

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

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

January 22, 2024 10:30 a.m.

Meeting to be held in Hearing Room A

The Commission's Business Meeting will be broadcast live on the Internet via Zoom. Interested parties may access the broadcast at the following link:

Join Zoom Meeting

<https://us02web.zoom.us/j/8249297108?pwd=akcwMkMxSnZyZWZkdEs4V2x6UWtyUT09&omn=88935242899>

Meeting ID: 824 929 7108

Passcode: 073988

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 CHAIRMAN BECK
OF JANUARY 22, 2024
3. APPROVAL OF MINUTES OF THE REGULAR BUSINESS MEETING CHAIRMAN BECK
DECEMBER 18, 2023 (Tab 1)
4. GENERAL ANNOUNCEMENTS MR. CANNON
5. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) MS. BROWN
A. Self-Insurance Department Report (Tab 2)
6. DEPARTMENT DIRECTORS' REPORTS MS.MCREE
Administrative Services (Tab 3) MS.MCREE
Financial Report (Tab 3) MR. PLUSS
Information Services (Tab 4) MR. DUCOTE
Insurance and Medical Services (Tab 5) MS. SPANN
Claims (Tab 6) MS. BRACY
Judicial (Tab 7)
7. DEPARTMENT OF VOCATIONAL REHABILITATION MR. CANNON
Monthly Report (Tab 8)
8. EXECUTIVE DIRECTOR'S REPORT (Tab 9) MR. CANNON
9. OLD BUSINESS MR. CANNON
10. NEW BUSINESS CHAIRMAN BECK
Public Hearing Regulation Change (Tab 10)
Recommended changes to the Medical Services Provider Manual (Tab 11)
Appointment of Advisory Committee to review Regulation for adjustors (Tab 12)
12. EXECUTIVE SESSION CHAIRMAN BECK
13. ADJOURNMENT CHAIRMAN BECK

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TAB 1

THE
SOUTH CAROLINA WORKERS'
COMPENSATION COMMISSION
BUSINESS MEETING
December 18, 2023

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, December 18, 2023, 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
AVERY WILKERSON, COMMISSIONER
R. MICHEAL CAMPBELL, II, COMMISSIONER
MELODY JAMES, COMMISSIONER
CYNTHIA DOOLEY, COMMISSIONER
AISHA TAYLOR, COMMISSIONER

Present also were Keith Roberts, General Counsel; Christy Brown, Self-Insurance Director; Amy Bracy, Judicial Director; Kristen Mcree, HR Director, Sonji Spann, Director of Claims; Kris Crump, IT Consultant; Kris Pluss, IT Director; Jordan Mays, Staff Attorney; Eric Baxley, Staff Attorney and Madison Whiting, Law Clerk.

Chairman Beck called the meeting to order at 10:37 a.m.

AGENDA

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

APPROVAL OF MINUTES – BUSINESS MEETING OF DECEMBER 18, 2023

Commissioner McCaskill moved that the minutes of the Business Meeting of December 18, 2023 be approved. Commissioner Dooley seconded the motion, and the motion was approved.

GENERAL ANNOUNCEMENTS

No general announcements.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by Christy Brown, Self-Insurance Director. **Nine (9)** prospective members of **Four (4)** funds were presented to the Commission for approval. The applications were:

Palmetto Hospital Trust
Upstate Affiliate Organization dba Greenville Health System

Palmetto Timber Fund

Carl Bryson & Sons, Inc
Soda City Sawmill LLC

South Carolina Automobile Dealers Association

Lugoff Toyota dba Mason Automotive Group LLC

South Carolina Home Builders SIF

Access Garage Door Sales & Service
Brogdon Electric, Inc
Lost Forest Development LLC
Reliable Construction, Inc
Tactical Pressure Washing LLC

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. Commissioner Taylor seconded the motion to approve the applications to self-insure, and the motion was approved.

DEPARTMENT DIRECTORS' REPORTS

Each Department report was submitted in written form and included in the Commission's agenda booklets.

HUMAN RESOURCES

Ms. Mcree presented the Human Resources report in written form. There were no comments or questions from the Commission.

INFORMATION TECHNOLOGY DEPARTMENT

Mr. Pluss presented the IT report in written form. There were no comments or questions from the Commission.

INSURANCE AND MEDICAL SERVICES DEPARTMENT

Mr. Cannon presented Mr. Ducote's written report in his absence. There were no comments or questions from the Commission.

CLAIMS DEPARTMENT

Ms. Spann presented her report in written form. Ms. Spann introduced Tica Romey as the new Insurance Analyst. There were no comments or questions from the Commission.

JUDICIAL DEPARTMENT

Ms. Bracy presented her report in written form. There were no questions from the Commission.

SELF INSURANCE

Ms. Brown presented her report in written form. There were no questions from the Commission.

VOCABATIONAL REHABILITATION

Mr. Cannon presented the Vocational Rehabilitation report. There were no questions from the Commission.

EXECUTIVE DIRECTOR'S REPORT

Mr. Cannon submitted his report in written form. There were no comments or questions from the Commission.

ADMINISTRATION – FINANCIAL REPORT

Mr. Cannon submitted his report in written form. There were no questions from the Commission.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Commissioner James made a motion to approve the Average Weekly Wage for the period of July 1, 2022 to June 30, 2023. Commissioner Taylor seconded the motion.

EXECUTIVE SESSION

There was no executive session.

ADJOURNMENT

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

The December 18, 2023, meeting of the South Carolina Workers' Compensation Commission adjourned at 11:02 am.

Reported January 10, 2023
Arnisha Keitt
Executive Assistant

TAB 2

State of South Carolina



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

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

Workers' Compensation Commission

MEMORANDUM

To: Gary Cannon
Executive Director

From: Christy Brown
Self-Insurance Director

Date: January 22, 2024

Subject: Monthly Self-Insurance Report for December 2023

During the month of December, the self-insurance department collected \$255,303 in self-insurance taxes from 9 self-insureds. Year to date, we have had 41 self-insureds pay their self-insurance tax for a total of \$2,665,281.

We have had 0 self-insureds pay a self-insurance late tax penalty, for a total of \$0. Year to date, we have had 3 self-insureds pay a self-insurance late tax penalty for a total of \$1,197.

We have had 0 self-insureds pay a self-insurance late tax interest, for a total of \$0. Year to date, we have had 3 self-insureds pay a self-insurance late tax interest for a total of \$3,096.

There were 4 audits conducted, all of which were individual employers. Year to date, a total of 24 audits performed.

We received 7 applications for membership in 3 self-insured fund(s). The applications were reviewed, processed, and given a pre-approval the same day they were received per 42-5-25 (B). As a result, there are 246 additional employees who will now be covered under the self-insurance program.

After examination of the various applications, it has been determined that each has complied with the Commission's requirements, and each is recommended for approval.

TAB 3

State of South Carolina

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Workers' Compensation Commission

To: Gary Cannon, SCWCC Executive Director
From: Kristen McRee, Director of Administrative Services
Date: January 22, 2024
Subject: Administrative Department December 2023 Full Commission Report

This report summarizes the Human Resources, Procurement, and Information Security operations and initiatives during December 2023.

I. Human Resources

Hiring and Recruitment

In December, candidate onboarding procedures, including background checks, security protocols (such as the issuance of ID badges, parking and building access cards, and devices), introductory Commission trainings, and related SCEIS transactions concluded for all newly onboarded candidates.

In addition, due to an impending staff retirement after the new year, the Human Resources has commenced recruiting an administrative assistant position in the Insurance and Medical Services Department.

Reporting

Also in December, HR participated in a webinar preview of the SuccessFactors Performance Module. The SuccessFactors software digitizes and streamlines the EMPS review stages. Information regarding an employee's planning stage and review rating are entered into the software and electronically processed through workflows between the employee, management, and agency leadership. Implementation of this program may eventually replace the paper EMPS forms and automate EPMS data entry into SCEIS.

Benefits

HR performed SCEIS database year-end time and leave reconciliations. Reconciliations are anticipated to be completed in January. HR also attended a PEBA State ORP information meeting.

Open Enrollment for the State Optional Retirement Program (ORP) began on January 1 and will continue until March 1 of each year. Employees subscribing to the State ORP program

may change their service providers or, if eligible, may irrevocably elect to participate in the South Carolina Retirement System (SCRS). Any changes made take effect on April 1, 2024.

II. Procurement

Implementation of the new Court Call virtual courtroom is tentatively scheduled to begin in the new year. The training session for the Commission's Administrative Assistants is currently scheduled for Monday, February 12, 2024 with a goal to begin using the platform at the completion of training.

III. Information Privacy & Security

Kuma LLC has provided the final reports for Commission review. The reports outline Commission administrative processes, provide a listing of the legal requirements that apply to each data element, and recommend process improvements as appropriate. The final report is available for review. Kuma has also provided written privacy notices for the website, and a written acceptable use policy to be uploaded to our website.

State of South Carolina

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Workers' Compensation Commission

MEMORANDUM

TO: COMMISSIONERS

FROM: Gary Cannon, Executive Director

DATE: October 16, 2023

RE: FINANCIAL REPORT – FY Period ending December 31, 2024

Attached is the Budget vs. Actual Report for the General Fund and Earmarked Fund for the fiscal year period ending December 31, 2024. The benchmark for this period is 50%.

Expenditures – General Fund – Annual Budget \$2,985,961

The total expenditure for the General Fund for this period is \$1,379,896 or 46% of the annual budget as shown on Page 2. Page 3 and 4 reflects the balances of funds appropriated by the General Assembly for the IT System Modernization Project.

Expenditures – Earmarked Fund – Annual Budget \$5,607,845

The Earmarked Fund (38440000) total expenditures for this period are \$2,150,627 which is 38% of budget as shown on Page 10.

Revenues – Earmarked Annual Budget \$3,157,092

The Commission posted \$1,386,824 in Earmarked Fund operating revenues for this period, which is 44% of the annual budget. Note the total includes \$21,877 incorrectly posted to the Self-Insurance Tax account. Next month's statement will not reflect this amount. It will be transferred to the appropriate account.

Self-Insurance Tax Funds

The amount budgeted from the Self-Insurance Tax for the Commission is \$2,500,000. The amount received for this period is \$2,581,856.

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2024 As of 12/31/2023
50% of year elapsed

Fund 10010000 - GENERAL FUND - Operating Items

Administration

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501015	DIRECTOR	146,417	76,868	52%		69,549
512001	OTHER OPERATING	294,907				
Total OTHER OPERATING:		294,907				294,907
Total Administration:		441,324	76,868	17%	0	364,456

Claims

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	85,630	44,654	52%		40,976
Total Claims:		85,630	44,654	52%	0	40,976

Commissioners

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501026	CHAIRMAN	177,426	93,148	52%		84,278
501033	COMMISSIONER	1,033,541	542,604	52%		490,937
501050	TAXABLE SUBS	70,000	36,079	52%		33,921
501058	CLASSIFIED POS	370,000	194,242	52%		175,758
Total Commissioners:		1,650,967	866,073	52%	0	784,894

Insurance & Medical

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	35,000	18,750	54%		16,250
Total Insurance & Medical:		35,000	18,750	54%		16,250

Employer Contributions

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	773,040	373,551	48%		399,489
Total Employer Contributions:		773,040	373,551	48%		399,489

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2024 As of 12/31/2023
50% of year elapsed

Fund 10010000 - GENERAL FUND - Operating Items

Total GENERAL FUND - Operating Items:	2,985,961	1,379,896	46%	0	1,606,065
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South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2024 As of 12/31/2023
50% of year elapsed

Fund 10010000 - GENERAL FUND - Special Items

IT System Project

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
561000	Special Item	1,695,084				1,695,084
Total IT System Project:		1,695,084				1,695,084

Total GENERAL FUND - Special Items:		1,695,084				1,695,084
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South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2024 As of 12/31/2023
50% of year elapsed

Fund 10050023 - GF-NONRECUR APROP-23 - Special Items

IT System Project

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
561000	Special Item	5,000,000				5,000,000
Total IT System Project:		5,000,000				5,000,000
Total GF-NONRECUR APROP-23 - Special		5,000,000				5,000,000

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2024 As of 12/31/2023
50% of year elapsed

Fund 38440000 - EARMARKED FUND

Administration

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	791,985	110,656	14%		681,329
501070	OTH PERS SVC	41,000				41,000
512001	OTHER OPERATING	2,256,948				
5020030000	PRINT / BIND / ADV		4			
5020077100	SERVICES- APP SUP		15,375		18,600	
5020077220	SERVICES- VOICENET		10,395		33,600	
5020077240	DP SERVICES – STATE		149,706			
5020080000	FREIGHT EXPRESS DELV		9			
5021010000	LEGAL SERVICES		1,523			
5021010003	LEGAL SRV-TRANSCRIPT		2,560			
5021020000	ATTORNEY FEES		61,494			
5021330000	CONTR-GOVT/NONPRFIT		9,750			
5021430000	NON-ST EMP TR-NONRPT		16			
5021460000	GENERAL REPAIR		300			
5021490000	AUDIT ACCT FINANCE		113			
5021540001	PROF SRV-LANG INTER		113		122	
5030010000	OFFICE SUPPLIES		6,805			
5030010004	SUBSCRIPTIONS		4,243		7,858	
5030030000	PRINTED ITEMS		7,026			
5030067101	PRGM LIC - APP SUPP		17,567		62,229	
5030067110	EQUIP&SUPP- DATA NET		281			
5030067141	PLM- ITSD		9,590			
5030067170	EQUIP&SUPP- PRINT EU		4,187			
5030070000	POSTAGE		23			
5031010001	FURNISHINGS		939			
5031479203	JANITORIAL SUPPLIES		1,067			
5033030000	PROMOTIONAL SUPPLIES		51			
5033140002	CREDENTIAL SUPPLIES		15			
5033990000	OTHER SUPPLIES		117			
5040060000	ST RENT-NON ST BLDG				6,087	
5040070000	RENT-ST OWN RL PROP		120			
5040490003	RENT PO BOX		1,846			

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2024 As of 12/31/2023
50% of year elapsed

Fund 38440000 - EARMARKED FUND

5040490009	RENT PARKING		5,687		395	
5040520000	INSURANCE-NON STATE		171			
5041010000	DUES & MEMBER FEES		4,200			
5041020000	FEES AND FINES		291		20	
5041840000	LEASE BLDG PRINCIPAL		197,111		2,009	
5041850000	LEASE BLDG INTEREST		15,425		62	
5050010000	IN ST-MEALS-NON-REP		302			
5050020000	IN ST-LODGING		2,294			
5050031000	HR-IN ST-AIR TRANS		1,027			
5050041000	HR-IN ST-AUTO MILES		951			
5050050000	IN ST-OTHER TRANS		65			
5050060000	IN ST-MISC TR EXP		997			
5050070000	TRNG-IN-ST REG FEES		275			
5050570000	TRNG-OUT-ST REG FEE		3,410			
5051540000	LEASED CAR-ST OWNED		16,702			
Total OTHER OPERATING:		2,256,948	554,141	25%	130,982	1,571,825
Total Administration:		3,089,933	664,797	22%	130,982	2,294,154

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2024 As of 12/31/2023
50% 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		186,157			-186,157
5020050000	PHOTO & VISUAL SVCS		3,965		235	
5020077100	SERVICES- APP SUP				72,117	
5020077160	SERVICES- MGT ADMN		25,000		25,000	
5020077220	SERVICES- VOICENET		9,942		16,946	
5021469316	SECURITY ALARM SRVC		2,818		782	
5030050000	PHOTO & VISUAL SUPP		4,476		2,975	
5030067130	EQUIP&SUPP- EUC				10,800	
5030067170	EQUIP&SUPP- PRINT EU				3,660	
5031469316	SCRTY ALRM SYS SUPPL		782		105	
5040057000	CONTINGNT RENT - IT		731			
5050020000	IN ST-LODGING		334			
5050041000	HR-IN ST-AUTO MILES		223			
5060322000	TV/Radio Eq Acq (MA)				8,646	
Total OTHER OPERATING:			48,270		141,265	-189,535
Total Inform. services:			234,427		141,265	-375,692

Claims

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	280,850	111,898	40%		168,952
512001	OTHER OPERATING	19,700				
5050010000	IN ST-MEALS-NON-REP		117			
5050020000	IN ST-LODGING		936			
5050041000	HR-IN ST-AUTO MILES		210			
Total OTHER OPERATING:		19,700	1,263	6%	0	18,437
Total Claims:		300,550	113,161	38%	0	187,389

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2024 As of 12/31/2023
50% 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				70,000
512001	OTHER OPERATING	230,700				
5020077112	NCV- DATA NET		2,775			
5020077113	MOBILE HOTSPOT SRVC		2,459			
5020120000	CELLULAR PHONE SVCS		7,440			
5021010000	LEGAL SERVICES		3,816		455	
5021010003	LEGAL SRV-TRANSCRIPT		673			
5021010005	LEGAL SRV-REPORTER		43,703			
5021070000	ATTRNY FEES-AD LITEM		625			
5021540000	NON-IT OTHER PRO SRV		567			
5030067130	EQUIP&SUPP- EUC		1,057			
5030090000	COMMUNICATION SUPP		765			
5041020000	FEES AND FINES		75			
5050010000	IN ST-MEALS-NON-REP		2,105			
5050020000	IN ST-LODGING		10,367			
5050031000	HR-IN ST-AIR TRANS		1,559			
5050041000	HR-IN ST-AUTO MILES		17,386		37	
5050050000	IN ST-OTHER TRANS		320			
5050060000	IN ST-MISC TR EXP		1,058			
5050080000	IN ST-SUBSIST ALLOW		6,369			
Total OTHER OPERATING:		230,700	103,118	45%	492	127,091
Total Commissioners:		300,700	103,118	34%	492	197,091

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2024 As of 12/31/2023
50% 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	240,995	52%		218,468
501070	OTH PERS SVC	22,881	8,269	36%		14,612
512001	OTHER OPERATING	114,500				
5020080000	FREIGHT EXPRESS DELV		20			
5021540000	NON-IT OTHER PRO SRV		6,115			
5024990000	OTH CNT-NON-IT & REA		150			
5030010000	OFFICE SUPPLIES		1,129			
5030010004	SUBSCRIPTIONS		3,000			
5041020000	FEES AND FINES		500		6,480	
5050010000	IN ST-MEALS-NON-REP		618			
5050020000	IN ST-LODGING		4,573			
5050031000	HR-IN ST-AIR TRANS		974			
5050041000	HR-IN ST-AUTO MILES		1,660			
5050050000	IN ST-OTHER TRANS		617			
5050060000	IN ST-MISC TR EXP		698			
5140010000	INDM CLAIMS & AWARDS		48,143		21,120	
Total OTHER OPERATING:		114,500	68,196	60%	27,600	18,703
Total Insurance & Medical:		596,844	317,460	53%	27,600	251,783

South Carolina Workers' Compensation Commission
Budget vs. Actual Report
FY 2024 As of 12/31/2023
50% of year elapsed

Fund 38440000 - EARMARKED FUND

Judicial

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
501058	CLASSIFIED POS	500,000	260,668	52%		239,332
501070	OTH PERS SVC	75,000	18,225	24%		56,775
512001	OTHER OPERATING	25,000				
5020010000	OFFICE EQUIP SERVICE		1,913			
5021010000	LEGAL SERVICES		500			
5030070000	POSTAGE		16,000			
5040490008	RENT POSTAGE EQUIP		703			
5050010000	IN ST-MEALS-NON-REP		127			
5050020000	IN ST-LODGING		936			
5050041000	HR-IN ST-AUTO MILES		840			
5050060000	IN ST-MISC TR EXP		79			
Total OTHER OPERATING:		25,000	21,098	84%	0	3,902
Total Judicial:		600,000	299,991	50%	0	300,009

Employer Contributions

Commitment Item	Commitment Item Description	Current Budget	YTD Expenditures	% Used	Commitments	Remaining Balance
513000	EMPLOYER CONTRIB	719,818	417,673	58%	0	302,145
Total Employer Contributions:		719,818	417,673	58%	0	302,145
Total EARMARKED FUND:		5,607,845	2,150,627	38%	300,339	3,156,879

South Carolina Workers' Compensation Commission

Commitments

FY 2024 As of 12/31/2023

Fund 38440000 - EARMARKED FUND

Administration

Commitment Item	Commitment Item Description	Vendor	Commitment
5020077100	SERVICES- APP SUP	PROGRESS SOFTWARE CORP	18,600
5020077220	SERVICES- VOICENET	NWN CORPORATION	33,600
5021540001	PROF SRV-LANG INTER	GLOBAL INTERPRETING NETWORK INC	122
5030010004	SUBSCRIPTIONS	WEST PUBLISHING CORPORATION	7,858
5030067101	PRGM LIC - APP SUPP	INSURANCE SERVICES OFFICE INC	35,640
5030067101	PRGM LIC - APP SUPP	WEST PUBLISHING CORPORATION	26,589
5040060000	ST RENT-NON ST BLDG	GALIUM 1333 MAIN LLC	6,087
5040490009	RENT PARKING	REPUBLIC PARKING SYSTEM INC	395
5041020000	FEES AND FINES	REPUBLIC PARKING SYSTEM INC	20
5041840000	LEASE BLDG PRINCIPAL	GALIUM 1333 MAIN LLC	2,009
5041850000	LEASE BLDG INTEREST	GALIUM 1333 MAIN LLC	62
Total Administration:			130,982

Inform. services

Commitment Item	Commitment Item Description	Vendor	Commitment
5020050000	PHOTO & VISUAL SVCS	SUMMIT SOLUTIONZ INC	235
5020077100	SERVICES- APP SUP	INSURANCE SERVICES OFFICE INC	62,640
5020077100	SERVICES- APP SUP	PROGRESS SOFTWARE CORP	9,477
5020077160	SERVICES- MGT ADMN	KUMA	25,000
5020077220	SERVICES- VOICENET	NWN CORPORATION	16,946
5021469316	SECURITY ALARM SRVC	SONITROL SECURITY SYSTEMS	782
5030050000	PHOTO & VISUAL SUPP	SUMMIT SOLUTIONZ INC	2,975
5030067130	EQUIP&SUPP- EUC	DELL MARKETING LP	10,800
5030067170	EQUIP&SUPP- PRINT EU	US INK AND TONER INC	3,660
5031469316	SCRTY ALRM SYS SUPPL	SONITROL SECURITY SYSTEMS	105
5060322000	TV/Radio Eq Acq (MA)	SUMMIT SOLUTIONZ INC	8,646
Total Inform. services:			141,265

Total EARMARKED FUND:	300,302
------------------------------	----------------

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.

South Carolina Workers' Compensation Commission
Commitments
FY 2024 As of 12/31/2023

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.

South Carolina Workers' Compensation Commission
Earmarked Fund Revenues
FY 2024 As of 12/31/2023
50% of year elapsed

Account	Acct No.	Budget	YTD Actual Revenue	% of Budget
WORKERS COMPENSATION SELF INSURANC	4080100000		21,877	
WORKERS' COMPENSATION HEARING FEE	4110090000	1,091,322	542,900	50%
WORKERS COMP SELF INSURANCE APPLIC/	4160040000	7,350	100	1%
WORKERS COMPENSATION FILING VIOLATIC	4223030000	1,985,476	793,905	40%
PARKING FEE	4350040000	12,790	2,850	22%
WORKERS COMPENSATION AWARD REVIEW	4350140000	32,251	6,600	20%
PHOTOCOPYING FEE	4380050000	25,300	17,292	68%
SALE OF LISTINGS & LABELS	4480060000	2,603	750	29%
REFUND OF PRIOR YEAR EXPENDITURES TF	4520010025		750	
RETURNED CHECKS	4530010000		(200)	
ADJUSTMENT TO AGENCY DEPOSITS	4530020000			
MISCELLANEOUS REVENUE	4530030000			
Total Revenues		3,157,092	1,386,824	44%
Self Insurance Tax		2,500,000	2,581,856	103%
Total		5,657,092	3,968,680	70%

TAB 4

State of South Carolina

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



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

Workers' Compensation Commission

To: Gary Cannon, SCWCC Executive Director
From: Kris Pluss, IT Director
Date: January 15, 2023
Subject: IT Department December 2023 Full Commission Report

This report summarizes the activities and accomplishments for projects and initiatives in the IT Department during December 2023.

I. Systems Operations, Maintenance and Support

EDI

WCC IT is currently working with Verisk to finalize the Registration Process for existing and potential new Trading Partners.

Security

No Phishing emails were reported to the WCC IT Team during December.

Reporting

65 Service Desk tickets were received by WCC IT during December 2023.
63 Tickets were assigned a priority of Low.
2 Tickets were assigned a priority of Medium.
0 Tickets were assigned a priority of High.
0 Tickets were assigned a priority of Urgent.

II. Projects, Enhancements and Development

Legacy Modernization

Progress

WCC IT continues to coordinate with Progress Professional Services to test the Protection Requests Enhancement for external stakeholders and additional display modifications that allow an Attorney to view the Case Caption and a confirmation that they have been released from a case.

SC.Gov – Filing of Forms

Over 1400 emails were sent to individuals and law firms that were identified as active in the eCase system and listed in the Attorney Account role. WCC IT coordinated four ePay Demonstrations with external stakeholders in December and scheduled several more demonstrations for January, 2024. Judicial Filings and Claims Filings with and without a fee were presented for these “early adopters”. The remaining submission types were reviewed based on feedback from internal subject matter experts and will be finalized in January.

TAB 5

State of South Carolina



Workers' Compensation Commission

To: Mr. Gary Cannon
SCWCC Executive Director

From: Wayne Ducote, Jr.
IMS Director

Date: 19-Jan-24

Subj: Insurance and Medical Services Department
December 2023 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.3. Continuing to explore outreach opportunities with stakeholders. |
| 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 (Progress): 58 new registrants; 0 notifications sent.3. Lapse in Coverage (NCCI 4Q): 1,028 new registrants; 97 notifications sent. |
| Medical Services | <ol style="list-style-type: none">1. Nine medical bill reviewer certifications were done in the month of December.2. Continue to have bi-monthly meetings with FAIR Health regarding the 2024 MSPM update. |

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.

Employer Rule to Show Cause Hearings and Compliance Activity

The Compliance Division docketed no new RTSC cases and 0 total RTSC cases in the month of December. And, compelled 37 South Carolina employers to come into compliance with the Act. Year to date, 3 new RTSC cases and 10 total RTSC cases have been docketed.

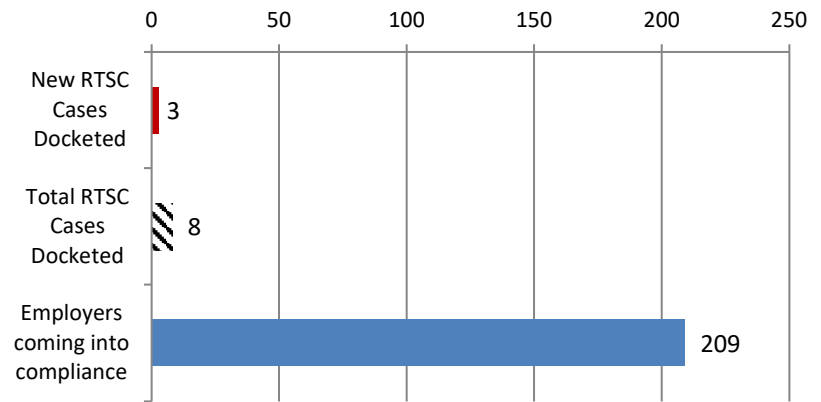
Employers Obtaining Coverage

Year to date, the Compliance Division has compelled 209 South Carolina employers to come into compliance with the Act. In so doing, approximately 1,458 previously uninsured workers are now properly covered.

Penalties Waived

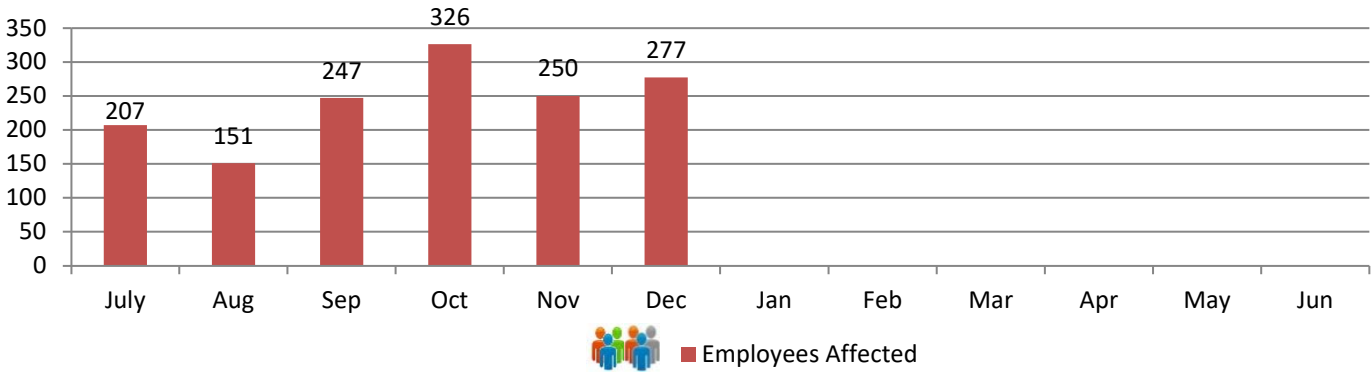
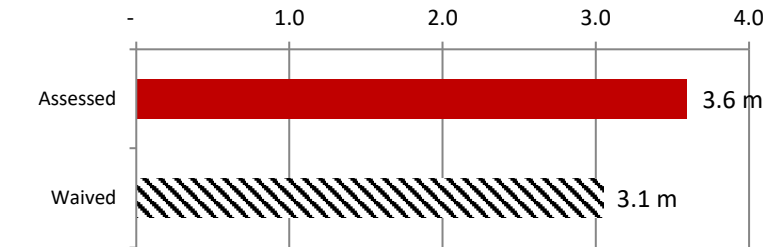
Although the Division has assessed \$3.6 m in fines this fiscal year, \$3.1 m have been waived or rescinded as employers have either obtained insurance coverage or were found not to be subject to the Act.

RTSC and Compliance Activity



Fines and Penalties

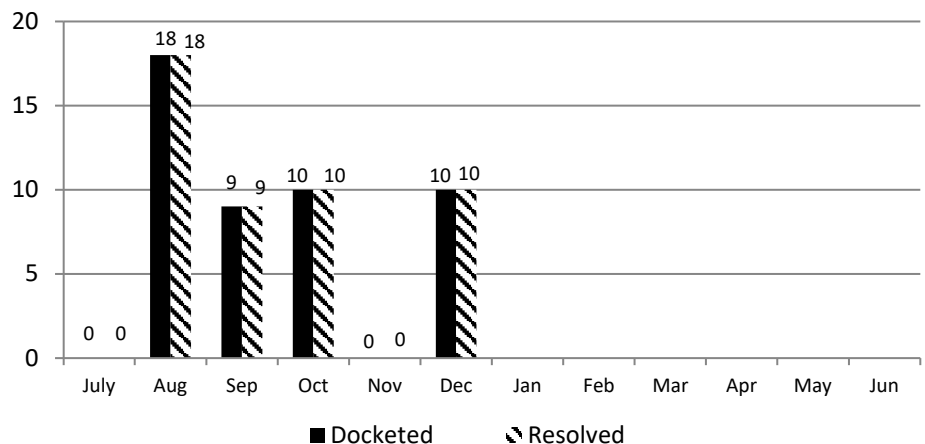
Millions



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 December 2023, 10 carrier RTSC cases were docketed; 10 cases were resolved for a total of \$22,450.

Year to date, a total of 47 carrier RTSC cases have been docketed, 47 cases for a total of \$62,939 have been resolved.

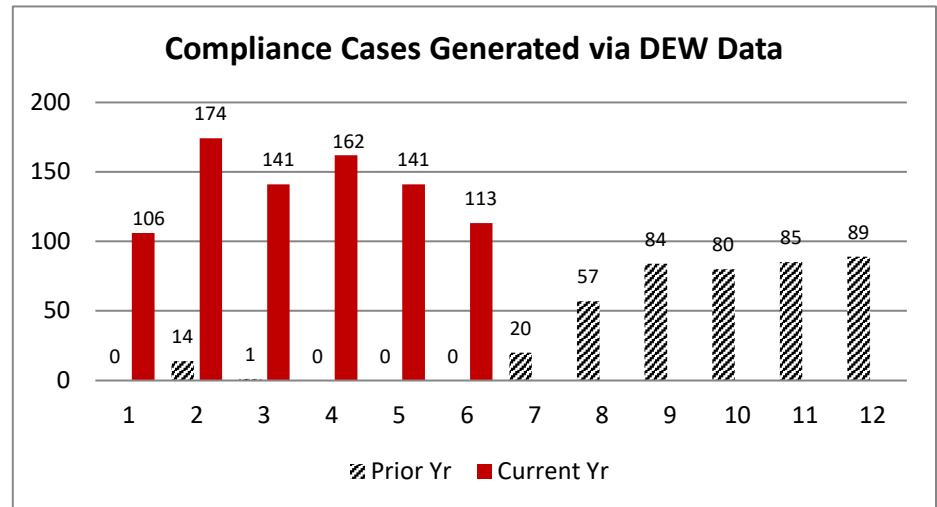
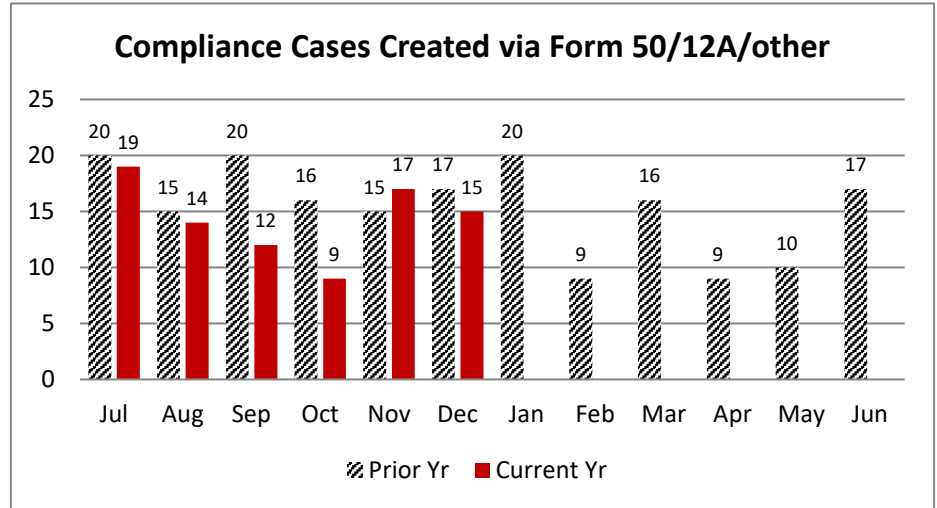


In December 2023, 15 compliance files were created from the combined filings of Form 50's, 12A's, and stakeholder reporting involving uninsured employers.

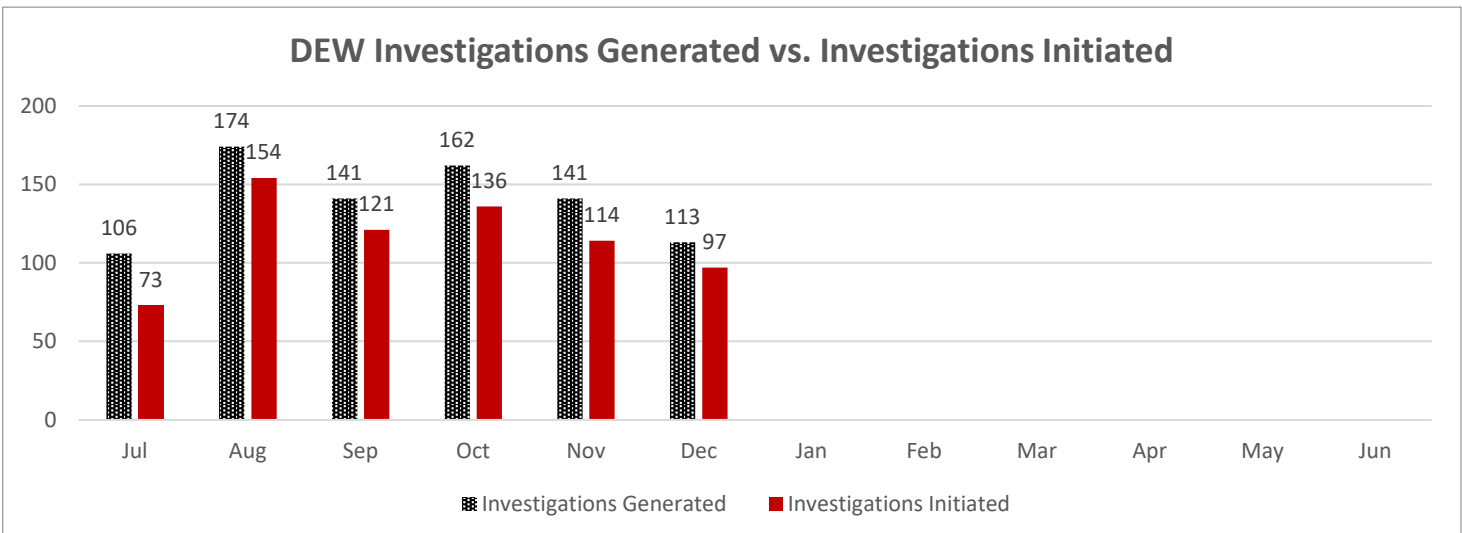
YTD vs. Prior Year total (184): 47%
 Dec 2022 to Dec 2023: 88%
 Current Yr End trend: 93% of 2022-2023
 YTD 2023-2024 v. YTD 2022-2023: 84%

In December 2023, 113 compliance files were generated from the DEW data process.

YTD vs. Prior Year total (430): 195%
 Dec 2022 to Dec 2023: %
 Current Yr End trend: 389% of 2022-2023
 YTD 2023-2024 v. YTD 2022-2023: 5580%



The DEW Data Pool is determined by the total number of potential, non-compliant employers who report wages to DEW with at least 4 employees and who's FEIN does not match with any coverage records in the Commission's coverage database. The investigations generated is the number of compliance investigations generated from the pool. The investigations initiated is the number of compliance investigations initiated from those that were generated.



Carryover Caseload:

The Compliance Division closed December 2023 with 303 cases active, compared to an active caseload of 198 at the close of December 2022.

Cases Resolved:

For the month of December 2023, Compliance Division staff closed-out 100 cases.

Compliance Fines:

In December 2023, the Compliance Division collected \$68,675 in fines and penalties. Year to Date, the Compliance Division has collected \$436,817 in fines and penalties.

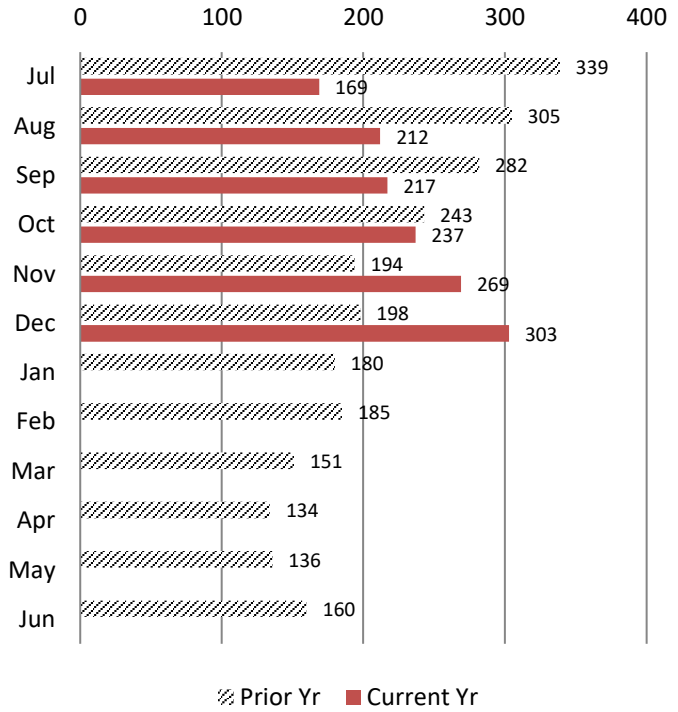
Year to Date vs Prior Year Total (\$483,063): 90%

Dec 2022 vs. Dec 2023: 325%

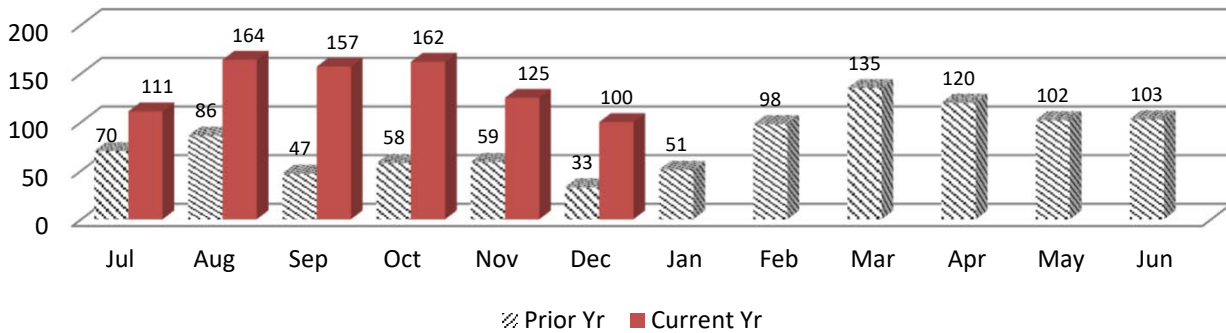
Current Year End trend is 181% of 2022-2023

YTD 2022-23 (Dec - June) vs YTD 2023-2024: 231%

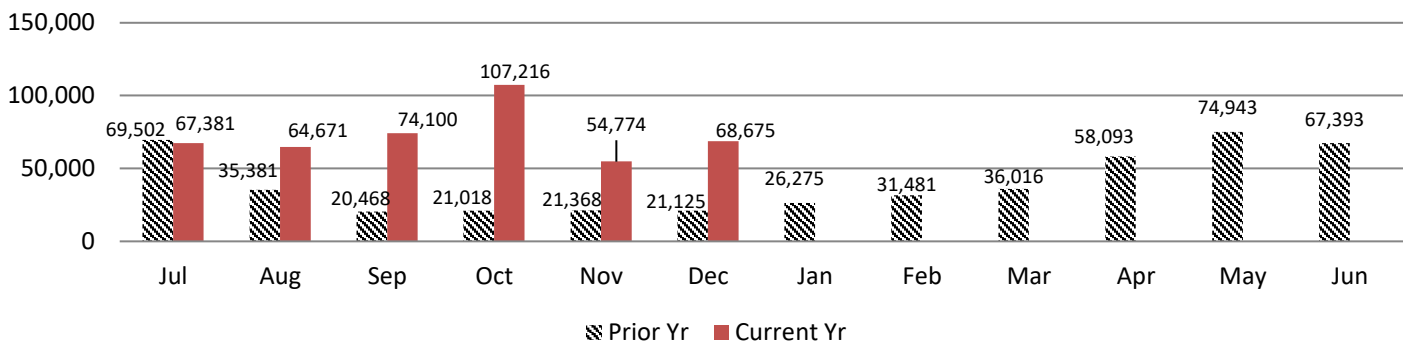
Caseload Pending v. Prior Year



Cases Resolved v. Prior Year



Compliance Fines Collected v. Prior Year

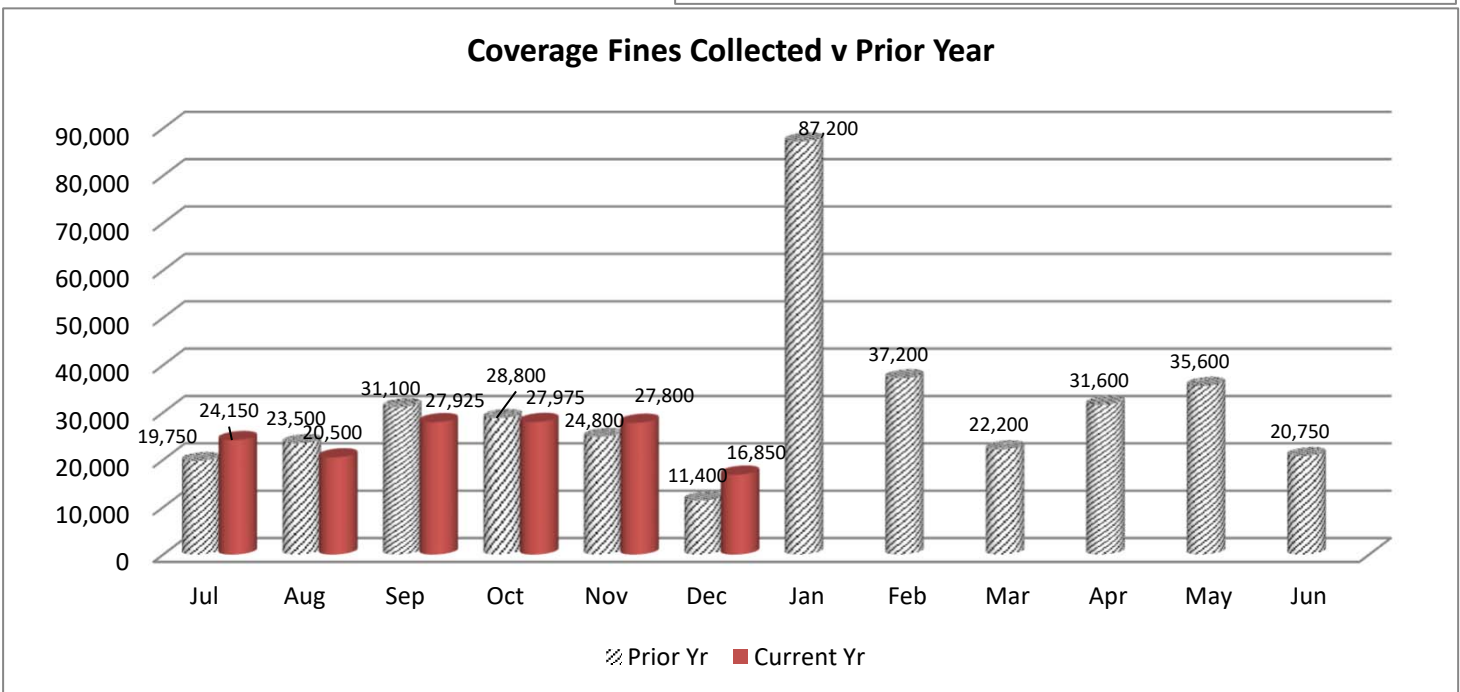
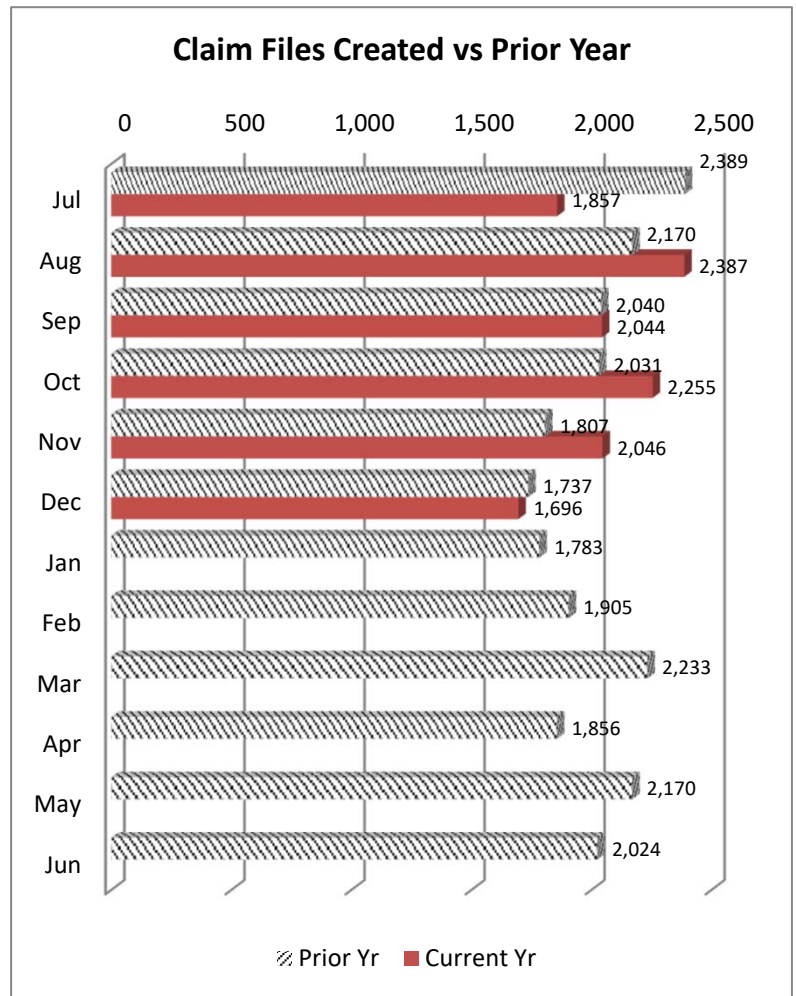


WCC Claim Files:

In December 2023, the Coverage Division received a total of 1,696 WCC Claim files. Of these, 1,457 were created through proper carrier filing of a 12A, and 239 were generated as a result of a Form 50 claim filing. Year to Date 12,285 Claim files have been created which is 51% of claim file volume prior year (24,145).

Coverage Fines:

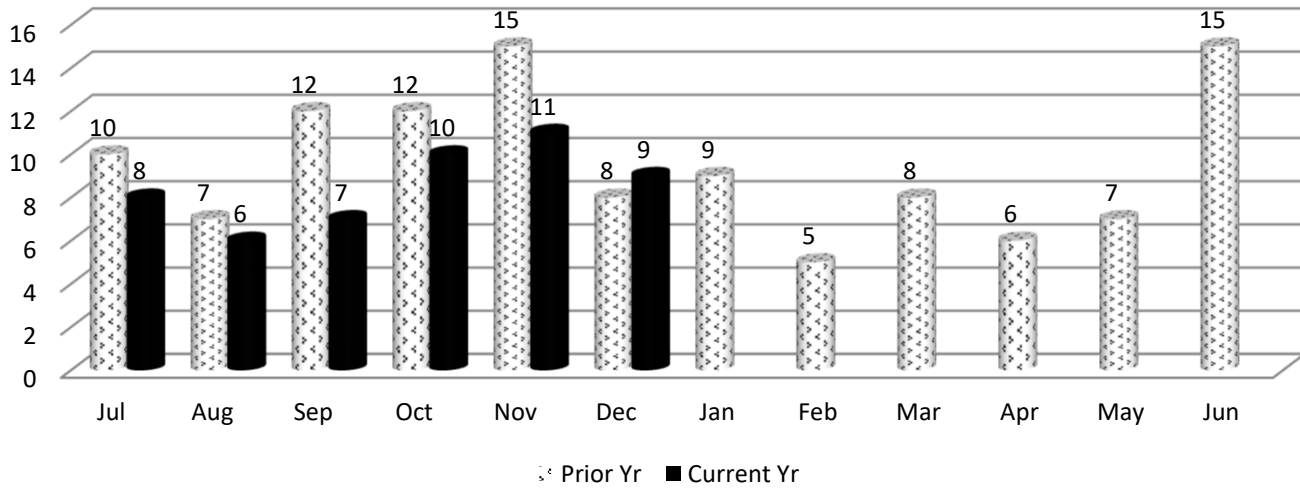
The Coverage Division collected \$16,850 in fine revenue in December 2023, as compared to \$11,400 in Coverage fines/penalties accrued during December 2022. Year on Year, Coverage fines are at 39% of collections for prior year.



IMS MEDICAL SERVICES DIVISION

In December 2023, the Medical Services Division began the month with 11 bills pending review, received an additional 8 bills for review, conducted 10 bill reviews and ended the month with 9 bills pending.

Medical Bills Pending Review v. Prior Year



TAB 6

State of South Carolina

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: January 22, 2024

Re: Claims Department January 2024 Full Commission Report

Attached is the Statistical Report for the Claims Department for the period July 1, 2023-December 31, 2023, for the Business Meeting on January 22, 2024.

Claims activities are in Column (a) with the totals for the period ending December 2023 in column (o). Column (q) reflects the percentage change when comparing the totals for same period in the current fiscal at the totals for the same period in last fiscal year. The total Claims Activities, for this period have decrease 3% when compared to the same period from last fiscal year.

The number of cases Reviewed shows a 10% increase; cases Closed increased 2% the Fines Assessed reflects a 8% decrease; and the Total Fines Paid were 33% less than the amount paid during the same period last year.

I will be happy to answer any questions you or the Commissioners have.

Claims Department Statistical Report
FY2023-2024
July 1, 2023 - June 30, 2024

Claims Activities	July	August	Sept	Oct	Nov	Dec	FY23-24 Total	FY22-23 Total	% Diff from prev year
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(o)	(p)	(q)
Forms 15-I	927	1,174	1,020	1,194	1,068	968	6,351	6,478	-2%
Forms 15-II/Forms 17	670	742	687	732	692	630	4,153	5,477	-24%
Forms 16 for PP/Disf	43	39	55	60	52	48	297	1,208	-75%
Forms 18	4,716	5,293	4,979	5,183	5,031	4,590	29,792	29,646	0%
Forms 20	514	624	503	578	543	439	3,201	3,399	-6%
Form 50 Claims Only	267	309	263	4		-	843	1,608	-48%
Form 61	628	756	670	772	700	644	4,170	3,907	7%
Letters of Rep	123	178	119	2	-	-	422	1,620	-74%
Clinchers	601	679	613	748	643	605	3,889	4,684	-17%
Third Party Settlements	17	21	22	28	24	9	121	145	-17%
SSA Requests for Info	44	39	36	46	33	33	165	174	-5%
Cases Closed	1,927	2,270	2,132	2,314	1,984	1,898	12,525	12,332	2%
Cases Reviewed	1,947	2,479	3,407	4,430	3,340	2,919	18,522	16,793	10%
Total	12,424	14,603	14,506	16,091	14,110	12,783	84,517	87,471	-3%
							-	-	
Total Fines Assessed	241	444	290	291	252	270	1,788	1,902	-6%
Form 18 Fines	230	414	230	212	218	229	1,533	1,662	-8%
Total Amt Paid	\$33,200	\$33,400	\$30,050	\$45,000	\$40,000	\$36,250	217,900	323,550	-33%

TAB 7

State of South Carolina

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



Tel: (803) 737-5700
Fax: (803) 737-1234
www.wcc.sc.gov

Workers' Compensation Commission

January 8, 2024

To: Gary Cannon
Executive Director

From: Amy A. Bracy
Judicial Director

RE: Monthly Judicial Report for December 2023

During the month of December, the Judicial Department processed two hundred fifty-five (255) claim only 50s, and seven hundred twenty (720) requests for hearings (claimant and defense pleadings). Comparing the numbers from the same period last year, claimant hearing requests and defense pleadings both experienced a 5% increase. The department received eighty-eight (88) Motions, a 7% decrease compared to the same period last year and one hundred twenty-four (124) clincher conference requests, a less than 1% change compared to the same time last year.

There were sixty-seven (67) Single Commissioner Hearings conducted during the past month, twenty-nine (29) pre-hearing conferences held, and three (3) Full Commission hearings held. A total of three hundred ninety-nine (399) Orders (Single Commissioner Orders, Consent Orders and Administrative Orders) were served at the single Commissioner level, thirty-six (36) of those were Decision and Orders that resulted from hearings that went on the record and seventy-eight (78) were Motion Orders that were a result of Motions ruled upon by Commissioners.

There were three hundred two (302) Informal Conferences requested during December and three hundred twenty-six (326) were conducted.

There were thirty (30) regulatory mediations scheduled and forty-seven (47) requested mediations. Totals are down 2% and up 17% in the respective categories for the same period last year. The Judicial Department was notified of thirty-one (31) matters resolved in mediation, with the receipt of Forms 70. This category's total is down 1% compared to this period last year. This does not include mediations that take place outside of what is reported to the Commission.

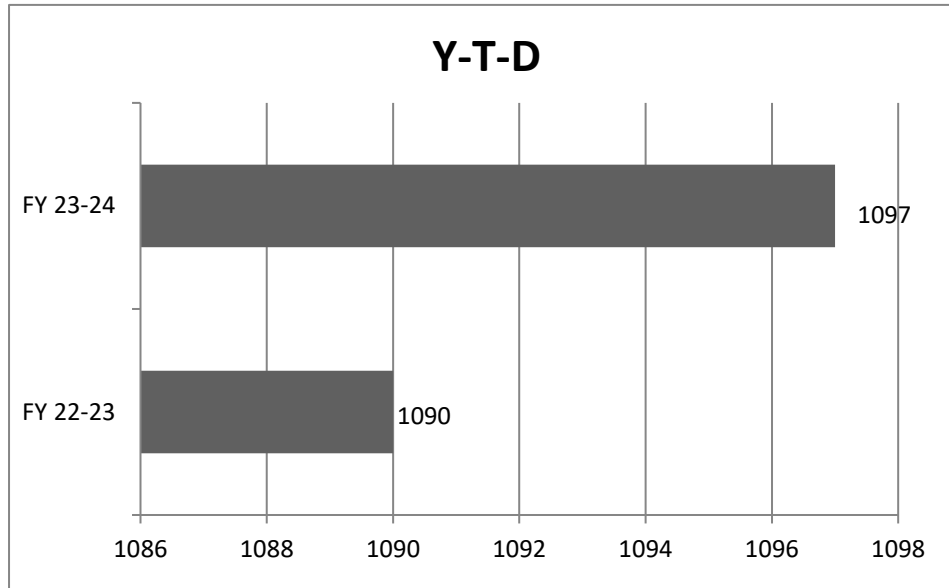
In the month of December, Judicial received zero (0) Notice of Intent to Appeal to the Court of Appeals and zero (0) to the Circuit Court.

**Judicial Department Statistical Report
Statistics For Fiscal Year 2023-2024**

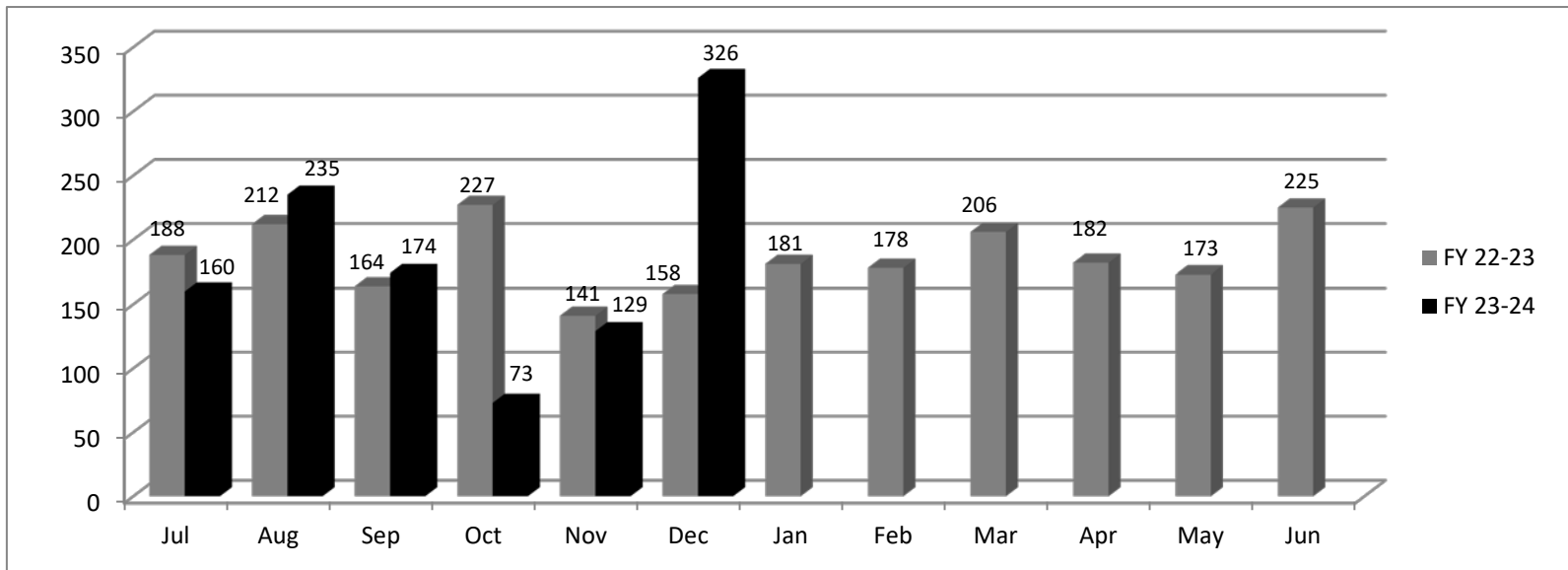
	July	Aug	Sept	Oct	Nov	Dec	Totals YTD 2023-2024	Totals YTD 2022-2023	% Diff from prev year	YTD Diff + (-)	FY23-24 Mth Avg	FY22-23 Mth Avg
Claimant Pleadings	516	702	619	636	529	489	3,491	3319	5%	172	582	553
Defense Response to Pleadings	432	556	569	500	558	393	3,008	2714	11%	294	501	452
Defense Pleadings	261	289	256	299	203	231	1,539	1464	5%	75	257	244
Form 50 - Claim Only (Oct. Begins Judicial #s)	267	309	263	302	221	255	1,617					
Letters of Representation				128	88	66	282					
Motions	90	90	105	133	101	88	607	651	-7%	(44)	101	109
Form 30	8	7	10	9	11	9	54	46	17%	8	9	8
FC Hearings Held	3	8	9	3	8	3	34	44	-23%	(10)	6	7
FC Orders Served	6	9	2	5	1	3	26	50	-48%	(24)	4	8
Single Comm. Hearings Held	46	66	56	48	54	67	337	293	15%	44	56	49
Single Comm. Orders Served	136	195	178	208		123	840	1099	-24%	(259)	140	183
Single Comm. Pre-Hearing Conf Held	4	15	16	21	2	29	87	98	-11%	(11)	15	16
Consent Orders	239	286	284	299	298	270	1,676	1643	2%	33	279	274
Adminstrative Orders	3	10	9	11	9	6	48	70	-31%	(22)	8	12
Clincher Conference Requested	127	142	138	157	126	124	814	810	0%	4	136	135
Informal Conference Requested	219	233	263	251	117	302	1,385	1388	0%	(3)	231	231
Informal Conference Conducted	160	235	174	73	129	326	1,097	1090	1%	7	183	182
Regulatory Mediations	37	36	34	25	30	30	192	196	-2%	(4)	32	33
Requested Mediations	60	83	45	64	64	47	363	309	17%	54	61	52
Ordered Mediations	1	2	0	1	0	0	4	3	33%	1	1	1
Mediation Resolved	33	77	48	46	61	31	296	299	-1%	(3)	49	50
Mediation Impasse	7	32	10	12	16	8	85	74	15%	11	14	12
Mediation Held; Issues Pending	1	5	0	0	1	0	7	2	400%	5	1	0
Claim Settled Prior to Mediation	5	10	10	13	9	16	63	55	15%	8	11	9
Mediation Not Complete in 60 days	0	0	5	2	0	3	10	15	-33%	(5)	2	3

Informal Conf. Conducted

	FY 22-23	FY 23-24
Jul	188	160
Aug	212	235
Sep	164	174
Oct	227	73
Nov	141	129
Dec	158	326
Jan	181	
Feb	178	
Mar	206	
Apr	182	
May	173	
Jun	225	
Total	2235	1097

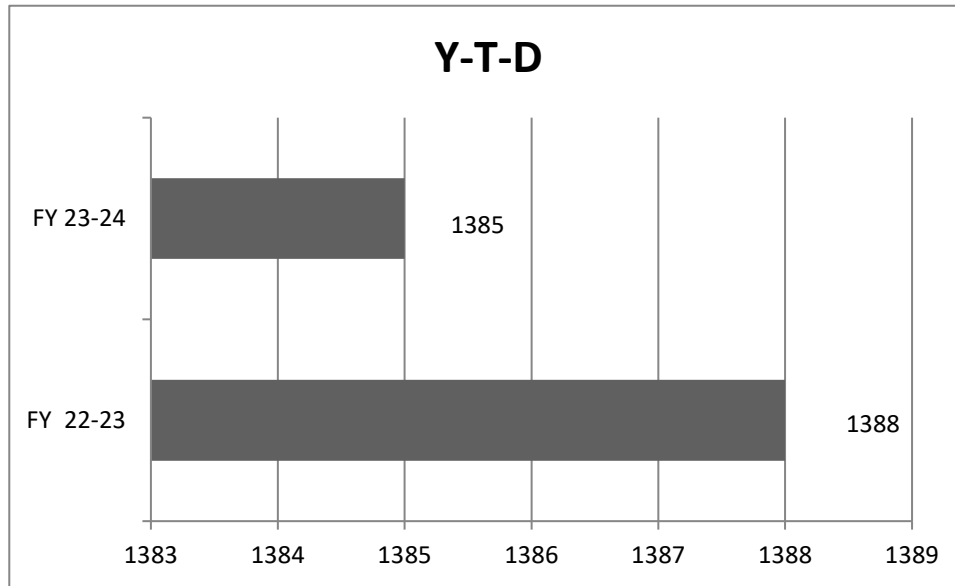


	FY 22-23	FY 23-24
Y-T-D	1090	1097

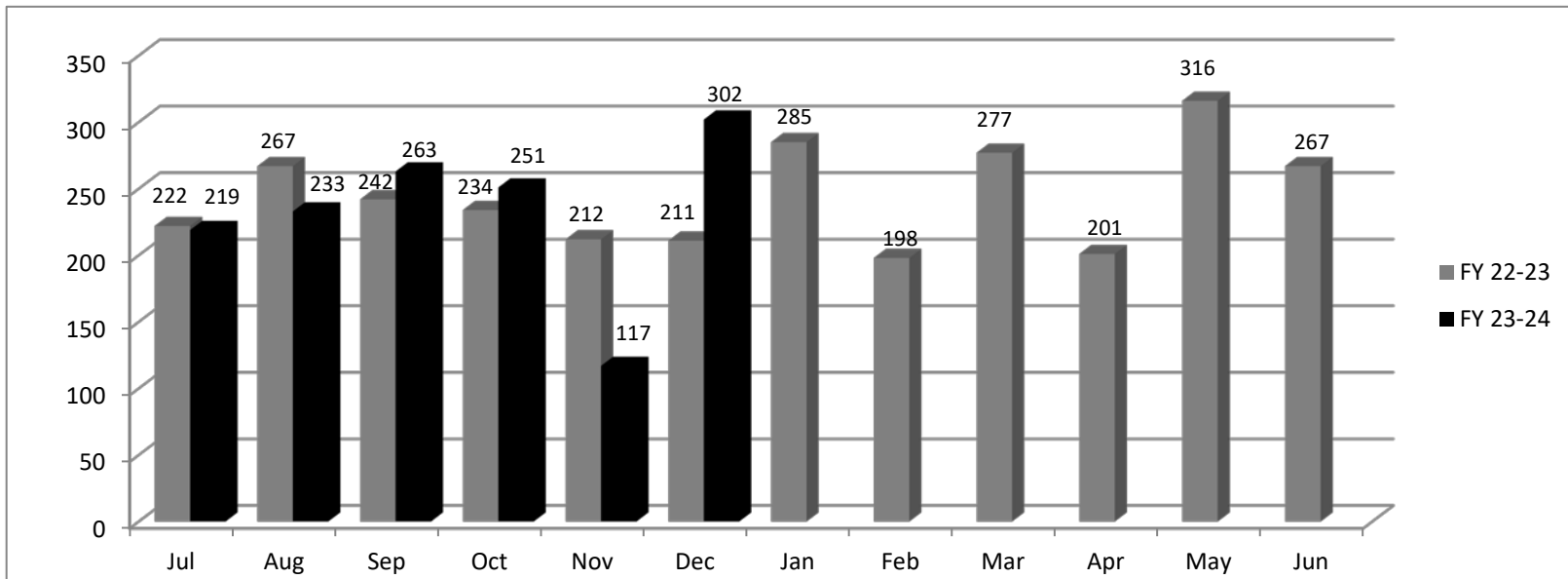


Informal Conf. Requested

	FY 22-23	FY 23-24
Jul	222	219
Aug	267	233
Sep	242	263
Oct	234	251
Nov	212	117
Dec	211	302
Jan	285	
Feb	198	
Mar	277	
Apr	201	
May	316	
Jun	267	
Total	2932	1385



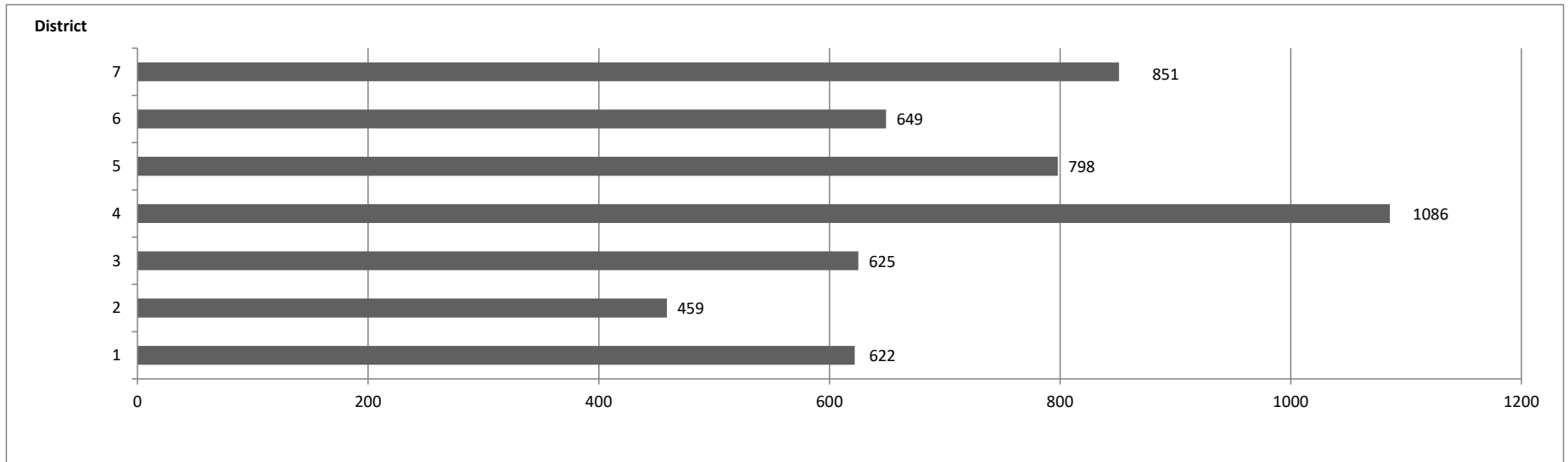
	FY 22-23	FY 23-24
Y-T-D	1388	1385



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		
	23-24	22-23	21-22	23-24	22-23	21-22	23-24	22-23	21-22	23-24	22-23	21-22	23-24	22-23	21-22	23-24	22-23	21-22	23-24	22-23	21-22
Jul	93	105	112	64	81	87	80	112	72	150	150	166	106	111	109	100	135	122	131	142	156
Aug	112	105	93	85	70	67	115	86	101	189	172	174	145	118	112	118	124	101	150	155	134
Sep	110	93	109	83	68	77	113	98	96	234	144	158	160	121	143	111	104	112	148	135	143
Oct	96	78	89	68	59	73	107	97	103	181	140	152	149	114	110	114	96	95	142	126	130
Nov	106	90	96	79	77	66	111	106	95	190	180	144	139	135	112	113	137	84	173	164	116
Dec	105	91	104	80	74	80	99	108	100	142	166	156	99	136	123	93	113	108	107	117	131
Jan		74	85		74	54		90	84		172	167		126	129		97	91		130	118
Feb		78	93		69	75		90	87		144	170		102	105		88	108		122	145
Mar		96	108		69	87		124	84		174	186		133	149		139	130		158	166
Apr		82	106		82	75		78	82		158	181		138	120		113	127		146	164
May		70	82		64	69		92	81		156	149		126	130		114	103		148	136
Jun		118	122		76	74		118	100		235	161		131	152		119	111		185	147
Totals	622	1080	1199	459	863	884	625	1199	1085	1086	1991	1964	798	1491	1494	649	1379	1292	851	1728	1686

Pleadings Assigned by District Year to Date



TAB 8



Referral Date

7/1/2023

12/31/2023

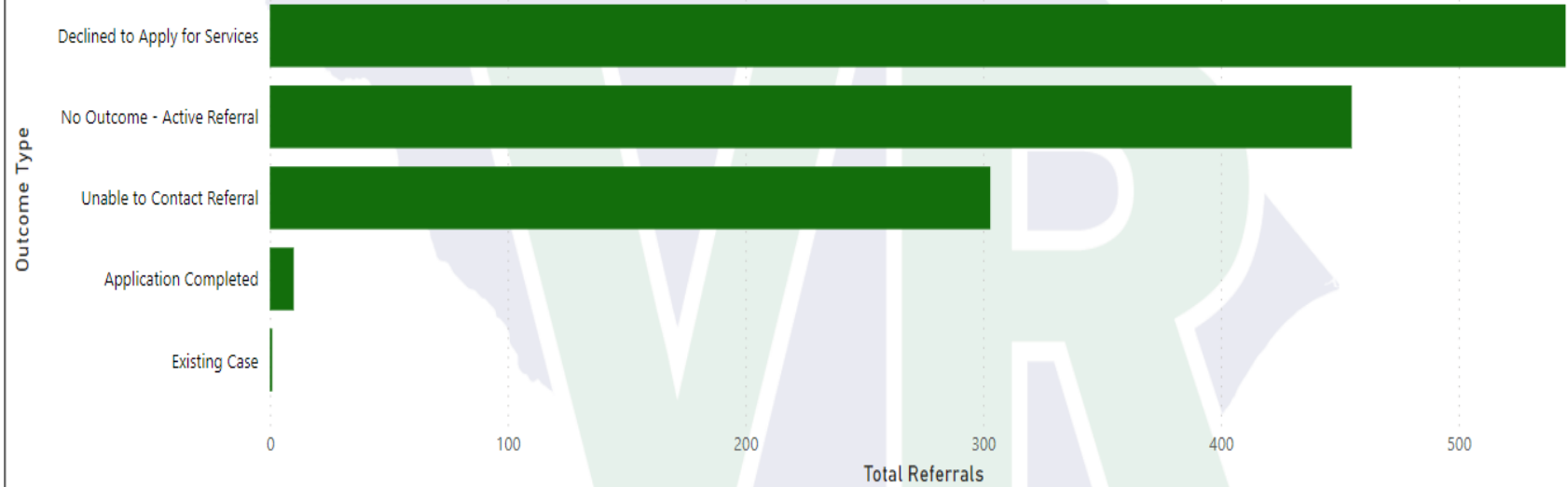
Area Office

All

Referring Organization

SC Workers Compensation

Total Referrals by Outcome Type



Referral Summary

Outcome Type	Total Referrals
Application Completed	10
Declined to Apply for Services	545
Existing Case	1
No Outcome - Active Referral	455
Unable to Contact Referral	303
Total	1314

TAB 9

State of South Carolina



Workers' Compensation Commission

Executive Director's Report

January 22, 2024

Meetings and Other Activities

The Executive Director attended a reception sponsored by the SCEAA and the SCEAA quarterly meeting. Met with FairHealth consultants to discuss updates to the Medical Services Provider Manual (MSPM) and with individuals from NCCI to review the medical data reported for SC. Conducted four meetings with various staff on various topics.

Constituent /Public Information Services

For the month of December, the Executive Director's and the General Counsel's offices had 162 contacts with and for stakeholders.

Financial Transactions Activity

During the month of December, the Director's office processed and approved twenty-two (22) travel expense reports, one hundred thirty-eight (138) invoices, thirty-four (34) deposits for DOA to process in the SCEIS system and one (1) Purchase Order.

SCWCC Stakeholder Electronic Distribution List

For the month of December, the Office had one (1) addition and three (3) deletions to the email distribution list due to duplicates of inactive email accounts.

Advisory Notices

During the month of December, the office posted four (4) notices on the Commission's website and emailed it to the distribution list.

TAB 10

State of South Carolina

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: Commissioners

From: Gary Cannon, Executive Director

Date: January 22, 2024

Re: Regulation R67-1602

To comply with the requirements for changing a Regulation the Commission will conduct a Public Hearing on the proposed changes to Regulation R67-1602 at the Business Meeting on January 22.

The Notice of the Public Hearing was published in the November 2023 edition of the *State Register*.

Attached is a copy of the proposed changes and two written comments the Commission received from stakeholders.

To publish proposed regulations the following verification must be signed and returned to the Clerk of the State Register

VERIFICATION

This certifies that I have reviewed the text of this document and determined that it conforms to the text submitted by this agency to the Clerk of the State Register.

Date

Reviewing Officer

Document No. 5266
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
CHAPTER 67
Statutory Authority: 1976 Code Section 42-3-30

67-1602. Payment of Compensation.

Preamble:

The South Carolina Workers' Compensation Commission proposes to amend the regulation that addresses methods of payment by which compensation can be paid.

Section-by-Section Discussion:

67-1602. Payment of Compensation.

1. Revises subsection A to allow the Commission to approve recipients who may accept payments on behalf of claimants.
2. Revises subsection B to clarify the purpose of subsection B.
3. Revises subsection C to make electronic means the default method of payment for temporary disability payments and reimbursements for expenses under Reg. 67-1601.
4. Adds paragraph C(1) to require payers to provide claimants with notice of the method of electronic payment.
5. Adds paragraph C(2) to allow for payers to send payments via a check in the event that a claimant does not respond to the aforementioned notice.
6. Adds paragraph C(3) to allow claimants to opt into payments via checks and require payers to honor these requests.
7. Adds subsection D to allow payers to petition the Commission for the right to make payments via checks within two (2) years of the effective date of the regulation. Payers must show that they would undergo hardship without this right.
8. Deletes the old subsection E.
9. Adds a new subsection E to set forth requirements for payers who use an electronic payment method.
10. Adds paragraph E(1) to ensure claimants can immediately obtain their electronic payments.
11. Adds paragraph E(2) to ensure that the chosen electronic payment method is easily accessible to claimants.
12. Adds paragraph E(3) to give claimant the option to opt into payments via checks given 30 days notice to payer.
13. Adds subsection G to define when payment via check is considered complete and to require payers via check to keep records of the checks they send.

14. Revises subsection I (formerly subsection G) to clarify claimants' recourse for late payments and errant suspension or termination of benefits. This revision specifies that recourse can be taken by filing a WCC Form 50 Employee's Request for Hearing.

The Notice of Drafting was published in the *State Register* on October 27, 2023.

Notice of Public Hearing and Opportunity for Public Comment:

Should a hearing be requested pursuant to Section 1-23-110(A)(3) of the 1976 Code, as amended, such hearing will be conducted at the South Carolina Workers' Compensation Commission, 1333 Main Street, Suite 500, Columbia, SC 29201 on January 22, 2024, at 10:30 a.m. If a qualifying request pursuant to Section 1-23-110(A)(3) is not timely received, the hearing will be cancelled.

Written comments may be directed to Gary Cannon, Executive Director, South Carolina Workers' Compensation Commission, 1333 Main Street, Suite 500, Columbia, SC 29201 and may be submitted electronically to gcannon@wcc.sc.gov, no later than January 18, 2024.

Preliminary Fiscal Impact Statement:

There are no anticipated costs incurred by the State or any of its political subdivisions.

Statement of Need and Reasonableness:

Following input from stakeholders that regularly appear before the Commission, the Commission needs to amend Regulation 67-1602 to make payment by electronic means the default method of payment for temporary disability and reimbursements.

DESCRIPTION OF REGULATION:

Purpose: To make payment by electronic means the default method of payment for temporary disability and reimbursements.

Legal Authority: 1976 Code Section 42-3-30.

Plan for Implementation: The revised regulations will take effect upon approval by the General Assembly and upon Publication in the *State Register*. The Commission will notify stakeholders of the revised regulation by posting notice on the Commission's website.

DETERMINATION OF NEED AND REASONABLENESS OF THE PROPOSED REGULATION BASED ON ALL FACTORS HEREIN AND EXPECTED BENEFITS:

The proposed regulation is necessary to facilitate quick and accessible payments to claimants.

DETERMINATION OF COSTS AND BENEFITS:

There are no additional costs expected to be incurred by the Commission or our stakeholders as a result of this change.

UNCERTAINTIES OF ESTIMATES:

There are no uncertainties of estimates concerning this regulation.

EFFECT ON ENVIRONMENT AND PUBLIC HEALTH:

There is no anticipated effect on the environment of this state as a result of this change.

DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE REGULATION IS NOT IMPLEMENTED:

There will be no detrimental effect on the environment and public health of this State if these regulations are not implemented.

Statement of Rationale:

Due to the quick, traceable, and accessible nature of electronic payment systems, Regulation 67-1602 is being revised to make payment by electronic means the default method of payment for temporary disability and reimbursements.

Text:

67-1602. Payment of Compensation.

A. Unless otherwise ordered by the Commission, the employer's representative shall pay all compensation directly to (1) the claimant or (2) the guardian, if the claimant is a minor or incapacitated person, or (3) another person approved by a court or the Commission to accept payment on behalf of the claimant.

B. ~~To pay an award or settlement~~ The ~~the~~ employer's representative shall make a check payable to the claimant and the claimant's attorney, as allowed pursuant to an approved Form 61, Attorney Fee Petition, or by order of the Commission.

C. Periodic payments of temporary disability and reimbursements for expenses under Reg. 67-1601 shall be made by electronic payment systems, subject to the following conditions:

(1) The employer, employer's representative, or other payer must provide the claimant written or electronic notice of the method of electronic payment available and how to access it on or before the date compensation becomes due;

(2) If the claimant does not respond within seven (7) days of the date such notice is given the employer, employer's representative, or other payer may provisionally issue payment in the form of a check. The check must be accompanied by written instructions for the claimant to commence payment electronically. If the claimant subsequently requests electronic payment, the employer, employer's representative, or other payer must commence payment electronically; and

(3) A claimant may at any time elect in writing or electronically to receive such payments by check and the employer, employer's representative, or other payer shall honor such request.

~~The employer, employer's representative, or other payer shall make each payment in the form of a check using an electronic payment system, unless the parties mutually agree to an alternate payment method as provided for in this section. An employer, employer's representative, or other payer may use an electronic payment system, including, but not limited to, an electronic funds transfer, a direct deposit, debit card, or similar payment system, as an alternative method of payment if:~~

~~(1) the claimant can immediately obtain the full amount of the periodic payment;~~

~~(2) the method of payment is easily and readily accessible to the claimant; and~~

~~(3) the use of an electronic payment system is optional and at the election of the parties as documented in the records of the payer; and~~

~~(4) once the parties have agreed to use an alternate payment system in accordance with this section, either party may opt to change the method of payment to another method consistent with this section by providing 30 days' written notice to the other party.~~

D. An employer, employer's representative, or other payer may petition the Commission for an order allowing the payer to make periodic payments of temporary disability and reimbursements of expenses under Reg. 67-1601 using a check. The Commission shall only grant such petitions for a time period not to exceed two years from the effective date of this regulation, and only upon a showing of hardship by the payer. Such petitions shall be decided by written order of the Commission, with right to review and appeal as in other cases. Any employer, employer's representative, or payer granted the privilege of making payment by check pursuant to this subsection shall provide the claimant with written notice that payment will be made by check on or before the date compensation becomes due. The employer, employer's representative, or payer shall notify the claimant as soon as electronic payment is available.

E. An employer, employer's representative, or other payer using an electronic payment system, including, but not limited to, an electronic funds transfer, a direct deposit, debit card, or similar payment system, must meet the following conditions:

- (1) the claimant can immediately obtain the full amount of the periodic payment;
- (2) the method of payment is easily and readily accessible to the claimant; and
- (3) the claimant retains the right to opt for payment by check consistent with paragraph (C) by giving 30 days written or electronic notice to the payer.

DE. When payment is made to a debit card account:

- (1) the payer shall not charge the claimant any fee related to the issuance of the debit card;
- (2) the claimant must be provided a reasonable method to obtain payment in full without incurring any usage fee; and
- (3) any other fees associated with the use of the debit card shall be disclosed to the claimant in writing by the payer.

~~E. Other than when making payment by check, an employer, employer's representative, or other payer shall not make a payment as described in subsection C. without the full consent of the claimant, obtained without intimidation, coercion, or fear of discharge or reprisal. Default payment shall be by check.~~

G. When making payment using a check in accordance with paragraphs (C)(2) or (D), above, payment is deemed complete on the date the employer, employer's representative, or other payer delivers the check into the possession of the U.S. Postal Service or common carrier with postage or other charges paid. The employer, employer's representative, or other payer shall keep record of the date each check is delivered into the possession of the U.S. Postal Service or common carrier and shall provide such records to the claimant or the Commission immediately upon request. If there are any tracking numbers or similar information associated with the shipment of the check by U.S. Mail or common carrier, such information shall be provided to claimant or the Commission immediately upon request.

FH. Payment made other than as directed in this section shall not acquit, protect, or discharge the employer, employer's representative, or other payer for the payment due.

GI. The claimant may request a hearing to assess a penalty and/or interest as authorized by statute for late payment or suspension or termination of benefits by filing with the Commission's Judicial Department a WCC Form 50 Employee's Request for Hearing. ~~motion to increase compensation payments according to R.67-215.~~



January 18, 2024

Gary Cannon, Executive Director
South Carolina Workers' Compensation Commission
1333 Main Street, Suite 500
Columbia, SC 29201

Via Electronic Mail: gcannon@wcc.sc.gov

Re: Comments on Proposed Amendments to Regulation 67-1602, Payment of Compensation

Dear Director Cannon:

The American Property Casualty Insurance Association (APCIA) appreciates the opportunity to comment on the Commission's proposed amendments to Regulation 67-1602, which addresses methods of payment by which compensation can be paid. APCIA's members write 74% of all workers' compensation insurance premiums nationwide and nearly 87% in South Carolina, so they are intimately familiar with – and uniquely situated to comment on – the most reasonable and effective methods for making benefit payments to claimants.

First and foremost, APCIA believes that electronic payments should be optional and not mandatory, and we urge the Commission to reconsider the proposed amendments making electronic payment the default method of payment for temporary disability and expense reimbursement. The most common forms of electronic payment require the claimant to provide their bank account information to the employer and "opt in" to receive electronic payments, a process which is completely antithetical to designating electronic payment as the default method of payment.

APCIA also recommends that the seven-day waiting period before the employer may issue the first temporary disability payment be eliminated, and that employers be permitted to issue a check for the first payment (along with instructions for the claimant to commence payment electronically) if the employee does not provide information needed to process an electronic payment at least three business days before the payment is due. The seven-day waiting period contravenes the stated need "to facilitate quick and accessible payments to claimants." The burden of delay caused by this waiting period will fall disproportionately on the most vulnerable workers who do not have bank accounts and cannot "opt-in" to electronic payments. The waiting period would also undermine the ability of employers to meet their statutory obligation to make timely payments to claimants. With the first temporary disability payment being due within 14

days after the employer has knowledge of the injury and the notice regarding electronic payment being due at the same time, the first temporary disability payment will be late. If the employer is required to wait an additional seven days to issue payment.

Following are some additional recommendations:

Section C – These provisions should be conditioned on the claimant having a valid e-mail address.

Subsection C(1) – The notice of the method of electronic payment should only be required before the first payment.

Subsection C(2) – The requirement that insurers include electronic payment instructions when issuing checks is overly cumbersome and should be replaced by the reasonable alternative of requiring a generic written notice in claim kits about digital payment options. Furthermore, employers should be permitted to provisionally issue payment in the form of a check until the employee provides the information needed to process the electronic payment.

Subsection E(1) – We request clarification that a claimant’s ability to immediately obtain the full amount of the periodic payment depends on the payment method he or she selects.

Subsection E(2) – We request clarification that a claimant’s ability to easily and readily access the method of payment depends on the method he or she selects.

Section G – We recommend adding the following sentence to the end of the paragraph to clarify that payment is considered complete on the date the insurer provides notice to the claimant of the payment that is available for access through electronic payment methods: “When making payment by electronic payment methods, the payment is deemed complete on the date the employer, employer’s representative, or other payer delivers electronic notice to the claimant that an electronic payment is available with instructions as to how to access such payment.”

Section I – We recommend adding the following sentence to the end of the paragraph to clarify that no payment should be considered late due to actions outside of the insurer’s control (e.g., delay or inaction by the claimant with collecting payment or delay in availability of funds due to claimant’s selected payment method): “An electronic payment is not considered late if a delay is caused by application of federal or state banking laws or regulations or other actions outside the payor’s control.”

Once again, APCIA greatly appreciates the opportunity to provide our perspective on these important issues. Please feel free to contact me if you have any questions or comments.

Sincerely,



Kenneth A. Stoller
Assistant Vice President, Workers' Compensation
American Property Casualty Insurance Association
Ken.Stoller@apci.org
202-702-6370

cc: Ron Jackson
Brandon Dermody
Jeff Griffith
Earl Hunter

From: [Tosca Walls](#)
To: [Cannon, Gary](#)
Subject: [External] Electronic Payments of Compensation
Date: Thursday, December 21, 2023 11:42:03 AM
Attachments: [image001.png](#)
[image002.png](#)

Hi Gary,

I hope you are doing well. It was great seeing you at the SCWCEA conference this year. I wanted to follow-up with you regarding the proposed legislation regarding electronic payments. I think this legislation is needed, however it will take some organizations time to update their claims systems to accommodate electronic payments. Will organizations need to voice this at the hearing on 1/22/24 or should they simply petition the Commission for an order to continue issuing checks until system upgrades are complete?

I hope you have a wonderful Christmas and prosperous New Year!

Thanks,



Tosca Walls

Director, P&C Operations

Planned Administrators, Inc.

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TAB 11

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Workers' Compensation Commission

MEMORANDUM

To: Commissioners

From: Gary Cannon, Executive Director

Date: January 22, 2024

Re: 2024 Medical Services Provider Manual (MSPM)

Attached please find the proposed changes/updates to the Medical Services Provider Manual (MSPM) for 2024. This is for your information only at this time.

It is requested you approve scheduling a Public Hearing for the Business Meeting on February 12, 2024. If approved, the announcement of the Public Hearing and proposed changes will be distributed via an email to stakeholders and published on the Commission's website.



Summary of Proposed Changes 2024 Medical Services Provider Manual

January 18, 2024

FAIR Health reviewed the policies in the Medical Services Provider Manual (MSPM) under the direction of the South Carolina Workers' Compensation Commission (WCC). This is a preliminary version of the summary and will be updated when final changes are approved.

The codes in the provider manual will be made current by including codes established for 2024 and deleting obsolete codes. Maximum allowable payment (MAP) amounts will be updated based on the conversion factors adopted by the Workers' Compensation Commission. In addition to administrative changes such as updating copyright dates, code ranges, numerical examples and URL links, substantive changes to the text, which are outlined below, are included in the proposed version of the 2024 Medical Services Provider Manual (MSPM). Page numbers refer to the pages in the South Carolina MSPM effective April 1, 2023.

Where applicable, new text is underlined and deleted text is marked with a ~~strikethrough~~.

Part I

Chapter I. Overview and Guidelines: Healthcare Common Procedure Coding System

Page 1 – Healthcare Common Procedure Coding System

- Language was updated to recognize that CPT occasionally uses alpha-numeric codes.

The Healthcare Common Procedure Coding System (HCPCS) is used in this fee schedule. Level I of the HCPCS is comprised of Current Procedural Terminology (CPT®), a coding system maintained by the American Medical Association (AMA) consisting of descriptive terms and identifying codes that are used primarily to identify medical services and procedures furnished by physicians and other medical care providers. CPT codes, comprised of five ~~digits~~ characters, are published and updated annually by the AMA. Level I of the HCPCS, CPT codes, does not include codes needed to separately report medical items or services that are regularly billed by suppliers other than physicians.

Level II of the HCPCS is a standardized coding system that is used primarily to identify services, products, and supplies not included in the CPT codes, such as some procedures and tests, durable medical equipment, prosthetics, orthotics, and supplies. Level II HCPCS codes were established for submitting claims for these items. The Centers for Medicare and Medicaid Services (CMS) maintains and distributes HCPCS Level II codes. Level II HCPCS ~~also referred to as alpha-numeric codes~~, consist of a single alphabetical letter followed by four numeric digits.

Page 2 – Providers Covered by the Manual, 3. Non-Physician Practitioners

- Included Mental Health Counselors, to align with the Centers for Medicaid & Medicare Services' (CMS) changes to expand access to care for mental health services.

Non-Physician Practitioners to include, but not limited to, physical therapists, physical therapy assistants, occupational therapists, occupational therapy assistants, physicians' assistants, nurse practitioners, certified registered nurse anesthetists, mental health counselors and medical or clinical social workers.

Page 2 – Service Level Adjustment Factor

- Added adjustment factor for reimbursement for Mental Health Counselors.
Mental Health Counselors: .75 for therapeutic and diagnostic services other than diagnostic tests; no adjustment is necessary for diagnostic tests.

Chapter II. General Policy

Page 7 – Copies of Records and Reports

- Added reference to the appendix for consistency with other sections of the provider manual.

Note: Providers do not need to obtain authorization from the injured worker to release medical records relating to a workers' compensation claim. An employee who seeks treatment under the provisions of the Workers' Compensation Act is considered to have given consent for the release of medical records relating to the examination or treatment. (See Appendix A for S.C. Code Section 42-15-95 and Regulation 67-1308.)

Chapter III. Billing Policy

Page 10 – Medically Unlikely Edits (MUES)

Note: Repeated on pages 14, 33 and 459

- Edited to align with updates in the National Correct Coding Initiative (NCCI) language.

Medically unlikely edits (MUEs) are applied according to the provider type. If the supply is provided in the physician office, use the practitioner services (physician) MUE table; if the medical service is provided in the inpatient or outpatient facility, use the outpatient services (facility) MUE table. For a DME supply only, a Medicare-approved provider is not required to dispense the DME. The ~~place of service appropriate~~ (physician or facility (place of service)) MUE schedule would be referenced for coverage. Significant supplies dispensed in the physician office may be reimbursed according to the guidelines in this Fee Schedule even if the MUE is 0. (See Part I Chapter IV, Paying for Supplies for more details regarding reimbursing supplies.)

Page 10 – Modifiers

- Added language to clarify that the modifier only applies to the service code appended and not to the entire bill.

A modifier is a two-digit code that is added to a CPT or HCPCS code to indicate that a service or procedure has been performed under or altered by a specific set of circumstances that do not change the definition or code. The Commission encourages providers to use modifiers to enhance the accuracy of medical services reporting, though use of a modifier may not affect actual payment. The modifier applies only to the specific service(s) to which it is appended. Other services included on the bill are not impacted by the modifier. For certain services and/or circumstances the use of a modifier is required. However, the use of a modifier does not guarantee additional payment to the provider.

Chapter IV. Payment Policy

Page 14 – Medically Unlikely Edits

Note: Repeated on pages 10, 33 and 459

- Edited to align with updates in the National Correct Coding Initiative (NCCI) language.

Medically unlikely edits (MUEs) are applied according to the provider type. If the supply is provided in the physician office, use the practitioner services (physician) MUE table; if the medical service is provided in the inpatient or outpatient facility, use the outpatient services (facility) MUE table. For a DME supply only, a Medicare-approved provider is not required to dispense the DME. The ~~place of service~~ appropriate (physician or facility (place of service)) MUE schedule would be referenced for coverage. Significant supplies dispensed in the physician office may be reimbursed according to the guidelines in this Fee Schedule even if the MUE is 0. (See Part I Chapter IV, Paying for Supplies for more details regarding reimbursing supplies.)

Page 14 – Add-on Code Edits

- Language modified to provide clarification and consistency with updated NCCI language.

CMS has adopted add-on code edits. An add-on code describes a service that can only be performed in addition to a primary service by the same practitioner. Add-on codes can be identified by a + in the CPT book and the Medical Services Provider Manual. These The CMS edits identify the primary procedure that should be reported with the add-on code, or those codes that do not specify a primary procedure. Add-on codes are identified as a type I1, H2, or H3.

- Type I1 has a limited number of identifiable primary procedure codes;
- Type H2 does not have a specific list of primary procedure codes; and
- Type H3 has a list of some, but not all, primary procedure codes identified

~~For example, There is one exception for Type 1 edits.~~ Add-on code guidelines indicate that code 99292 may be reported by a provider who does not report 99291 if another provider of the same specialty from the same group reports 99291 ~~on the same day~~. The add-on code edits have been recognized by Medicare since 2013, and followed by state Medicaid programs and health insurance carriers. More information about the add-on code edits can be found at: <http://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/Add-On-Code-Edits.html>

Part II

Fee Schedule

Page 32 – Telemedicine

- Added place of service code 10 and descriptions of the place of service codes for clarification.
- Removed pandemic emergency language due to expiration of the public health emergency.
- Added mental health counselors.

Telemedicine is the use of electronic information and telecommunication technologies to provide care when the provider and patient are in different locations. Technologies used to provide telemedicine include telephone, video, the internet, mobile app and remote patient monitoring. Services provided by telemedicine are identified by the use of place of service code 02, ~~(telemedicine)~~ (telehealth provided other than in the patient's home) or 10 (telehealth provided in the patient's home) and Modifier 95, Synchronous Telemedicine Service, or Modifier 93, Synchronous Telemedicine Service Rendered Via Telephone or Other Real-Time Interactive Audio-Only Telecommunications System on the bill.

Certain services that are eligible for reimbursement under the South Carolina Medical Services Provider Manual when provided by telehealth ~~during the COVID-19 pandemic emergency~~ are identified with a star (★) in the rate tables. Telemedicine may not be used for emergent conditions. The maximum payment for telemedicine services is 100 percent of the billed charge, not to exceed the non-facility maximum allowable payment (MAP) listed in the rate tables. Service level adjustment factors are applicable based on the licensure of the healthcare professional providing the telemedicine service.

Additional services may be provided via telemedicine with pre-authorization by the payer.

The place of service for the telemedicine service is defined as the location of the patient/injured worker. Providers must be licensed to practice in South Carolina and telemedicine services may be provided by physicians, physician assistants, psychologists, nurse practitioners, physical therapists, occupational therapists, speech therapists, mental health counselors and social workers.

Telemedicine activities provided by physical therapy assistants and occupational therapy assistants must be supervised and directed by a physical therapist or occupational therapist, as appropriate, whose license is in good standing in South Carolina.

Page 33 – Medically Unlikely Edits (MUEs)

Note: Repeated on pages 10, 14 and 459

- Edited to align with updates to the National Correct Coding Initiative (NCCI) language.

Medically unlikely edits (MUEs) are applied according to the provider type. If the supply is provided in the physician office, use the practitioner services (physician) MUE table; if the medical service is provided in the inpatient or outpatient facility, use the outpatient services (facility) MUE table. For a DME supply only, a Medicare-approved provider is not required to dispense the DME. The ~~place of service appropriate~~ (physician or facility (place of service)) MUE schedule would be referenced for coverage. Significant supplies dispensed in the physician office may be reimbursed according to the guidelines in this Fee Schedule even if the MUE is 0. (See Part I Chapter IV, Paying for Supplies for more details regarding reimbursing supplies.)

Section 1. Evaluation and Management (E/M) Services

Page 35 – Documentation must support the level of E/M service reported.

- Removed the link to AMA guidelines. In 2023 there were significant changes to E/M services and the AMA made an exception and provided a link to access the guidelines at no cost. This link is no longer active.

For complete instructions on identifying and billing E/M services, please refer to the Evaluation and Management Services Guidelines of the 2024 CPT book, or ~~https://www.ama-assn.org/system/files/2023-e-m-descriptors-guidelines.pdf~~

The appropriate level of E/M service is based on the level of medical decision making defined for each service or the total time spent on E/M services on the date of service.

Page 39 – South Carolina State-Specific Modifier

Note: Repeated on pages 71 and 387

- Appropriate was added before CPT code for consistency with other sections

AL Nurse practitioner, physician assistant or certified nurse specialist

When the service was provided by a nurse practitioner, physician assistant, or certified nurse specialist, modifier AL must be added to the appropriate CPT code for the service rendered.

Section 3. Surgery

Page 65 – General

- Provided language to clarify that services covered by follow-up days only apply to services related to the original procedure.

Follow-up days listed for individual services are those determined by the Centers for Medicare and Medicaid Services (CMS). During the follow-up period no payment will be made for hospital or office visits provided by the surgeon, for related procedures, since these services are included in the charge for the surgical procedure. The day after the service was rendered is considered day 1 of the follow-up period.

Page 66 – Exceptions

- Language was updated to clarify the difference between add-on codes and Modifier 51 exempt codes.

Certain procedures are not subject to the multiple procedures policy. These procedures are performed only in conjunction with other surgical procedures or ~~that otherwise~~ do not fit into the concept of multiple surgery.

~~As a general rule, the description will~~ Add-on codes contain the words “each additional” or “list separately” in ~~its~~ the CPT descriptor and ~~will be~~ are identified with the + icon in the rate tables. ~~These services are also known as “add-on” procedures.~~ These codes will be ~~are~~ an exception to the multiple procedures policy and are reported using the CPT code with no modifier. Payment for these services will be made at the lesser of billed charges or 100 percent of the MAP amount.

~~Modifier 51 exempt codes have not been~~ are identified with the ⊖ icon in the rate tables. ~~These codes are an exception to the multiple procedures policy and are reported using the CPT code with no modifier. Payment for these services will be made at the lesser of billed charges or 100 percent of the MAP amount.~~ A listing of CPT codes that are exempt from ~~the multiple procedures policy~~ modifier 51 is found in Appendix B of the Medical Services Provider Manual ~~and these codes are identified with a ⊖ icon in the rate tables.~~

Page 67 – Non-Physician Practitioners

- Certified nurse specialist was added for consistency with other sections of the MSPM.

When authorized by the employer or insurance carrier, a nurse practitioner, ~~or~~ physician assistant, or certified nurse specialist may provide services to injured workers. Payment to these non-physician practitioners is determined by multiplying the maximum allowable payment (MAP) amounts listed in the Schedule by a service level adjustment factor (SLAF) of .85. Incident-to guidelines are not applicable to services rendered under the 2024 Medical Services Provider Manual.

Page 71– South Carolina State-Specific Modifier

Note: Repeated on pages 39 and 387

- Appropriate was added before CPT code for consistency with other sections

AL Nurse practitioner, physician assistant or certified nurse specialist

When the service was provided by a nurse practitioner, physician assistant, or certified nurse specialist, modifier AL must be added to the appropriate CPT code for the service rendered.

Section 6. Medicine and Injections

Page 383 – Non-Physician Providers (Nurse Practitioners and Physician Assistants)

- Certified nurse specialist was added for consistency with other sections of the provider manual.

Physician assistants, and nurse practitioners and certified nurse specialists who treat injured workers are not paid at the full maximum allowable payment (MAP) amounts listed in the Schedule. Payments to these non-physician providers must not exceed 85 percent of the MAP amounts. To determine the maximum allowable payment for these providers, multiply the MAP amount listed in the Medical Services Provider Manual fee schedule by .85.

Page 384 – Services Rendered by a Clinical Social Worker

- Updated section title to reflect a broader recognition of social workers and to include the addition of Mental Health Counselors.

Services Rendered by a Mental Health Counselor, or a Medical or Clinical Social Worker

Page 384 – Billing

- Update section to clarify the inclusion of medical social workers and to add mental health counselors

Clinical psychologists must add modifier AH, and medical or clinical social workers or mental health counselors must add modifier AJ to the applicable CPT codes when billing for services. Services are paid at the lesser of the provider's usual charge or the MAP amount.

Page 387 – HCPCS Modifiers

- Updated modifier description to clarify the inclusion of medical social workers and to add mental health counselors

AJ Medical or Clinical Social Worker, or Mental Health Counselors

South Carolina Specific Instruction: *When the service was rendered by a medical or clinical social worker, or a mental health counselor, the modifier AJ must be added to the CPT code for the service rendered.*

Page 387– South Carolina State-Specific Modifier

Note: Repeated on pages 39 and 71

- Appropriate was added before CPT code for consistency with other sections

AL Nurse practitioner, physician assistant or certified nurse specialist

When the service was provided by a nurse practitioner, physician assistant, or certified nurse specialist, modifier AL must be added to the appropriate CPT code for the service rendered.

Section 9. HCPCS Level II

Page 459 – Medically Unlikely Edits (MUES)

Note: Repeated on pages 10, 14 and 33

- Edited to align with updates in the National Correct Coding Initiative (NCCI) language.

Medically unlikely edits (MUEs) are applied according to the provider type. If the supply is provided in the physician office, use the practitioner services (physician) MUE table; if the medical service is provided in the inpatient or outpatient facility, use the outpatient services (facility) MUE table. For a DME supply only, a Medicare-approved provider is not required to dispense the DME. The ~~place of service~~ appropriate (physician or facility (place of service)) MUE schedule would be referenced for coverage. Significant supplies dispensed in the physician office may be reimbursed according to the guidelines in this Fee Schedule even if the MUE is 0. (See Part I ~~Section~~ Chapter IV, Paying for Supplies for more details regarding reimbursing supplies.)

Analysis of Anesthesia Conversion Factor

January 5, 2024

The South Carolina Workers' Compensation Commission requested FAIR Health to review the conversion factor that determines reimbursement for anesthesia services under the South Carolina Medical Services Provider Manual.

FAIR Health reviewed the anesthesia conversion factor from several aspects:

- Comparison to Medicare
- Comparison to private health insurance
 - Billed charges
 - Allowed amounts
- Comparison to other states' workers' compensation fee schedules

NOTE: The American Society of Anesthesiologists (ASA) no longer surveys anesthesia providers about conversion factors and does not publish the conversion factor study that was previously used for comparison in this report.

The Commission increased the anesthesia conversion factor from \$30.00 to \$32.85 in the 2023 South Carolina Medical Services Provider Manual (MSPM). The anesthesiology maximum allowable payment (AMAP) is the sum of the Basic MAP amount plus the Time Value Amount payment. The Basic MAP amount is set in the fee schedule based on the conversion factor x base units. The Time Value amount is calculated based on the \$32.85 conversion factor x each 15-minute time unit.

For example:

CPT 01380 – anesthesia for all closed procedures on knee joint

	60-Minute Surgery (4 Time Units)	120-Minute Surgery (8 Time Units)
Basic MAP (3 base units)	\$ 98.55	\$ 98.55
Time Value Amount	\$ 131.40	\$ 262.80
Total AMAP	\$ 229.95	\$ 361.35

Medicare

CMS reduced the Medicare anesthesia conversion factor slightly in 2024 to maintain budget neutrality for professional fees. The South Carolina anesthesia conversion factor was increased from \$30.00 to \$32.85 in 2023 and is currently 161% of the national CMS anesthesia conversion factor. The comparison below is based on the Medicare conversion factor published in the 2024 Final Rule.

	National Comparison Anesthesia	South Carolina Comparison Anesthesia	Other Professional Services
South Carolina 2023 Conversion Factor	\$32.85	\$32.85	\$51.50
2024 Medicare Conversion Factor	\$20.4349 (National)	\$19.91 (Adjusted by CMS for South Carolina)	\$32.7442
Ratio	161%	165%	157%

Private Health Insurance

FAIR Health collects data for anesthesia services from private payors (more than 50 payors contribute data for services performed in South Carolina) and uses this data to develop benchmarks, including benchmarks for anesthesia conversion factors. Insurers and administrators that participate in the FAIR Health Data Contribution Program are required to submit all of their data; they cannot selectively choose which data to contribute to FAIR Health. We are providing benchmarks for anesthesia conversion factors in two different ways:

- Charge benchmarks based on the non-discounted charges billed by providers before any network discounts are applied; and
- Allowed benchmarks that reflect network rates that have been negotiated between the payor and the provider.

The benchmarks below are based on anesthesia services in the FAIR Health database provided in the state of South Carolina. Charge benchmarks (Billed Anesthesia) are based on claims from July 2022 through June 2023 and allowed benchmarks (Allowed Anesthesia) are based on allowed amounts from claims incurred from January through December 2022. These are the latest releases available at the time of developing this report.

Conversion Factor Percentile											
Type	Release	Average	5th	10th	15th	20th	25th	30th	35th	40th	45th
Billed Anesthesia	Nov-2023	144.24	60.25	78.31	93.45	100.79	109.52	115.60	121.13	130.76	141.20
Allowed Anesthesia	Aug-2023	57.12	22.40	26.56	29.84	33.75	38.45	43.27	48.99	54.00	56.97
Conversion Factor Percentile											
Type	Release	50th	55th	60th	65th	70th	75th	80th	85th	90th	95th
Billed Anesthesia	Nov-2023	147.56	155.73	161.26	164.36	168.59	173.15	178.64	186.77	195.86	214.44
Allowed Anesthesia	Aug-2023	60.00	60.87	64.80	68.94	71.59	73.79	75.44	78.70	84.91	86.00

The benchmarks for allowed anesthesia, representing rates contracted with network providers under private health insurance, may be used to compare to the South Carolina conversion factor. It aligns to what is being paid for services provided to workers' compensation patients.

In this analysis, the current \$32.85 conversion factor falls between the 15th and 20th percentiles of allowed values for private insurance. That means that between 80% and 85% of the allowed values in the FAIR Health database are equal to or greater than \$32.85. The 50th percentile (conversion factor of \$60.00) is the median conversion factor value in the private insurance data and the average allowed conversion factor benchmark is \$57.12.

State Workers' Compensation Fee Schedules

FAIR Health reviewed anesthesia conversion factors documented in state workers' compensation fee schedules effective in 2023.

State	Conversion Factor (per 15-minute time unit)
South Carolina	\$32.85
Alabama	\$63.41
Arizona	\$61.00
Colorado	\$44.00
Florida	\$29.49
Georgia	\$64.44
Kentucky	\$78.53
Louisiana	\$50.00
Maryland	\$22.81
Mississippi	\$75.00
North Carolina	\$58.20 – first 60 min \$30.75 – after 60 min
North Dakota	\$70.86
Ohio	\$41.71
Oklahoma	\$54.00
Tennessee	\$75.00
Virginia (6 regions)	\$51.48 - \$82.59

FAIR Health assists Arizona, Georgia, Kentucky, Mississippi, North Carolina, North Dakota, Oklahoma, and Tennessee in updating their fee schedules. As we are doing for the South Carolina Workers' Compensation Commission, FAIR Health provides research and analysis to support decision making. FAIR Health does not make or recommend fee schedule changes.

Summary

FAIR Health presents this analysis to the Commission to assist with decision making. In summary:

- The current South Carolina anesthesia conversion factor is \$32.85 or 165% of the 2024 Medicare conversion factor for South Carolina and 161% of the national Medicare conversion factor.
- The ratio of the South Carolina workers' compensation anesthesia conversion factor to the Medicare conversion factor is slightly greater than 157% ratio of the conversion factor for other professional services (\$51.50) in comparison to Medicare (\$32.7442). However, the MAP amounts in the MSPM may also be limited by the +/- 9.5 percent cap on increases or decreases each year, and the formula-based conversion factors for professional services other than anesthesia would not be applicable to those services.
- South Carolina's conversion factor of \$32.85 is low when compared to other states' workers' compensation programs.

Fee Schedule Analysis

January 5, 2024

FAIR Health appreciates the opportunity to assist the South Carolina Workers' Compensation Commission in updating the Medical Services Provider Manual (MSPM). This analysis uses medical call data (2022 dates of service) provided by the National Council on Compensation Insurance, Inc. (NCCI) and South Carolina maximum allowable payment (MAP) amounts to review conversion factors and propose MAP values for the 2024 fee schedule.

FAIR Health received paid amounts from NCCI for the 2022 calendar year, aggregated at the procedure code/modifier level. FAIR Health used the data to:

1. Compare 2022 actual spending to projected amounts based on 2022 fee schedule MAPS.
2. Project spending for 2023.
3. Project spending for 2024 based on multiple conversion factor alternatives.

2022 Paid Data and Frequencies

The following is a summary of the 2022 data received from NCCI:

NCCI Data – 2022 Calendar Year (Before Validation)

Service Type	Total Paid	Total Charged	Transactions	Units
Ambulance*	\$ 2,500,474	\$ 4,687,537	14,186	246,888
Anesthesia**	\$ 1,474,681	\$ 8,351,439	4,842	525,110
CPT (Less Anesthesia)	\$ 54,654,210	\$ 121,138,777	626,963	870,602
HCPCS (Less Ambulance)	\$ 19,772,098	\$ 28,942,157	69,027	594,559
Total	\$ 78,401,463	\$ 163,119,910	715,018	2,237,159

*Assumes most units are miles

**Assumes most units are minutes

Data Used in the Analysis

FAIR Health used the following methodology to analyze the NCCI data and project future payments based on fee schedule MAPs:

- The NCCI paid data from 2022 were used to determine the number of occurrences (frequency) for each service.
- Services were reviewed at the procedure code/modifier level to account for differences in paid amounts based on fee schedule MAP amounts and policies. For example:
 - The occurrences for codes reported with modifier 26 and TC were projected separately, based on the MAP amounts in the fee schedule.
 - HCPCS Codes reported with modifiers NU (new), UE (used) and RR (rental) were projected separately based on the occurrences in the NCCI data and fee schedule MAP values.

- Records with other modifiers or with modifiers NU, UE and RR appended to codes where these modifiers are not applicable and/or expected were considered as though the records did not contain modifiers.
- Services containing modifiers that are paid at adjusted amounts according to South Carolina policies (e.g., assistant surgeon modifiers 80-82 and AS) were projected based on 2022 occurrences and adjusted MAP amounts.

2022 Spending

Actual spending from 2022 based on the NCCI data was compared to projected spending based on 2022 fee schedule MAP values.

Category	Frequency	Payments (NCCI)	Fee Schedule Projections	Ratio of Payments to Fee Schedule
Evaluation and Management	110,175	\$ 13,833,309	\$ 15,689,598	88.17%
HCPCS Level II	311,655	\$ 5,690,827	\$ 7,312,593	77.82%
Medicine and Injections	12,073	\$ 1,304,497	\$ 1,306,085	99.88%
Pathology and Laboratory Services	10,356	\$ 377,167	\$ 424,810	88.78%
Physical Medicine	653,279	\$ 21,849,419	\$ 30,689,457	71.20%
Radiology	45,703	\$ 4,408,667	\$ 4,322,895	101.98%
Special Reports and Services	1,065	\$ 62,776	\$ 63,418	98.99%
Surgery	29,309	\$ 11,176,380	\$ 11,923,361	93.74%
Total	1,173,615	\$ 58,703,042	\$ 71,732,218	81.84%

2023 Projections

- Total dollar amounts were projected based on 2022 occurrences and 2023 relative value units (RVUs).
- Using these frequencies and RVUs, FAIR Health projected the estimated spending based on 2023 fee schedule MAP values, including the 9.5% cap on MAP increases and decreases compared to the prior year, where applicable.
- Ambulance data is paid at 100% of Medicare and is not included in this analysis.
- Please see the separate analysis for anesthesia.

Category	Frequency	Total RVUs	2023 Fee Schedule Projections
Evaluation and Management	110,175	324,918	\$ 16,626,494
HCPCS Level II	256,689	151,966	\$ 7,602,825
Medicine and Injections	12,073	25,622	\$ 1,308,679
Pathology and Laboratory Services	10,356	8,396	\$ 433,253
Physical Medicine	653,279	606,431	\$ 31,164,634
Radiology	45,703	84,241	\$ 4,342,886
Special Reports and Services	1,065	1,240	\$ 63,861
Surgery	29,309	235,483	\$ 12,110,026
Total	1,118,649	1,438,297	\$ 73,652,658

2024 Projections and Alternate Conversion Factors

- The projections of paid amounts for the 2024 fee schedule are based on 2022 frequencies and 2024 RVUs, to which the current conversion factor of 51.5 is applied. Projections based on other conversion factors: 50, 51, 52 and 53 are also provided. The cap of +/- 9.5% of the prior year's MAP value for each service was applied, when appropriate, in providing these projections.
- Certain 2024 MAP values used for these projections were calculated based on the following assumptions:
 - If a service is not valued in the Medicare Physician Fee Schedule, FAIR Health determined whether the service was valued by another Medicare fee schedule (e.g., the Clinical Laboratory, DMEPOS or Average Sales Price drug fee schedule). FAIR Health used Medicare values in the analysis whenever a Medicare value was available.
 - If Medicare did not provide a professional value in *any* fee schedule for a service, FAIR Health gap filled the value using RVUs calculated by FAIR Health based on our repository of private claims data.
 - FAIR Health does not gap fill values for new codes effective January 1, 2024, that were not valued by Medicare. FAIR Health requires a minimum threshold of claims for a procedure before we can establish an RVU. FAIR Health will evaluate these codes for the 2025 MSPM to determine if we are able to value these codes at that time.

2024 Projections – Current and Alternate Conversion Factors

Category	Freq.	2024 RVUs	CF=50	CF=51	CF=51.5 (Current)	CF=52	CF=53
Evaluation and Management	110,175	330,750	\$ 16,526,855	\$ 16,847,357	\$ 17,007,734	\$ 17,166,884	\$ 17,484,384
HCPCS Level II	256,619	156,165	\$ 7,814,546	\$ 7,806,428	\$ 7,814,552	\$ 7,822,350	\$ 7,838,136
Medicine & Injection	12,073	26,272	\$ 1,305,822	\$ 1,330,726	\$ 1,338,563	\$ 1,350,571	\$ 1,374,590
Pathology & Laboratory	10,356	8,731	\$ 435,593	\$ 430,246	\$ 434,364	\$ 437,997	\$ 445,499
Physical Medicine	653,279	606,127	\$ 30,286,688	\$ 30,856,740	\$ 31,141,942	\$ 31,426,792	\$ 31,996,843
Radiology	45,703	84,225	\$ 4,213,111	\$ 4,296,667	\$ 4,338,520	\$ 4,380,198	\$ 4,463,732
Special Reports	1,065	1,259	\$ 62,911	\$ 64,169	\$ 64,799	\$ 65,427	\$ 66,674
Surgery	29,309	238,886	\$ 11,931,647	\$ 12,161,357	\$ 12,276,114	\$ 12,390,740	\$ 12,620,128
Total	1,118,579	1,452,415	\$ 72,577,173	\$ 73,793,689	\$ 74,416,588	\$75,040,960	\$ 76,289,986

Upon approval of a conversion factor for 2024, FAIR Health will provide an updated Medical Services Provider Manual, which will include all approved changes in policies and a final set of rate tables.

Please let us know if you have any questions.

TAB 12

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Workers' Compensation Commission

MEMORANDUM

To: Commissioners

From: Gary M Cannon, Executive Director

Date: January 22, 2024

Re: Advisory Committee to Study Regulation Change

Stakeholders have reported an increasing number of absences of the representative of a party having the authority to negotiate in good faith to resolve the issues in dispute at the mediation as provided in Regulation R67-1805.

Chairman Beck requests the Commissioners approve the appointment of an Ad Hoc Advisory Committee to study the matter and report to the Commission the findings and recommendations.

S.C. Code of Regulations R. 67-1805

67-1805. Parties Represented.

In addition to their attorney being present, each party shall provide a representative, who shall attend the mediation in person or via telephone. The representative shall have authority to enter into negotiations, in good faith, to resolve the issues in dispute. If the representative attends via telephone, they shall be available by telephone for the duration of the mediation. Reasonable notice shall be provided to the opposing party concerning attendance via telephone, prior to the mediation. This regulation does not prevent a claimant from proceeding pro se.

Credits

HISTORY: Added by State Register Volume 37, Issue No. 6, eff June 28, 2013.