AGENDA

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

August 15, 2016 - 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. | CALL TO ORDER | CHAIRMAN BECK |
|-----|--|---------------|
| 2. | APPROVAL OF AGENDA OF BUSINESS MEETING OF AUGUST 15, 2016 | CHAIRMAN BECK |
| 3. | APPROVAL OF MINUTES OF THE BUSINESS MEETING OF JULY 18, 2016 (Tab 1) | CHAIRMAN BECK |
| 4. | GENERAL ANNOUNCEMENTS | MR. CANNON |
| 5. | APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) | MR. SMITH |
| 6. | DEPARTMENT DIRECTORS, REPORTS | |
| - | Human Resources (Tab 3) | MS. OSBORNE |
| | Information Services (Tab 4) | MS. SPRANG |
| | Insurance and Medical Services (Tab 5) | MR. DUCOTE |
| | Claims (Tab 6) | MS. SPANN |
| | Judicial (Tab 7) | MS. BRACY |
| 7. | EXECUTIVE DIRECTOR'S REPORT (Tab 8) | MR. CANNON |
| | Administration - Financial Report (Tab 9) | Mr. Cannon |
| 8. | OLD BUSINESS | CHAIRMAN BECK |
| | A. 2016 Medical Services Provider Manual Fee Schedule (Tab 10) | Mr. Cannon |
| 9. | NEW BUSINESS | CHAIRMAN BECK |
| | A. Approval of 2017 Commission Calendar (Tab 11) | Mr. Cannon |
| 10. | ADJOURNMENT | CHAIRMAN BECK |

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| 1 | Approval of Minutes of the Business Meeting of July 18, 2016 |
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| 2 | Self-Insurance |
| 3 | Human Resources |
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| 6 | Claims |
| 7 | Judicial |
| 8 | Executive Director's Report |
| 9 | Summary of Revenues and Expenditures |
| 10 | 2016 Medical Services Provider Manual Fee Schedule |
| 11 | Approval of 2017 Commission Calendar |

THE SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION BUSINESS MEETING July 18, 2016

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, July 18, 2016, 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, CHAIRMAN
SUSAN S. BARDEN, VICE CHAIR
R. MICHAEL CAMPBELL, II, COMMISSIONER
MELODY L. JAMES, COMMISSIONER
GENE MCCASKILL, COMMISSIONER
AISHA TAYLOR, COMMISSIONER
AVERY B. WILKERSON, JR., COMMISSIONER

Present also were: Gary Cannon, Executive Director; Amy Bracy, Judicial Director; Wayne Ducote, Insurance and Medical Services Director; Bridgette Amick, Medical Policy Analyst; Alicia Osborne, Human Resources Manager; Keith Roberts, Attorney; W.C. Smith, Self-Insurance Director; Sonji Spann, Claims Director; and Amanda Underhill, Business Analyst. AnnMargaret McCraw, Midlands Orthopaedics and Neurosurgery, was also present.

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

AGENDA

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

APPROVAL OF MINUTES - BUSINESS MEETING OF JUNE 18, 2016

Commissioner Barden moved that the minutes of the Business Meeting of June 18, 2016 be approved. Commissioner James seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

There were no general announcements.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by W.C. Smith, Self-Insurance Director. Eight (8) prospective members of two (2) funds were presented to the Commission for approval. The applications were:

SC Home Builders SIF

American Classic Construction, LLC Black Mountain Development Group, LLC Dillard Jones Interiors LLC Forrest McKie, Inc. Manuel Juarez dba Juarez Painting Master Craftsmen Design, LLC Upland Builders, LLC

SC School Board Insurance Trust

Anderson School District One

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 Campbell 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.

Human Resources Department

Alicia Osborne presented the Human Resources report for the period of June 16 through July 13, 2016. She announced the following resignations: Quintina Smith, Fiscal Technician II, effective July 4, 2016; Brian Myers, IT Consultant, effective June 30, 2016; and Marlene Johnson-Moore, Law Intern, effective July 1, 2016. Recruiting began on June 23, 2016 for the Fiscal Technician II position. Twenty-five individuals submitted applications. Interviews were scheduled with five candidates. A decision is pending.

Information Technology Department

On behalf of Sandee Sprang, Amanda Underhill presented the Information Services Department's report. Ms. Underhill said the IT Department has been busy working on the office renovations project. IT staff continues to work with various departments to ensure business processes and procedures are supported by the data systems.

Ms. Underhill said that the Progress system is approaching ten years of age. The IT staff and members of the Executive Staff met with NTT Data, Inc., regarding legacy modernization. NTT Data has worked with other state agencies to update data systems utilizing modern technology.

Ms. Underhill reported the eCase web portal upgrade is in the testing phase. The project is at approximately 84% completion.

Commissioner Taylor asked if the IT Consultant position will be filled. Gary Cannon, Executive Director, said that the position will be filled.

Insurance and Medical Services Department

Wayne Ducote presented the Insurance and Medical Services Department's report.

Mr. Ducote pointed out the following highlights from the report:

- Year to date, the Compliance Division has compelled 323 employers to come into compliance with the Act. Although the division has assessed \$6.1 million in fines, 77% of those fines, or \$4.6 million, have been waived or rescinded as employers have either obtained coverage or were found not to be subject to the Act.
- Year to date, the Compliance Division has resolved \$183,759 in outstanding carrier fines.

- In June, the Compliance Division collected \$53,108 in fines and penalties and year to date collected \$902,128 in fines.
- In June the Coverage Division created 2,057 claim files. Year to date, 24,516 claim files have been created which is 104% of claim file volume prior year.
- The Coverage Division collected \$14,200 in fine revenue in June. Coverage fines are at 81% of collections for prior year.
- In June, the Self Insurance Division collected \$31,107 in self-insurance tax. Year to date, Self Insurance tax revenue is trending at 101% of prior year.
- The Medical Services Division is in the final stages of reviewing and updating the Medical Services Provider Manual.

There was discussion regarding carrier Rule to Show Cause (RTSC) hearings. Mr. Ducote said efforts in place to improve RTSC case preparations have resulted in more cases being closed and fewer cases being scheduled for RTSC hearings.

Claims Department

Sonji Spann presented the Claims Department's report. Ms. Spann reported the following for the month of June 2016:

- Closed 2,343 individual case files
- Received \$49,400 in fine revenue
- Claims examiners reviewed 2,784 individual case files
- 244 fines assessed
- 191 Form 18 fines assessed
- 11,908 forms processed
- 1,092 Form 18s processed through SROI
- 1,593 Form 18s received via Email
- 1,651 forms received via USPS
- 811 Form 61 (included)

Judicial Department

Amy Bracy presented the Judicial Department's report. She reported the following for the month of June 2016:

Judicial Department

- 900 requests for Hearings
- 139 Motions
- 110 Clincher Conference requests sent to Jurisdictional Commissioners

Commissioners

- 70 Single Commissioner Hearings conducted
- 14 Full Commission Hearings conducted
- 491 Orders served at single Commissioner level; 84 of those were Decision and Orders that resulted from hearings that went on record; 93 of those were Motion Orders ruled upon by Commissioners

Informal Conference

- 390 informal conferences requested
- 241 informal conferences conducted

Mediation

- 76 regulatory mediations scheduled
- 34 requested mediations
- 63 matters resolved in mediation with the receipt of Forms 70

Ms. Bracy announced that beginning July 7, 2016 a new process for the approval of the Form 16 after an Informal Conference was implemented. There was discussion on forwarding the completed Form 16 to the jurisdictional Commissioner. Ms. Bracy will provide a list of the informal conference district locations to the Commissioners. She will provide a progress report on the new process at next month's business meeting.

Ms. Bracy gave an update on work activities of the Judicial Department staff.

EXECUTIVE DIRECTOR'S REPORT

Gary Cannon, Executive Director, presented his report which was also submitted to the Commission in written form. He said office renovations continue to move forward. The next phase of construction and office relocations will begin July 28, 2016.

ADMINISTRATION - FINANCIAL REPORT

Mr. Cannon reported that he will provide the FY 2016 financial report at the August Commission Business Meeting.

OLD BUSINESS

There was no old business.

NEW BUSINESS

2016 Medical Services Provider Manual Fee Schedule

Mr. Cannon briefed the Commission on Optum's draft of the proposed fees for the 2016 Medical Services Provider Manual. There was discussion.

Commissioner McCaskill made a motion to accept as information. Commissioner Taylor seconded the motion. The vote was taken, and the motion carried unanimously.

ADJOURNMENT

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

The July 18, 2016 meeting of the South Carolina Workers' Compensation Commission adjourned at 11:06 a.m.

Reported August 15, 2016
Kim Ballentine
Office of the Executive Director

MEMORANDUM

Date: August 10, 2016

TO:

Mr. Gary Cannon

Executive Director

FROM:

Alicia Osborne

Human Resources

SUBJECT: Human Resources Report Period of July 14, 16 through August 10, 2016

Below is a summary of the Human Resources activity for the period of July 14 through August 10, 2016.

Workers' Compensation

- Ongoing Workers' Compensation Injuries
 - o Four open claims

Employee Relations

- Meetings
 - o Counseled (17) staff regarding concerns
 - o Clarified policies and procedures as needed
- Talent Search
 - o Posted three jobs
 - Information Resource Consultant I
 - Systems Information / Business Analyst III
 - Attorney I

Hired

- Executive Director's Office
 - o Loretta Dykes August 1, 2016

Separations

- Information Services
 - o Amanda Underhill September 1, 2016

Renovations

- Phase 3b and 4a Completed move on August 4, 2016
- Creating Punchlist for end of renovations clean up

Fiscal Responsibilities

- Trained Fiscal Technician II
 - o Invoice payments and deposits
 - o SCEIS training
- Processed/Approved Expense reports
- 16 Journal Entries
- 33 Invoices
- Three (3) IDTs processed for payment

Reports

- Ran SCEIS Deductions Not Taken / Arrears report
 - o Notified staff of arrears/deductions not taken
- Ran SCEIS Wage Type Report
- Time Administration
 - o Unapproved Leave Report
 - Notified staff of pending leave that needed to be approved
 - Approved leave for (3) supervisors that requested approval
 - o Missing Time Report
 - Notified six (1) supervisors of missing time
 - Notified seven (3) staff members of missing time
- Reviewed/updated reports as requested by the Executive Director

CBRE

• Notified CBRE of building concerns (3)

SCEIS

• Keyed (2) action items

Miscellaneous

- Meeting(s)
 - o (2) Building Renovations
- Continue with planning, coordinating, and overseeing office renovations
- HR Advisory Meeting July 27, 2016

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Tel: (803) 737-5700 Fax: (803) 737-1258 www.wcc.sc.gov

Workers' Compensation Commission

To:

Gary Cannon

SCWCC Executive Director

From: Sandee Sprang, IT Director

Date: August 10, 2016

Subject: IT Department August 2016 Full Commission Report

This report summarizes the activities and accomplishments of departmental projects and initiatives for the IT department during July 2016. The first section, "Systems Operation, Maintenance and Support", details the work related to keeping our current production systems up and running. The second section, "Projects, Enhancements and Development", highlights the activities related to new projects and tasks which bring added functionality to our systems. The last section documents the IT Department's "Training and Meeting" accomplishments.

I. Systems Operations, Maintenance and Support

<u>Virtualization</u>

Duane continues to lead the effort with DTO to upgrade our hardware and software to a virtualized environment. He is presently working on building a process to duplicate the virtual environment on the development servers in the production environment.

EDI

Amanda and Duane worked with EDI trading partners to research and resolve EDI transactional data errors. They continue to work with the IAIABC EDI Claims Workgroup, reviewing and recommending standard changes.

Reporting and Standardization

During July, we produced the reports used to derive data for the Annual Report. We refined several of the reports to simply the process and correct minor inconsistencies as a result of new business processes.

Systems Support

Duane researched and corrected multiple Invoice and Payment issues.

Desktop Support

Our HelpDesk support calls are being fielded by everyone in IT and we'll resume tracking metrics for these tasks when this position is filled.

Staffing

The IT department is currently recruiting for 2 positions, a Business Analyst and a Help Desk. Sadly, we are also losing Amanda Underhill so this position will also be posted in the very near future. Amanda's contributions based on her experience and institutional knowledge will be missed tremendously.

II. Projects, Enhancements and Development

eCase.

The eCase web portal upgrade is in the testing phase. All internal testing is complete and we are ready to open testing to several external users. We are 90% complete with this project.

Office Renovations

The IT department spent a large portion of time working on the office renovation project assisting with the relocation of equipment and managing the installation of new cable.

Hardware Upgrades

We have several hardware upgrade projects in process:

1) Our wireless network hardware quotes have been requested. We are hoping to

procure these as part of our renovation project.

2) We are continuing to meet with vendors on the State's VoIP telephone contract to determine which vendor can best meet our needs within our current budget. Our August demo was rescheduled since we are short-staff and all efforts are needed in other areas.

Video Conferencing

This project is on our list of priorities and will gain momentum once the time-constrained priorities are completed.

III. Trainings and Meetings

Sandee met with TeamIA to discuss the modernization of our Progress system.



Workers' Compensation Commission

To: Mr. Gary Cannon

From:

Wayne Ducote, Jr.

Date: 8-Aug-16

SCWCC Executive Director

IMS Director

Subj:

Insurance and Medical Services Department

July 2016 Full Commission Report

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

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

Compliance Division

- 1. Reviewing revenue metrics / projections.
- 2. Working with staff to review workflow processes and additional training opportunities.

Coverage Division

1. Working with staff to review workflow processes and explore opportunities to enhance service provision.

Medical Services

- 1. Continue work on pharmaceutical payment disputes involving SAF.
- 2. In the final stages of the review and update of the Medical Services provider Manual.

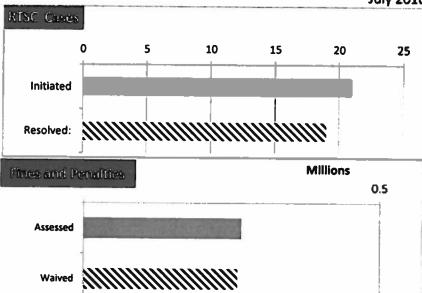
While this summary is in no way all-inclusive, it may serve to assist you and our Commissioners in understanding the key initiatives underway in the IMS Department and provide measures by which the Department's effectiveness can be gauged. IMS welcomes any guidance that you and/or our Commissioners can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

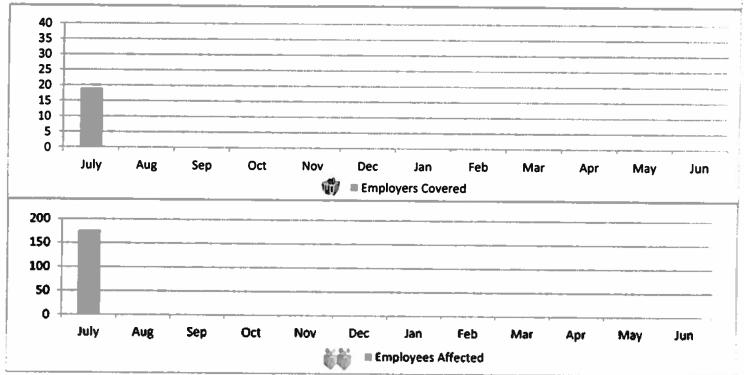
Employers Obtaining Coverage

The Compliance Division works with great diligence to help uninsured employers become compliant with the South Carolina Workers' Compensation Act. Year to date, the Compliance Division has compelled 19 employers in South Carolina to come into compliance with the Act. In so doing, approximately 177 previously uninsured workers are now properly covered.

Penaities Waived

Although the Division has assessed \$ 2.7m in fines, 98% of those fines (\$2.6m) have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

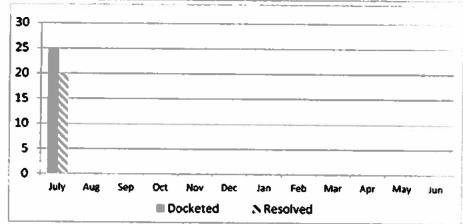




Carrier Rule to Show Cause Hearings

The Compliance Division manages the Rule to Show Cause process involving the recovery of outstanding carrier fines and penalties. In the month of July 2016, 25 carrier RTSC cases were docketed; 23 cases were resolved and \$13,619 was recovered.

Year to date, 25 carrier RTSC cases have been docketed, 23 cases have resolved and \$13,619 has been recovered.



Carryover Caseload:

The Compliance Division closed July 2016 with 244 cases active, compared to an active caseload of 355 at the close of July 2015.

Cases Resolved:

For the month of July 2016, Compliance Division staff closed-out 117 cases.

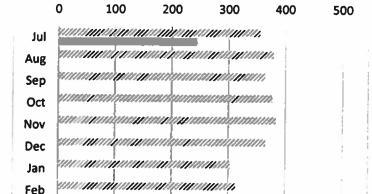
Compliance Fines:

In July 2016, the Compliance Division collected \$60,305 in fines and penalties. Year to Date, the Compliance Division has collected \$60,305 in fines.

Year to Date vs Prior Year Total (\$902,128): 6.7%.

July 2016 vs. July 2015: 55%

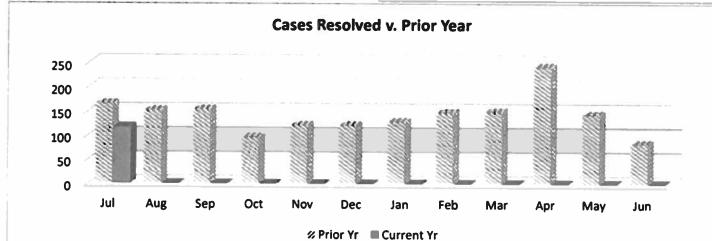
Current Year End trend is 80% of 2015-2016. YTD 2016-17 (July - July) vs YTD 2015-2016: 55%



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Caseload Pending v. Prior Year

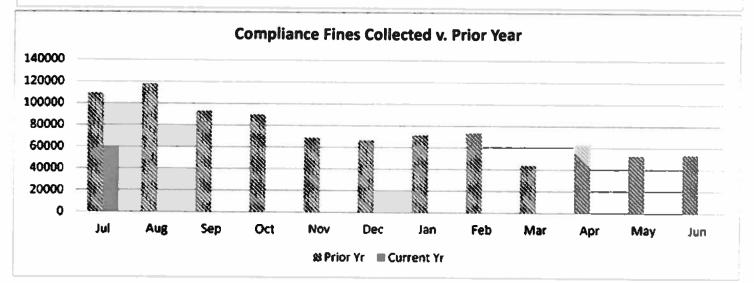




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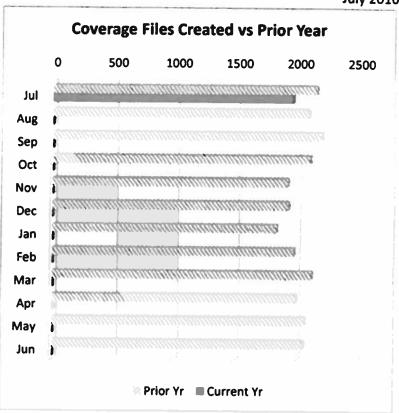


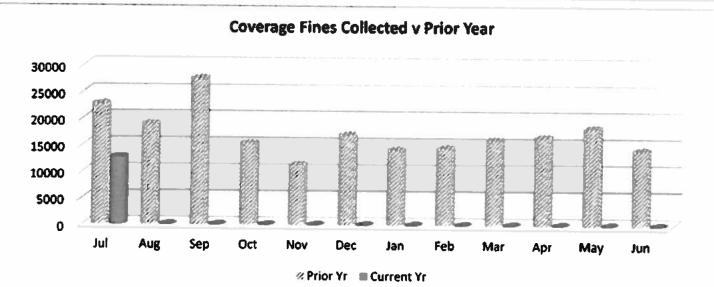
WCC Claim Files:

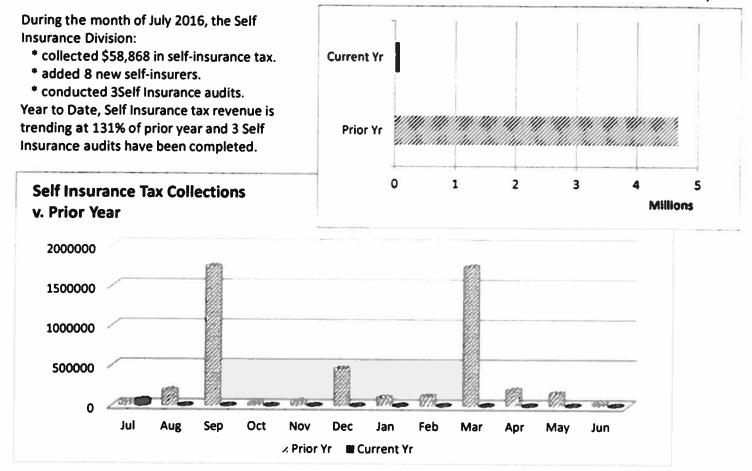
In July 2016, the Coverage Division recieved a total of 1,971 WCC Claim files. Of these, 1,698 were created through proper carrier filing of a 12A, and 273 were generated as a result of a Form 50 claim filing. Year to Date, 1,971 Claim files have been created which is 8% of claim file volume prior year (24,516).

Coverage Fines:

The Coverage Division collected \$12,600 in fine revenue in July 2016, as compared to \$22.650 in Coverage fines/penalties accrued during July 2016. Year on Year, Coverage fines are at 6% of collections for prior year.

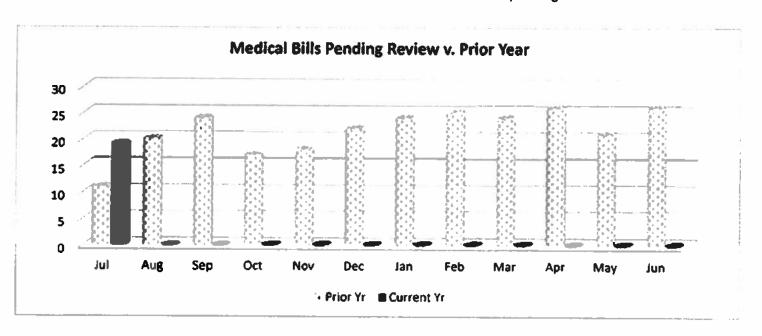






IMS MEDICAL SERVICES DIVISION

In July 2016, the Medical Services Division began the month with 16 bills pending review, received an additional 21 bills for review, conducted 18 bill reviews and ended the month with 19 bills pending.



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



TEL: (803) 737-5700 www.wcc.sc.gov

Workers' Compensation Commission

MEMORANDUM

To: Gary Cannon, Executive Director

From: Sonji Spann, Claims Director

Date: August 9, 2016

Re: Claims Department -August 2016 Full Commission Report

Please find attached information provided to summarize key workflow benchmarks related to the functions of the Claims Department. In addition to the statistical data provided herein, please note the following information:

| | July 2016 | June 2016 | July 2015 |
|--|-----------|-----------|-----------------|
| Individual Case Files Closed | 2,178 | 2,343 | 2516 |
| Fine Revenue Collected | \$40,450 | \$49,400 | |
| # of individual case files reviewed by examiners | 2,973 | 2784 | \$69,250 845 |
| Total Fines | 246 | 244 | 355 |
| Form 18 Fines | 181 | 191 | 315 |
| Total Forms Processed | 11,739 | 11,908 | 12,479 |
| SROI | 1116 | 1092 | 403 |
| Email 18's | 1772 | 1593 | 1846 |
| USPS | 1464 | 1651 | 2384 |
| Form 61's Rec'd | 743 | 811 | 2301 |
| Form 61's Approved | 668 | | |

- Claims continue to review files for compliance and closure (this has caused an increase in manual fines)
- Claims continue to educate the stakeholders

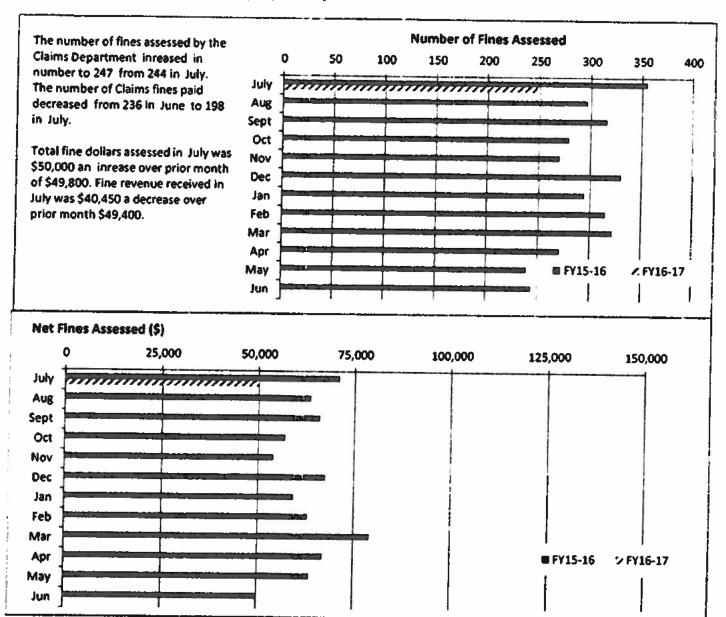
| | Five Year Claims Fine | laims Fine C | Collection History | story | | | | | | | | |
|-----------|------------------------|--------------|--------------------|-------------|--------------|---|-----------------|---------|---------|---------|--------|---------|
| | FY 2011-2012, 2012-201 | 2, 2012-201 | 13, 2013-201 | 4, 2014-201 | 15, 2015-201 | 2013-2014, 2014-2015, 2015-2016 and 2016-2017 | 2017 | | | | | |
| | | | | | | | | | | | | |
| | July | August | Sept | 8 | No. | Dec | re ³ | 3 | March | Ann | 3 | 1 |
| 2011-2012 | 111,875 | 103,800 | 83,300 | 81,300 | 85,100 | 110,700 | 126,700 | 120,225 | 116,915 | 100,200 | 61,050 | 90,450 |
| 2012 2013 | 80,825 | 68,100 | 57,075 | 91,925 | 64,825 | 65,950 | 055,03 | 79,875 | 67,000 | 26,650 | 47,550 | 48,500 |
| 2013-2014 | 42,350 | 21,900 | 35,050 | 110,350 | 57,425 | 50,900 | 27,000 | 38,550 | 73,100 | 45,350 | 52,550 | 31,200 |
| 2014-2015 | 43,300 | 62,18 | 51,650 | 55,100 | 44,750 | 49,900 | 44,700 | 77,100 | 90,200 | 52,250 | 74,750 | 124,800 |
| 2015-2016 | 69,250 | 53,350 | 26,200 | 42,800 | 34,200 | 39,800 | 41,400 | 48,250 | 55,490 | 55,700 | 53,800 | 49,400 |
| 2016-2017 | 40,450 | | | | | | | | | | | |

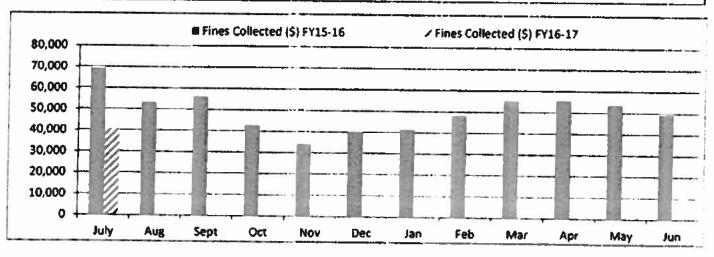
| | | | | | ರ | CLAIMS DEPARTMENT REPORT | NRTMENT | REPORT | | | | | |
|----------------------------|-------------|--------|------|---|---------|--------------------------------------|--------------------------|-----------|-------|------|----------|---|-------|
| | | | | | STATIST | STATISTICS FOR FISCAL YEAR 2016-2017 | SCAL YEA | R 2016-20 | 17 | | | | |
| | | | | | | Prepared | Prepared: August 3, 2016 | 2016 | | | | | |
| . Claims Services Division | 8 | | | | | | | | | | | | |
| | July Via | August | Sep. | ន | No | 2 | e s | 3 | March | Andi | Na Maria | 3 | Total |
| | | | | | | | | | | | n n | | |
| Forms 13-1 | 1,168 | | | | | | | | | | | | 1.168 |
| roms 15-W-orms 17 | 8 | | | | | | | | | | | | ROBO |
| Forms 16 for PP/Disf | 252 | | | | | | | | | | | | 196 |
| Forms 18 | 4,352 | | | | | | | | | | | | 4 264 |
| Forms 20 | 822 | | | | | | | | | | | | 705.4 |
| Form 50 Claims Only | 286 | | | | | | | | | | | | 728 |
| Form 61 | 743 | | | | | | | | | | | | 997 |
| Letters of Rep | 195 | | | | | | | | | | | | 743 |
| Clinchers | 797 | | | | | | | | | | | | 195 |
| Third Party Settlements | 24 | | | | | | | | | | | | 797 |
| SSA Requests for Info | 2 | | | | | | | | | | | | 24 |
| Caspe Closed | 2 470 | | | | | | | | | | | | 72 |
| Cases Davismed | 2010 | | | | | | | | | | | | 2,178 |
| Sec INVIGACI | 6,3/3 | | | | | | | | | | | | 2,973 |
| Total | 14.712 | | • | | | | | ľ | | | | | |

| | | | | | CLAIMS | CLAIMS DEPARTMENT REPORT | ENT REP | ORT | | | | | - | |
|------------------------|----------|---------|---|---|----------|---------------------------------|---------|-----------|--------|-------|-----|------|----------|----------|
| | | | | - | STATIST | STATISTICS FOR FISCAL YEAR 2016 | SCAL YE | AR 2016 - | - 2017 | - | | | | |
| Fines per Form | | | | | Prepared | Prepared August 3, 2016 | 2016 | | | | | | | |
| | Adi | Audiret | 1 | 3 | | | • | | | | | | | |
| Assessed Form 15 | 8 | 6 | 3 | 3 | 5 | 3 | | 8 | March | April | May | June | Total | ing i |
| Assessed Form 15II | 2 | | | | | | | | | | | | - | 8 |
| Assessed Form 15S | 0 | | | | | | | | | | | + | | 22 |
| Assessed Form 17 | 60 | | | | | | | | | | | | | 0 |
| Assessed Form 18 | 50 | | | | | | | | | | | | | 60 |
| Assessed Form 19 | 0 | | | | | | | | | | | + | + | 181 |
| Assessed Denial Letter | LC) | | | | | | | | | | | | | 0 |
| Assessed Requests | 25 | | | | | | | | | | | | - | N) |
| Paid Form 15 | \$2,000 | | | | | | | | - | | | - | | 23 |
| Paid Form 15II | 99 | | | | | | | | | | | | | 4,000 |
| Paid Form 15S | S | | | | | | | | | | | - | 9 | 8 |
| Paid Form 17 | 20023 | | | | | | | | | | | | , | |
| Paid Form 18 | \$32,800 | 8 | 8 | 8 | S | 5 | 8 | 8 | 2 | | | 1 | _ | 2 |
| Paid Form 19 | 53 | | | | | | | | | | 3 | 3 | S . | 32,800 |
| Paid Denial Letter | 2800 | | | | | | | | | | | | S | |
| Paid Request | \$2.000 | | | | | | | | 1 | | | | • | 3 |
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| ## SEG UP Claims Department July August Sept Oct Nov Dec Jan Feb March April May June Trapared: August 3, 2016 | | | | | | 3 | CLAIMS DEPARTMENT REPORT | RTHEN | REPORT | 2007 | | | | |
|--|---------------------------|--------------|----------|------|---|---------|--------------------------|-----------|------------|-------|-----|-----|-----|--------|
| eeed by Claims Department July August Sept Oct Nov Dec Jan Feb March April May June Tr 24 24 25 26 273 273 273 274 275 275 275 275 275 276 277 278 278 278 278 278 278 | | | | | | STATIST | CS FOR FI | SCAL YEA | R 2015 - 2 | Orie | | | | |
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| ### Sept Oct Nov Dec Jan Feth March April May June Tr July August Sept Oct Nov Dec Jan Feth March April May June Tr 247 | | | | | | | | 3 2 3 | | | | | | |
| July August Sept Oct Nov Dec Jam Feb March April May June Tr 24 | II. Total Fines Assesed b | y Claims Deg | Dartment | | | | | | | | | | | |
| July 247 August Sept Oct Nov Dec Jan Feb March April May June Tr 24 August Sept Oct Nov Dec Jan Feb March April May June Tr 24 August Sept Oct Nov Dec Jan Feb March April May June Tr 198 August Sept Oct Nov Dec Jan Feb March April May June Tr 4 \$50,000 6 \$40,600 6 \$40,450 558 150 | | | | | | | | | | | | | | |
| 247 248 250,000 64 \$4,800 64 \$4,800 65 \$40,450 | | Jufy | August | Sept | g | NG. | 50 | 1 | 3 | Month | A4 | 2 | 1 | |
| 24 198 273 ed \$4,800 1 \$50,000 1 \$50,000 | # Assessed | 247 | | | | | | | | ME | YOU | ABI | 4F0 | Total |
| 1986 273 840,450 1 \$50,000 1 \$50,000 1 \$50,000 240,450 | # Rescinded | 8 | | | | | | | | | | | | 747 |
| 273 rd \$50,000 ed \$4,800 | # Reduced | 0 | | | | | | | | | | | | 22 |
| 273 8d \$50,000 8d \$4,800 1 \$50,000 500,000 | # Paid | 25 | | | 3 | | | | | | | | | 0 |
| \$50,000 \$4,800 \$540,450 | # Outstanding* | 273 | | | | | | | | | | | | \$ |
| \$46,450 | Total Amt. Assessed | \$50,000 | | | | | | | | | | | | 223 |
| \$40,450 | Total Arrit. Rescinded | \$4.800 | | | | | | | | | | | | 20,000 |
| \$40,450 | Total Amt. Reduced | 8 | | | | | | | | | | | | 4,800 |
| \$40,450 | Net Assessed | | | | | | | | | | | | | 0 |
| 55.83 | Total Amt. Paid | \$40,450 | | | | | | | | | | | | |
| | Total Outstanding* | \$58,150 | | | | | | | | | | | | 40,450 |

CLAIMS DEPARTMENT - Fine Activity Report July2016





Claims Department - Fine Activity Reporeport

| Fines Ass | essed (#) | | | Fines Receiv | ed (#) |
|-----------|-----------|---------|--------|--------------|---------|
| | FY15-16 | FY16-17 | | FY15-16 | FY16-17 |
| July | 355 | 247 | July | 341 | 198 |
| Aug | 296 | 0 | Aug | 260 | 0 |
| Sept | 316 | 0 | Sept | 271 | 0 |
| Oct | 279 | 0 | Oct | 203 | 0 |
| Nov | 270 | 0 | Nov | 168 | 0 |
| Dec | 330 | 0 | Dec | 195 | Ö |
| Jan | 294 | 0 | Jan | 205 | Ö |
| Feb | 315 | 0 | Feb | 241 | Ö |
| Mar | 322 | 0 | Mar | 273 | Ö |
| Apr | 271 | 0 | Apr | 245 | Ö |
| May | 316 | 0 | May | 247 | 0 |
| Jun | 244 | 0 | Jun | 236 | 0 |
| Total | 3,608 | 247 | Total | 2,885 | 198 |
| Mo Avg | 301 | 21 | Mo Avg | 240 | 17 |

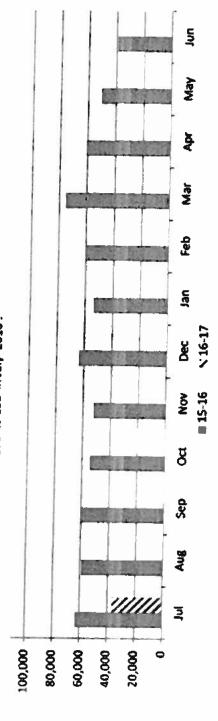
| Net Fines | Assessed (\$)* | | | Fines Collect | ted (\$) |
|-----------|----------------|---------|--------|---------------|----------|
| | FY15-16 | FY16-17 | | FY15-16 | FY16-17 |
| July | 71,050 | 50,000 | July | 69,250 | 40,450 |
| Aug | 63,600 | 0 | Aug | 53,350 | 0 |
| Sept | 66,000 | 0 | Sept | 56,200 | 0 |
| Oct | 57,000 | 0 | Oct | 42,800 | 0 |
| Nov | 54,000 | 0 | Nov | 34,200 | 0 |
| Dec | 67,600 | | Dec | 39,800 | 0 |
| Jan | 59,400 | 0 | Jan | 41,400 | 0 |
| Feb | 63,000 | 0 | Feb | 48,250 | 0 |
| Mar | 79,200 | 0 | Mar | 55,400 | 0 |
| Apr | 67,050 | 0 | Apr | 55,700 | 0 |
| May | 63,600 | 0 | May | 53,800 | 0 |
| Jun | 49,800 | 0 | Jun | 49,400 | 0 |
| Total | 761,300 | 50,000 | Total | 599,550 | 40,450 |
| Mo Avg | 63,442 | 4,167 | Mo Avg | 49,963 | 3.371 |

^{*}after reductions and rescinded

FORM 18 FINE ASSESSMENTS

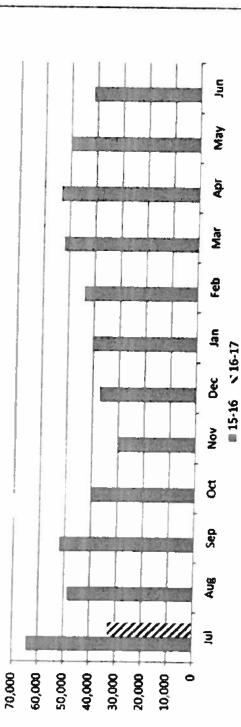
approaches that result in increased compliance levels and reduced Fine related costs to businesses in South Carolina. Consistent with overall Commission strategy, the Claims Department works with our Carrier partners to develop

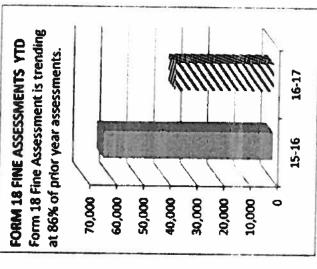
resulted in an decrease in Form 18 Fine Assessments to \$36,800 as compared to July 2016 of \$39,200. The actual A key "success measure" of this effort is the Form 18 Fine Assessment report. For the month of June 2016, this has number of fines assessed decreased from 191 to 181 in July 2016.

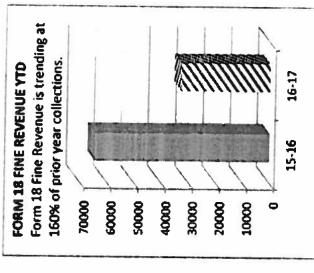


FORM 18 FINE COLLECTION

In July 2016, the Claims Department received payment on Form 18 Fines resulting in revenue of \$32,800.







1333 Main Street P.O. Box 1715 Columbia, S.C. 29202-1715



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

Workers' Compensation Commission

August 10, 2016

To: Gary M. Cannon

Executive Director

From: Amy A. Bracy

Judicial Director

RE: Monthly Judicial Report for July 2016

During the month of July, Judicial processed eight hundred fifty-four (854) requests for hearings, one hundred fifteen (115) Motions and one hundred nineteen (119) clincher conference requests that were sent to the Jurisdictional Commissioners.

There were fifty-eight (58) Single Commissioner Hearings conducted during the past month, and thirteen (13) Full Commission hearings were held. A total of four hundred sixty-five (465) Orders were served at the single Commissioner level, seventy-six (76) of those were Decision and Orders that resulted from hearings that went on the record and one hundred nine (109) were Motion Orders that were a result of Motions ruled upon by Commissioners.

The Informal Conference system conducted two hundred seventy-four (274) hearings during the last month.

There were sixty-six (66) regulatory mediations scheduled and twenty-five (25) requested mediations. The Judicial Department was notified of fifty-four (54) matters resolved in mediation, with the receipt of Forms 70.

We have added two new venues in the Walterboro area as part of our Orangeburg District. The City of Walterboro is allowing us to use the Council Chambers at City Hall and Vocational Rehabilitation is allowing us to use a conference room in their Walterboro location.

Greenville Courthouse contacted us regarding changes that they are in the midst of and as a result, effective September 1st we will be moved to Conference Room E.

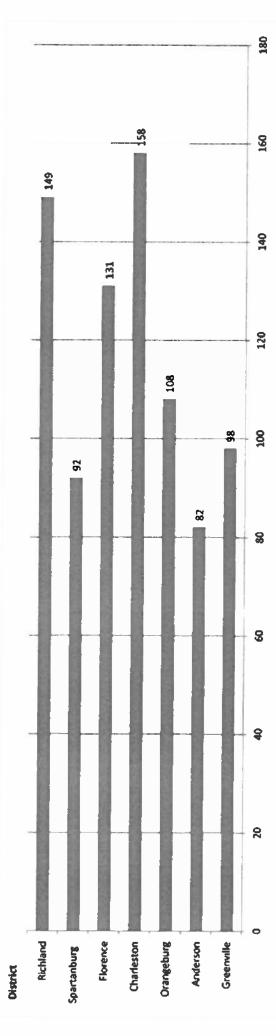
Judicial Department Statisitcal Report Statistics For Fiscal Year 2016-2017

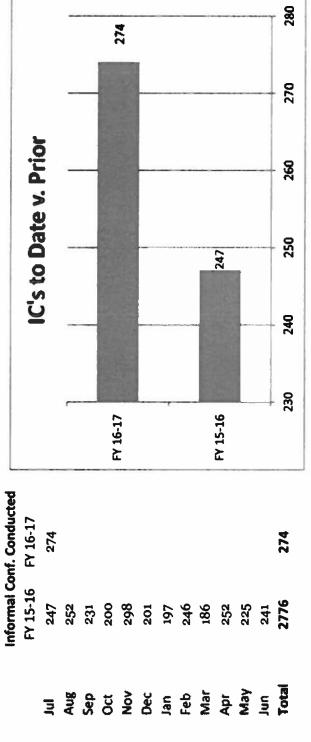
| | | | | | | | | | -202 | | V | | | |
|-----------------------------------|------|--------|---|---|---|---|---|---|------|---|-----|---|----------|--------|
| | | | | | | | ì | | | | | | Totals | Totals |
| _ 045-44 | 2 | Anenst | ş | ş | ğ | ě | 1 | 3 | 1 | 7 | | j | ary S | EL. |
| Claimant Pleadings | - X8 | | | | | | | | | Ę | May | 2 | 985 | 623 |
| Defense Response to Pleadings | 501 | | | | | | | | | | | | Š | 561 |
| Defense Pleadings | 268 | | | | | | | | | | | | 768 | 267 |
| Motions | 115 | | | | | | | | | | | | 115 | 141 |
| Form 30 | 18 | | | | | | | | | | | | 18 | œ |
| FC Hearings Held | 13 | | | | | | | | | | | | 13 | 16 |
| FC Orders Served | 17 | | | | | | | | | | | | 17 | 11 |
| Single Comm. Hearings Held | 22 | | | | | | | | | | | | 57 | 109 |
| Single Comm. Orders Served | 203 | | | | | | | | | | | | 203 | 95 |
| Consent Orders | 237 | | | | | | | | | | | | 237 | 280 |
| Adminstrative Orders | 25 | | | | | | | | | | | | 25 | 88 |
| Clincher Conference Requested | 119 | | | | | | | | | | | | 119 | 105 |
| Informal Conference Requested | 397 | | | | | | | | | | | | 397 | 378 |
| Informal Conference Conducted | 274 | | | | | | | | | | | | 274 | 247 |
| Regulatory Mediations | 99 | | | | | | | | | | | | 99 | 81 |
| Requested Mediations | 25 | | | | | | | | | | | | 25 | 45 |
| Ordered Mediations | 0 | | | | | | | | | | | | | |
| Mediation Resolved | * | | | | | | | | | | | | 22 | 46 |
| Mediation Impasse | 15 | | | | | | | | | | | | 15 | 28 |
| Mediation Held; issues Pending | 0 | | | | | | | | | | | | | - |
| Claim Settled Prior to Mediation | 6 | | | | | | | | | | | | 6 | 14 |
| Mediation Not Complete in 60 days | 4 | | | | | | | | | | | | * | 14 |
| | | | | | | | | | | | | | | |

Pleadings Assigned - Three Year Comparison by Month

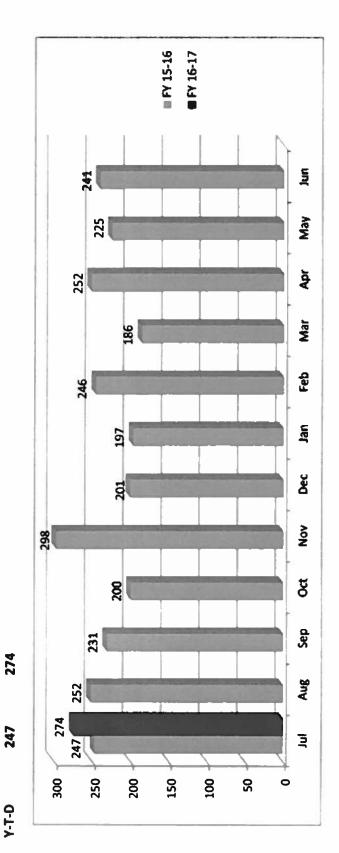
| District 1 District 2 District 3 District 3 District 4 District 5 District 5 District 5 District 5 District 5 District 6 District 6 District 7 Dis | | - | | | L | | | | | | | | 200 | No. of Concession, Name of Street, or other Persons and Street, or other P | | | | | | | | |
|--|--------|-------|-------|-------|--------|-------|------|---------|-------|------|---------|------------|------------|--|------|------|---------|-------|------|--------|-------|-------|
| | | Distr | lat 1 | | Distri | lct 2 | | Distric | t3 | | Distric | # 4 | | Distric | t 5 | | Distric | ±6 | | Distri | 47 | |
| 16-17 16-16 14-16 <th< th=""><th></th><th>Green</th><th>ville</th><th></th><th>Ander</th><th>nos</th><th></th><th>Orange</th><th>8-mq</th><th></th><th>Charle</th><th>ston</th><th></th><th>Floren</th><th>8</th><th></th><th>Sparta</th><th>gunqu</th><th></th><th>Richla</th><th>ри</th><th></th></th<> | | Green | ville | | Ander | nos | | Orange | 8-mq | | Charle | ston | | Floren | 8 | | Sparta | gunqu | | Richla | ри | |
| 96 107 108 62 108 118 119 128 140 141 144 445 92 130 119 158 188 189 189 120 170 153 120 170 170 153 170 | | 16-17 | 15-16 | 14:15 | 16-17 | | | | 91-51 | | 16-17 | | And a Con- | | | PERM | 16-17 | 200 | | 16-17 | 15-16 | 14-15 |
| 110 86 76 96 180 120 170 183 122 140 183 122 193 125 173 183 154 184 185 184 185 185 184 185 185 184 185 | Jaj | 86 | 107 | 109 | 82 | 8 | g | 108 | 118 | 1119 | 85 | 181 | 24 | 131 | 4 | 145 | 92 | 130 | | 149 | 22 | |
| 105 105 <td>Aug</td> <td></td> <td>110</td> <td>88</td> <td></td> <td>92</td> <td>96</td> <td></td> <td>601</td> <td>120</td> <td></td> <td>171</td> <td>3</td> <td></td> <td>122</td> <td>146</td> <td></td> <td>122</td> <td>102</td> <td></td> <td>128</td> <td>15</td> | Aug | | 110 | 88 | | 92 | 96 | | 601 | 120 | | 171 | 3 | | 122 | 146 | | 122 | 102 | | 128 | 15 |
| 106 83 101 78 119 115 | Sep | | 102 | 105 | | 88 | 84 | | 132 | 105 | | 198 | 53 | | 251 | 126 | | 011 | 02 | | cy | |
| 72 80 62 56 88 93 145 115 133 135 | 8 | | 106 | 83 | | 101 | 78 | | . 6II | 115 | | 172 | 143 | | 171 | 146 | | 8 | 112 | | 170 | 1 2 |
| 401 99 105 86 103 108 150 133 163 148 119 199 85 85 113 120 113 163 110 156 110 156 110 156 110 156 110 156 110 110 111 | Nœ | | 72 | 80 | | 62 | 56 | | 88 | 23 | | 145 | 115 | | 133 | 135 | | 8 | 80 | | 120 | Ē |
| 75 109 84 80 113 120 113 163 113 163 110 156 110 144 111 121 122 112 122 112 124 214 224 125 141 120 149 111 121 122 112 122 123 124 125 141 142 140 118 117 122 174 171 122 174 171 122 174 | ž | | 101 | 8 | | 105 | 86 | | 103 | 108 | | 160 | 133 | | 148 | 119 | | 8 | % | | 292 | 146 |
| 90 98 88 86 84 92 125 141 129 129 124 134 132 125 141 129 110 144 111 122 117 122 134 135 134 135 134 156 140 140 118 117 122 174 175 122 174 175 122 174 175 122 174 175 122 174 | Jan | | 75 | 109 | | 84 | 80 | | 113 | 120 | | 113 | 163 | | 110 | 15.8 | | 8 | 108 | | 5 | 125 |
| 122 112 124 91 134 132 214 156 140 118 117 122 174 100 99 92 87 93 97 154 155 120 120 90 88 138 138 146 140 140 140 111 101 150 | Feb | | 96 | | | 88 | 98 | | 84 | g | | 125 | 141 | | 129 | 110 | | 1 | 111 | | 211 | |
| 100 99 92 87 154 165 120 | Mar | | 122 | 211 | | 124 | 16 | | 134 | 132 | | 214 | 156 | | 140 | 118 | | 117 | 122 | | 174 | 140 |
| 106 101 108 75 66 110 105 140 140 140 140 140 140 140 140 140 141 143 143 143 143 143 143 143 143 143 143 143 143 143 143 143 144 145 147 147 143 143 143 181 181 180 181 | Apr | | 100 | 8 | | 25 | 87 | | 93 | 25 | | 154 | 165 | | 129 | 120 | | 96 | 88 | | 138 | 140 |
| 120 89 75 66 110 162 141 143 143 143 144 143 145 145 147 147 149 1810 180 98 1211 1164 82 1088 975 108 130 136 1765 131 1677 1610 92 1311 1214 149 1819 | May | | 901 | 101 | | 103 | B | | 116 | 105 | | 186 | 158 | | 146 | 140 | | III | 101 | | 150 | 89 |
| 98 1211 1164 82 1088 975 108 1319 1308 158 1960 1765 131 1677 1610 92 1311 1214 149 1819 | Jun | | 120 | 8 | | 75 | 8 | | 110 | 102 | | 141 | 143 | | 151 | 147 | | 114 | 117 | | 957 | 130 |
| | Totals | | 1211 | 1164 | 82 | 1088 | 97.5 | 801 | 1319 | 1308 | 158 | 1960 | 1765 | 131 | 1677 | 1630 | 26 | 1311 | 1214 | 24 | 1819 | 173 |

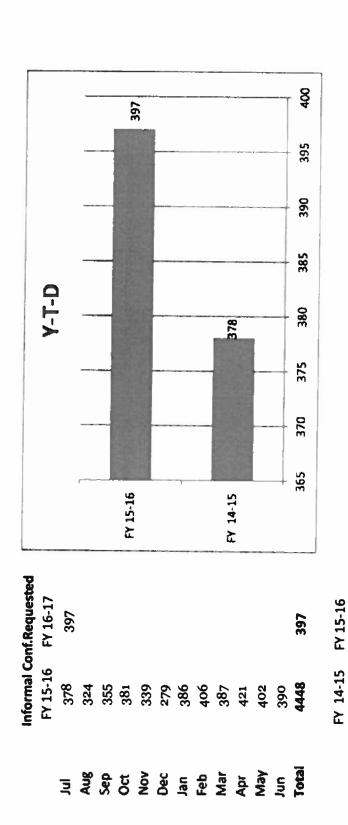
Pleadings Assigned by District Year to Date

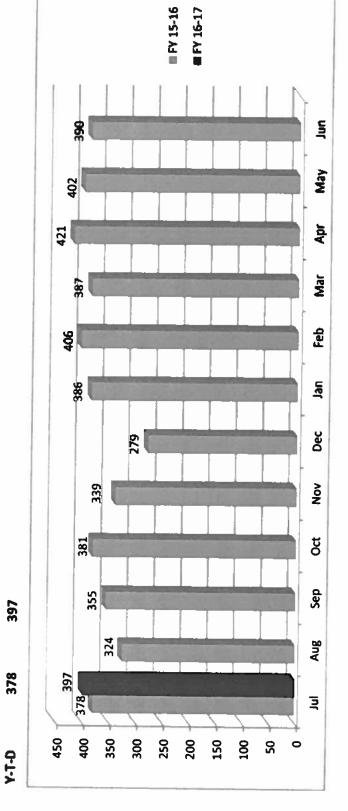












1333 Main Street, 5th Floor P.O. Box 1715 Columbia, S.C. 29202-1715



TEL: (803) 737-5700 www.wcc.sc.gov

Workers' Compensation Commission

Executive Director's Report Gary M. Cannon

August 11, 2016

Financial Administration

Loretta Dykes began employment on August 1 as the Commission's Fiscal Technician. With the change in personnel in the financial/budgeting/procurement area of the agency it has been necessary for me to allocate more time to these functions. This includes, but is not limited to the completion of the FY Financial Closing Packages, approving invoices and travel reimbursements requests, reviewing daily deposit reports, learning the State's financial/accounting/budget reporting system (SCEIS) in order to assist Ms. Dykes orientation to our financial and budgeting systems and completing year end reports for procurement activities during the year. As Ms. Dykes becomes more familiar with her duties and responsibilities less of my time will be required to be participating in the day to day details of these functions.

Office Renovations

The majority of Phase III is complete. Phase IV is underway. It is on schedule for completion by August 31.

Personnel

Attorney I

Recruiting began on August 2 for the Attorney I position. The closing date for accepting applications for the position is Tuesday, August 16.

IT Consultant I

Recruiting began on August 2 for the IT Consultant 1 position. The closing date for accepting applications for the position is Tuesday, August 23.

IT Business Analyst III

On Wednesday, August 3, Amanda Underhill, Business analyst III, tendered her resignation from the Commission effective September 1. Recruiting began on August 5. The closing date for accepting applications for the position is Friday, August 19.

Meetings/Activities

The Executive Director participated in the following meetings/activities:

- Meetings with appropriate staff to discuss personnel changes on July 19, July 20, August 1, and August 3
- July 20 Division of State Human Resources Advisory Meeting
- July 20 Participated in IAIABC Executive Committee teleconference
- July 25-29 Southern Association of Workers' Compensation Administrators Annual Meeting, Destin, Florida
- August 1 Meeting/conference call to discuss proposed medical fee schedule
- August 2 Meeting to discuss Compliance fines
- August 8 Meeting to review SCEIS financial reporting systems
- August 8 Meeting/conference call to discuss updates to medical fee schedule
- August 8 Meeting to discuss Form 16A
- August 9 Met with representative of CBRE regarding Subordination, Non-Disturbance and Attornment Agreement (SNDA)
- August 9 Participated in IAIABC Executive Committee teleconference
- August 9 Participated in IAIABC Regulation Committee teleconference
- August 10 Meeting with outside legal counsel to discuss legal matter

Constituent / Public Information Services

For the period July 13, 2016 through August 9, 2016 the Executive Director's Office and the General Counsel's office had 456 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 13, 2016 through August 9, 2016, we added 16 individuals to the distribution list. A total of 643 individuals currently receive notifications from the Commission.

SC Vocational Rehabilitation Department (SCVRD)

SCVRD reported six (6) referrals for the month of July in the following counties: Abbeville, Anderson, Greenville, and Lexington.

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



TEL: (803) 737-5700 www.wcc.sc.gov

Workers' Compensation Commission

TO: Commissioners

FROM: Gary M. Cannon

DATE: August 12, 2016

RE: Financial Report FY2016

In light of the recent changes in personnel we were unable to provide you with the identical analysis with charts and graphs as provided in previous reports.

The General Appropriations Fund completed the fiscal year with "0" balance. All funds received by General Appropriations were expended. The Earmarked Fund completed the fiscal year with a positive balance of \$13,458.

In the Earmarked Fund the Commission budgeted \$2.428 million in general operating revenues and received \$2.475 million 2% overall increase. As a result of the collections we were required to utilize \$1.049 million of fund balance to match the \$5.5 million of budgeted expenditures. The Violation Fees realized a 4% increase of actual over budgeted. The largest percent increase, 1,334% of actual to budget, is shown in Other revenues. This total includes \$15,221.51 in unclaimed funds received from the Secretary of State's Office.

Expenditures in the General Appropriations revealed no surprises when comparing actual to budget. We expended 100% of the amount budgeted.

Total expenditures in the Earmarked Fund reflect a \$13,158 balance when comparing actual versus budget. The individual line items in Other Operating Expenses reflect zero budget and the actual expenditures. The Total line item in Other Operating Expenditures reflects the total and actual year to date expenditures.

The detailed supporting documentation will be distributed at the Business Meeting.

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



TEL: (803) 737-5700 www.wcc.sc.gov

Workers' Compensation Commission

TO:

Commissioners

FROM:

Gary M. Cannon

DATE:

August 12, 2016

RE:

Medical Services Provider Manual 2016

At the July 15 Business Meeting the Commission received the first draft of the proposed Medical Services Provider Manual (Fee Schedule) for 2016 prepared by Optum 360. The Maximum Allowable Payments (MAP) contained in the Fee Schedule were calculated using the 2016 CPT codes developed by the American Medical Association and the 2016 Resource Based Relative Values (RBRVS) issued by the Center for Medicare/Medicaid (CMS) and a \$50 Conversion Factor. Additionally, the proposed rates were calculated in compliance with Act 183 enacted by the General Assembly in 2015, which placed statutory limitations in the change in the value of each CPT with no increase or decrease greater than 10%. The average overall increase was 2.58%.

The proposed Fee Schedule included changes in the Drug Screening services to use seven new HCPCS codes (three for screening and four for definitive drug testing) in the G section of HCPC; a recommendation to consider the concept of establishing a MAP for Independent Medical Examinations (IME) based on the number of body parts with the maximum amount being \$1,500 for four body parts; a recommendation the MAP for the Nurse Case Managers fees utilize a modifier of 52 at 80% for services less than 30 minutes; and a recommendation for Physical Therapists fees be calculated using the Multiple Procedure Rule as required by CMS.

Subsequently, the consultants received 2014 Utilization Data for South Carolina from NCCI and calculated the impact on the overall cost to the eight categories utilizing the 2014 Utilization Data. Based on their analysis using the 2016 Proposed Fee Schedule the total dollars decrease is .50% and a Conversion Factor of \$50.45. A summary of the analysis is contained in the attached letter dated August 11 from Optum 360.

On July 19, the Commission published the proposed rates and requested stakeholder comment by July 29. The Commission received comments from four stakeholders. They are attached. The SC Orthopaedic Association (SCOA) opposed the proposal to reestablish a MAP for an IME. Coventry proposed alternative solutions to billing IMEs with specific number of body parts and clarifying the rule for the Functional Capacity Assessment Calculation. The American Association of Preferred Provider Organizations (AAPPO) "strongly" encouraged the

Commission to withdraw the proposal to apply the Multiple Procedure Rule provision to therapy services. The Injured Workers Advocate Association opposed reestablishing a MAP for IMEs.

Upon careful consideration of the stakeholder comments, staff recommends the Commission adopt the proposed Fee Schedule as recommended with a \$50 Conversion Factor and the exclusion of a MAP for an IME. A MAP for an IME should not be reestablished at this time. The IME fee should remain rated as Individual Consideration.



August 11, 2016

Gary M. Cannon
Executive Director
SC Workers' Compensation Commission

Dear Mr. Cannon,

At the request of the State of South Carolina, Workers' Compensation Commission, OptumInsight performed an analysis to update and compare the current SC 2015 fee schedule to a proposed fee schedule using 2016 RBRVS and Optum's Essential RBRVS gapfills. The National Council on Compensation Insurance, Inc. (NCCI) provided summary bill information for calendar year 2014 for the state of South Carolina for services corresponding to the current professional fee schedule. The NCCI data was used to determine the number of occurrences per procedure code to calculate a fee schedule neutral conversion factor.

The following bullets outline several validation steps made with the NCCI data. The initial NCCI data did not include the entire HCPCS section so that section has not been analyzed at this time.

- Original data contained ~ 3.5 million occurrences (units) (includes CPT and Anesthesia records)
- Anesthesia data contained ~ 1.9 million occurrences (units/minutes), this data has been separated from the CPT codes and not analyzed
- Records that contained units or charges less than or equal to zero were excluded from the database
- Records containing modifiers that could duplicate occurrences were removed from the database (i.e., assistant surgeon modifiers 80-82, AS and co-surgeons modifier 62)
- Because procedure frequency was the focus all other modifiers were assumed valid and treated as 'blank' except for modifiers equal to 26, TC or 27. These three modifiers were retained as the fee schedule has specific fees for the professional and technical splits. The few occurrences of modifier 27 were changed to TC.

Project

- 1. Optum provided an analysis of the 2015 Medical Services Provider fee schedule based on the 2015 RBRVS (gpci adjusted), Optum's Essential RBRVS, +/- 9.5% caps and a conversion factor of \$50 to a proposed 2016 fee schedule using 2016 RBRVS (gpci adjusted), Optum's Essential RBRVS gapfills, +/- 9.5% caps and a conversion factor \$50.
- 2. Due to rounding issues, some records even when capped exceed +/- 10%, these records were truncated accordingly. Also, due to caps and rounding, records that have global, professional (26) and technical (TC) components were adjusted so the TC equaled the global value minus the 26 component value. This did lead to some percent changes on the TC record to exceed +/- 10%.

- 3. Optum ran an analysis to calculate a conversion factor for the proposed 2016 fee schedule. The analysis showed that the overall conversion factor is \$50.45.
- 4. Once approved, Optum will create a final fee schedule deliverable that will include: non-facility and facility place of service fees with corresponding professional and technical components (where appropriate), CMS follow-up days and CMS assistant surgery indicators.

Frequency Total Current FS \$\$ Total Proposed FS \$\$

Summary

Category

| | Annual Control of the | | | | | 70 0111 |
|-------------------------|--|-----------------------|------------------------|---------------------|-------------------|-------------|
| evaluation & management | 224,962 | 26,098,927 | 26,092,996 | 47.11 | 0.02% | -0.02% |
| laboratory/pathology | 51,887 | 1,143,172 | 1,233,877 | 4651.90 | 8.97% | 7.93% |
| medicine | 27,343 | 1,919,738 | 1,944,413 | 454.65 | 1.66% | 1.29% |
| physical therapy | 906,004 | 38,568,990 | 38,739,299 | 2363.37 | 0.26% | 0.44% |
| radiology | 83,890 | 8,223,713 | 7,812,482 | -1012.02 | -1.21% | -5.00% |
| special reports | 10,037 | 587,646 | 630,636 | 744.40 | 7.42% | 7.32% |
| surgery | 62,609 | 20,865,886 | 20,468,812 | -1652.88 | -2.64% | -1.90% |
| Grand Total | 1,366,732 | 97,408,071 | 96,922,514 | 5,597 | 0.41% | -0.50% |
| Category | Frequency | Total Current FS \$\$ | Total Proposed FS \$\$ | Total 2016 RLV gpcl | CF Current | CF Proposed |
| evaluation & management | 224,962 | 26,098,927 | 26,092,996 | | 50.01 | 50.00 |
| laboratory/pathology | 51,887 | 1,143,172 | 1,233,877 | 25,331 | 45.13 | 48.71 |
| medicine | 27,342 | 1,919,717 | 1,944,392 | 39,245 | 48.92 | 49.54 |
| physical therapy | 906,004 | 38,568,990 | 38,739,299 | 781,439 | 49.36 | 49.57 |
| radiology | 83,890 | 8,223,713 | 7,812,482 | 145,068 | 56. 69 | 53.85 |
| special reports | 1,683 | 105,121 | 106,361 | 2,127 | 49.42 | 50.00 |
| surgery | | | | | | |
| ani Rei 3 | 62,609 | 20,865,886 | 20,468,812 | 395,640 | 52.74 | 51.74 |

96,398,218

Tot freq % ave freq % diff

1,910,713

50.73

% diff

50.45

Based on the analysis outlined above and comparing where the procedure code/modifier fee is greater than zero in both the current and proposed schedules, the total dollars decrease by -0.50% for the proposed 2016 fee schedule. The frequency weighted average percent difference is 0.41%

96,925,525

There are some newly valued codes since 2015 that will now be valued for 2016.

1,358,377

Sincerely,

Grand Total

Carla Gee

Callabore

VP/GM – Workers' Compensation, Provider Data and Network Solutions

S.C. Orthopaedic Association



July 28, 2018

Mr. Gary Cannon
Executive Director
Workers' Compensation Commission
1333 Main Street
Post Office Box 1715
Columbia, South Carolina 29202

Dear Commissioners,

The South Carolina Orthopaedic Association (SCOA) appreciates the opportunity to comment on the proposed update to the Medical Services Provider Manual. We also appreciate the Commission's commitment to providing this update annually. Overall, SCOA considers the proposed changes to be reasonable; however, we do not support the proposal to reestablish a Maximum Allowable Payment (MAP) for Independent Medical Examinations (IMEs).

The halfmark of a well functioning Workers Compensation system is the ability to avoid unnecessary delays in returning injured workers to function. White we did not advocate for the elimination of the MAP for IMEs originally, we were supportive in light of reports from other stakeholders that finding qualified experts to perform IMEs had become increasingly difficult. Enabling carriers and physicians the ability to negotiate a rate of service is the best way to ensure an adequate supply of physicians willing and able to provide that service.

To our knowledge, the stakeholder community has not rallied to express concern with the current policy. Reestablishing a MAP after several years of not having one is likely to create frustration among providers and could cause them to reduce the number of IMEs they will accept. Many providers establish contracted IMEs rates with payers and networks, so there is a mechanism in the market that can avoid individual negotiation for each evaluation which accelerates provision of these services.

Please let our organization know if we can provide any additional information or documentation as the Committee considers this important topic.

Sincerely,

Scott Porter, M.D., M.B.A., F.A.C.S.

Greenville Health System

Scar L_

President, South Carolina Onthopaedic Association

Coventry



JUL 2 9 2016

S. C. WORKENS DONN. COMM.
EXECUTIVE DIRECTOR

July 29, 2016

Ms. Kim Ballentine SC Workers' Compensation Commission 1333 Main Street, 5th Floor PO Box 1715 Columbia, SC 29202-1715

Submitted via E-mail to: kballentine@wcc.sc.gov

Re: Public Comments of Coventry on the Proposed Changes to the 2016 Medical Services Provider Manual

Dear Ms. Ballentine:

Thank you for the opportunity to provide feedback on the proposed changes to the 2016 Medical Services Provider Manual. After a thorough review of the rules, we would like to provide the following comments:

I. Providers Billing for Independent Medical Examination (IME) Exams Are Unable to Specify the Number of Body Parts Examined

Issue: Currently, the 2015 South Carolina Medical Fee Schedule requires billing of an IME using CPT code 99456. In the newly proposed fee schedule rule, IME pricing is based on the number of body parts examined. However, it will be difficult for a provider billing for an IME to delineate the specific number of body parts being examined, and will thus likewise be difficult for payers to determine correct reimbursement.

Solutions:

Solution 1:

Modify the proposed rules to include a specific CPT code for each number of body parts. Doing so would decrease processing time and improve billing accuracy.

Solution 2:

The number of body parts could be determined by indicating a number of units billed for CPT 99456.

II. The Functional Capacity Assessment Calculation in Section 7 under "Physical Medicine" as Proposed Conflicts with the Example Provided

Issue: Currently, the 2015 South Carolina Medical Fee Schedule reads as follows: "Functional Capacity Assessment - To report a functional capacity assessment (or key functional assessment) use CPT code 97750 and bill the time up to a maximum of twelve (12) units. Total payment for a functional capacity assessment must not exceed \$528.00 (12 units of 97750 X \$44.00)."

The proposed 2016 rule specifies that the value of CPT code 97750 is to be increased to \$48.00 per unit; however, the sample calculation provided shows that only one unit is to be reimbursed at \$48.00 with the subsequent 11 units to be reimbursed at \$36.00 per unit. As a result, it is unclear if CPT 97750 is proposed to be reimbursed at a rate of \$48.00 regardless of the number of units billed, or whether the first 97750 unit is to be reimbursed at \$48.00 with each additional unit reimbursed at \$36.00, with a corresponding max unit billed of 12 units (for a total of \$444.00).

Solution: Clarify the proposed rules to Indicate whether CPT 97750 is intended to be reimbursed at a flat \$48.00 per unit, or whether the multi-tiered rules for the initial and subsequent units billed with the \$444.00 cap is intended to apply.

I thank you for your time and consideration to the aforementioned comments. Please do not hesitate to contact me if you should require any additional information and/or if you should have any questions.

Best regards always.

Glenn Wright

Senior Regulatory Business Analysis

Glenn Q. Wright

Coventry

Electronic Mall: glwright@cvty.com

Direct: (801) 360-0160

From:

Wright, Glenn <glwright@cvty.us.com>

Sent:

Friday, July 29, 2016 3:48 PM

To:

Bailentine, Kim

Subject:

2016 MSPM Comments From Coventry

Attachments:

SC Public Comments July29.pdf

Thank you for the opportunity to submit comments Regarding the 2016 Medical Services Provider Manual changes. Our submission is attached.

Glenn Wright

Sr. Business Analyst; Business Consulting and Analysis

Cell: 1.801.360.0160 Office: 1.801.256.7138 glwright@cvtv.us.com





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American Association of Preferred Provider Organizations



American Association of Preferred Provider Organizations

July 29, 2016

VIA EMAIL: kballentine@wcc.sc.gov
Gary Cannon
Executive Director of Workers' Compensation
State of South Carolina
Workers' Compensation Commission
1333 Main Street, 5th Floor
Columbia, S.C. 29202

RE: Comments Addressing Proposed Changes to the Medical Services Provider Manual

Dear Mr. Cannon:

Thank you for the opportunity to present comments concerning the proposed changes to the Medical Services Provider Manual, effective September 1, 2016. The American Association of Preferred Provider Organizations ("AAPPO") is the leading national association of preferred provider ("PPOs") and Workers' Compensation organizations. Through our members, we work on behalf of thousands of injured workers throughout the country, including in South Carolina. We appreciate the opportunity to provider comment to the South Carolina Workers' Compensation Commission ("WCC").

On July 19, 2016, the WCC published a notice of proposed changes to the Medical Services Provider Manual ("Proposal") that included, among other things, the application of the Medicare Multiple Procedure Payment Reduction ("MPPR") to multiple of Current Procedural Terminology ("CPT") codes used within the care of injured workers. While we appreciate the WCC's efforts to ensure timely and quality care to injured workers throughout the state, we strongly believe application of these proposed policies, especially to physical therapy providers and patients, will lead to unintended consequences for injured workers and will actually have the opposite effect of what the State is trying to achieve.

AAPPO is concerned that any additional and arbitrary reductions to physical therapy patients under the MPPR proposal will create significant challenges to quality care for injured workers and providers as well. The American Medical Association has already reduced the practice expense values of physical therapy codes, including those listed in the Proposal, to avoid duplication of the proposed MPPR policy for Medicare. The time spent on the pre-service and post-service activities was spread across three units of services based on the assessment that the typical therapy visit is approximately 45 minutes. The majority of CPT codes billed by physical therapists are direct one on one 15 minute timed codes. For each code billed, the therapist spends 15 minutes of time with the patient and therefore there is no overlap or duplication of the work component. The

AAPPO Comments addressing proposed changes to the Medical Services Provider Manual July 29, 2016 Page 2 of 2

application of the MPPR provision within the Proposal will only lead to further duplication, likely leading to significant challenges to access care by injured workers.

In closing, we strongly encourage the Commission to withdraw the proposal to apply the MPPR provision to therapy services. We believe that if the proposed MPPR provisions are implemented, there will be significant challenges to both injured workers receiving physical therapy care in the state as well as the providers who treat them.

Thank you for your consideration.

97Rd Agh.

Sincerely,

Julian Roberts

President and CEO

American Association of Preferred Provider Organizations (AAPPO)

3774 Lavista Road, Suite 101

Tucker, GA 30084

0: 404/634-8911

e: iroberts@aapan.org

From:

Holden, Robert A. <RAH@stateside.com>

Sent:

Friday, July 29, 2016 1:59 PM

To:

Ballentine, Kim

Subject:

WCC Medical Services Provider Manual

Attachments:

AAPPO WCC Comments.pdf

Dear Ms. Ballentine,

Please find attached comments from AAPPO regarding the Medical Services Provider Manual. Thank you for your consideration.

Robert A. Holden

Telephone: (703) 525-7466

IWA

From:

Ric Davis <rdavis@christiananddavis.com>

Sent:

Wednesday, July 27, 2016 3:17 PM

To:

Ballentine, Kim

Cc

Steven Goldberg; Bonnie@injuredworkersadvocates.com

Subject:

Re: Proposed changes to the MSPM--Comments by Injured Workers Advocates

Gary Cannon
Executive Director
South Carolina Workers Compensation Commission

Re: Proposed changes to the MSPM--Comments by Injured Workers Advocates

Dear Gary,

On behalf of the Injured Workers Advocates, thank you for the opportunity to comment on the proposed changes to the Medical Services Provider Manual. As a member of the Executive Committee of IWA, I have been authorized to speak on behalf of IWA as to the changes proposed relating to fees for IME's as well as charges for special reports and questionnaires.

Specifically, IWA requests that the Commission not schedule fees for Independent Medical Exams or Specials Reports. Instead, it is proposed that the Commission retain the current practice of individual consideration and allow for negotiation between the provider and stakeholders. The reasons for opposing the proposed changes are as follows:

First, the proposed changes, in reality, only apply to injured workers as only injured workers case expenses are subject to approval. Insurance carriers will continue to negotiate fees regardless of what is provided by the MSPM.

Second, unfettered access to medical opinions is essential to the full and fair development of evidence. Scheduling fees for independent medical evaluation will unfairly have a chilling effect on the access to medical evaluations in some situations.

Third, unrestricted access to medical providers is important. Individual consideration of fees in light of the complexity of medical issues as well as the varying degrees of experience of the medical providers is more fair to all involved. The process is better served by permitting negotiation between the claimant's counsel and the chosen medical examiner. If medical treatment is to be provided, the treatment will be subject the fee schedule. A one size fits all approach may well deprive an injured worker of the opportunity to secure a necessary medical opinion that could ultimately affect the medical care rendered.

Fourth, occasionally physicians write a letter or respond to a brief questionnaire at no charge or in an amount less than the proposed schedule. The fee schedule may well create or increase that fees that would be better left to individual negotiation and review.

Finally, IWA is not aware of a pattern of issues regarding cost of IME's or Special Report fees that would mandate aggressive regulatory intervention beyond the checks and balances which are already in place. Members of the claimants' bar are aware of the scrutiny of case expenses by the Commission and believe the current practice of individual consideration would continue to best serve the delivery of justice within the workers compensation system.

Also, unrelated to the changes, members have requested that the Commission make a copy of the MSPM online.

Thank you for the opportunity to comment. If additional information or comment is needed, please let us know.



Ric Davis 1007 East Washington Street Greenville, SC 29601

Phone: 864-232-7363 Fax: 864-370-3731

www.christiandavislaw.com

Concentra

From:

Gilbert, Greg < Greg_Gilbert@concentra.com >

Sent:

Monday, August 01, 2016 3:03 PM

To:

Ballentine, Kim

Subject:

Medical Fee Schedule

I know the deadline was Friday for comments but hopefully you will take these:

On the PT multiple procedure rule, you should consider adding more detail to be clear on what procedure should be paid at 100% of the MFS before the MPR is applied. Most states that use a MPR, will state the highest priced code on the bill, not the one that is listed first, would be paid at 100%.

Please let me know if you have any questions.

Regards,

Greg Gilbert
SVP of Reimbursement and Government Relations
Concentra
972.364.8172(0) 972.387.8092 (F)
S080 Spectrum Drive | Suite 1200W | Addison, TX 75001
www.concentra.com

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DRAFT

Commission 2017 Calendar

DRAFT

JANUARY

- 2 New Year's Day (observance) 9 - Commission Business Meeting
- 10 Commission Appellate Panel Hearings 13, 14, 15 - IWA Paralegal
- Conference, Greenville Marriott, Greenville
- 16 Martin Luther King Day

| JANUARY | | | | | | | | | |
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FEBRUARY

- 13 Commission Business Meeting
- 14 Commission Appellate Panel Hearings
- 20 President's Day
- 26, 27, 28 SCWCEA Medical Seminar (Myrtle Beach)

MARCH

- 20 Commission Business Meeting
- 21 Commission Appellate Panel Hearings

| MARCH | | | | | | | | | |
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APRIL

- 5, 6, 7 SC Self-Insurers Conf, Hilton Myrtle Beach Resort
- 17 Commission Business Meeting
- 18 Commission Appellate Panel Hearings
- 28 ~ IWA Spring Seminar, Hilton Columbia Center, Columbia

MAY

- 10 Confederate Memorial Day
- 15 Commission Business Meeting
- 16 Commission Appellate Panel Hearings
- 29 Memorial Day

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JUNE

- 19 Commission Business Meeting
- 20 Commission Appellate Panel Hearings

JUL

- 4 Independence Day Holiday 14, 15, 16 - SCDTAA
- Conference, Asheville 17 - Commission Business
- Meeting 18 - Commission Appellate Panel Hearings

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AUGUST

- 3. 4, 5 \$CAJ Convention, Hilton Head
- 6. 7, 8, 9 NAWCJ Judiciary College, Orlando, FL
- 21 Commission Business Meeting
- 22 Commission Appellate Panel Hearings

SEPTEMBER

- 4 Labor Day
- 18 Commission Business Meeting
- 19 Commission Appellate Panel Hearings

| | SEPTEMBER | | | | | | | | |
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OCTOBER

- 8, 9, 10, 11 SCWCEA 41st
 Annual Educational
 Conference, Marriott Grande
 Dunes, Myrtle Beach
- 16 Commission Business Meeting
- 17 Commission Appellate Panel Hearings

NOVEMBER

- 9, 10 Injured Workers' Advocates Conference, Ritz-Cartlon, Amelia Island, Fi
- 10 Veterans Day (observance)
- 13 Commission Business Meeting
- 13 Commissioners & AAs Ethics & APA Training
- 14, 15 Commission Appellate Panel Hearings
 23, 24 - Thanksgiving Holidays

| NOVEMBER | | | | | | | | | |
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31

DECEMBER

- 11 Commission Business Meeting
- 12 Commission Appellate Panel Hearings
- 22 Christmas Eve (observance)
- 25, 26 Christmas Holidays