

M4687.
3.A22
1998/99
Copy 1

1214



**South Carolina Medical Malpractice
PATIENTS' COMPENSATION FUND**

POST OFFICE BOX 210738
COLUMBIA, SOUTH CAROLINA 29221-0738
803-731-1687

BOARD OF GOVERNORS
Robert P. Bethea, DDS, MSD
Lee F. Brinkley, Jr.
Jack A. Evans, Jr., MD
W.H. Hudson
Dace W. Jones, Jr.
Donald G. Kilgore, Jr., MD
Henry C. Lentz
G. Dewey Oxner, Jr., Esquire
Lee Pye
David F. Watson, Jr., DMD
C. Tucker Weston, MD

C. Tucker Weston, MD
Chairman of the Board

ACCOUNTABILITY REPORT
Fiscal Year 1998\1999

RECEIVED

OCT 14 1999
Budget & Control Board
OFFICE OF STATE BUDGET

Transmittal Message

The South Carolina Medical Malpractice Patients Compensation Fund (PCF) is an Enterprise Fund which provides a statutorially mandated market for excess medical liability. Created by Act No. 674 in 1976, it began operation in 1977. All licensed South Carolina healthcare providers are eligible for PCF membership which affords them unlimited coverage for their liabilities which are in excess of the healthcare provider's basic liability insurance. Since the PCF is funded entirely by the healthcare members' fees and assessments it is essentially a method for the healthcare members to self insure their excess liabilities.

The PCF has proven to be a very efficient and economical method of protecting healthcare providers for large liabilities. This has resulted in South Carolina having the lowest medical liability costs in the United States.

Executive Summary

The proposal for a South Carolina Medical Malpractice Patients Compensation Fund (PCF) was a 1976 recommendation of the South Carolina Medical Injury Insurance Reparations Advisory Committee. This blue ribbon committee composed of representatives of the Senate, the House of Representatives and Governor appointees including: attorneys, dentists, hospital executives, insurance agents, members of the general public and physicians was to determine changes that would improve medical liability conditions in this state. The committee considered excess medical liability costs to be a major problem and developed proposed legislation that would create the PCF. The basic ingredients of this legislation gave the South Carolina healthcare providers a method of obtaining unlimited excess protection at an affordable cost.

The PCF is authorized by Section 38-79-410 through 38-79-490 of the South Carolina Code of Laws. It is operated as an Enterprise Fund under the direction of its' twelve person Board of Governors with a staff of three (3) full time employees. The PCF is solely funded by way of fees and assessments from its' healthcare provider members with no funding from the state and federal governments or

S. C. STATE LIBRARY

OCT 25 1999

STATE DOCUMENTS

from any other sources. The Board of Governors determines the level of the fees and assessments needed to fund the member's medical liabilities. The PCF Claims Committee composed of members of the Board of Governors reviews and authorizes payment of each claim. The PCF staff provides information to the Board and its committees as well as provide the necessary services to the healthcare provider members.

Mission Statement

The PCF's only mission is to provide excess medical liability coverage to its' member South Carolina healthcare providers at an affordable cost. It is a unique self funded pool which pays its' members liabilities that are in excess of their basic liability insurance without limitation as to the amount to be paid.

PROGRAMS

Administration

The PCF provides the following services to its' members: enrollment of new members and renewal of current members, collection of member fees and assessment for deposit with the State Treasurer, payment of claims, maintains necessary records, customer services to members, coverage and claims information to authorized third parties, periodic reports of membership levels, collections and disbursements.

The total cost of operating the PCF for the fiscal year 1997-1998 was \$291,845.00.

The PCF's goal has not changed in it's twenty (22) years of operation. This goal is to provide excellent excess medical liability coverage to South Carolina healthcare providers at an affordable cost. The PCF's continued growth and the lower costs than any other state is the best measurement of the program's effectiveness. On June 30, 1999 the PCF had 8,327 active healthcare members.

Claims

The PCF has monitored 401 new claims during this fiscal year and it is currently monitoring 929 open claims. A total of \$11,781,095 was paid on 50 claims in 1998-1999 and a total of 243 claims were paid totaling 81,394,582.67 since the PCF began operations on July 1, 1977.

Page 3

The entire monitoring and claims payments is handled by the PCF staff and these costs are included in the \$291,845.00 PCF operating costs. The PCF claims are reviewed by a consulting actuary and audited by the State Auditor annually. A committee of five (5) PCF Board members reviews all requests for claim payments and authorizes each payment made. Claim payments are made by vouchers approved by the Comptroller Office and checks are issued by the Treasurer.

The goal of this program is to minimize the entire cost of claim monitoring and payment while providing complete protection to the PCF members. This program's effectiveness is measured by the cost to the PCF members.



E23

SOUTH CAROLINA OFFICE OF INDIGENT DEFENSE

1122 Lady Street, Suite 1110
Columbia, South Carolina 29201
Telephone: (803) 734-1343
Facsimile: (803) 734-1345
email: executives@scoid.state.sc.us

Tyre D. Lee, Jr., Esq., Executive Director
Lisa A. Davenport, Administrative Assistant

October 15, 1999

RECEIVED

OCT 15 1999

Budget & Control Board
OFFICE OF STATE BUDGET

Office of State Budget
Attn.: Karen Amos
1122 Lady Street, 12th Floor
Columbia, SC 29201

RE: Annual Accountability Report, Letter of Transmittal

Dear Ms. Amos:

Enclosed, please find a copy of this Agency's Annual Accountability Report for Fiscal Year 1998-1999.

This Agency's Mission Statement was chosen by the Commission late in 1993 after an examination of the statutory requirements of the agency and a determination of the direction in which the Commission wanted the agency to proceed. Once this statement was finalized, it was broken down into separate actions which the agency could develop and work with once it became operational. These activities became the objectives of the Agency. At the end of each year, the Commission reviews the activities to determine if these goals have been met and where improvement and change are needed.

I realize that this transmittal letter does not go into great detail about what is done, but again, with an agency this small and structured primarily to disburse money by formula or statute, there is not a great deal to explain. If you have any questions, please don't hesitate to contact me at 734.1343.

Sincerely yours,

TYRE D. LEE, JR.
Executive Director

TDL/cp

ENCLOSURE:

Annual Accountability Report

SC COMMISSION ON INDIGENT DEFENSE

P.O. BOX 11433

COLUMBIA, SOUTH CAROLINA 29211-1433

803.734.1343

ANNUAL ACCOUNTABILITY REPORT FOR FISCAL YEAR 1998-1999

EXECUTIVE SUMMARY:

The Commission on Indigent Defense and its operational arm, the Office of Indigent Defense, were created in 1993. The main focus of the creation of the Commission was to improve the delivery of indigent criminal defense in the state and to provide additional funding to lighten the burden on the counties which were facing extraordinary expenses in capital litigation.

The Office of Indigent Defense, through its annual survey attempts to accurately determine what programs are presently located in the counties and how they are functioning.

The office has evaluated the present criteria used in the determination of indigence and qualifications for services of the offices of Public Defenders and other appointed counsel. The present process was initiated in 1982 and had not been changed since that time even though both income and what constitutes poverty have risen. The Agency adopted an evaluation which is based on the poverty level in South Carolina which is more in line with other state agencies determinations of indigency.

The Office of Indigent Defense administers the distribution of funding for indigent defense. This involves payments to the individual Defender Corporations of money earmarked for such in the annual appropriations act and supplemental or additional funds collected from fines and fees. In addition to these funds, the office also makes payments to private attorneys appointed to represent indigent defendants in both capital and non capital cases.

Finally, the Office participated in training programs for the Public Defender offices across the State with the SC Public Defenders Association, and provides information on expert witnesses and other sources of expertise when called upon to do so by Public Defenders and appointed counsel.

In fiscal year 1997-1998, this Agency became responsible for collecting and disbursing funds generated by an increase in the court filing fees for civil cases to the State's Legal Aid offices. The Agency only serves as a conduit for these funds, collecting them monthly and disbursing them twice a year.

Unfortunately, because of this Agency's size and the uniqueness of its mission, there is almost no ability to coordinate or cooperate with other state agencies.

MISSION STATEMENT:

The Office of Indigent Defense establishes and monitors programs and services for the delivery of legal representation of indigent defendants in State Court. The office establishes criteria to be used in the determination of indigence and qualifications for services of the offices of Public Defenders and administers appropriate distribution of funding for indigent defense. Additionally, the office establishes and supervises training programs for the Public Defender offices across the State as well as implementing a central reporting system for the accurate compilation of statistical data regarding the operation of Public Defender Offices and serves as a clearing house and distribution source for publications and materials involving indigent criminal defense.

DESCRIPTION OF PROGRAMS:

Priority Ranking: Priority # 1

Program Name: Administration

Program Cost:

The Commission receives funding from two sources to administer this program. These being State appropriations and from "other" sources. The "other" sources are a fine surcharge or add on imposed by statute on all criminal offenses with the exception of non moving traffic violations, and a application fee payable by all persons who seek appointment of counsel in the judicial system. State funding was appropriated at \$3,035,398. The Other Funds sources produced funding in the amount of \$ 5,635,172.19.

Program Goal:

The Office of Indigent Defense is to establish and monitor programs and services for the delivery of legal representation of indigent defendants in State Courts. The office will establish criteria to be used in the determination of indigence and qualifications for services of the offices of Public Defenders and administer appropriate distribution of funding for indigent defense. Additionally, the office will establish and supervise training programs for the Public Defender offices across the State as well as implement a central reporting system for the accurate compilation of statistical data regarding the operation of Public Defender Offices and serve as a clearing house and distribution source for publications and materials involving indigent criminal defense.

Program Objectives:

- To establish and monitor programs and services for the delivery of legal representation of indigent defendants in State Courts;
- To establish criteria to be used in the determination of indigence and qualifications for services from the offices of Public Defenders;
- To administer appropriate distribution of funding for indigent defense;
- To establish and supervise training programs for the Public Defender offices;
- To implement a central reporting system for the accurate compilation of statistical data regarding the operation of Public Defender Offices;
- To serve as a clearing house and distribution source for publications and materials involving indigent criminal defense.

Performance Measures:

- Compiled and analyzed statistical data relating to costs of capital and non capital cases in this state;
- Distributed \$ 4.7 million to the state's Public Defender offices for operating expenses, \$2.2 million in private attorney fees and for expenses in capital cases, \$1.0 million in private attorney fees and for expenses in non capital cases, and \$198,139.66 for transcripts in indigent appeals;
- In conjunction with the SC Public Defender's Association, aided and participated in training programs for the state's Public Defenders;
- Compiled and analyzed statistical data relating to the operation of the state's 39 Public Defender Offices;

- Provided resources and information when requested to the state's Public Defender offices and to private appointed attorneys representing indigent defendants; and
- Created an Internet Web Site to disseminate information as quickly as possible and to allow the "downloading" of information and forms used by Public Defenders and the private bar in the representation of court appointed indigent clients.

Priority Ranking: Priority # 2

Program Name: Legal Aid Funding

Program Cost:

The Commission receives funding from a percentage of the civil filing fees collected by the State Treasurer monthly and holds these funds pending a biannual distribution to the state's five Legal Services offices. This source produced funding in the amount of \$1,446,272.83 last fiscal year.

Program Goal:

The Office of Indigent Defense collects these funds monthly, holds them, and then makes disbursements to each of five Legal Services offices of the monies collected on December 31st and June 30th of each year.

Program Objectives:

- To collect, hold and disburse these funds in the amounts and to the entities prescribed by the S.C. Legal Services Association as prescribed by

Performance Measures:

- Distributed almost \$ 1.45 million to the state's five Legal Services offices for operating expenses.

SOUTH CAROLINA STATE LIBRARY



0 01 01 0262879 8