"Managed Care" Comes To SAF

A joint venture between SAF and three private-sector healthcare management organizations has resulted in the creation of a one-year pilot project to develop a managed care program.

The goals of the program are simple -- to provide claimants with quality medical care at the lowest cost, and to reduce the amount of lost time incurred through the use of effective return-to-work programs.

CorVel, Crawford and Company, and HCX have placed on-site case managers at SAF to act as "gatekeepers" and to offer technical support to agency staff when dealing with complex diagnosis and treatment issues.

The concept of managed care includes a number of components which are critical to the success of the program.

**Early intervention** establishes a three-point contact between the employee, the treating physician, and the employer to ensure that a proper treatment plan is created and agreed to by all parties. This contact is also crucial in getting the physician and employer to work in concert to facilitate a realistic return-to-work scenario for the injured worker.

**Utilization review** occurs when the case manager and the physician evaluate the treatment plan on a regular basis to monitor progress and the continued treatment.

A **Preferred Provider Organization** (PPO) consists of those medical providers who are experienced in treatment protocol for work-related injuries. In addition, PPO providers agree to discount charges for their professional services below maximum levels set by regulated fee schedules.

Maintaining contact with the claimant is also important. **Telephone case management** allows the case manager to maintain communication with the claimant to assess progress and ensure compliance with the treatment plan.

Should the injuries keep the claimant out-of-work for an extended period of time, the case will be referred to an **on-site case management** program. A case manager will periodically visit the claimant, the doctor, and the employer as part of a more intensive review process.

To fully appreciate the managed care concept and its relationship to workers' compensation, one should understand that managed care is a medical management and cost containment process. It is not a substitute for claims personnel who have technical expertise in legal and administrative requirements related to SC law; nor is it a replacement for proactive management practices in your own organization.

Managed care works best when employers make a commitment to control workers' compensation costs by promoting a positive work environment, ensuring a safe workplace, and encouraging supervisors to offer a return-to-work program.

For more information, call Janis Howard, Claims Manager at (803) 737-8171 or (800) 521-6576.
You Be The Commissioner

The Case:
Liability was accepted on a claim in which an employee was killed in an airplane crash, leaving as his family: his widow; a child which the couple had legally adopted; and a stepchild which was the natural daughter of the widow and her former husband.

The Question:
Is the stepchild eligible to be considered as a dependent for purposes of receiving workers’ compensation death benefits?

The Legal Issue:
Under SC law (SC 42-9-110), a “surviving spouse or a child shall be conclusively presumed to be wholly dependent for support on a deceased employee.”

The Court’s Decision:
In Adams v. Texfi Industries, the South Carolina Supreme Court recently said that a stepchild (or illegitimate child) is not conclusively presumed to be dependent, and must prove their dependence on the deceased employee to the satisfaction of the Workers’ Compensation Commission.

Strive for Perfection...OR ELSE!

If 99.9% is good enough, then...

- 2 million documents will be lost by the IRS this year.
- 2 plane landings daily at O’Hare International Airport will be unsafe.
- 18,322 pieces of mail will be mishandled in the next hour.
- 291 pacemaker operations will be performed incorrectly this year.
- 22,000 checks will be deducted from the wrong checking accounts in one hour.
- 12 babies will be given to the wrong parents every day.

- 20,000 incorrect drug prescriptions will be written in the next 12 months.
- 107 incorrect medical procedures will be performed by the end of the day.
- 5,517,200 cases of soft drinks distributed in the next 12 months will be flat.
- 315 entries in Webster’s Dictionary will be misspelled.
- 103,260 income tax returns will be incorrectly processed this year.

Source: InSight, Syncrude Canada, Ltd.
Test Your Claims Knowledge...True or False:

**Question 1**
Workers' compensation insurance may reimburse travel costs associated with authorized medical treatment.

**Question 2**
Benefits paid to claimants are not subject to state or federal income taxes.

**Question 3**
Under SC law, the employee may select the treating physician.

**Question 4**
Fraudulent claims are subject to criminal and civil prosecution under South Carolina law.

**Question 5**
An employee gives up their right to further compensation once he/she signs the WCC Form 17 (Receipt of Compensation.)

**Question 7**
By filing a Form 12-A (Employer's First Report of Injury or Illness), the employer is stating that they accept the claim as compensable.

**Question 8**
There is no limit on the maximum number of weeks of compensation which can be awarded on workers' compensation claims.

**Question 9**
Medical bills are paid at the face value of the invoice.

**Question 10**
Employers have no control over workers' compensation costs.

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External Surveys Mailed Out

We recently sent out customer service surveys to a random sample of SAF members asking you to rate the level and quality of service we provide.

Should you receive a survey, please take a few moments to tell us what you think about the work we do for your organization. What can we do to make your management of claims easier and more cost-effective? We value your comments and suggestions.
participant seating is still available for the

Workers’ Compensation Employer Seminar

May 14-15 or August 13-14, 1996

The two-day seminar focuses on the practical application of the South Carolina Workers’ Compensation Act, as it relates to the reporting, processing, and management of on-the-job accident claims.

Attendees will gain a basic education in claims reporting and management, premium determination, and how to create a safety program. Participants can also meet with SAF staff members to discuss specific areas of concern.

Instruction is provided by SAF employees who are experienced in specific areas of technical knowledge - - litigation, third party and Second Injury Fund recovery, OSHA regulations, workers’ compensation regulations, and SAF policy and procedures.

To register, return the participant form with your check or purchase order for $40 to

State Accident Fund
Attn: WCES
PO Box 102100
Columbia, SC 29221-5000

Confirmation, lodging information, and a map will be issued upon payment. Registrations are transferable, but not refundable. Contact Walter Caudle at (803) 737-7546 for additional information.

Workers’ Compensation Employer Seminar Registration Form

Name
SSN: Title:
Agency:
Agency Address:

Telephone Number
Session you would like to attend
Recovery & Reimbursements Reduce Costs

SC workers' compensation law allows insurance carriers to seek recovery of claims expenses from a third party (someone other than the employee or the employer) if their negligence caused the accident.

SAF's Member Services division has a Third Party Subrogation Unit dedicated to these recovery actions. The Unit consists of three (3) recovery specialists, and is led by Del Driggers, an experienced SAF veteran with over 20 years of experience in the field of workers' compensation.

This Unit identifies and pursues recovery on claims involving third party liability, such as a motor vehicle accident where the injured worker was not at fault, or an accident caused by a defective product.

Recovery amounts vary with each claim. A typical recovery usually represents 66-75% of SAF's actual payout. The final recovery on any claim is determined by the Workers' Compensation Commission or other appropriate court of jurisdiction.

During Fiscal Year 1994-1995, over $733,000 was recovered from claims involving a third party's liability.

Another source of recovery and reimbursement comes from the South Carolina Second Injury Fund. If an injured worker has a prior disability, the Second Injury Fund (SIF) may reimburse the insurance carrier for part of a workers' compensation claim costs, including medical treatment, temporary total (TT) disability, and awards for permanent partial or total disability. SIF is a separate state agency which is funded by premiums collected from all workers' compensation insurance carriers in South Carolina.

All SAF claims are periodically reviewed to determine eligibility for SIF reimbursement. To be eligible, the claimant's pre-existing medical condition must be covered under the provisions established by SIF. Further, the employer must meet a knowledge requirement.

SAF has contracted with a private sector organization, Reimbursement Consultants, Inc. to manage the claims review process, as well as, the filing of requests for Second Injury Fund reimbursement on eligible cases.

During Fiscal Year 1994-1995, SAF received over $4.6 million in reimbursements - the highest of any insurance carrier in South Carolina.

After paying administrative costs, the reimbursements were credited to affected policyholder accounts which directly reduced the net cost of eligible claims.

If you have questions, or would like additional information on Third Party recoveries, or Second Injury Fund reimbursements, please contact Del Driggers, Subrogation Manager, at (803) 737-8159 or (800) 521-6576.

"Welcome Aboard" to our new policyholders!!!
as of January 1, 1996:

University of South Carolina / Apprentice Students
Clarendon County Council on Aging
Governor's School for Science & Math
Edgefield Senior Citizens
Darlington County Council on Aging
Housing Authority of Gaffney
Myrtle Beach Air Base Redevelopment Authority
Berkeley Seniors, Inc.
Let SAF Help You Develop a Safety Program

SAF's Safety and Loss Control Division will be holding a series of seminars targeted at small organizations (25 or fewer employees) who are interested in developing or enhancing an in-house safety program.

The one-day class will teach participants the fundamentals of creating and implementing a safety program. A proactive safety program can reduce workplace accidents, as well as, have a direct and measurable impact on the long-term cost of workers' compensation premiums.

The seminar will also focus on the need for organizations to maintain compliance with OSHA rules and regulations, and provide an overview of their requirements and ways to correct common violations.

The seminars will be held at the SAF offices in Columbia. There is no registration fee for SAF members. Lunch is not included.

Sessions scheduled for April 2nd and 9th have already sold out. Space is still available for the April 16th class. Additional sessions may be scheduled based on demand.

For more information, or to register, please call Ray Coleman, Safety and Loss Control Manager, at (803) 737-8113 or (800) 521-6576.

SAFETY TIP FOR SPRING

Have you posted your 1996 OSHA 200 Log? One of OSHA's top violations is failing to have a current Log posted on your premises...