

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

February 20, 2018 – 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.

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| 1. CALL TO ORDER | <i>CHAIRMAN BECK</i> |
| 2. APPROVAL OF AGENDA OF BUSINESS MEETING OF FEBRUARY 20, 2018 | <i>CHAIRMAN BECK</i> |
| 3. APPROVAL OF MINUTES OF THE BUSINESS MEETING OF JANUARY 22, 2018 (Tab 1) | <i>CHAIRMAN BECK</i> |
| 4. GENERAL ANNOUNCEMENTS | <i>MR. CANNON</i> |
| 5. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) | <i>MR. BERTHELETTE</i> |
| 6. DEPARTMENT DIRECTORS' REPORTS Human Resources (Tab 3) Information Services (Tab 4) Insurance and Medical Services (Tab 5) Claims (Tab 6) Judicial (Tab 7) | <i>MS. STUART MS. SPRANG MR. DUCOTE MS. SPANN MS. BRACY</i> |
| 7. EXECUTIVE DIRECTOR'S REPORT (Tab 8) Administration – Financial Report (Tab 9) | <i>MR. CANNON Mr. Cannon</i> |
| 8. OLD BUSINESS Medical Fee Schedule Update (Tab 10) | <i>CHAIRMAN BECK Mr. Cannon</i> |
| 9. NEW BUSINESS | <i>CHAIRMAN BECK</i> |
| 10. ADJOURNMENT | <i>CHAIRMAN BECK</i> |

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THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING
January 22, 2018

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, January 22, 2018, 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; Bryan Berthelette, Self-Insurance Director; Amy Bracy, Judicial Director; David DuRant, Attorney; Wayne Ducote, Insurance & Medical Services Director; Loretta Dykes, Financial Technician; Kim Falls, Business Analyst; Keith Roberts, Attorney; Elizabeth Schinke, Business Analyst; Sonji Spann, Claims Director; Sandee Sprang, IT Director; Hammad Sheikh, Law Clerk; and Alexa Stuart, HR Manager. Bonnie Anzelmo, Injured Workers' Advocates, was also present.

Chairman Beck called the meeting to order at 10:33 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 DECEMBER 11, 2017

Commissioner Barden moved that the minutes of the Business Meeting of December 11, 2017, be approved. Commissioner James seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

Gary Cannon thanked Kim Falls for her assistance with preparing the documents and taking the minutes of the business meeting.

Gary Cannon reported he and Amy Bracy gave a tour of the Commission to paralegals attending the IWA conference, this past Saturday, January 20, 2018.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by Bryan Berthelette, Self-Insurance Director. **Sixteen (16)** prospective members of **three (3)** funds were presented to the Commission for approval. The applications were:

Palmetto Timber Fund

Lee's Logging

South Carolina Municipal Insurance Trust

City of Johnsonville

South Carolina Home Builders SIF

BKK Concrete Finishing, LLC

Bohemia Builders Corp

CMG Framing & Siding, Inc.

Custom Craft, LLC

Destiny Development Corp

Donahue Homes, LLC

Felder Brothers Construction, LLC

Home Turf Landscaping, LLC

L & H Construction

Majestic Concrete, LLC

Montanez Plumbing, LLC

Russ Cooper Associates

Southern Coast Improvements, LLC

The Improvement Company, Inc.

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

Alexa Stuart presented the Human Resources report. Ms. Stuart pointed out the following highlights from the report:

- In December, there were no new hires or separations but there were two retirements.
- The Commission recruited for the Business Analyst III position and the Executive Assistant I position.
- The Executive Assistant I position has been filled and the employee's start date is scheduled for February 2, 2018.
- There were 5 transactions for benefits, 8 SCEIS time transaction issues and 13 Payroll related inquiries.
- The Commission held the Annual Christmas luncheon on December 11, 2018.

- Employees participated in a service project where the Commission collected 762 items for Transitions Homeless Center.
- Ms. Stuart approved 9 travel reports, handled 7 building issues with CBRE and 1 parking related issue.
- Items were removed from the office that were not acquired by Surplus.

Commissioner McCaskill inquired about going from 2 building/parking access cards to 1 building/parking access card. Mrs. Stuart expressed that she continues to follow up with no response. There was discussion.

Information Technology Department

Sandee Sprang presented the Information Services Department's report. Ms. Sprang pointed out the following highlights from the report.

- Ms. Sprang expressed appreciation to Liz Schinke and Kim Falls for stepping up into various capacities over the past month.
- Liz and Kim have been training with Elaine McKnight due to the transition of Barbara James' retirement. They are working to ensure that the processes are being documented as we moved forward, so they improve as well.
- There is a new wireless subnet going in this week. This means there should not be a problem with connecting to the Wi-Fi via laptop when entering a hearing room.
- All disconnected scanning stations have been replaced and they are all running OnBase 17.
- New copiers were ordered last week.
- Ms. Sprang hopes to move forward with new iPhones to eliminate issues with slowness.
- The Microfilm conversion is still in progress.
- Ms. Sprang stated that she posted the Statement of Work for the Legacy Modernization project. She met with 10 vendors who are on the Small App Development State Contract and hopes to review the responses and select a vendor this week.

Chairmen Beck acknowledged Ms. Sprang for all her hard work on getting this project underway. Commissioner McCaskill also expressed his appreciation.

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:

- In December, the Compliance Division compelled 20 employers to come into compliance with the Act. Year to date, the Compliance Division has compelled 107 employers to come into compliance with the Act. Approximately 995 previously uninsured workers are now properly covered.
- 17 Carrier Rule to Show Cause cases were docketed. 17 cases were resolved and \$6,189 was recovered.
- The Compliance Division collected \$130,036 in fines and penalties. Year to date, the Compliance Division has collected \$677,334 in fines.
- The Coverage Division received 1,805 claim files and collected \$17,200 in fine revenue.

- The Self Insurance Division collected \$401,203 in self-insurance tax. Year to date, Self Insurance tax revenue is trending at 110% of prior fiscal year.
- Elaine McKnight replaced Barbara James. Elaine came from the State Accident Fund and is catching on to everything quickly and is doing a good job.

Chairmen Beck requested information on the DEW Data. Mr. Ducote stated that we will not be receiving any new data at this time while DEW continues to work on their system.

Claims Department

Sonji Spann presented the Claims Department's report. She reported the following for the month of December:

- Claims processed 13,893 items during the month of December.
- Claims closed 2,143 files, a decrease of 171 from last month.
- Claims reviewed 2,838 files, a decrease of 1,134 from last month. The decrease is due to illnesses and holidays.
- Fine Revenue collected during the month of December was \$54,650, a decrease of \$10,150 in comparison to November 2017. When compared to the same period in FY 16/17, the department collected \$43,000 in fine revenue, an increase of \$11,650 or 21%.
- Claims Department assessed 307 fines, a decrease of 18 compared to November 2017. Of the fines assessed, 227 were for the Form 18.
- Received 1,330 Form 18s via SROI/EDI.
- Received 1,916 Form 18s via email.
- More 18s were received through email and EDI than previous year.
- Received 639 Form 18s via USPS.
- Received 750 Form 61s; approved 720 Form 61s.
- Received 25 Third Party Settlements and approved 34.

Judicial Department

Amy Bracy presented the Judicial Department's report. Ms. Bracy reported the following for the month of December 2017:

Judicial Department

- 709 requests for Hearings
- 137 Motions
- 130 Clincher Conference requests sent to Jurisdictional Commissioners

Commissioners

- 94 Single Commissioner Hearings conducted
- 36 pre-hearing conferences held
- 9 Full Commission Hearings conducted
- 446 Orders served at single Commissioner level; 65 of those were Decision and Orders that resulted from hearings that went on record; 119 of those were Motion Orders ruled upon by Commissioners

Informal Conference

- 294 informal conferences conducted

Mediation

- 48 regulatory mediations scheduled

- 37 requested mediations
- 58 matters resolved in mediation with the receipt of Forms 70

Ms. Bracy also said that there would be a change to the Third Party Settlement process. Orders will now filter through Judicial in order to make sure it is properly served on all parties. As a result, the number of Third Party Settlements processed, will decrease in Claims while increasing the number of Motions processed in the Judicial report. There was discussion on how Third Party Settlement data is collected.

EXECUTIVE DIRECTOR'S REPORT

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

- Commissioner's toured Voc Rehab Department on December 12, 2017.
- Mr. Cannon stated that he announced at the IWA meeting, to the paralegals, that the SCVRD does not require a patient to be at MMI to use their services.
- Mr. Cannon pointed out that three Commissioners (James, Barden and McCaskill) attended the IWA paralegal conference this past Saturday, January 20, 2018.

ADMINISTRATION – FINANCIAL REPORT

Mr. Cannon reported the benchmark for period ending December 31, 2017 is 50%. The General Fund expenditure to date is 44%. The Earmarked Fund expenditure to date is 34%. The budgeted operating revenues received is 71% and the budgeted Self-Insurance Tax funds received is 53%. The Earmarked Fund Balance has a net income/expenditures of \$1,321,375.

OLD BUSINESS

Telemedicine Advisory Committee. (Gary Cannon)

- During the updating of the Fee Schedule in 2017, a stakeholder recommended looking into Telemedicine for 2018. In August of 2017, the Commission approved for an ad hoc advisory committee to review the information.
- Upon review, Mr. Cannon discovered that:
 - The medical review board at LLR had taken action in 2016 and made a formal opinion on Telemedicine.
 - In 2017, the Legislature passed Act 210, the Telemedicine act.
 - The Act defined telemedicine and assigned requirements for physicians who provide telemedicine.
 - On a National level, the America Telemedicine Association currently has 28 states which have proposed legislation and 8 states which have passed legislation, dealing with access to telemedicine.
 - In 2017 CMS had 45 CPT codes that were related to telemedicine. In 2018, they are looking to add 5 more. (The Commission's Fee Schedule is CMS base.)
 - CMS is currently seeking comments on telemedicine and are continuing to analyze their research.

Due to this information, the continuing advances in technology and CMS' ongoing research, Mr. Cannon recommend that the Commission postpone appointing of the Telemedicine Advisory Committee until the Fee Schedule is updated this spring. He stated that over the year, as we get into the annual review next spring, we will have a better chance to review the information

from CMS, obtain input from our stakeholders, and have a better position to appoint an advisory committee.

Chairman Beck questioned if the Commission should postpone the issue or delete the issue with a right to renew. Mr. Cannon agreed to delete with the right to renew. There was discussion.

Commissioner Taylor moved to delete the Telemedicine Advisory Committee with the right to renew. Barden seconded the motion, and the motion was approved.

NEW BUSINESS

There was no new business.

ADJOURNMENT

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

The January 22, 2018, meeting of the South Carolina Workers' Compensation Commission adjourned at 11:05 a.m.

Reported January 22, 2018
Kim Falls
Office of the Executive Director

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| SCWCC Human Resources Monthly Report January 2018 |
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STAFFING

In January, the Commission had 53 FTEs and 1 part-time contract employee and 1 part-time temporary employee. Additionally, we had 2 part-time legal interns begin. We recruited for 2 vacant positions.

- **New Hires:** None
- **Separations:** None
- **Retirements:** None
- **Leaves:** One FMLA
- **Recruitment:**

Information Systems /Business Analyst III – We interviewed a total of 11 candidates. An offer was made in January and the individual decided to stay where she was. After a discussion with the vendor, we decided it was in our best interest to hold off on filling this position at this time. The position will be reposted at a later date.

Executive Assistant – This position was filled and the new employee started on February 2, 2018.

BENEFITS

- Performed 20 transactions related to benefits

EMPLOYEE RELATIONS

- The Social Committee coordinated an after-hours event at The Grand, a new bowling and grill place on Main Street.

MEETINGS

- I attended the SHRM monthly meeting and I attended the State’s Quarterly HR Advisory meeting in the month of January.

ADMINISTRATIVE

- Sent 15 “All Agency” emails out on various topics such as SCEIS, parking, benefits, office closures, and miscellaneous events.
- Performed 17 SCEIS time related transactions and 22 payroll related transactions.

FISCAL RESPONSIBILITIES

- Processed/approved 8 travel expense reports.

FACILITIES

- Notified CBRE of 4 new issues requiring 12 transactions.
- Responded to 4 parking related issues requiring 17 transactions.



Workers' Compensation Commission

To: Gary Cannon
SCWCC Executive Director
From: Sandee Sprang, IT Director
Date: February 14, 2018
Subject: IT Department January 2018 Full Commission Report

This report summarizes the activities and accomplishments of departmental projects and initiatives for the IT department during January 2018.

I. Systems Operations, Maintenance and Support

EDI

The IT department continues EDI training and documentation with Elaine McKnight. We continue supporting EDI trading partners to research and resolve EDI transaction data and image processing errors. We also continue our work with the IAIABC EDI Claims Workgroup, reviewing and recommending standards changes.

Reporting and Standardization

The IT team is working with DEW and IMS to better define the business and application processes for supporting compliance data. Additionally, Duane completed several ad hoc report requests.

Systems Support

The new wireless system has been deployed. While there have been several issues, most of these have been successfully resolved. We are now capable of providing secured wireless connectivity for agency staff and Internet access for guests.

OnBase

Liz and Kim continue to test OnBase version 17. Duane researched and corrected multiple Invoice, Payment and Deposit issues; he and Liz worked on resolving several templates issues related to different versions of Office. Kim worked with DTO to resolve Active Directory security issues as they relate to OnBase.

Desktop Support

Jason completed testing the Unified Communications and Simultaneous Ring functionality in our VoIP system and is rolling the new functionality out to staff who request it.

Security System

Jason continues to work with the security vendor to complete the configuration and design of the enhancements.

Contract Management

The Ontario leases for 2 copiers were cancelled.

II. Projects, Enhancements and Development

eCase

The eCase web portal upgrade is on hold awaiting security and access configuration changes at DTO.

Hardware Upgrades

The status of the hardware upgrade projects currently in process:

- The new Xerox copiers are scheduled to be installed in the next two weeks. We will now have color copying capability.
- We are working with OnBase and DTO to gather a list of compatible desktop scanners as we look to place a scanner on each AA's desk.

System Virtualization

Duane established the test environment for all virtual servers and based on the large number of performance issues, we are re-engaging DTO to build a new copy of our production data.

Microfilm Conversion

The 5th group of cartridges is completed, and the last group has been sent to Palmetto Microfilm. We will begin developing a test plan for importing the images into OnBase; the estimated completion date of the project is June 2018.

Legacy Modernization

We have begun the Legacy Modernization project and Intellectual Capital was the vendor chosen from the Small Application Development contract process. This will be a very extensive review of our agency as we look to design and prioritize the features in our new system. We are communicating with and involving our entire agency in this process.

Staffing

After an extensive interviewing process, we decided to postpone hiring the Business Analyst III position until early summer. The Legacy Modernization project will yield a clearer picture of the most beneficial skillset needed in this position.

Trainings and Meetings

Sandee attended the 2018-19 Privacy Day seminar sponsored by the Department of Administration. She is also now serving on the Agency Relationship Management Board (ARM). This is an advisory committee serving to provide guidance to the Department of Administration in their delivery of shared IT services to state agencies. Internally, we held several procurement meetings to refine our processes, ensure our compliance with the Code and improve our operational efficiencies.

Kim Falls is assisting with the training of Amy Proveaux and in that role, she made several website updates during the last month. She and Sandee also attended a meeting with SC.GOV to discuss the new system they are implementing.

Liz Schinke completed her Capella University Programming course with honors.

State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Wayne Ducote, Jr.
IMS Director

Date: 14-Feb-18

Subj: Insurance and Medical Services Department
January 2018 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 | <ol style="list-style-type: none">1. Reviewing revenue metrics / projections.2. Working with staff to review workflow processes and additional training opportunities. |
| Coverage Division | <ol style="list-style-type: none">1. Working with staff to review workflow processes and explore opportunities to enhance service provision.2. Lapse in Coverage: 57 new registrants; 0 notifications sent. |
| Medical Services | <ol style="list-style-type: none">1. Working with Medical Bill Reviewers on certification renewals.2. Working with Optum to update Medical Services Provider Manual for Spring 2018. |

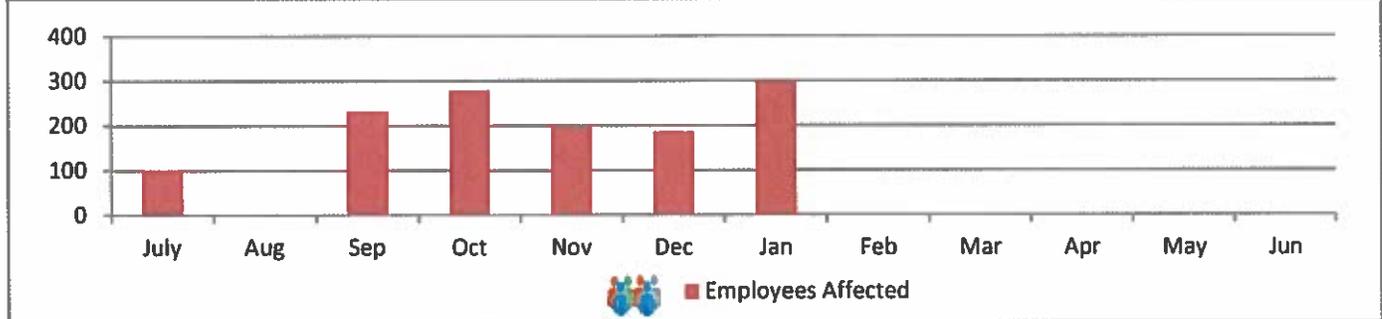
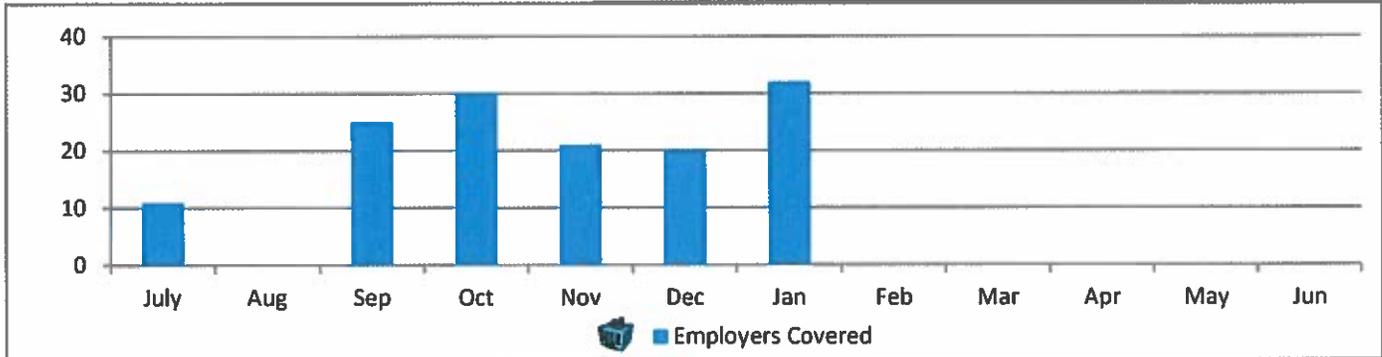
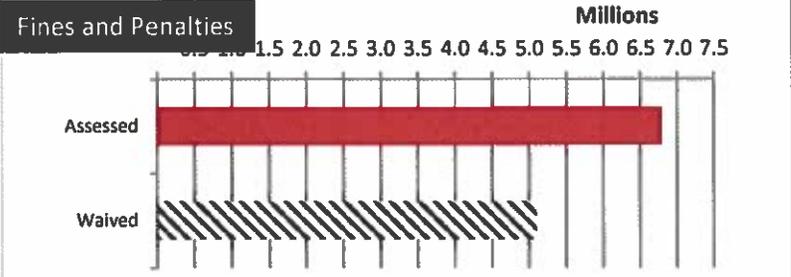
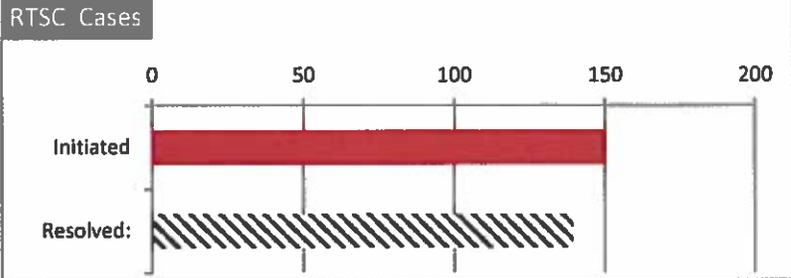
While this summary is in no way all-inclusive, it may serve to assist you and our Commissioners in understanding the key initiatives underway in the IMS Department and provide measures by which the Department's effectiveness can be gauged. IMS welcomes any guidance that you and/or our Commissioners can 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 139 employers in South Carolina to come into compliance with the Act. In so doing, approximately 1,293 previously uninsured workers are now properly covered.

Penalties Waived

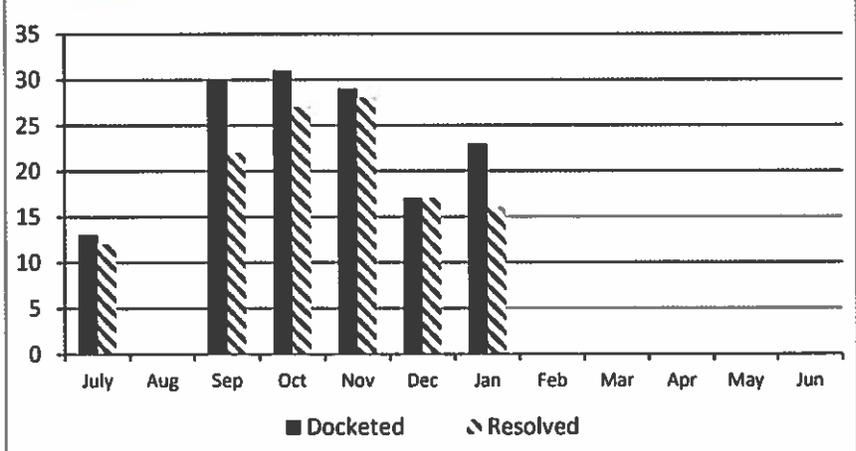
Although the Division has assessed \$6.8 m in fines, 75% of those fines (\$5.1 m) have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.



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 January 2018, 23 carrier RTSC cases were docketed; 16 cases were resolved and \$11,589 was recovered. ****Note: Due to inclement weather, no RTSC hearings were held in the month of January.**

Year to date, 143 carrier RTSC cases have been docketed, 122 cases have resolved and \$63,606 has been recovered.



Carryover Caseload:

The Compliance Division closed January 2018 with 428 cases active, compared to an active caseload of 159 at the close of January 2017.

Cases Resolved:

For the month of January 2018, Compliance Division staff closed-out 221 cases.

Compliance Fines:

In January 2018, the Compliance Division collected \$135,820 in fines and penalties. Year to Date, the Compliance Division has collected \$813,154 in fines.

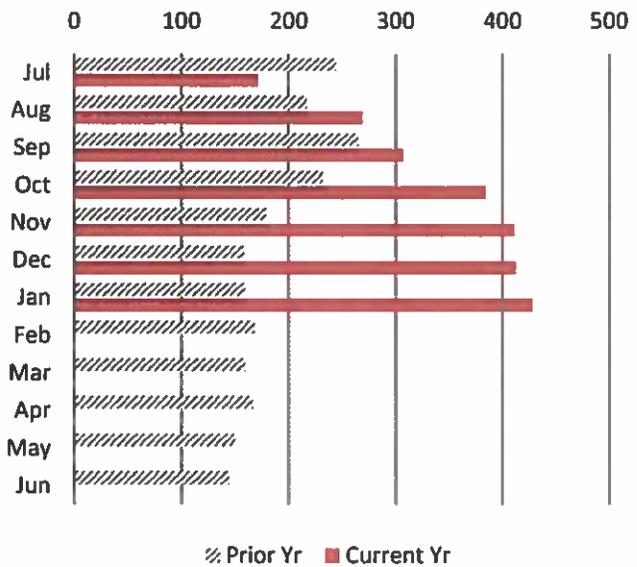
Year to Date vs Prior Year Total (\$382,199): 213%

January 2018 vs. January 2017: 721%

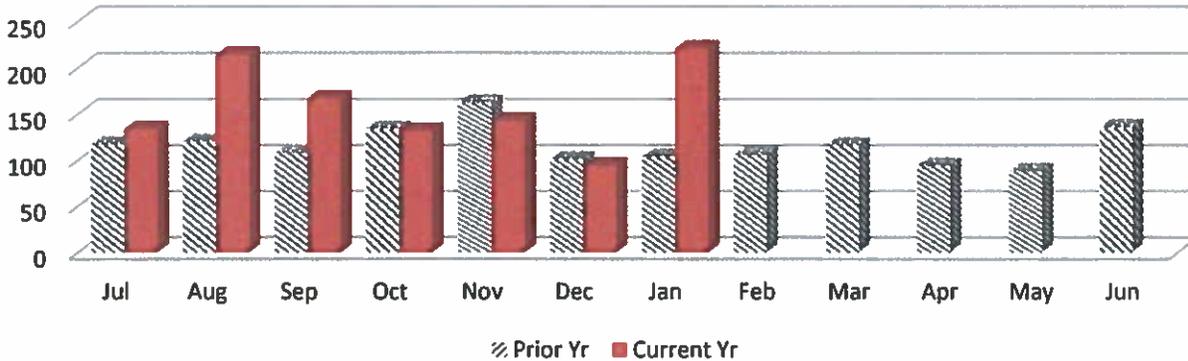
Current Year End trend is 365% of 2016-2017

YTD 2017-18 (July - January) vs YTD 2016-2017: 348%

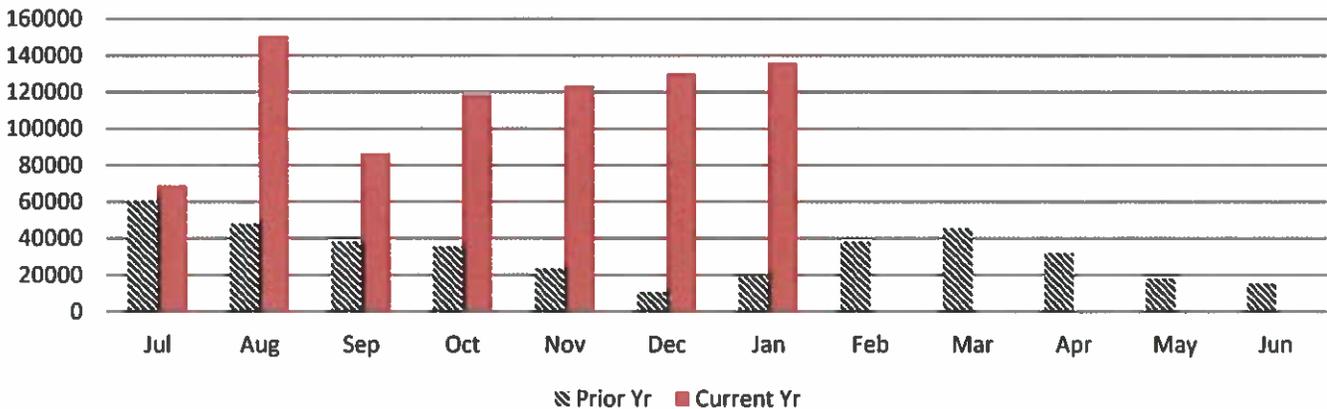
Caseload Pending v. Prior Year



Cases Resolved v. Prior Year

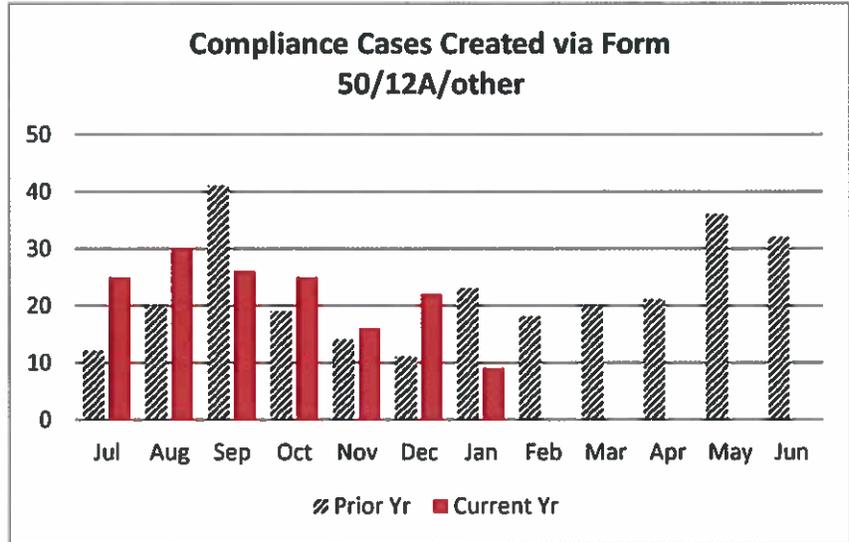


Compliance Fines Collected v. Prior Year



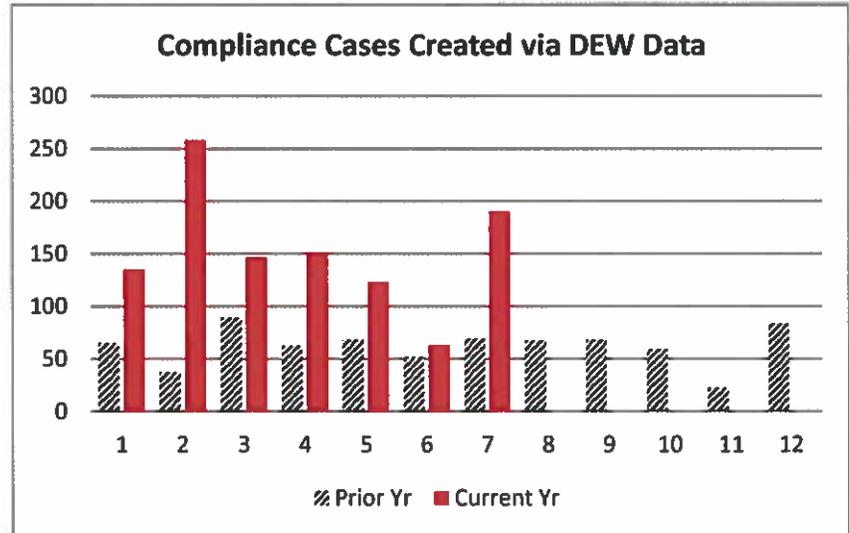
In January 2018, 9 compliance files were created from the combined filings of Form 50's, 12A's, and stakeholder reporting involving uninsured employers.

YTD vs. Prior Year total (267): 57%
 Jan 2018 to Jan 2017: 39%
 Current Yr End trend: 98% of 2016-2017
 YTD 2017-2018 v. YTD 2016-2017: 109%



In January 2018, 190 compliance files were created from the DEW data process.

YTD vs. Prior Year total (741): 144%
 Jan 2018 to Jan 2017: 275%
 Current Yr End trend: 247% of 2016-2017
 YTD 2017-2018 v. YTD 2016-2017: 241%

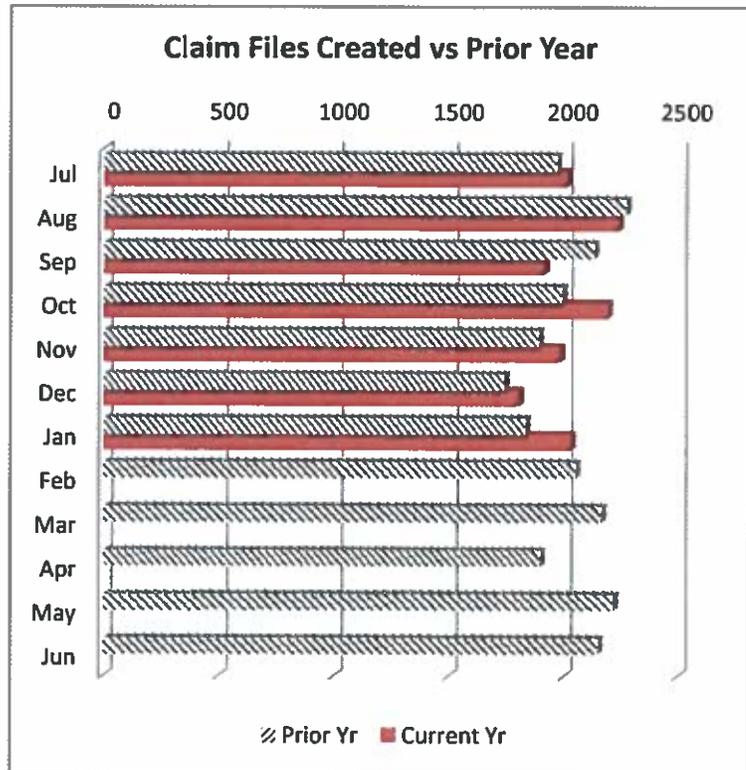


WCC Claim Files:

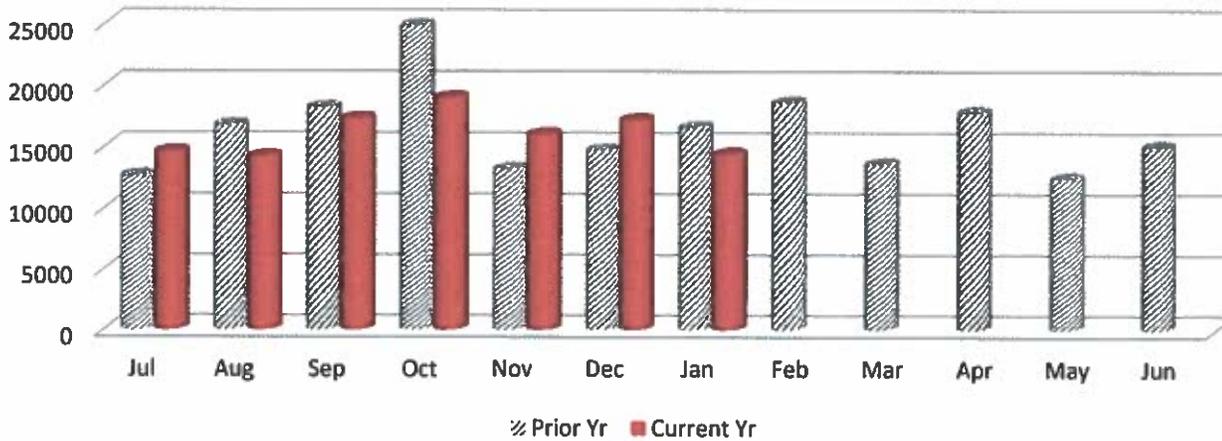
In January 2018, the Coverage Division received a total of 2,035 WCC Claim files. Of these, 1,709 were created through proper carrier filing of a 12A, and 326 were generated as a result of a Form 50 claim filing. Year to Date 14,193 Claim files have been created which is 58% of claim file volume prior year (24,350).

Coverage Fines:

The Coverage Division collected \$14,400 in fine revenue in January 2018, as compared to \$16,600 in Coverage fines/penalties accrued during January 2017. Year on Year, Coverage fines are at 58% of collections for prior year.



Coverage Fines Collected v Prior Year



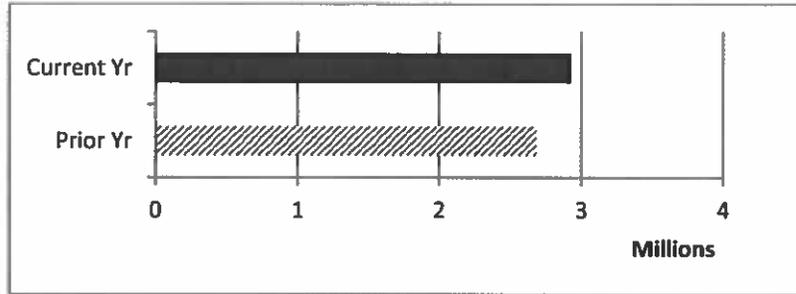
IMS SELF INSURANCE DIVISION

Jan 2018

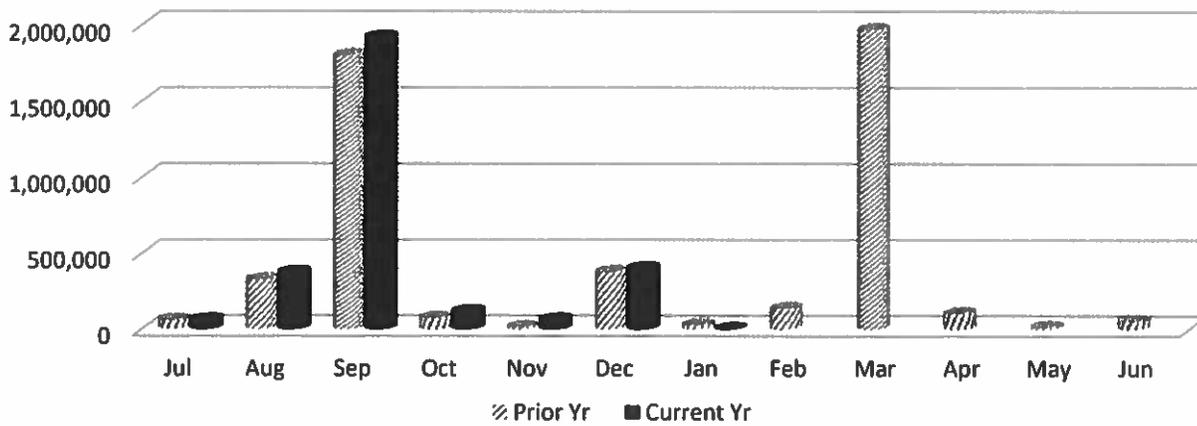
During the month of January 2018, the Self Insurance Division:

- * collected \$466 in self-insurance tax.
- * added 16 new self-insurers.
- * conducted 3 Self Insurance audits.

Year to Date, Self Insurance tax revenue is trending at 109% of prior year and 23 Self Insurance audits have been completed.



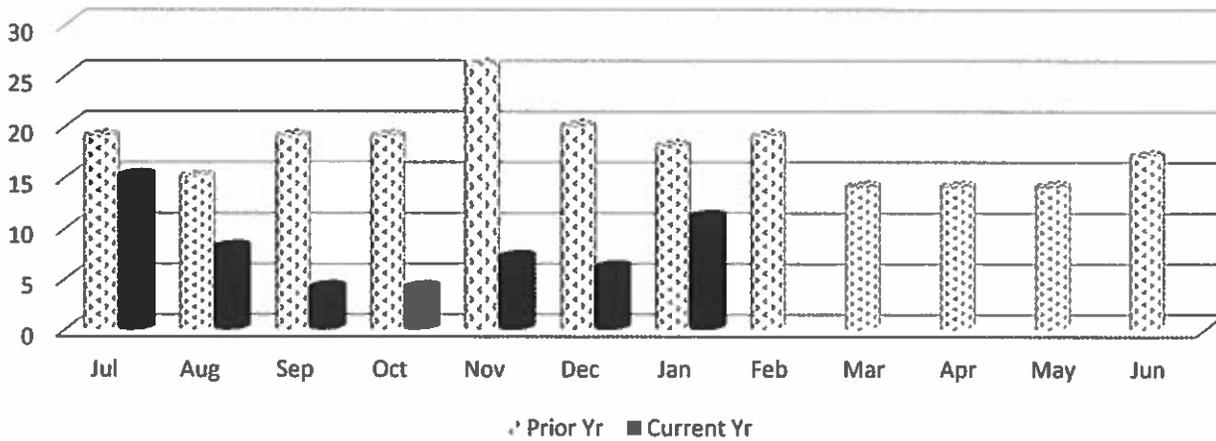
Self Insurance Tax Collections v. Prior Year



IMS MEDICAL SERVICES DIVISION

In January 2018, the Medical Services Division began the month with 6 bills pending review, received an additional 15 bills for review, conducted 10 bill reviews and ended the month with 11 bills pending.

Medical Bills Pending Review v. Prior Year



State of South Carolina

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Workers' Compensation Commission

MEMORANDUM

To: Gary Cannon, Executive Director
From: Sonji Spann, Claims Director
Date: February 12, 2018
Re: Claims Department – February 2018 Full Commission Report

Attached is Claims Department activity for the period ending January 31, 2018. The format of the Claims Department report highlights the key workflow benchmarks and compare to same month last fiscal year.

During the month of January, Claims processed 16,294 items. This reflects a 17% increase in the number of items compared to the previous month. This includes 2,386 closed files and reviewed 3,850 files. When compared to the previous month, the number of Claims closed increased 243 and the number cases reviewed increased by 1,012. When compared to the same period in FY 16/17, the department closed 82 more cases and reviewed 1,106 less cases.

In our efforts to reduce the number of carriers' open files, we reviewed 499 open files of 26 carriers. This resulted in 59 cases being closed, assessing fines on 6 cases, and made no requests for additional information.

The Claims Department collected \$47,600 in fine revenue, a decrease of \$7,050 compared to the previous month. When compared to the same period in FY 16/17, the department collected \$37,600 in fine revenue, an increase of \$10,000 or 21%.

The Claims Department assessed 339 fines, an increase of 32 compared to the previous month. Two-hundred fifty-five of the number of fines assessed were for the Form 18, an increase of 13 compared to the previous month. When compared to the same period in FY 16/17, the department assessed 212 fines of which 209 were for the Form 18.

The Claims Department encourages the stakeholders to submit the forms electronically and/or by email. During the month of January, the department received 1,476 Form 18s via SROI/EDI, 2,132 via email, and 730 via USPS. When compared to the same period in FY 16/17, the number of Form 18s submitted via SROI/EDI increased 1077, or 27%; the number of Form 18s submitted via email increased 2,004, or 6%, and the number of Form 18s mailed via USPS decreased 1,319, or 45%.

The Claims Department received 754 Form 61s and approved 781. When compared to the same period in FY 16/17, the department received 931 Form 61s, a decrease of 177, and approved 822, a decrease of 41. The department received 12 Third Party Settlements and approved 2. Compared to the same period in FY 16/17, the department received 34 Third Party Settlements and approved 27.

| CLAIMS DEPARTMENT REPORT | | | | | | | | | | | | | |
|--|----------|----------|----------|-----------|----------|----------|----------|-----|-------|-------|-----|------|-----------|
| STATISTICS FOR FISCAL YEAR 2017-2018 | | | | | | | | | | | | | |
| February 14, 2018 | | | | | | | | | | | | | |
| | July | August | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June | Total |
| II. Total Fines Assessed by Claims Department | | | | | | | | | | | | | |
| # Assessed | 239 | 222 | 259 | 547 | 325 | 307 | 339 | | | | | | 2,238 |
| # Rescinded | 13 | 19 | 22 | 46 | 99 | 50 | 121 | | | | | | 370 |
| # Reduced | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | 0 |
| # Paid | 176 | 189 | 155 | 280 | 324 | 274 | 238 | | | | | | 1,636 |
| # Outstanding* | 176 | 314 | 375 | 582 | 477 | 446 | 396 | | | | | | 2,766 |
| Total Amt. Assessed | \$47,800 | \$44,400 | \$51,050 | \$109,100 | \$64,700 | \$61,400 | \$67,500 | | | | | | \$445,950 |
| Total Amt. Rescinded | \$2,600 | \$3,800 | \$4,250 | \$9,050 | \$19,650 | \$9,850 | \$24,200 | | | | | | \$73,400 |
| Total Amt. Reduced | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | | | \$0 |
| Net Assessed | | | 46,800 | 100,050 | 45,050 | 51,550 | 43,300 | 0 | 0 | 0 | 0 | 0 | \$286,750 |
| Total Amt. Paid | \$35,400 | \$37,800 | \$30,850 | \$55,700 | \$64,800 | \$54,650 | \$47,600 | | | | | | \$326,800 |
| Total Outstanding* | \$35,200 | \$62,800 | \$74,700 | \$116,100 | \$94,950 | \$89,050 | \$78,750 | | | | | | |

| CLAIMS DEPARTMENT REPORT | | | | | | | | | | | | | |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|-----|-------|-------|-----|------|------------|
| STATISTICS FOR FISCAL YEAR 2017-2018 | | | | | | | | | | | | | |
| February 14, 2018 | | | | | | | | | | | | | |
| Fines per Form | July | August | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June | Total |
| Assessed Form 15I | 3 | 2 | 6 | 19 | 15 | 12 | 17 | | | | | | 74 |
| Assessed Form 15II | 4 | 2 | 2 | 12 | 14 | 6 | 6 | | | | | | 46 |
| Assessed Form 15S | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | 0 |
| Assessed Form 17 | 0 | 2 | 10 | 18 | 13 | 8 | 12 | | | | | | 63 |
| Assessed Form 18 | 230 | 212 | 211 | 429 | 220 | 242 | 255 | | | | | | 1799 |
| Assessed Form 19 | 0 | 0 | 5 | 2 | 2 | 2 | 3 | | | | | | 12 |
| Assessed Denial Letter | 2 | 0 | 2 | 2 | 4 | 3 | 3 | | | | | | 15 |
| Assessed Requests | 0 | 4 | 23 | 65 | 57 | 37 | 43 | | | | | | 229 |
| Paid Form 15I | \$1,200 | \$800 | \$600 | \$1,000 | \$2,200 | 2400 | \$2,000 | | | | | | \$ 10,200 |
| Paid Form 15II | \$600 | \$1,000 | \$200 | \$400 | \$1,800 | \$800 | \$1,200 | | | | | | \$ 6,000 |
| Paid Form 15S | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | | | | | \$ - |
| Paid Form 17 | \$400 | \$400 | \$400 | \$1,400 | \$1,800 | \$2,600 | \$1,000 | | | | | | \$ 8,000 |
| Paid Form 18 | \$26,800 | \$34,600 | \$28,800 | \$48,600 | \$51,200 | \$42,200 | \$38,600 | | | | | | \$ 270,800 |
| Paid Form 19 | \$0 | \$0 | \$50 | \$100 | \$0 | \$50 | \$0.00 | | | | | | \$ - |
| Paid Denial Letter | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | \$400 | | | | | | \$ 2,800 |
| Paid Request | \$600 | \$600 | \$400 | \$3,800 | \$7,400 | 6200 | \$4,400 | | | | | | \$ 23,400 |

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Workers' Compensation Commission

February 13, 2018

To: Gary M. Cannon
Executive Director

From: Amy A. Bracy
Judicial Director

RE: **Monthly Judicial Report for January 2018**

During the month of January, the Judicial Department processed eight hundred twenty-one (821) requests for hearings, one hundred sixty-seven (167) Motions and one hundred seventeen (117) clincher conference requests that were sent to the Jurisdictional Commissioners.

There were seventy-five (75) Single Commissioner Hearings conducted during the past month, twenty-nine (29) pre-hearing conferences held and fifteen (15) Full Commission hearings held. A total of six hundred thirteen (613) Orders were served at the single Commissioner level, sixty-one (61) of those were Decision and Orders that resulted from hearings that went on the record and one hundred forty-seven (147) were Motion Orders that were a result of Motions ruled upon by Commissioners.

The Informal Conference system conducted one hundred ninety-four (194) hearings during the last month.

There were forty-nine (49) regulatory mediations scheduled and thirty-five (35) requested mediations. The Judicial Department was notified of thirty-two (32) matters resolved in mediation, with the receipt of Forms 70.

Judicial Department Statistical Report
 Statistics For Fiscal Year 2017-2018

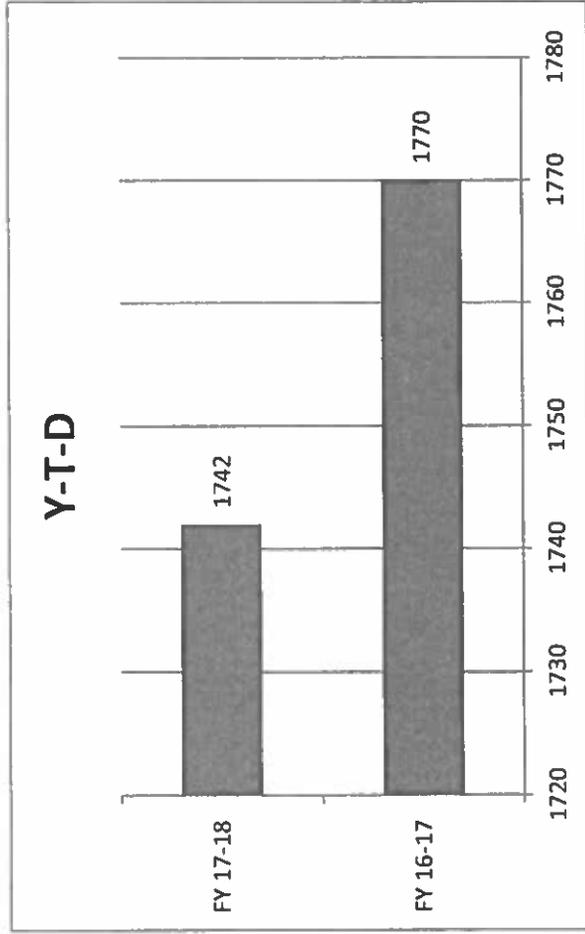
| | July | August | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June | Totals YTD 2017-2018 | Totals YTD 2016-2017 | YTD Diff + (-) | FY17-18 Mth Avg | FY16-17 Mth Avg |
|------------------------------------|------|--------|------|-----|-----|-----|-----|-----|-------|-------|-----|------|----------------------------|----------------------------|-------------------|--------------------|--------------------|
| Claimant Pleadings | 536 | 653 | 570 | 636 | 526 | 454 | 530 | | | | | | 3,905 | 4,074 | (169) | 558 | 582 |
| Defense Response to Pleadings | 450 | 499 | 492 | 450 | 482 | 487 | 438 | | | | | | 3,298 | 3,459 | (161) | 471 | 494 |
| Defense Pleadings | 316 | 320 | 256 | 315 | 288 | 255 | 291 | | | | | | 2,041 | 2,078 | (37) | 292 | 297 |
| Motions | 114 | 108 | 121 | 140 | 108 | 137 | 167 | | | | | | 895 | 802 | 93 | 128 | 115 |
| Form 30 | 22 | 14 | 24 | 15 | 23 | 17 | 22 | | | | | | 137 | 122 | 15 | 20 | 17 |
| FC Hearings Held | 16 | 11 | 18 | 10 | 15 | 9 | 15 | | | | | | 94 | 79 | 15 | 13 | 11 |
| FC Orders Served | 11 | 12 | 20 | 14 | 16 | 18 | 12 | | | | | | 103 | 107 | (4) | 15 | 15 |
| Single Comm. Hearings Held | 57 | 69 | 73 | 90 | 56 | 94 | 75 | | | | | | 514 | 508 | 6 | 73 | 73 |
| Single Comm. Orders Served | 198 | 191 | 199 | 231 | 181 | 195 | 231 | | | | | | 1,426 | 1,253 | 173 | 204 | 179 |
| Single Comm. Pre-Hearing Conf Held | 13 | 28 | 16 | 45 | 25 | 36 | 29 | | | | | | 192 | 186 | 6 | 27 | 27 |
| Consent Orders | 235 | 276 | 270 | 255 | 265 | 230 | 357 | | | | | | 1,888 | 1,940 | (52) | 270 | 277 |
| Administrative Orders | 16 | 23 | 18 | 14 | 16 | 21 | 25 | | | | | | 133 | 181 | (48) | 19 | 26 |
| Clincher Conference Requested | 161 | 149 | 132 | 141 | 137 | 130 | 117 | | | | | | 967 | 889 | 78 | 138 | 127 |
| Informal Conference Requested | 334 | 472 | 418 | 391 | 322 | 288 | 405 | | | | | | 2,630 | 2,721 | (91) | 376 | 389 |
| Informal Conference Conducted | 243 | 236 | 325 | 286 | 164 | 294 | 194 | | | | | | 1,742 | 1,770 | (28) | 259 | 253 |
| Regulatory Mediations | 49 | 62 | 44 | 73 | 47 | 48 | 49 | | | | | | 372 | 471 | (99) | 53 | 67 |
| Requested Mediations | 50 | 40 | 38 | 39 | 41 | 37 | 35 | | | | | | 280 | 182 | 98 | 40 | 26 |
| Ordered Mediations | 1 | 2 | 0 | 0 | 0 | 2 | 2 | | | | | | 7 | 7 | 0 | 1 | 1 |
| Mediation Resolved | 47 | 56 | 46 | 57 | 37 | 58 | 32 | | | | | | 333 | 358 | (25) | 48 | 51 |
| Mediation Impasse | 16 | 18 | 21 | 31 | 15 | 25 | 26 | | | | | | 152 | 115 | 37 | 22 | 16 |
| Mediation Held; Issues Pending | 0 | 0 | 0 | 1 | 0 | 1 | 0 | | | | | | 2 | 7 | (5) | 0 | 1 |
| Claim Settled Prior to Mediation | 13 | 14 | 14 | 12 | 9 | 16 | 17 | | | | | | 95 | 120 | (25) | 14 | 17 |
| Mediation Not Complete in 60 days | 11 | 9 | 4 | 1 | 2 | 6 | 8 | | | | | | 41 | 52 | (11) | 6 | 7 |

Informal Conf. Conducted

FY 16-17 FY 17-18

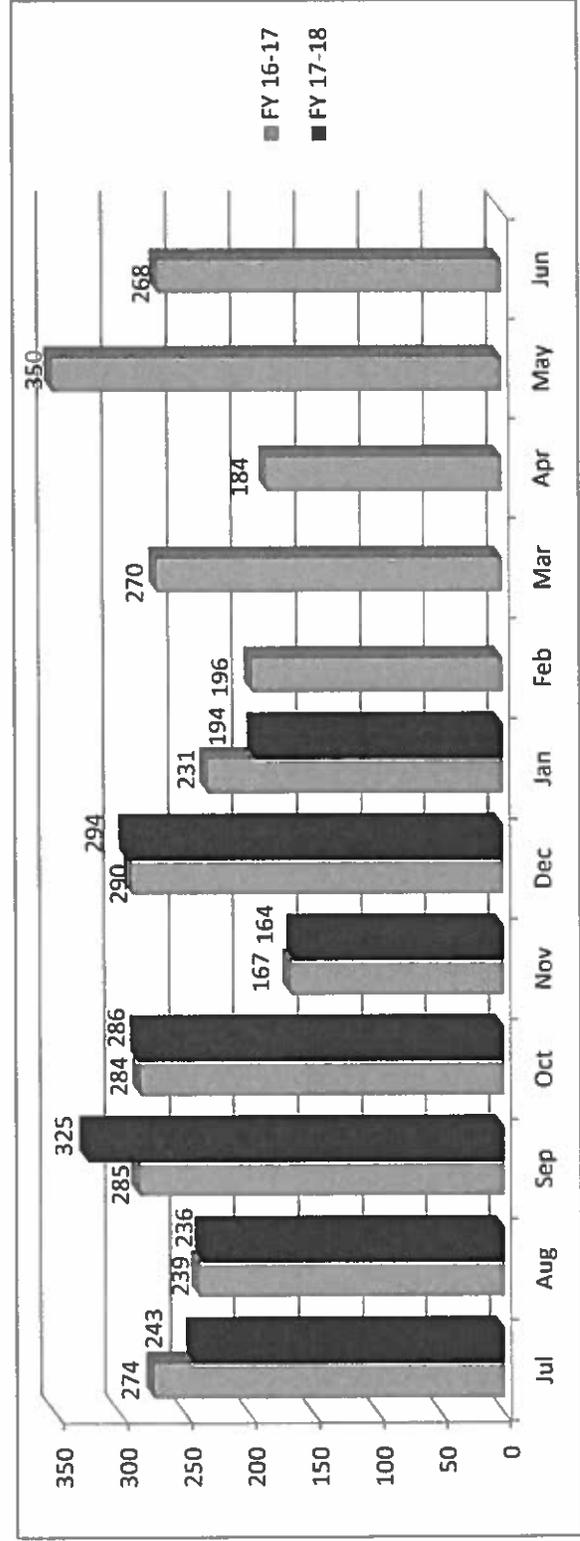
| | | |
|--------------|-------------|-------------|
| Jul | 274 | 243 |
| Aug | 239 | 236 |
| Sep | 285 | 325 |
| Oct | 284 | 286 |
| Nov | 167 | 164 |
| Dec | 290 | 294 |
| Jan | 231 | 194 |
| Feb | 196 | |
| Mar | 270 | |
| Apr | 184 | |
| May | 350 | |
| Jun | 268 | |
| Total | 3038 | 1742 |

Y-T-D



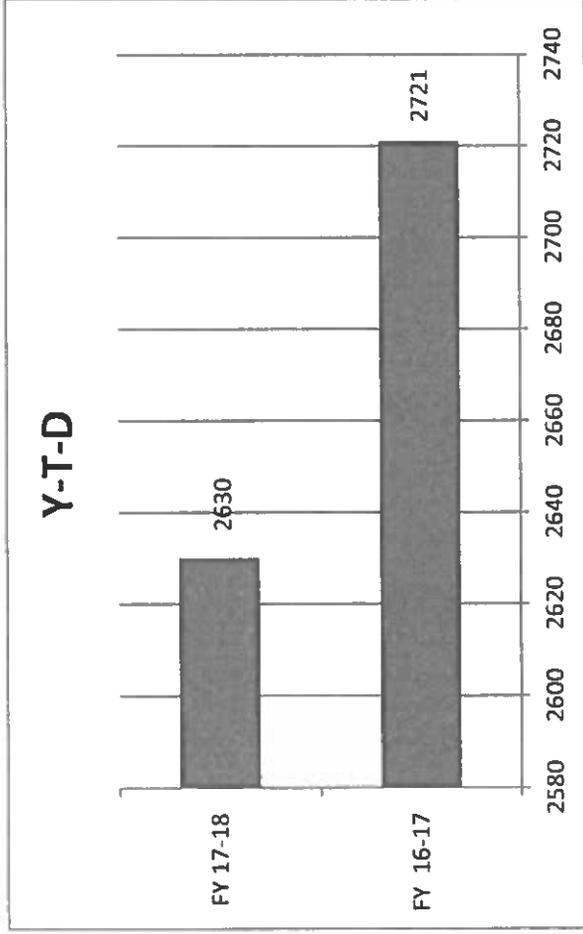
FY 16-17 FY 17-18

Y-T-D 1770 1742

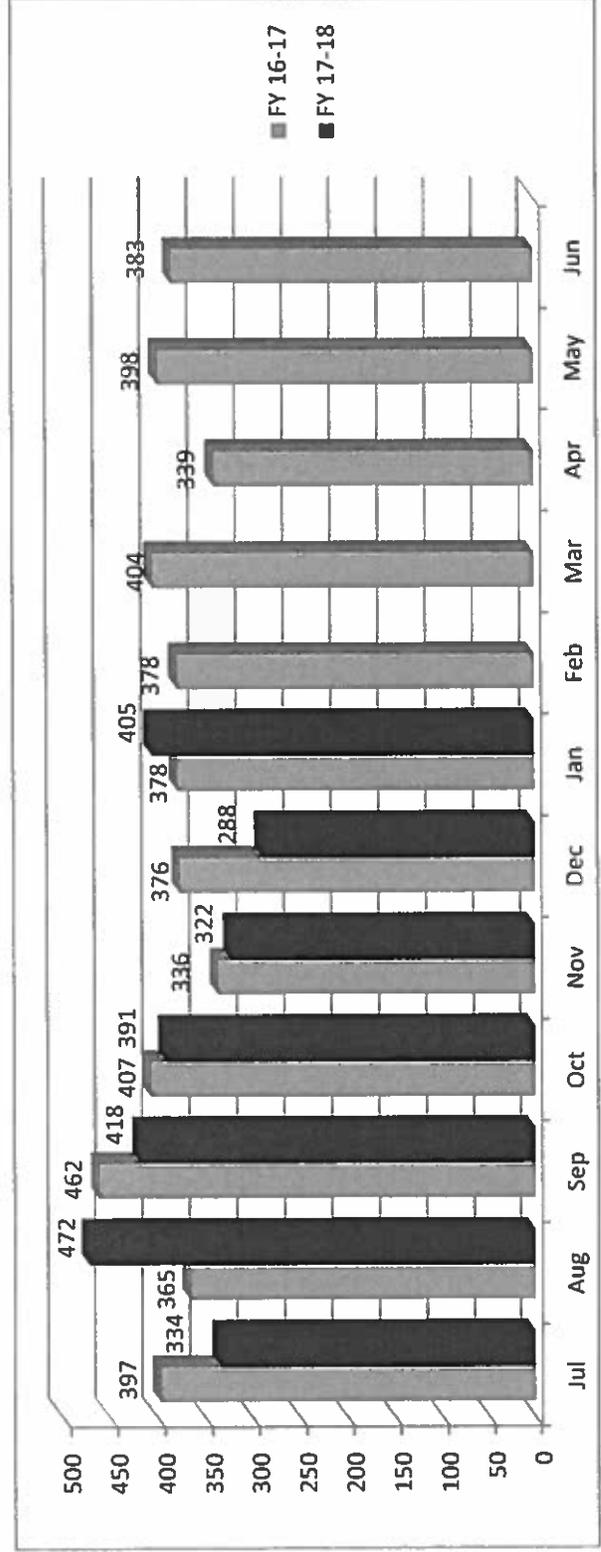


Informal Conf. Requested

| | FY 16-17 | FY 17-18 |
|--------------|-------------|-------------|
| Jul | 397 | 334 |
| Aug | 365 | 472 |
| Sep | 462 | 418 |
| Oct | 407 | 391 |
| Nov | 336 | 322 |
| Dec | 376 | 288 |
| Jan | 378 | 405 |
| Feb | 378 | |
| Mar | 404 | |
| Apr | 339 | |
| May | 398 | |
| Jun | 383 | |
| Total | 4623 | 2630 |



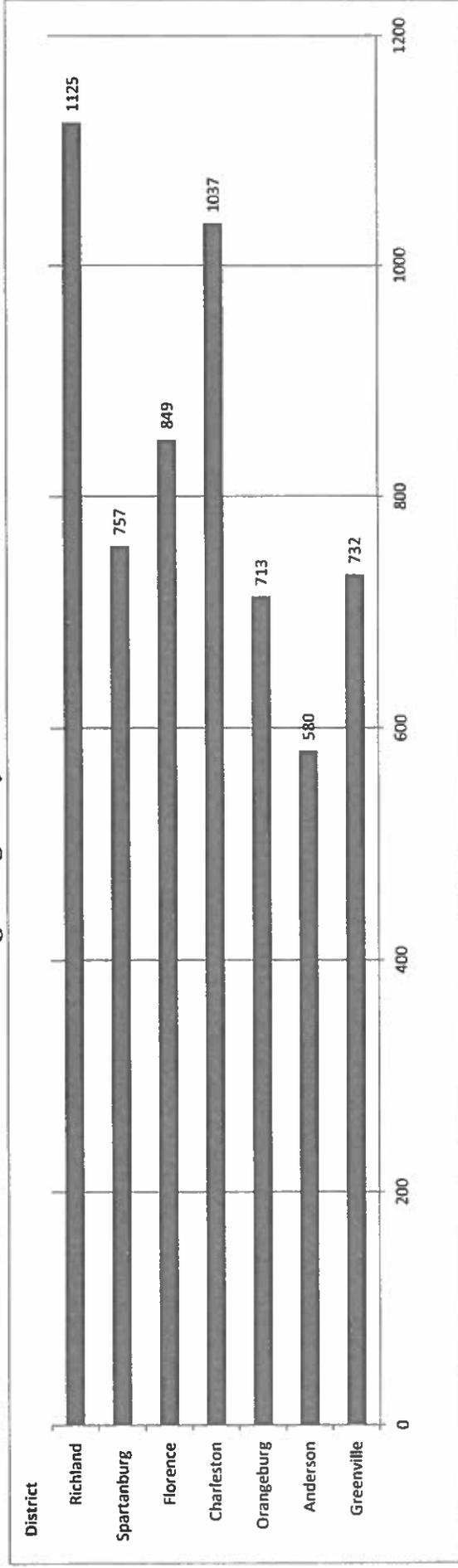
Y-T-D
 FY 16-17 2721
 FY 17-18 2630



Pleadings Assigned - Three Year Comparison by Month

| | District 1 Greenville | | | District 2 Anderson | | | District 3 Orangeburg | | | District 4 Charleston | | | District 5 Florence | | | District 6 Spartanburg | | | District 7 Richland | | |
|---------------|--------------------------|-------------|-------------|------------------------|-------------|-------------|--------------------------|-------------|-------------|--------------------------|-------------|-------------|------------------------|-------------|------------|---------------------------|-------------|-------------|------------------------|-------------|-------------|
| | 17-18 | 16-17 | 15-16 | 17-18 | 16-17 | 15-16 | 17-18 | 16-17 | 15-16 | 17-18 | 16-17 | 15-16 | 17-18 | 16-17 | 15-16 | 17-18 | 16-17 | 15-16 | 17-18 | 16-17 | 15-16 |
| Jul | 97 | 98 | 107 | 79 | 82 | 90 | 104 | 108 | 118 | 127 | 158 | 181 | 144 | 131 | 144 | 107 | 92 | 130 | 139 | 149 | 166 |
| Aug | 113 | 92 | 110 | 97 | 97 | 76 | 120 | 93 | 109 | 172 | 176 | 171 | 164 | 164 | 122 | 107 | 115 | 122 | 159 | 157 | 138 |
| Sep | 100 | 144 | 102 | 100 | 92 | 88 | 110 | 121 | 132 | 156 | 183 | 198 | 140 | 140 | 103 | 142 | 110 | 164 | 164 | 141 | 167 |
| Oct | 97 | 104 | 106 | 68 | 74 | 101 | 86 | 93 | 119 | 135 | 172 | 172 | 115 | 171 | 113 | 119 | 96 | 177 | 142 | 142 | 170 |
| Nov | 116 | 92 | 72 | 83 | 98 | 62 | 92 | 89 | 88 | 159 | 169 | 145 | 131 | 131 | 133 | 120 | 114 | 81 | 148 | 164 | 129 |
| Dec | 122 | 90 | 101 | 81 | 86 | 105 | 113 | 72 | 103 | 150 | 135 | 160 | 100 | 100 | 148 | 113 | 85 | 99 | 172 | 129 | 162 |
| Jan | 87 | 93 | 75 | 72 | 92 | 84 | 88 | 97 | 113 | 138 | 184 | 113 | 157 | 110 | 94 | 119 | 97 | 166 | 160 | 158 | 158 |
| Feb | | 96 | 90 | | 74 | 88 | | 76 | 84 | | 142 | 125 | 117 | 129 | 85 | 144 | | | | 136 | 117 |
| Mar | | 91 | 122 | | 108 | 124 | | 124 | 134 | | 188 | 214 | 150 | 140 | 122 | 117 | | | | 175 | 174 |
| Apr | | 111 | 100 | | 80 | 92 | | 94 | 93 | | 142 | 154 | 156 | 129 | 103 | 90 | | | | 146 | 138 |
| May | | 125 | 106 | | 101 | 103 | | 121 | 116 | | 188 | 186 | 148 | 146 | 122 | 111 | | | | 167 | 150 |
| Jun | | 134 | 120 | | 120 | 75 | | 142 | 110 | | 183 | 141 | 154 | 151 | 125 | 114 | | | | 169 | 150 |
| Totals | 732 | 1270 | 1211 | 580 | 1104 | 1088 | 713 | 1230 | 1319 | 1037 | 2020 | 1960 | 1663 | 1677 | 757 | 1343 | 1311 | 1125 | 1835 | 1835 | 1819 |

Pleadings Assigned by District Year to Date



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Workers' Compensation Commission

Executive Director's Report
Gary M. Cannon

February 20, 2018

Commission Regulations Document No. 4735

The update to the Commission's Regulations will be adopted on February 23, 2018 upon publication in the State Register. Staff is planning a workshop for stakeholders in April to review the changes.

Meetings/Activities

The Executive Director participated in the following meetings/activities:

- January 23- Met with representative of CBRE concerning issues related to parking and the security system.
- January 24 – Met with a constable to discuss use of constables for security.
- January 29 – Met with representatives of the Guaranty Fund to discuss LPTs.
- January 30 – Met with representatives from the Department of Administration to discuss purchasing requirements.
- January 30 - Presented FY18-19 Budget to the House Ways and Means Transportation and Regulatory Subcommittee
- February 1 – Attended Senate Judiciary Subcommittee Hearing for confirmation of appointments of Commissioner Beck, Commissioner Campbell and Commissioner McCaskill.
- February 2 – Met with IMS staff to discuss Coverage and Compliance communication outreach efforts.
- February 2 – Met with staff concerning purchase orders and procurement policies.
- February 6 – Attended Senate Judiciary Committee Confirmation Hearing Chairman Beck, Commissioner Campbell and Commissioner McCaskill.
- February 7 - Met with staff concerning procurement request form.
- February 12 – Met with representatives of SC.GOV concerning payment processing and WCC new website.
- February 12 – Met with IMS staff for an update for the fee schedule.
- February 13 – Participated in a conference call with consultants to discuss status of medical fee schedule update.

- February 14 – Met with staff concerning the lease agreement for desk top and laptop computers.

Constituent /Public Information Services

For the period January 18, 2018 through February 13, 2018, the Executive Director's Office and the General Counsel's office had 166 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. Please note the number is less than the average because of the transition in staffing in the Executive Director's office.

Financial Transactions Activity

The Executive Director's office has assumed the direct responsibility for budget, financial and purchasing transactions. Even though the Commission has a Memorandum of Understanding with the Department of Administration for assistance with procurement services and accounting and budgetary support, the following activities occurred in the Executive Director's office for the period January 18, 2018 through February 14, 2018: approved and processed 11 travel expense reimbursement payment related activities, 48 invoices, and 14 deposits. Procurement and purchasing activities included the entries of 1 goods received.

SCWCC Stakeholder Electronic Distribution List

For the period January 18, 2018 through February 14, 2018, we added seventeen (17) individuals to the distribution list. A total of 730 individuals currently receive notifications from the Commission.

SC Vocational Rehabilitation Department (SCVRD)

SCVRD reported 5 referrals in January in Richland, Oconee and Berkeley counties. The total referrals year-to-date is 47. A copy of the report is attached. In an effort to increase the number of referrals SCVRD will assign a counselor to work at the Commission a set number of hours weekly. We are in the process of allocating office space to accommodate this employee.

**SC Vocational Rehabilitation Dept
Workers' Comp Referrals SFY 2018**

| COUNTY | July | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | Cnty Total |
|-----------------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------------|
| Abbeville | | 1 | | | | | | | | | | | 1 |
| Aiken | | | | 1 | 1 | | | | | | | | 2 |
| Allendale | | | | | | | | | | | | | 0 |
| Anderson | 1 | | | | | | | | | | | | 1 |
| Bamberg | | | | | | | | | | | | | 0 |
| Barnwell | | 1 | | | | | | | | | | | 1 |
| Beaufort | | | | | | | | | | | | | 0 |
| Berkeley | 1 | | | | 2 | | 2 | | | | | | 5 |
| Calhoun | | | | | | | | | | | | | 0 |
| Charleston | | | 1 | | | | | | | | | | 1 |
| Cherokee | | | | | | | | | | | | | 0 |
| Chester | | 1 | | | | | | | | | | | 1 |
| Chesterfield | | | | | | | | | | | | | 0 |
| Clarendon | | | | | | | | | | | | | 0 |
| Colleton | | | | | | | | | | | | | 0 |
| Darlington | | | | | | | | | | | | | 0 |
| Dillon | | | | | | | | | | | | | 0 |
| Dorchester | | | | | 1 | | | | | | | | 1 |
| Edgefield | | | | | | | | | | | | | 0 |
| Fairfield | | | | | | | | | | | | | 0 |
| Florence | | 2 | | | | | | | | | | | 2 |
| Georgetown | | | | | | | | | | | | | 0 |
| Greenville | 1 | | | 1 | 3 | | | | | | | | 5 |
| Greenwood | | | | | | | | | | | | | 0 |
| Hampton | | | | | | | | | | | | | 0 |
| Horry | | 1 | | 1 | | | | | | | | | 2 |
| Jasper | | | | | | | | | | | | | 0 |
| Kershaw | | | | 1 | | | | | | | | | 1 |
| Lancaster | | | | | | | | | | | | | 0 |
| Laurens | | | | | | | | | | | | | 0 |
| Lee | | | | | | | | | | | | | 0 |
| Lexington | 1 | | | 1 | 2 | 2 | | | | | | | 6 |
| Marion | | | | | | | | | | | | | 0 |
| Marlboro | | | | 1 | | | | | | | | | 1 |
| McCormick | | | | | | | | | | | | | 0 |
| Newberry | | | | | | | | | | | | | 0 |
| Oconee | | 1 | | | 1 | | 1 | | | | | | 3 |
| Orangeburg | 1 | | | | | | | | | | | | 1 |
| Pickens | | | | | | | | | | | | | 0 |
| Richland | 1 | 1 | | | | 1 | 2 | | | | | | 5 |
| Saluda | | | | | | | | | | | | | 0 |
| Spartanburg | | | 4 | 1 | 1 | 1 | | | | | | | 7 |
| Sumter | | 1 | | | | | | | | | | | 1 |
| Union | | | | | | | | | | | | | 0 |
| Williamsburg | | | | | | | | | | | | | 0 |
| York | | | | | | | | | | | | | 0 |
| SFY 2018 Totals | 6 | 9 | 5 | 7 | 11 | 4 | 5 | 0 | 0 | 0 | 0 | 0 | 47 |

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Workers' Compensation Commission

MEMORANDUM

TO: COMMISSIONERS

FROM: Gary Cannon
Executive Director

DATE: February 20, 2018

RE: FINANCIAL REPORT - Period ending January 31, 2018

Attached is the Budget vs. Actual Report for the General Fund and Earmarked Fund for the one month period ending January 31, 2018. The benchmark for this period is 58%.

The expenditures are on pages 1-9 of the "Budget vs. Actual Report FY 2018 as of 1/31/2018.

The General Fund expenditure line items (10010000) are on pages 1-2. Total expenditure is \$1,081,146 or 52% of budget.

The Earmarked Fund expenditure line items (38440000) are on pages 3-9. The total expenditure for the Earmarked Fund expenditures \$ 2,932,908 or 40% of budget.

The report named Commitments (page 1 of 1) is located behind the Budget vs. Actual and reflects the funds committed for the microfilm project, Progress Application Development, Progress Application Support, and rental of the copy machines.

The page titled "Earmarked Fund Revenues may be found behind the Commitments report. It reflects we have received 57% of budgeted operating revenues and 51% of budgeted Self-Insurance Tax funds.

The Balance Sheet may be found behind the Revenues report. It reflects a Net Income of \$733,705 when comparing year-to-date Operating Revenues and Self-Insurance Tax receipts to the year-to-date Expenditures for the stated period.

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2018 As of 1/31/2018
58% of year elapsed

Fund 10010000 - GENERAL FUND

Administration

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|------------------------------|-----------------------------|----------------|------------------|------------|-------------|-------------------|
| 501015 | DIRECTOR | 102,129 | 59,575 | 58% | | 42,554 |
| 501058 | CLASSIFIED POS | 47,092 | 33,583 | 71% | | 13,509 |
| 5050020000 | IN ST-LODGING | | | | 394 | |
| | Total OTHER OPERATING: | | | | 394 | -394 |
| Total Administration: | | 149,221 | 93,158 | 62% | 394 | 55,668 |

Inform. services

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|--------------------------------|-----------------------------|----------------|------------------|-----------|-------------|-------------------|
| 512001 | OTHER OPERATING | 220,104 | | | | |
| 5230010000 | PETTY CASH FD-EST/CH | | 13 | | | |
| | Total OTHER OPERATING: | 220,104 | 13 | 0% | 0 | 220,091 |
| Total Inform. services: | | 220,104 | 13 | 0% | 0 | 220,091 |

Claims

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|----------------------|-----------------------------|----------------|------------------|------------|-------------|-------------------|
| 501058 | CLASSIFIED POS | 77,223 | 46,075 | 60% | | 31,148 |
| 501070 | OTH PERS SVC | | 2,000 | | | -2,000 |
| Total Claims: | | 77,223 | 48,075 | 62% | | 29,148 |

Commissioners

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|-----------------------------|-----------------------------|------------------|------------------|------------|-------------|-------------------|
| 501026 | CHAIRMAN | 125,208 | 70,089 | 56% | | 55,119 |
| 501033 | COMMISSIONER | 720,918 | 423,484 | 59% | | 297,434 |
| 501050 | TAXABLE SUBS | | 17,504 | | 0 | -17,504 |
| 501058 | CLASSIFIED POS | 313,837 | 188,708 | 60% | | 125,129 |
| 501070 | OTH PERS SVC | | 14,048 | | | -14,048 |
| Total Commissioners: | | 1,159,963 | 713,833 | 62% | 0 | 446,130 |

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2018 As of 1/31/2018
58% of year elapsed

Fund 10010000 - GENERAL FUND

Insurance & Medical

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|---------------------------------------|-----------------------------|----------------|------------------|------------|-------------|-------------------|
| 501058 | CLASSIFIED POS | 26,632 | 15,375 | 58% | | 11,257 |
| Total Insurance & Medical: | | 26,632 | 15,375 | 58% | | 11,257 |

Judicial

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|------------------------|-----------------------------|----------------|------------------|--------|-------------|-------------------|
| 501058 | CLASSIFIED POS | 29,267 | | | | 29,267 |
| Total Judicial: | | 29,267 | | | | 29,267 |

Employer Contributions

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|--------------------------------------|-----------------------------|------------------|------------------|------------|-------------|-------------------|
| 513000 | EMPLOYER CONTRIB | 569,861 | 280,276 | 49% | | 289,585 |
| Total Employer Contributions: | | 569,861 | 280,276 | 49% | | 289,585 |
| Total GENERAL FUND: | | 2,232,271 | 1,150,731 | 52% | 394 | 1,081,146 |

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2018 As of 1/31/2018
58% of year elapsed

Fund 38440000 - EARMARKED FUND

Administration

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|-----------------|-----------------------------|----------------|------------------|--------|-------------|-------------------|
| 501058 | CLASSIFIED POS | 704,135 | 154,326 | 22% | | 549,809 |
| 501070 | OTH PERS SVC | 41,000 | 3,000 | 7% | | 38,000 |
| 512001 | OTHER OPERATING | 1,263,866 | | | | |
| 5020010000 | OFFICE EQUIP SERVICE | | 525 | | | |
| 5020030000 | PRINT / BIND / ADV | | 4,416 | | | |
| 5020080000 | FREIGHT EXPRESS DELV | | 373 | | | |
| 5020090000 | TELEPHONE & TELEGRPH | | -193 | | | |
| 5020120000 | CELLULAR PHONE SVCS | | 2,218 | | | |
| 5021020000 | ATTORNEY FEES | | -10,382 | | | |
| 5021410000 | EDUC & TRNG-STATE | | 289 | | | |
| 5021469311 | HVAC MAINTENANCE | | 417 | | | |
| 5021490000 | AUDIT ACCT FINANCE | | 126 | | | |
| 5021530000 | CATERED MEALS | | 2,236 | | | |
| 5021540000 | NON-IT OTHER PRO SRV | | 1,234 | | | |
| 5024990000 | NON IT OTH CONTRACT | | 1,053 | | | |
| 5030010000 | OFFICE SUPPLIES | | 8,223 | | | |
| 5030010004 | SUBSCRIPTIONS | | 2,798 | | | |
| 5030010005 | CONTROLLABLE OFF SUP | | 440 | | | |
| 5030020000 | COPY EQUIP SUPP | | 2,836 | | | |
| 5030067101 | PRGM LIC - APP SUPP | | 15,064 | | | |
| 5030067170 | EQUIP&SUPP- PRINT EU | | 3,801 | | | |
| 5030070000 | POSTAGE | | 11,611 | | | |
| 5031469309 | PLUMBING SUPPLIES | | 199 | | | |
| 5031479203 | JANITORIAL SUPPLIES | | 45 | | | |
| 5032410000 | MED/SCIENT/LAB SUPP | | 1,385 | | | |
| 5033090000 | EMPLOYEE RECOG AWARD | | 841 | | | |
| 5033990000 | OTHER SUPPLIES | | 15 | | | |
| 5040010000 | RENT-OFFICE EQUIP | | 2,956 | | | |
| 5040027000 | IT-RENT COPYNG EQUIP | | 850 | | | |
| 5040050000 | NON IT-RENT-CONT REN | | -175 | | | |
| 5040057000 | IT- RENTAL-CONT RENT | | 727 | | | |
| 5040060000 | RENT-NON ST OWN PROP | | 277,185 | | | |

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2018 As of 1/31/2018
58% of year elapsed

Fund 38440000 - EARMARKED FUND

| | | | | | | |
|-------------------------------|---------------------|------------------|----------------|------------|----------|------------------|
| 5040490000 | RENT-OTHER | | 8,012 | | | |
| 5041010000 | DUES & MEMBER FEES | | 3,855 | | | |
| 5050010000 | IN ST-MEALS-NON-REP | | 363 | | | |
| 5050020000 | IN ST-LODGING | | 3,295 | | | |
| 5050031000 | HR-IN ST-AIR TRANS | | 424 | | | |
| 5050040000 | IN ST-AUTO MILEAGE | | 44 | | | |
| 5050041000 | HR-IN ST-AUTO MILES | | 1,398 | | | |
| 5050070000 | IN ST-REGISTR FEES | | 362 | | | |
| 5051520000 | REPORTABLE MEALS | | 39 | | | |
| 5051540000 | LEASED CAR-ST OWNED | | 19,677 | | | |
| 5060325000 | Other Eq Acq (MA) | | 9,310 | | | |
| Total OTHER OPERATING: | | 1,263,866 | 377,890 | 30% | 0 | 885,976 |
| Total Administration: | | 2,009,001 | 535,217 | 27% | 0 | 1,473,784 |

Executive director

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|----------------------------------|-----------------------------|----------------|------------------|-------------|-------------|-------------------|
| 501070 | OTH PERS SVC | | 8,051 | | | -8,051 |
| 512001 | OTHER OPERATING | 6,335 | | | | |
| 5050010000 | IN ST-MEALS-NON-REP | | 75 | | | |
| 5050020000 | IN ST-LODGING | | 273 | | | |
| 5051520000 | REPORTABLE MEALS | | 91 | | | |
| Total OTHER OPERATING: | | 6,335 | 439 | 7% | 0 | 5,896 |
| Total Executive director: | | 6,335 | 8,490 | 134% | 0 | -2,155 |

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2018 As of 1/31/2018
58% of year elapsed

Fund 38440000 - EARMARKED FUND

Inform. services

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|-----------------|--------------------------------|----------------|------------------|------------|---------------|-------------------|
| 501058 | CLASSIFIED POS | 87,850 | 102,503 | 117% | | -14,653 |
| 501070 | OTH PERS SVC | | 5,500 | | | -5,500 |
| 512001 | OTHER OPERATING | 755,512 | | | | |
| 5020040000 | MICROFILM PROCESSING | | 14,256 | | 48,639 | |
| 5020077000 | SERVICES- APP DEV | | | | 21,624 | |
| 5020077100 | SERVICES- APP SUP | | | | 12,960 | |
| 5020077110 | SERVICES- DATA NET | | 250 | | | |
| 5020077170 | SERVICES- PRINT EU | | 158 | | | |
| 5020077240 | DP SERVICES – STATE | | 114,029 | | | |
| 5020090000 | TELEPHONE & TELEGRPH | | 9,733 | | | |
| 5020120000 | CELLULAR PHONE SVCS | | 2,475 | | | |
| 5030010000 | OFFICE SUPPLIES | | 287 | | | |
| 5030010003 | OFF SUP&EQ-NON-IT PL | | 435 | | | |
| 5030020000 | COPY EQUIP SUPP | | 1,223 | | | |
| 5030030000 | PRINTED ITEMS | | 367 | | | |
| 5030067130 | EQUIP&SUPP- EUC | | 4,096 | | | |
| 5030090000 | COMMUNICATION SUPP | | 206 | | | |
| 5040010000 | RENT-OFFICE EQUIP | | 1,281 | | | |
| 5040027000 | IT-RENT COPYNG EQUIP | | 1,067 | | | |
| 5040050000 | NON IT-RENT-CONT REN | | 175 | | | |
| 5040057000 | IT- RENTAL-CONT RENT | | 823 | | 4,320 | |
| 5041010000 | DUES & MEMBER FEES | | 159 | | | |
| 5050010000 | IN ST-MEALS-NON-REP | | 38 | | | |
| 5050041000 | HR-IN ST-AUTO MILES | | 170 | | | |
| | Total OTHER OPERATING: | 755,512 | 151,228 | 20% | 87,543 | 516,741 |
| | Total Inform. services: | 843,362 | 259,231 | 31% | 87,543 | 496,588 |

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2018 As of 1/31/2018
58% of year elapsed

Fund 38440000 - EARMARKED FUND

Claims

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|-----------------|-------------------------------|----------------|------------------|------------|-------------|-------------------|
| 501058 | CLASSIFIED POS | 280,850 | 146,278 | 52% | | 134,572 |
| 501070 | OTH PERS SVC | | 5,500 | | | -5,500 |
| 512001 | OTHER OPERATING | 19,700 | | | | |
| 5020020000 | COPYING EQUIP SVC | | -463 | | | |
| 5020090000 | TELEPHONE & TELEGRPH | | -191 | | | |
| 5020120000 | CELLULAR PHONE SVCS | | 379 | | | |
| 5030010000 | OFFICE SUPPLIES | | 261 | | | |
| 5030070000 | POSTAGE | | 2,458 | | | |
| 5040027000 | IT-RENT COPYNG EQUIP | | 525 | | | |
| 5050010000 | IN ST-MEALS-NON-REP | | 31 | | | |
| 5050020000 | IN ST-LODGING | | 470 | | | |
| 5050041000 | HR-IN ST-AUTO MILES | | 172 | | | |
| | Total OTHER OPERATING: | 19,700 | 3,641 | 18% | 0 | 16,059 |
| | Total Claims: | 300,550 | 155,420 | 52% | 0 | 145,130 |

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2018 As of 1/31/2018
58% of year elapsed

Fund 38440000 - EARMARKED FUND

Commissioners

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|-----------------|-------------------------------|----------------|------------------|------------|-------------|-------------------|
| 501050 | TAXABLE SUBS | 70,000 | 14,556 | 21% | 0 | 55,444 |
| 512001 | OTHER OPERATING | 230,700 | | | | |
| 5020077100 | SERVICES- APP SUP | | 780 | | | |
| 5020080000 | FREIGHT EXPRESS DELV | | 29 | | | |
| 5020090000 | TELEPHONE & TELEGRPH | | -257 | | | |
| 5020120000 | CELLULAR PHONE SVCS | | 5,997 | | | |
| 5021010000 | LEGAL SERVICES | | 64,336 | | | |
| 5021410000 | EDUC & TRNG-STATE | | 150 | | | |
| 5021540000 | NON-IT OTHER PRO SRV | | 150 | | | |
| 5030010000 | OFFICE SUPPLIES | | 328 | | | |
| 5030020000 | COPY EQUIP SUPP | | 81 | | | |
| 5030067130 | EQUIP&SUPP- EUC | | 242 | | | |
| 5030070000 | POSTAGE | | 1,591 | | | |
| 5040027000 | IT-RENT COPYNG EQUIP | | 516 | | | |
| 5050010000 | IN ST-MEALS-NON-REP | | 332 | | | |
| 5050020000 | IN ST-LODGING | | 2,267 | | | |
| 5050041000 | HR-IN ST-AUTO MILES | | 13,434 | | 189 | |
| 5050080000 | IN ST-SUBSIST ALLOW | | 6,450 | | | |
| 5050570000 | OUT ST-REGISTR FEES | | -107 | | | |
| 5051520000 | REPORTABLE MEALS | | 190 | | | |
| | Total OTHER OPERATING: | 230,700 | 96,509 | 42% | 189 | 134,002 |
| | Total Commissioners: | 300,700 | 111,065 | 37% | 189 | 189,446 |

Information Services FY18

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|-----------------|---|----------------|------------------|------------|-------------|-------------------|
| 561000 | Special Item | 60,944 | 10,373 | 17% | 19 | 50,552 |
| | Total Information Services FY18: | 60,944 | 10,373 | 17% | 19 | 50,552 |

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2018 As of 1/31/2018
58% of year elapsed

Fund 38440000 - EARMARKED FUND

Insurance & Medical

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|-----------------|---------------------------------------|----------------|------------------|------------|-------------|-------------------|
| 501058 | CLASSIFIED POS | 459,463 | 268,863 | 59% | | 190,600 |
| 501070 | OTH PERS SVC | 22,881 | 15,355 | 67% | | 7,527 |
| 512001 | OTHER OPERATING | 54,500 | | | | |
| 5020080000 | FREIGHT EXPRESS DELV | | 571 | | | |
| 5020090000 | TELEPHONE & TELEGRPH | | -201 | | | |
| 5020120000 | CELLULAR PHONE SVCS | | 266 | | | |
| 5021540000 | NON-IT OTHER PRO SRV | | 16,140 | | | |
| 5024990000 | NON IT OTH CONTRACT | | 990 | | | |
| 5030010000 | OFFICE SUPPLIES | | 1,009 | | | |
| 5030010004 | SUBSCRIPTIONS | | 198 | | | |
| 5030070000 | POSTAGE | | 1,535 | | | |
| 5033990000 | OTHER SUPPLIES | | 15 | | | |
| 5040027000 | IT-RENT COPYNG EQUIP | | 548 | | | |
| 5050010000 | IN ST-MEALS-NON-REP | | 155 | | | |
| 5050020000 | IN ST-LODGING | | 3,287 | | | |
| 5050041000 | HR-IN ST-AUTO MILES | | 897 | | | |
| 5050070000 | IN ST-REGISTR FEES | | 700 | | | |
| | Total OTHER OPERATING: | 54,500 | 26,111 | 48% | 0 | 28,390 |
| | Total Insurance & Medical: | 536,844 | 310,328 | 58% | 0 | 226,516 |

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2018 As of 1/31/2018
58% of year elapsed

Fund 38440000 - EARMARKED FUND

Judicial

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|-----------------|-------------------------------|----------------|------------------|------------|-------------|-------------------|
| 501058 | CLASSIFIED POS | 302,294 | 235,547 | 78% | | 66,747 |
| 501070 | OTH PERS SVC | | 33,931 | | | -33,931 |
| 512001 | OTHER OPERATING | 12,800 | | | | |
| 5020010000 | OFFICE EQUIP SERVICE | | 975 | | | |
| 5020090000 | TELEPHONE & TELEGRPH | | -120 | | | |
| 5020120000 | CELLULAR PHONE SVCS | | 374 | | | |
| 5021010000 | LEGAL SERVICES | | 1,460 | | | |
| 5030010000 | OFFICE SUPPLIES | | 201 | | | |
| 5030070000 | POSTAGE | | 2,085 | | | |
| 5040027000 | IT-RENT COPYNG EQUIP | | 549 | | | |
| 5050010000 | IN ST-MEALS-NON-REP | | -107 | | | |
| 5050020000 | IN ST-LODGING | | 697 | | | |
| 5050040000 | IN ST-AUTO MILEAGE | | 74 | | | |
| 5050080000 | IN ST-SUBSIST ALLOW | | 208 | | | |
| 5051520000 | REPORTABLE MEALS | | 501 | | | |
| | Total OTHER OPERATING: | 12,800 | 6,896 | 54% | 0 | 5,904 |
| | Total Judicial: | 315,094 | 276,374 | 88% | 0 | 38,720 |

Employer Contributions

| Commitment Item | Commitment Item Description | Current Budget | YTD Expenditures | % Used | Commitments | Remaining Balance |
|-----------------|--------------------------------------|------------------|------------------|------------|---------------|-------------------|
| 513000 | EMPLOYER CONTRIB | 695,959 | 381,632 | 55% | 0 | 314,327 |
| | Total Employer Contributions: | 695,959 | 381,632 | 55% | 0 | 314,327 |
| | Total EARMARKED FUND: | 5,068,789 | 2,048,129 | 40% | 87,751 | 2,932,908 |

**South Carolina Workers' Compensation Commission
Commitments
FY 2018 As of 1/31/2018**

Fund 38440000 - EARMARKED FUND

Administration

Inform. services

| Commitment Item | Commitment Item Description | Vendor | Commitment |
|--------------------------------|-----------------------------|--------------------------------|---------------|
| 5020040000 | MICROFILM PROCESSING | PALMETTO MICROFILM SYSTEMS INC | 48,639 |
| 5020077000 | SERVICES- APP DEV | PROGRESS SOFTWARE CORP | 21,624 |
| 5020077100 | SERVICES- APP SUP | PROGRESS SOFTWARE CORP | 12,960 |
| 5040057000 | IT- RENTAL-CONT RENT | XEROX | 4,320 |
| Total Inform. services: | | | 87,543 |

Information Services FY18

| Commitment Item | Commitment Item Description | Vendor | Commitment |
|---|-----------------------------|--------|------------|
| 5030067130 | EQUIP&SUPP- EUC | HP INC | 19 |
| Total Information Services FY18: | | | 19 |

Total EARMARKED FUND: 87,562

Any items with vendor "Not assigned" are pending financial adjustments. Any commitment on the Budget vs. Actual Report that is missing from this list is a travel commitment.

SC Workers' Compensation Commission
 Financial Report
 FY 2017-2018 Period Ending: January 31, 2018
 Earmarked Fund
 Revenues

| | | | Benchmark 58% | |
|--------------------------------------|------------|--------------|---------------------|-------------|
| Account | Acct No. | Budget | YTD Actual Received | % of Budget |
| Workers Comp Hearing Fee | 4110090000 | \$ 565,000 | \$ 318,925 | 56% |
| Self Insurance App Fee | 4160040000 | \$ 26,577 | | 0% |
| Violations and Penalties | 4223030000 | \$ 1,750,000 | \$ 1,172,686 | 67% |
| Parking Fee | 4350040000 | \$ 6,060 | \$ 3,150 | 52% |
| Workers Comp Award Review Fee | 4350140000 | \$ 36,575 | \$ 19,775 | 54% |
| Training Conference Registration Fee | 4380020000 | \$ 3,500 | \$ 6,687 | 191% |
| Sale of Goods | 4480010000 | | \$ 1,134 | |
| Sales of Photocopies | 4380050000 | \$ 67,500 | \$ 43,610 | 65% |
| Sale of Services | 4480020000 | | | 0% |
| Sale of Publication & Brochure | 4480040000 | | | 0% |
| Sale of Listings Labels | 4480060000 | \$ 16,500 | \$ 1,775 | 11% |
| Unclaimed Property | 4511020000 | | | 0% |
| Returned Checks | 4530010000 | | \$ (225) | 0% |
| Adj To Agency Deposit | 4530020000 | | \$ (25) | 0% |
| Misc Revenue | 4530030000 | | \$ 703 | 0% |
| Dep By Private Entities | 4530070000 | | | 0% |
| | | | | 0% |
| Total Revenues | | \$ 2,471,712 | \$ 1,568,194 | 63% |
| | | | | |
| Self Insurance Tax | | \$ 2,400,467 | \$ 1,213,640 | 51% |
| | | | | |
| Total | | \$ 4,872,179 | \$ 2,781,834 | 57% |

**SC Workers' Compensation Commission
BALANCE SHEET**

EARMARKED FUND

FY 2017-2018

Period Ending: January 31, 2018

| | Budget | YTD | % of budget |
|-------------------------|---------------------|--------------------------|----------------|
| Total Revenues | \$ 2,471,712 | \$ 1,568,194 | 63% |
| Self-Insurance Tax | \$ 2,400,467 | \$ 1,213,640 | 51% |
| Total Revenues | <u>\$ 4,872,179</u> | <u>\$ 2,781,834</u> | 57% |
| Total Expenditures | <u>\$ 5,068,789</u> | <u>\$ 2,048,129</u> | 40% |
| Net Income/Expenditures | | <u><u>\$ 733,705</u></u> | |

State of South Carolina

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Workers' Compensation Commission

February 15, 2018

To: Commissioners
From: Gary Cannon
RE: Medical Fee Schedule Update

When the Commissioners approved the annual update to Medical Services Provider Manual (Fee Schedule) in September 2017, you agreed to update the Fee Schedule during the first part of 2018. The intent of this action was to approve only a new Conversion Factor based on the 2018 CMS Relative Values. Changes to the Fee Schedule text will be considered during the annual update in 2019.

We anticipate receiving the proposed Conversion Factors and each one's respective impact on the cost to the system from the consultants on Monday February 19. We will distribute them to you at the Business Meeting Tuesday.

With the Commissioner's approval we will publish the proposed Conversion Factors for the public on Wednesday February 21 and accept written comment from the public and stakeholders through 5:00 PM, March 14.

We propose the Commissioners take formal action approving the Conversion Factor at the Business Meeting on March 19, with an effective date of April 1.