating Expenditures	158,390	-	158,390	14,435	105,320	66%	-	53,070
Total Claims	\$ 466,390	\$ -	\$ 466,390	\$ 39,208	\$ 306,786	66%	\$ -	\$ 159,604

South Carolina Workers' Compensation Commission

2011 - 2012 Budget

February 29, 2012

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 66.67%				
				Expended February	Year to Date	%	Encumb Balance	
Insurance and Medical Services								
Salaries								
Classified Positions	418,000	14,956	432,956	34,920	260,179	60%	-	172,777
Temporary Employees	15,018		15,018	1,251	10,087	67%	-	4,931
Total Salaries	433,018	14,956	447,974	36,172	270,266	60%	-	177,708
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	200	-	200	-	-	0%	-	200
Copying Equipment Service	300	-	300	-	-	0%	-	300
Print/Bind/Advertisement	500	500	1,000	-	312	31%	-	688
Print Pub Annual Report	24	-	24	-	-	0%	-	24
Data Processing Services	40,000	9,000	49,000	5,585	31,389	64%	-	17,611
Telephone	2,626	-	2,626	225	1,583	60%	-	1,043
Cell Phone	3,000	-	3,000	57	344	11%	-	2,656
Catered Meals	2,000	-	2,000	-	957	48%	-	1,043
Other Professional Services	1,800	-	1,800	140	470	26%	-	1,330
Other Contractual Services	2,600	-	2,600	-	1,734	67%	-	867
Total Contractual Services	53,050	9,500	62,550	6,007	36,788	59%	-	25,762
Supplies & Materials								
Office Supplies	3,000	-	3,000	911	3,295	110%	-	(295)
Copying Equipment	3,500	-	3,500	-	1,566	45%	-	1,934
Printing	1,500	-	1,500	-	974	65%	-	526
Data Processing Supplies	500	-	500	-	102	20%	-	398
Postage	7,000	5,000	12,000	-	5,974	50%	-	6,026
Maintenance/Janitorial Supplies	75	100	175	-	78	44%	-	97
Building Materials	-	1,880	1,880	-	-	0%	1,873	7
Fees & Fines	50	100	150	-	25	17%	-	125
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	15,725	7,080	22,805	911	12,015	53%	1,873	8,917
Fixed Charges								
Rental-Cont Rent Payment	2,104	5,000	7,104	253	2,089	29%	-	5,015
Rent-Non State Owned Property	48,000	2,000	50,000	4,127	33,018	66%	-	16,982
Rent-Other	225	2,000	2,225	-	848	38%	-	1,377
Insurance-State	1,101	1,000	2,101	-	735	35%	-	1,366
Insurance-Non State	148	-	148	-	-	0%	-	148
Equipment Maintenance	942	-	942	-	-	0%	-	942
Sales Tax Paid	3,000	(1,880)	1,120	41	531	47%	-	589
Total Fixed Charges	55,520	8,120	63,640	4,421	37,222	58%	-	26,418
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	400	-	400	-	-	0%	-	400
In-State Registration	100	-	100	-	-	0%	-	100
Reportable Meals	150	-	150	40	213	142%	-	(63)
In State - Lodging	700	-	700	-	-	0%	-	700
Total Travel	1,350	-	1,350	40	213	16%	-	1,137
Total Other Operating Expenditures	125,645	24,700	150,345	11,379	86,238	57%	1,873	62,234
Total Insurance and Medical Services	\$ 558,663	\$ 39,656	\$ 598,319	\$ 47,551	\$ 356,503	60%	\$ 1,873	\$ 239,943

South Carolina Workers' Compensation Commission

2011 - 2012 Budget

February 29, 2012

Earmarked Funds

	Original Budget	Budget Amendments	Amended Budget	Year-To-Date : 66.67%				
				Expended February	Year to Date	%	Encumb	Balance
Judicial								
Salaries								
Classified Positions	\$ 351,750	\$ 26,985	\$ 378,735	\$ 30,011	\$ 235,981	62%	\$ -	\$ 142,754
Total Salaries	351,750	26,985	378,735	30,011	235,981	62%	-	142,754
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	80	-	80	-	-	0%	-	80
Copy Equipment Services	850	-	850	-	303	36%	-	547
Print/Bind/Advertisement	800	-	800	-	253	32%	-	547
Print Pub Annual Reports	20	-	20	-	-	0%	-	20
Data Processing Services	23,000	8,000	31,000	3,814	18,600	60%	-	12,400
Telephone	2,000	-	2,000	208	1,459	73%	-	541
Cellular Phone Service	1,104	-	1,104	71	543	49%	-	561
Other Professional Services	200	-	200	-	-	0%	-	200
Total Contractual Services	28,054	8,000	36,054	4,093	21,158	59%	-	14,896
Supplies & Materials								
Office Supplies	2,000	-	2,000	2,992	4,226	211%	-	(2,226)
Copying Equipment Supplies	1,200	1,000	2,200	-	1,279	58%	-	921
Printing	1,000	-	1,000	-	633	63%	-	367
Data Processing Supplies	75	-	75	-	-	0%	-	75
Postage	9,000	-	9,000	-	5,058	56%	-	3,942
Maintenance/Janitorial Supplies	150	-	150	-	52	35%	-	98
Promotional Supplies	20	-	20	-	-	0%	-	20
Other Supplies	100	-	100	-	-	0%	-	100
Total Supplies & Materials	13,545	1,000	14,545	2,992	11,248	77%	-	3,297
Fixed Charges								
Rental-Cont Rent Payment	1,750	500	2,250	99	1,228	55%	-	1,022
Rent-Non State Owned Property	60,000	2,000	62,000	5,159	41,272	67%	-	20,728
Rent-Other	125	-	125	-	-	0%	-	125
Insurance-State	1,121	500	1,621	-	595	37%	-	1,026
Insurance-Non State	120	-	120	-	-	0%	-	120
Total Fixed Charges	63,116	3,000	66,116	5,258	43,095	65%	-	23,021
Travel (Includes Leased Car)								
In State - Meals / Non-Reportable	250	-	250	-	125	50%	-	125
Reportable Meals	250	500	750	-	383	51%	-	367
In State - Lodging	750	1,000	1,750	311	910	52%	-	840
In State - Auto Mileage	1,200	1,000	2,200	-	758	34%	-	1,442
In State - Misc Travel Expense	100	-	100	-	-	0%	-	100
In-State Registration	100	-	100	-	-	0%	-	100
Out State - Auto Mileage	300	-	300	-	-	0%	-	300
Total Travel	2,950	2,500	5,450	311	2,176	40%	-	3,274
Total Other Operating Expenditures	107,665	14,500	122,165	12,653	77,677	64%	-	44,488
Total Judicial	\$ 459,415	\$ 41,485	\$ 500,900	\$ 42,664	\$ 313,658	63%	\$ -	\$ 187,242
Earmarked Funds								
Department Totals								
Commissioners	\$ 522,501	\$ -	\$ 522,501	\$ 48,181	\$ 325,816	62%	\$ -	\$ 196,685
Administration	663,662	112,534	776,196	54,290	428,076	55%	-	348,120
Claims	466,390	-	466,390	39,208	306,786	66%	-	159,604
Insurance & Medical	558,663	39,656	598,319	47,551	356,503	60%	1,873	239,943
Judicial	459,415	41,485	500,900	42,664	313,658	63%	-	187,242
Total Departmental Expend	\$ 2,670,631	\$ 193,675	\$ 2,864,306	\$ 231,894	\$ 1,730,839	60%	\$ 1,873	\$ 1,131,594
Employer Contributions	448,184	-	448,184	37,001	313,672	70%	-	134,512
Total Earmarked Funds	\$ 3,118,815	\$ 193,675	\$ 3,312,490	\$ 268,895	\$ 2,044,511	62%	\$ 1,873	\$ 1,266,106
Capital / Computer Project Carryforward	\$ 9,931	\$ -	\$ 9,931	\$ -	\$ 2,475	25%	\$ -	\$ 7,456

MEMORANDUM

March 14, 2012

TO: Mr. Gary Cannon
Executive Director

FROM: Cathy Floyd
Human Resources

SUBJECT: Human Resource Report Period of February 15 – March 13, 2012

Below is a summary of the Human Resource activity for the period of February 15 – March 13, 2012.

Employee Relations (ER)

- One ER issue was addressed during the activity period
- Research classification and compensation scenarios
- A Chili Cook Off was held February 17, 2012

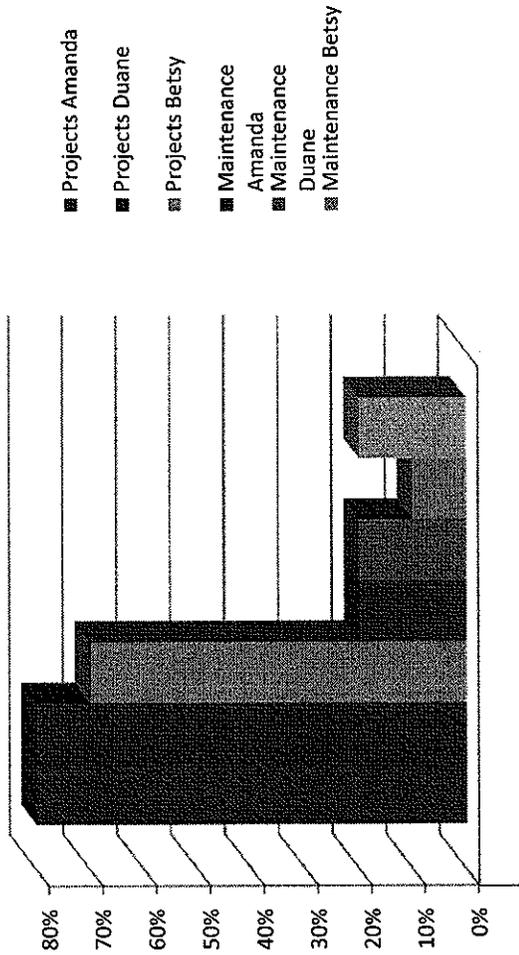
Benefits

- Assisted an employee with leave and time issues
- Assisted two employees with deduction changes

SC Enterprise Information System (SCEIS)

- Processed one employment verification
- Processed an employee resignation
- Fourteen transactions were keyed into the system

WCC IT Status Report
Full Commission 3/19/2012



To: Gary M. Cannon
Executive Director, SCWCC

From: Grant W. Duffield
Insurance and Medical Services Director

Subj: Insurance and Medical Services Department
February 2012 Full Commission Report

Date: March 14, 2012

Mr. Cannon:

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

The statistical data concerning the IMS Department's February 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">1. Processing of Outstanding Carrier fines.2. GEAR program support and scheduling of GEAR Hearings.
Coverage Division	<ol style="list-style-type: none">1. Execution of MOU with SC Homebuilder's Association and continued work on coverage verification web interface module.2. Working with Judicial dept. to address "service address" concerns.3. Working to implement cross training / staff development opportunities within IMS dept.
Medical Services	<ol style="list-style-type: none">1. Identifying updates / edits needed within the Medical Services Provider Manual.2. Working to Approve / Re-Approve Medical Bill review entities.3. Developing template correspondence letters to support greater Bill Review/Dispute process efficiencies
IMS Administration:	<ol style="list-style-type: none">1. Monthly department-wide meetings.2. Working with team-members to review / improve team processes and key functions.3. Assisting in review of H3111 issue.4. Assisting with implementation of upcoming CA workshop.5. Working on fiscal impacts analysis with Ms. Gantt.

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:

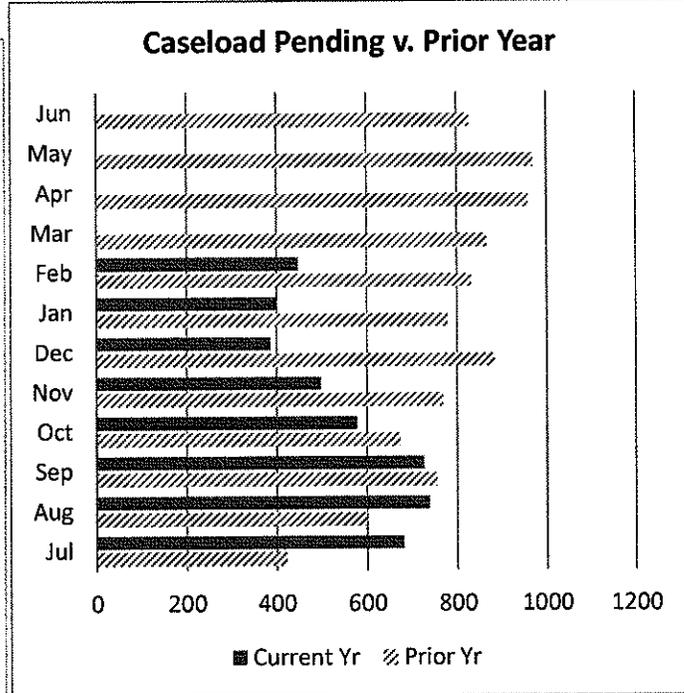
The Compliance Division endeavors to maintain a month-on-month "carry-over" caseload (backlog) of 300 cases. Compliance closed February 2012 with 449 cases active, compared to an active caseload of 832 at the close of February 2011.

Cases Resolved:

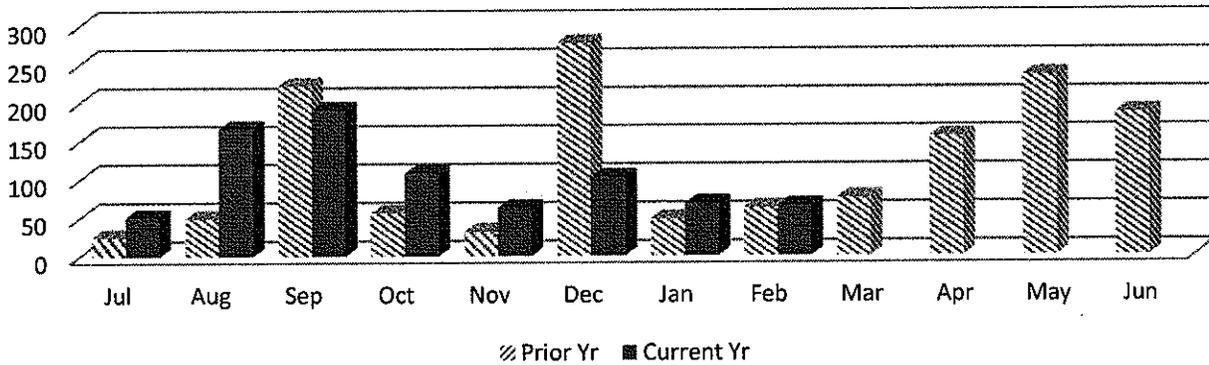
Due to the decrease in carry-over, greater effort is focused on case resolution. For the month of February 2012, Compliance Division staff closed-out 65 cases, a slight increase from 62 cases closed in February 2011.

Compliance Fines:

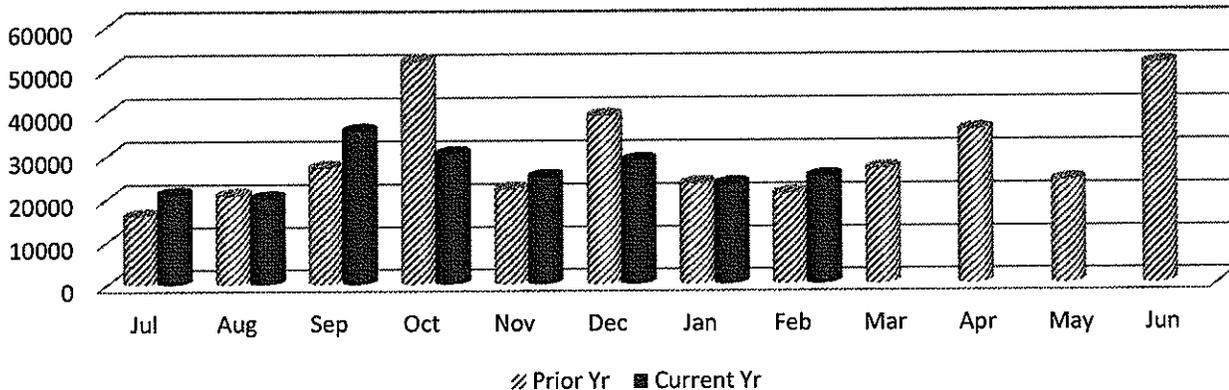
Year to Date, the Compliance Division has collected \$208,933 in fines which represents 95% of prior year's accrual (\$220,844). Compliance fine revenue represents 19% of the Commission's annual earmarked revenue budget.



Cases Resolved v. Prior Year



Compliance Fines Collected v. Prior Year



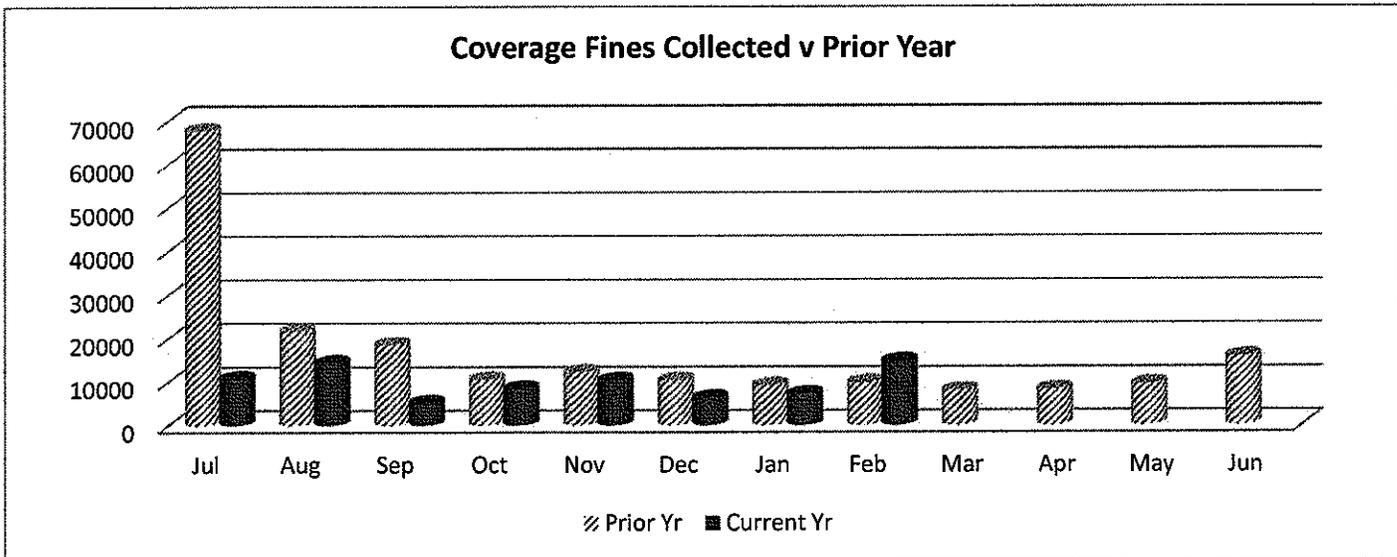
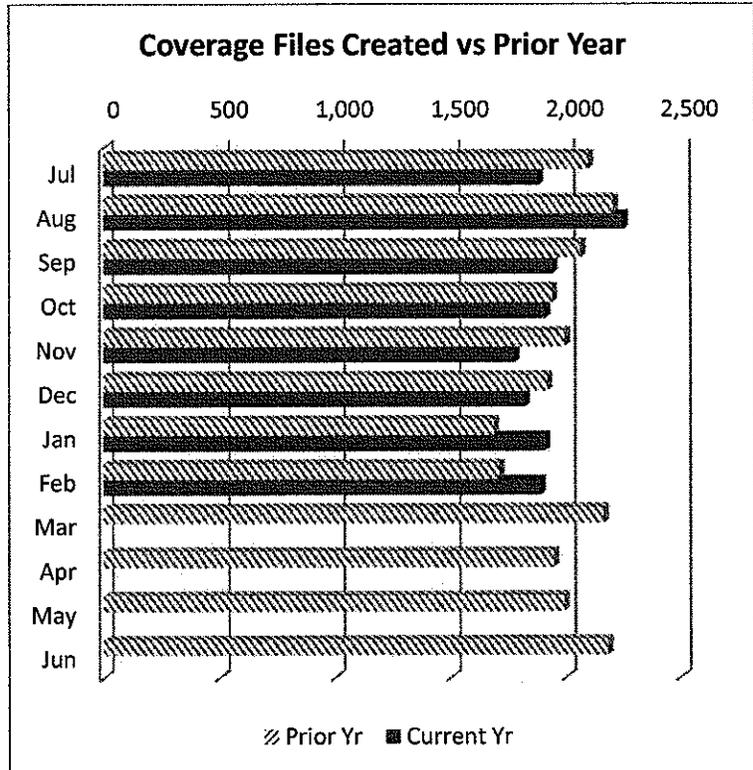
WCC Claim Files:

In February 2012, the Coverage Division created a total of 1,888 WCC Claim files. Of these, 1,505 were created electronically, and 383 were submitted in hard copy format. Year to Date, 15,366 Claim files have been created which is 98% of claim file volume for the same period in prior year (15,616).

Coverage Fines:

The Coverage Division collected \$14,750 in fine revenue in February 2012, a 33% increase from 9,800 in Coverage fines/penalties accrued during the same period in prior year (January 2011).

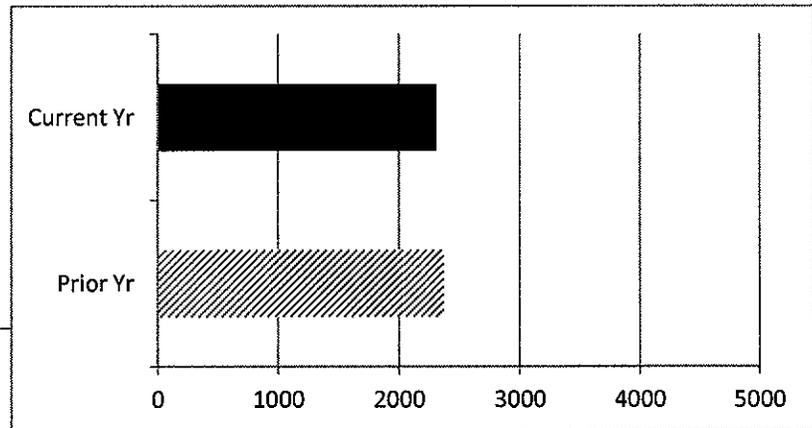
Coverage Division fines represent 10% of the Commission's annual earmarked budget.



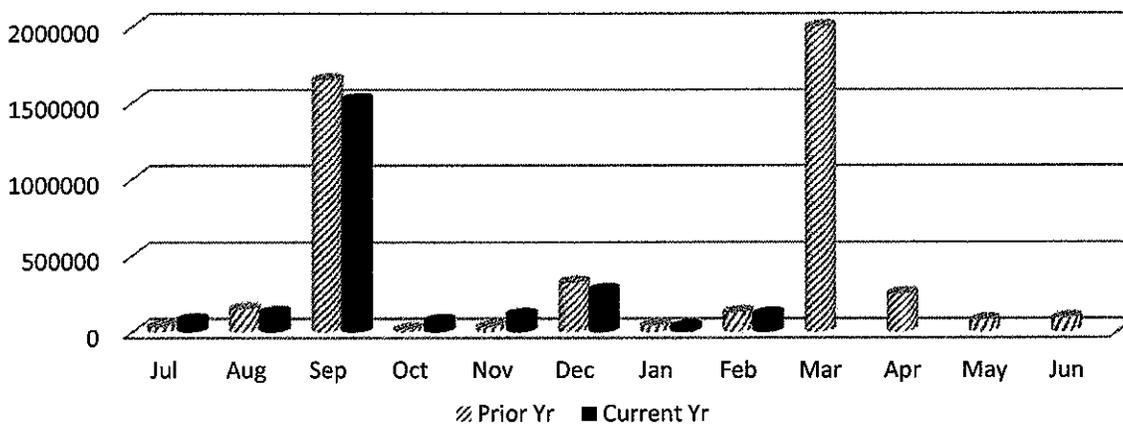
During the month of February 2012, the Self Insurance Division:

- * collected \$113,286 in self-insurance tax.
- * added 16 new self-insurers.
- * conducted 6 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 98% of prior year and 44 Self Insurance audits have been completed.



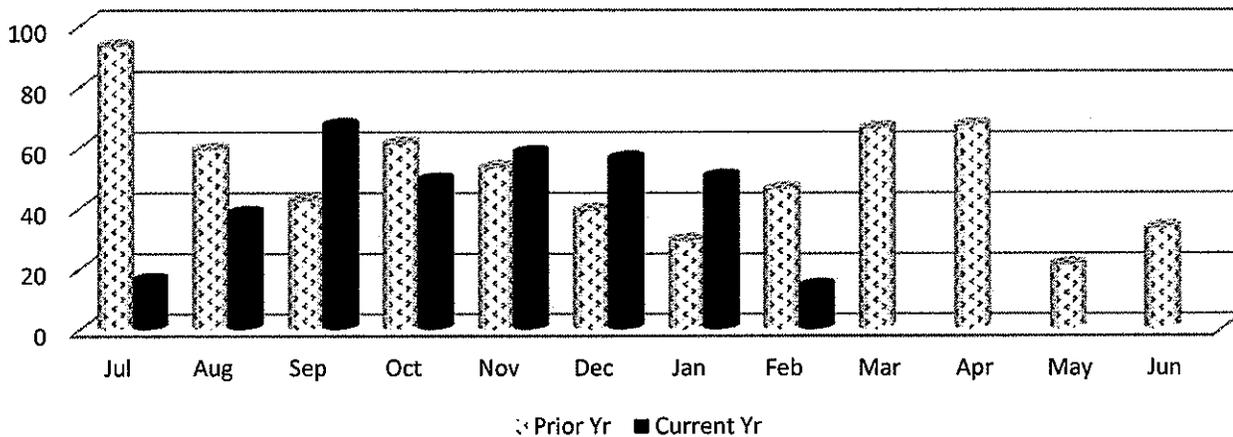
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In February 2012, the Medical Services Division began the month with 50 bills pending review, received an additional 47 bills for review, conducted 83 bill reviews and ended the month with 14 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 February
DATE: March 9, 2012

Fines assessed for the month of February 2012:

- We assessed **590** fines for the month of February which was down from assessing **656** fines for the month of January.
- The dollar amount of the fines assessed for the month February was **\$130,050** which was down from assessing **\$172,600** for the month of January.

Fines received for the month of February 2012:

- We received payment on **593** fines for the month of February which was down from receiving **608** fines for the month of January.
- The dollar amount of fines received for the month February was **\$120,225** which was down from receiving **\$126,700** for the month of January.

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

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

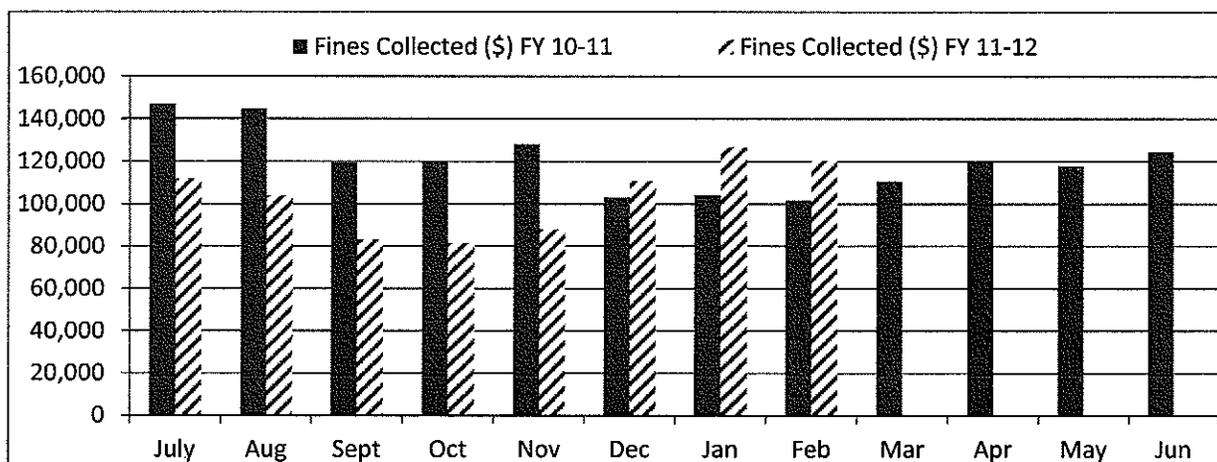
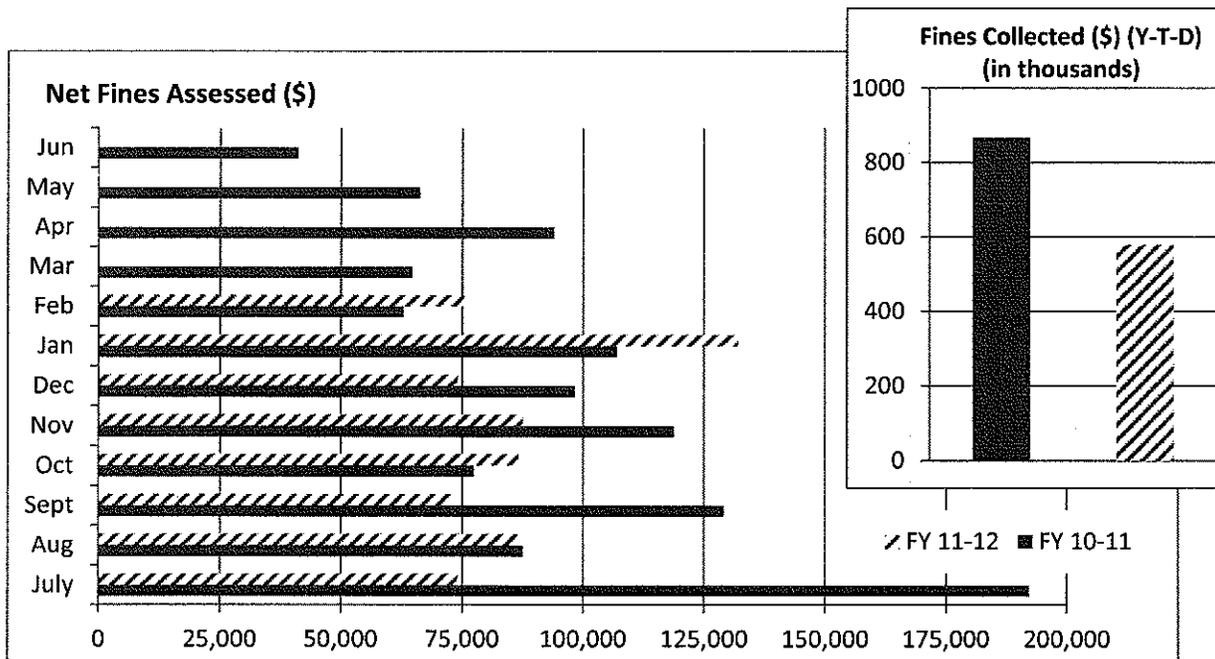
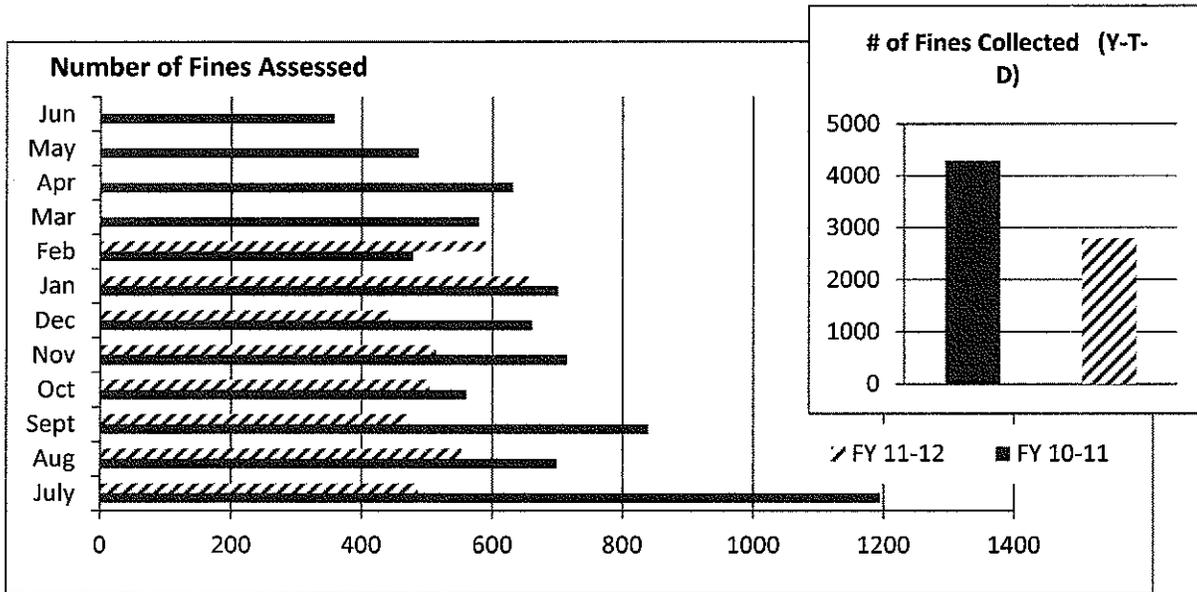
- October fines assessed **504** October fines collected **396**
- November fines assessed **514** November fines collected **419**
- December fines assessed **444** December fines collected **511**
- January fines assessed **656** January fines collected **608**
- February fines assessed **590** February fines collected **593**

The fines assessed for Form 18's went down **15** fines for the month of February. The last five months the Form 18 fines assessed have averaged **234** 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 REPORT													
STATISTICS FOR FISCAL YEAR 2011-2012													
Prepared MARCH 5, 2012													
II. Fines Assessed by Claims Department													
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Number Assessed	487	553	469	504	514	444	656	590					4,217
Number Rescinded	116	136	92	85	104	96	171	208					1,008
Number Reduced	25	19	18	16	29	20	40	45					212
Number Paid	543	516	406	396	434	511	608	593					543
Number Outstanding*	1,871	1,772	1,743	1,766	1,742	1,579	1,456	1,245					1,245
Total Amt. Assessed	\$103,850	\$120,450	\$96,900	\$105,400	\$113,450	\$96,100	\$172,600	\$130,050					\$938,800
Total Amt. Rescinded	\$25,950	\$29,550	\$21,500	\$17,000	\$21,700	\$19,950	\$36,100	\$44,150					\$215,900
Total Amt. Reduced	\$3,825	\$4,525	\$2,650	\$1,800	\$4,250	\$2,100	\$4,500	\$10,525					\$34,175
Total Amt. Paid	\$111,875	\$103,800	\$83,300	\$81,300	\$88,100	\$110,700	\$126,700	\$120,225					\$826,000
Total Outstanding*	\$372,223	\$354,798	\$344,248	\$349,548	\$348,948	\$312,298	\$317,598	\$272,748					\$272,748



Fines Assessed (#)			Fines Collected (#)			
	FY 10-11	FY 11-12		FY 10-11	FY 11-12	
July	1195	487	July	742	543	
Aug	699	553	Aug	722	516	
Sept	839	469	Sept	580	406	
Oct	560	504	Oct	599	396	
Nov	715	514	Nov	649	419	
Dec	661	444	Dec	488	511	
Jan	701	656	Jan	510	608	
Feb	479	590	Feb	512	593	
Mar	579	0	Mar	552	0	
Apr	631	0	Apr	620	0	
May	487	0	May	577	0	
Jun	358	0	Jun	609	0	
	7904	4217	53.4%	7160	3992	55.8%
YTD	5370	2971	55.3%	4290	2791	65.1%

Net Fines Assessed (\$)*			Fines Collected (\$)			
	FY 10-11	FY 11-12		FY 10-11	FY 11-12	
July	192,200	74,075	July	147,025	111,875	
Aug	87,550	86,375	Aug	144,825	103,800	
Sept	129,150	72,750	Sept	119,325	83,300	
Oct	77,450	86,600	Oct	120,300	81,300	
Nov	118,850	87,500	Nov	128,000	88,100	
Dec	98,300	74,050	Dec	103,000	110,700	
Jan	107,100	132,000	Jan	104,200	126,700	
Feb	62,900	75,375	Feb	101,700	120,225	
Mar	64,775	0	Mar	110,650	0	
Apr	94,000	0	Apr	119,525	0	
May	66,375	0	May	117,875	0	
Jun	41,225	0	Jun	124,650	0	
	1,139,875	688,725	60.4%	1,441,075	826,000	57.3%
	810,600	481,350	59.4%	866.675	579.075	66.8%

*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										
*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 Sept, Oct, Nov, Dec 2011 & Jan & Feb 2012

	Sept	Oct	Nov	Dec	Jan	Feb
Amt assess	\$96,900	\$105,400	\$113,450	\$96,300	\$172,600	\$130,050
# fines as	470	504	514	458	656	590
Amt coll	\$83,300	\$81,300	\$85,100	\$110,700	\$126,700	\$120,225
<u>Fines coll</u>	<u>406</u>	<u>396</u>	<u>434</u>	<u>511</u>	<u>608</u>	<u>593</u>

Form 18's

Fines assess						
Daily	\$43,200	\$47,700	\$42,400	\$42,400	\$52,800	\$49,600
Fines assessed						
file review	\$ 4,800	\$4,200	\$13,200	\$ 4,200	\$48,400	\$15,400
Total amount						
<u>Assessed</u>	<u>\$48,000</u>	<u>\$51,900</u>	<u>\$55,600</u>	<u>\$46,600</u>	<u>\$101,200</u>	<u>\$65,000</u>

fines assess daily	184	225	190	197	254	246
# fines assess						
file review	22	20	36	19	58	21
<u>Total fines assess</u>	<u>226</u>	<u>245</u>	<u>226</u>	<u>216</u>	<u>302</u>	<u>267</u>

Amt coll	\$45,000	\$40,000	\$49,300	\$69,300	\$82,200	\$62,925
<u># coll</u>	<u>206</u>	<u>182</u>	<u>230</u>	<u>299</u>	<u>372</u>	<u>289</u>

All other fines assessed

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

Amt assess	\$48,900	\$57,400	\$57,850	\$39,900	\$71,400	\$65,050
# fines assess	244	259	288	242	354	323
Amt paid	\$38,300	\$41,300	\$35,800	\$41,400	\$44,500	\$57,300
# fines pd	200	214	189	212	236	304

The dollar amount of fines assessed for each form, for the month of February, and fines collected for each form from February 1, 2012 through February 29, 2012
The number of fines assessed and collected, for each form, are in parenthesis.

	<u>Assessed</u>	<u>Collected</u>
Form 12A -	\$ 24,000.00 (120)	\$ 21,200.00 (110)
Form 15 Section I -	\$ 14,800.00 (56)	\$ 15,400.00 (73)
Form 15 Section II -	\$ 4,600.00 (23)	\$ 4,800.00 (26)
Form 15 S -	\$ 1,600.00 (8)	\$ 1,700.00 (9)
Form 17 -	\$ 1,000.00 (5)	\$ 2,300.00 (12)
Form 18 -	\$ 65,000.00 (267)	\$ 62,925.00 (289)
Form 19 -	\$ 1,050.00 (21)	\$ 500.00 (10)
Denial letter -	\$ 5,000.00 (25)	\$ 3,300.00 (19)
Failure to respond -	\$ 12,600.00 (63)	\$ 6,700.00 (36)
Form 51	\$ 400.00 (2)	\$ 800.00 (5)
Form 20	\$ 0	\$ 200.00 (1)
Form 16	\$ 0	\$ 200.00 (1)
Failure to pay original fine	\$ 0	\$ 200.00 (2)
TOTAL -	\$ 130,050.00 (590)	\$ 120,225.00 (593)

TO: Gary M. Cannon, Executive Director

FROM: Gregory S. Line
Director of Claims

DATE: March 9, 2012

RE: Claims
Outstanding fine status

Below is a list of four carriers that were sent a Second and Final Notice of fines Assessment on January 3, 2012.

1. Zurich North America (00090)
 - a. Beginning bal \$ 11,636.33
 - b. Bal as of 3/09/12 \$ **3,836.33**

2. US Fidelity & Guaranty Company (00086)
 - a. Beginning bal \$ 800.00
 - b. Bal as of 3/09/12 \$ **0**

3. Liberty Mutual Ins. Co. (00055)
 - a. Beginning bal \$ 2,600.00
 - b. Bal as of 3/09/12 \$ **1,600.00**

4. American Casualty Co. of Rdg. PA (00017)
 - a. Beginning bal \$ 1,186.33
 - b. Bal as of 3/09/12 \$ **1,000.00**

TO: Gary M. Cannon, Executive Director
FROM: Gregory S. Line
Director of Claims
DATE: March 9, 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 February 28, 2011.

1. American Casualty Co. of Rdg PA (00017)
 - a. Beginning bal \$ 7,086.33
 - b. Bal as of 3/09/12 \$ 0

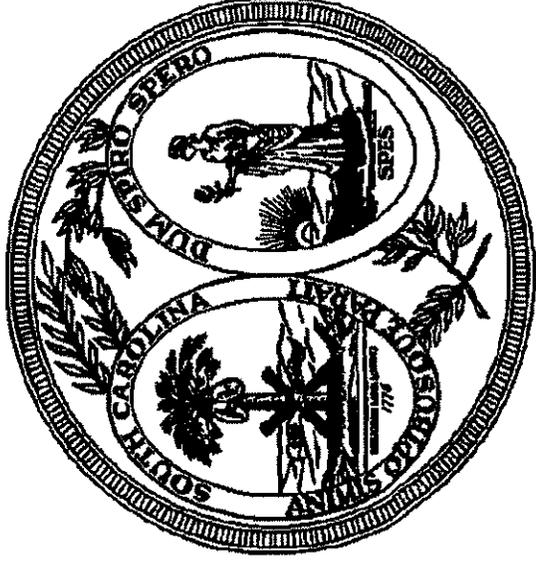
2. Lowe's Companies, Inc. (00946)
 - a. Beginning bal \$ 4,386.33
 - b. Bal as of 3/09/12 \$ **586.33**

3. Kroger Company (01691)
 - a. Beginning bal \$ 4,000.00
 - b. Bal as of 3/09/12 \$ 0

4. SC School Board Self Ins. Trust Fund (00926)
 - a. Beginning bal \$ 9,600.00
 - b. Bal as of 3/09/12 \$ **600.00**

5. Federal Express Corp. (00956)
 - a. Beginning bal \$ 1,400.00
 - b. Bal as of 3/09/12 \$ **400.00**

SCWCC Judicial Report



March 2012

Informal Conference & Mediations

Staff	Mileage/Hours	Month												Total		
		Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12			
Staff 1 Greg	SVM 225.00	410.00	0.00	218.00	769.00	375.00	1200.00	465.00								3662.00
	PVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								0.00
	Time 12.00	23.00	44.00	12.00	56.00	42.00	64.00	34.00								287.00
	Hotel 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								0.00
Staff 2 Ginger	SVM 426.00	187.00	0.00	620.00	455.00	0.00	0.00	0.00								1688.00
	PVM 0.00	43.00	28.00	34.00	390.00	0.00	0.00	0.00								495.00
	Time 32.00	26.00	48.00	44.50	51.00	0.00	0.00	0.00								201.50
	Hotel 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								0.00
Mediations	SVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								0.00
	PVM 0.00	0.00	301.00	0.00	0.00	0.00	0.00	0.00								0.00
	Time 0.00	0.00	133.00	0.00	12.00	0.00	10.00	42.00								546.00
	Hotel 0.00	0.00	0.00	0.00	0.00	0.00	0.00	311.00								197.00
Staff 3 Vivian	SVM 302.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								311.00
	PVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								302.00
	Time 28.00	8.00	8.00	0.00	0.00	0.00	0.00	0.00								0.00
	Hotel 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								44.00
Staff 4 Garry	SVM 713.00	509.00	725.00	273.00	552.00	230.00	542.00	539.00								4083.00
	PVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								0.00
	Time 38.50	32.50	41.00	27.50	31.50	32.50	55.50	32.00								291.00
	Hotel 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								0.00
Staff 5 Kelly	SVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								0.00
	PVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								0.00
	Time 0.00	13.00	24.50	12.50	12.50	12.50	12.50	12.50								100.00
	Hotel 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								0.00
Staff 6 Robin	SVM 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								0.00
	PVM 190.00	0.00	367.00	139.00	56.00	31.00	0.00	0.00								783.00
	Time 43.50	18.50	86.00	23.00	27.50	9.00	11.00	23.00								241.50
	Hotel 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00								0.00

Totals FY 2011-2012	
SVM = State Vehicle Miles	9735.00
PVM = Personal Vehicle Miles	1824.00
T = Time	1362.00
H = Hotel Cost	311.00

State of South Carolina

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Workers' Compensation Commission

Executive Director's Report
Gary M. Cannon
March 19, 2012

FY2012-2013 Budget

The House Ways and Means Committee approved the following Commission Budget for the Appropriations Bill.

State Funds	\$ 1,763,619
Other Funds	\$ <u>3,235,066</u>
Total	\$ 4,998,685

The HWM Committee reduced the Other Funds Budget \$269,082. This includes \$191,658 of new funds requested in anticipation of reductions in the State Funds and \$77,424, which is calculated as a percentage of the amount the agency did not spend for the previous three fiscal years. The outcome of the House debate of the Appropriations Bill was not known at the time of publication.

The Executive Director, Director of Insurance & Medical Services, and Director of Finance met with the Senate Finance Subcommittee on March 8 to review the FY13 Budget request. The subcommittee voted to restore \$77,424 in the Commission's Other Funds Budget.

Regulation 67-1801 Mediation

At the Business Meeting on January 17 the Commission voted to move forward with the promulgation of Mediation Regulation R 67-1801. The Notice of Drafting was published in the February 24 issue of the *State Register*. The deadline to receive comments on the Notice of Drafting is 5:00 p.m. March 26, 2012.

Regulation 67-706 Oral Argument

The Notice of Drafting was published in the December 23, 2011 issue of the *State Register*. The Proposed Regulation was approved at the February 21, 2012 Business Meeting and was submitted to *State Register* on March 2 for publication in the March 23 issue of the *State Register*. The Public Hearing is scheduled for May 21, 2012.

Senate Committee Hearing on H3111

A subcommittee of the Senate Banking and Insurance Committee heard testimony on H3111 on March 6. The subcommittee amended the language to make it exclusive of hospital inpatient services, outpatient services and ambulatory surgery centers. The legislation was given a favorable report by the subcommittee. It will be considered by the Senate Banking and Insurance Committee on March 28.

Vocational Rehabilitation

The Executive Director and Betsy Hartman met with Barbara Hollis, Executive Director, Linda Lieser and Jim Williams at Vocational Rehabilitation Department, to discuss status of client referral project. The Memorandum of Understanding between the agencies will be presented at the Business Meeting on April 16. Commissioner Hollis extended an invitation to the Commissioners to tour their facilities in the near future. Michelle Provost, Counselor for SCVRD, will be on site at the Commission offices one day per week to access the data base for referrals until completion of the portal for remote data base access.

Physician's Fee Schedule Update

No recommended action at this time pending the disposition of H3111.

Mid-Year Accountability Report Meetings

The Executive Director continued meetings with department heads to discuss the midyear status of the key objectives and goals included in the FY2010-2011 Accountability Report.

Claims Administration Workshop for Workers' Compensation Claims Adjusters

A Claims Administration Workshop for Workers' Compensation Claims Adjusters is scheduled for Thursday, May 3, 2012. The workshop will be held at the Baxter M. Hood Center, York Technical College, in Rock Hill, SC. The workshop is designed for claims administrators/managers, adjusters, risk manager, insurance carriers, self-insured, and employers.

SCWCEA Medical Seminar

The Executive Director participated in the program of the SCWCEA Medical Conference on February 27 – 28, 2012.

Constituent /Public Information Services

For the period February 15, 2012 through March 14, 2012 the Executive Director's Office had 317 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.

Employee Meetings/Staff Training

The employee focus group scheduled for March 14 was postponed until April. The Leadership Team met on Tuesday, March 6. An All Employee Meeting is scheduled for March 22. The next Executive Staff Meeting is Tuesday, March 27.

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 February 29, 2012.

Fines and Assessments Aging Report
Monthly Totals

	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Summary All Depts.											
Total	\$1,241,794	\$1,234,176	\$1,208,332	\$1,304,713	\$1,305,072	\$1,397,007	\$1,290,780				
Count	3,499	3,427	3,479	3,449	3,353	3,235	3,007				
> 91 Days	\$1,012,890	\$900,257	\$909,163	\$896,275	\$867,105	\$884,951	\$892,186				
Count	2,726	2,522	2,577	2,508	2,328	2,170	2,032				
61-90 Days	\$59,842	\$48,768	\$45,694	\$49,704	\$93,413	\$111,589	\$77,012				
Count	197	164	188	166	198	249	152				
31-60 Days	\$72,480	\$66,439	\$83,613	\$114,064	\$156,864	\$115,896	\$178,400				
Count	204	289	251	285	346	269	294				
< 30 days	\$96,582	\$201,538	\$173,090	\$244,669	\$187,690	\$284,572	\$143,183				
Count	372	452	463	490	481	547	529				
Of Fines Over 90 Days Old											
Orders	\$2,585	\$2,385	\$2,385	\$2,385	\$1,775	\$1,775	\$1,275				
Count	10	8	8	8	6	6	5				
Judgments	\$200,174	\$253,507	\$253,387	\$253,267	\$253,222	\$252,702	\$82,043				
Count	532	542	541	540	539	538	474				

Claims	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Division Total	\$648,378	\$627,953	\$627,983	\$637,413	\$641,193	\$600,288	\$606,068	\$561,668				
Count	3,094	2,991	2,990	3,044	3,036	2,843	2,721	2,519				
> 91 Days	\$498,178	\$467,253	\$453,533	\$467,113	\$453,343	\$415,238	\$382,318	\$368,368				
Count	2,423	2,284	2,219	2,271	2,204	2,026	1,857	1,725				
61-90 Days	\$31,950	\$19,150	\$34,800	\$35,000	\$29,750	\$39,350	\$48,550	\$24,600				
Count	147	94	150	159	145	173	218	105				
31-60 Days	\$38,300	\$49,250	\$59,250	\$45,700	\$56,600	\$70,050	\$41,900	\$76,150				
Count	180	214	256	213	254	305	187	241				
< 30 days	\$79,950	\$92,300	\$79,500	\$89,600	\$101,500	\$75,650	\$133,300	\$102,550				
Count	344	399	365	401	433	339	459	448				
Of Fines Over 90 Days Old												
Orders	\$2,585	\$2,485	\$2,385	\$2,385	\$2,385	\$1,775	\$1,775	\$1,275				
Count	10	9	8	8	8	6	6	5				
Judgments	\$93,468	\$93,468	\$92,848	\$92,728	\$92,608	\$92,563	\$92,043	\$92,043				
Count	479	479	478	477	476	475	474	474				

Compliance	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Division Total	\$502,164	\$446,015	\$513,772	\$480,998	\$581,760	\$608,987	\$697,243	\$641,155				
Count	173	172	196	199	228	234	259	244				
> 91 Days	\$449,998	\$368,741	\$366,445	\$364,597	\$363,722	\$378,988	\$429,054	\$468,579				
Count	143	127	131	135	134	142	160	178				
61-90 Days	\$7,390	\$16,973	\$13,393	\$6,750	\$19,036	\$52,976	\$62,895	\$46,212				
Count	5	12	10	10	15	19	30	16				
31-60 Days	\$31,637	\$16,471	\$19,675	\$31,993	\$55,977	\$86,670	\$61,452	\$98,562				
Count	14	11	10	22	23	40	19	34				
< 30 days	\$13,139	\$43,830	\$114,259	\$77,659	\$143,025	\$90,353	\$143,841	\$27,802				
Count	11	22	45	32	56	33	50	16				
Of Fines Over 90 Days Old												
Orders												
Count												
Judgments	\$106,706	\$158,129	\$160,659	\$160,659	\$160,659	\$160,659	\$160,659	\$106,706				
Count	53	63	64	64	64	64	64	53				

Coverage	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Division Total	\$64,650	\$60,400	\$66,700	\$63,300	\$55,900	\$69,250	\$67,550	\$63,200				
Count	170	174	174	169	123	210	192	187				
> 91 Days	\$42,450	\$51,600	\$56,500	\$53,100	\$54,500	\$47,450	\$48,150	\$41,200				
Count	113	130	123	118	116	101	95	77				
61-90 Days	\$19,200	\$200	\$0	\$3,400	\$200	\$800	\$0	\$6,200				
Count	42	1	0	17	1	4	0	31				
31-60 Days	\$1,600	\$0	\$4,000	\$1,400	\$1,200	\$0	\$12,400	\$3,400				
Count	8	0	20	7	6	0	62	17				
< 30 days	\$1,400	\$8,600	\$6,200	\$5,400	\$0	\$21,000	\$7,000	\$12,400				
Count	7	43	31	27	0	105	35	62				
Of Fines Over 90 Days Old												
Orders												
Count												
Judgments												
Count												
Judicial												
Division Total	\$26,601	\$25,471	\$26,620	\$26,620	\$25,859	\$26,547	\$26,146	\$24,757				
Count	62	59	67	67	62	66	63	57				
> 91 Days	\$22,263	\$23,378	\$23,778	\$24,353	\$24,710	\$25,428	\$25,428	\$24,038				
Count	47	48	49	53	54	59	58	52				
61-90 Days	\$1,302	\$544	\$575	\$544	\$718	\$287	\$144	\$0				
Count	3	2	4	2	5	2	1	0				
31-60 Days	\$944	\$718	\$687	\$1,293	\$287	\$144	\$144	\$287				
Count	2	5	3	9	2	1	1	2				
< 30 days	\$2,093	\$831	\$1,560	\$431	\$144	\$687	\$431	\$431				
Count	10	4	11	3	1	4	3	3				

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Workers' Compensation Commission

TO: Workers' Compensation Commissioners

FROM: Gary M. Cannon

Date: March 19, 2012

Re: Proposed Regulation 67-1801 Mediation

The Commission approved promulgation of Mediation Regulation R 67-1801 at the January 17, 2012 Business Meeting. A tentative timeline for the adoption of the Regulation was distributed to the Commissioners at the Business Meeting. The Notice of Drafting was published in the February 24 issue of the *State Register*. The deadline to receive comments is 5:00 p.m. March 26, 2012. For inclusion in the April *State Register*, the Proposed Regulation must be submitted by April 13.

In order to meet the proposed timeline for submitting the regulation to the General Assembly, I respectfully request the Commission schedule a Special Business Meeting either April 2 or April 9 for the purpose of approving the language for the Proposed Regulation.

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Workers' Compensation Commission

TO: Commissioners

FROM: Gary M. Cannon

DATE: March 14, 2012

**RE: Proposed Changes to R 67-1302
Regulation Document 4188**

The Commission directed staff to amend the language in Regulation 67-1302 to provide the Commission more flexibility when developing the methodology for establishing a maximum allowable payment for medical services provided by medical service providers. To accomplish this objective, we proposed removing the language in the regulation referencing the use of a relative value and a conversion factor.

The Commission approved the Notice of Drafting on February 22, 2011, which was published in the State Register on March 25, 2011. The Commission accepted comments on the proposed changes until April 26, 2011. The proposed amendments were published in the State Register on June 24, 2011. The Commission received comments on the proposed regulation until August 8, 2011 and conducted a public hearing on August 15, 2011. The final proposed changes to R 67-1302 were approved by the Commission at a Special Business Meeting on September 12, 2011 and submitted to the General Assembly for approval on November 17, 2011.

A Senate Judiciary Subcommittee met on February 15, 2012 to consider the proposed regulation change. At the subcommittee meeting, the Small Business Regulatory Oversight Committee and the Small Business Chamber of Commerce spoke in opposition to the change expressing concerns about the unknown factor of actions of future Commissions. The SC Orthopaedic Association spoke in favor of the amendment. The SC Chamber of Commerce did not testify, however, in conversations with the Chamber staff prior to the subcommittee meeting they indicated similar concerns about the unknown factor of how future Commissions may act. The subcommittee voted to carry the matter over, commenting that it likely would not be approved under the current conditions. The House LCI Insurance subcommittee adjourned debate on the matter on March 6.

The Commission has two options. It may withdraw the regulations or it may take no further action in anticipation of the regulations being approved by no action of the General Assembly. I am of the opinion there is sufficient opposition to the regulation change the Senate would not allow the regulation to be approved by timing out.

Therefore, it is my recommendation that the Commission withdraw the regulation from consideration by the General Assembly. This may be accomplished by the Commission formally voting to take this action and submitting a formal letter to the Speaker of the House of Representatives, the Lieutenant Governor, the Chairman of the Senate Judiciary, the Chairman of the House Labor Commerce and Industry Committee and the State Register.

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Workers' Compensation Commission

TO: Workers' Compensation Commissioners

FROM: Gary M. Cannon

Date: March 14, 2012

Re: Guidelines for Interpreter/Translators

At the Business Meeting on January 17, 2012 staff presented a report on the use of interpreters/translators during Commission proceedings. The Commission received the report as information and took no action.

Attached are proposed Administrative Guidelines for the use of interpreters/translators. Staff does not recommend the adoption of the guidelines in the form of a Regulation or Statute. Adoption of these guidelines will be for administrative purposes only.

Administrative Guidelines

Use of Translators/Interpreters During a Hearing or Proceeding before the SC Workers' Compensation Commission

WHEREAS, pursuant to South Carolina Code of Laws Section 42-3-20(C) the Commission has a duty to hear and determine all contested cases and, pursuant to South Carolina Code of Laws Section 42-3-180, to determine all questions arising under Title 42 of the South Carolina Code of Laws; and

WHEREAS, Article I Section 3 of the South Carolina Constitution states, in part, that "nor shall any person be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws;" and

WHEREAS, many persons who come before the Commission are partially or completely excluded from full participation in the proceedings due to limited English proficiency or a speech or hearing impairment and it is essential that this communication barrier must be removed, as much as possible, so that these persons are placed in the same position as a similarly situated person for whom there is no such barrier; and

WHEREAS, it is the desire of the Commission to ensure that translators and interpreters should, to the extent possible, render a complete and accurate translation or interpretation, without altering, omitting or adding anything to what is said or written, and without explanation or summarization, while preserving the nuances and level of formality, or informality, of the speech.

THEREFORE, the Commission adopts the following guidelines to advise the parties and the Commission as to the policies and procedures that should be followed when translators or interpreters are necessary, to the extent that the circumstances allow.

- 1) All parties shall make a good faith effort to ensure that any interpretations or translations are rendered completely and accurately, without alterations, omissions, or additions to what is written or stated, and without explanation or summarization while preserving the nuances and level of formality, or informality, of the speech.
- 2) When a party finds it necessary to obtain the services of a translator or interpreter to assist with the handling of a workers' compensation claim, the party should, to the extent that the circumstances allow, make a good faith effort to obtain a translator or interpreter who possesses the necessary certifications, training and pertinent experience to render a complete and accurate translation or interpretation, without altering, omitting or adding

anything to what is said or written, and without explanation or summarization, while preserving the nuances and level of formality, or informality, of the speech.

- 3) The Commission presumes an interpreter or translator who is certified pursuant to the South Carolina Court Interpreter Certification Program possesses the requisite certifications, training and pertinent experience; however, the Commission may, in its discretion, permit the use of uncertified interpreters or translators who possess sufficient training and/ or experience, as the circumstances may require. Any interpreter or translator is expected, to the extent the circumstances allow, to comply with Rule 511, S.C.A.C.R., Rules of Professional Conduct for Court Interpreters (2006).
- 4) When a party finds it necessary to obtain the services of a translator or interpreter to assist with the handling of a workers' compensation claim, the party should, to the extent that the circumstances allow, make a good faith effort to ensure that the translator or interpreter is impartial, unbiased and refrains from conduct that may give the appearance of bias.
- 5) Translators or interpreters shall disclose any real or perceived conflict of interest. Specifically, an interpreter or translator shall disclose if he or she is a friend, associate, or relative of a party or counsel for a party involved in the proceedings; has served in an investigative capacity for any party involved in the case; if he or she, or his or her spouse or child, have a financial interest in the subject matter in controversy or in a party to the proceeding, or any other interest that would be affected by the outcome of the case; has been involved in the choice of counsel or law firm for that case; is an attorney or an employee of an attorney in the case, has previously been retained for private employment by one of the parties to the case; or if there is any other reason his or her independence of judgment would be compromised in the course of providing services in the case.
- 6) After the interpreter's or translator's qualifications and any conflicts of interests have been disclosed, the parties may stipulate their consent to using the interpreter's or translator's services. If a party objects to the use of a translator or interpreter due to a perceived lack of qualifications or conflict of interest, the Commissioner will decide on a case by case basis whether the proffered interpreter or translator is sufficient.

-In order to accomplish the goals stated above, at a Hearing or other proceeding before the Commission where the services of an interpreter or translator is necessary, the interpreter or translator shall complete the affidavit shown as Attachment A, which will be included as part of the record.

-Furthermore, prior to the commencement of the translation or interpretation, the interpreter or translator will be asked, on the record and under oath, the attached list of questions regarding conflicts of interest shown as Attachment B.

-The parties and their attorneys shall make every effort not engage in private, off the record conferences with the interpreter or translator. Any private, off the record communication between the parties or their attorneys and the interpreter or translator should not address the substance of the witness's testimony or the issues in dispute. Upon request from the opposing party, the Commissioner may, in his or her discretion, permit cross-examination of a translator or interpreter regarding private, off the record conferences between the interpreter or translator and the parties or their attorneys regarding the substance of the witness's testimony or the issues in dispute.

Effective date: _____

Approved by the Commission this _____ day of _____, 2012.

T. Scott Beck
Chairman

DRAFT

Affadavit for Translators/Interpreters

I certify that the purposes of my services in the proceeding today are to ensure full participation in the proceedings by a person or persons with limited English proficiency or a speech or hearing impediment and to place them in the same position as a similarly situated person, for whom there is no such barrier, by rendering a complete and accurate translation, or sight translation, without altering, omitting or adding anything to what is stated or written, to the best of my abilities.

I further certify that I have the necessary certifications, training or pertinent experience to competently render a complete and accurate translation, or sight translation, without altering, omitting or adding anything to what is stated or written.

I further certify that I will render a complete and accurate translation, or sight translation, without altering, omitting or adding anything to what is stated or written, and without explanation or summarization, to the best of my abilities.

I further certify that payment for my services is not contingent on the outcome of this matter and that I have no financial interest in the outcome of this matter.

I further certify that I will protect the confidentiality of all privileged and confidential information obtained during the course of my duties.

I further certify that I shall limit myself to interpreting or translating and will not give legal advice, express my personal opinions to individuals for whom I am interpreting, or engage in any other activities which may be construed to constitute a service other than interpreting or translating during the course of this proceeding.

Finally, I further certify that I am neither related to, nor counsel for, nor an employee of, any of the parties hereto or interested in the outcome of this action.

I further certify that I will be impartial and unbiased in rendering a complete and accurate translation, or sight translation, and will disclose on the record any real or perceived conflict of interest.

[NOTARY BLOCK]

Questions for Interpreters/Translators

TO THE INTERPRETER

1. Are you a friend, associate, or relative of a party or counsel for a party involved in the proceedings?
2. Have you served in an investigative capacity for any party involved in the case?
3. Do you or your spouse or child have a financial interest in the subject matter in controversy or in a party to the proceeding, or any other interest that would be affected by the outcome of the case?
4. Have you been involved in the choice of counsel or law firm for that case?
5. Are you an attorney or an employee of an attorney in the case?
6. Have you previously been retained for private employment by one of the parties to interpret in the case?
7. Is there any other reason your independence of judgment would be compromised in the course of providing services in the case?

TO THE PARTIES

Do you consent that the interpreter should not be disqualified and should be allowed to render services in this case?