Quality initiatives combined with a proactive approach to accident prevention and claims management have paid off for SAF policyholders.

According to figures obtained by SAF, administrative and claims costs for the agency were lower than both state and national averages in a comparison against commercial workers' compensation insurance carriers. In addition, SAF maintains a higher premium-to-benefit ratio than most private carriers in SC.

A comparative analysis was conducted using SAF historical records, as well as, data provided by the SC Department of Insurance. Additional data came from nationally recognized insurance reporting services, including A.M. Bests and the National Council on Compensation Insurance (NCCI).

Administrative (general operating expenses excluding benefit payments) costs, as a percentage of premiums collected by SAF average 15.7% versus the SC state average for private carriers of 39.2% and the national average of 25.9%. That means that 84.3% of every premium dollar goes to pay benefits compared with an average of 59% for private carriers.

In addition, the average cost of a SAF lost-time claim is 36% lower than the state average for private carriers.

SAF has achieved this position through a systems approach to the workers' compensation process, including the proactive use of accident prevention programs, managed healthcare protocols, and collaboration with our policyholders to control costs.

SAF's philosophy uses quality business practices from both the public and private sectors to maximize operating efficiencies. In short, SAF is a state agency that functions like a business.

What does this mean for you as a SAF policyholder? Lower administrative and claims costs equal lower premiums, as evidenced by the rate reductions and premium discounts initiated earlier this year. These savings reduced overall premiums by an average of 15%.

For more information, call Jerry Pate at (803) 737-7545.
is a quarterly newsletter published by the SC State Accident Fund for the benefit of policyholders and other concerned customers of the agency.

Comments and contributions should be sent to:
PO Box 102100
Columbia, SC 29221-5000

Irvin D. Parker, Director
803/737-8138

Walter Caudle, Editor
803/737-7546

Linda Erickson
Jerry Pate

Contributors

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**News From Around SAF...**

**Welcome New Policyholders!**
- DSS/FOOD STAMP RECIPIENTS UNIT
- USC SCHOOL OF MEDICINE
- FORTY-ONE VOLUNTEER FIRE DEPARTMENT
- FORT MOTTE VOLUNTEER FIRE DEPARTMENT
- CARLISLE VOLUNTEER FIRE DISTRICT

**Managed Care Continues To Save Money**
Updated figures indicate that SAF’s managed care pilot program continues to save money for policyholders. 1998 year-to-date figures reported as of July 1st indicate savings of $842,195. This amount eclipses total calendar year 1997 savings of $739,139. Savings realized through this program directly reduce the cost of individual claims.

For more information, please call Janis Howard at (803) 737-8171.

**Workers’ Compensation Update ’98 Is a Sellout**
There was standing room only as the Claims session of SAF’s newest training program was conducted on September 16th in Columbia.

Forty-one representatives from 28 different policyholders discussed return-to-work programs, SAF’s managed care partnership, and electronic reporting of First Reports Of Injury (WCC Form 12-A). An actual administrative hearing was recreated to enlighten participants about how contested claims are resolved.

Open forums were also held with participants and SAF staff members to discuss methods to enhance internal and external business practices.

At press time, registration was already full for SAF’s separate Premium and Safety sessions scheduled for October 7th.

For information on future training offerings, please call Walter Caudle at (803) 737-7546.

**On-Demand Training**
Does your organization need basic training on claims processing or premium calculation procedures? Let SAF come to you.

With On-Demand Training, SAF can provide professional staff members, customized training, and one-on-one personal interaction at your workplace. Over 278 man hours of training have already been conducted for policyholders since April, 1998.

For more information, call your claims adjuster or Walter Caudle at (803) 737-7546

**External Survey Being Refined**
Your input is needed as SAF prepares for the 6th “Annual Policyholder Survey” to be sent to a random sampling of policyholders in January, 1999. We are looking to you for suggestions as to what is important to your organization. Are there questions we should (or should not) be asking?

Call Pete Parker with your thoughts at (803) 737-8138.
Managed Care Impacts Bottom Line

A two-year partnership between SAF and three private-sector healthcare management organizations is producing significant savings for SAF policyholders.

For the 1997 calendar year, SAF saved $739,139 using a variety of services geared toward providing quality medical care to injured workers while reducing the cost of that care.

Concentra Managed Care, CorVel, and MedAssess utilize in-house nurse case managers and support staff at SAF. They provide routine case management services and offer technical support to agency staff when dealing with complex medical issues.

The work done by these private companies focuses on a number of components that have been critical to the success of the program.

Early Intervention establishes a three-point contact between the injured employee, the treating physician, and the employer. This contact ensures 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.

Pre-certification and utilization review activities occur when the nurse case manager and medical providers review and evaluate recommended diagnostic studies and treatment on a regular basis to monitor progress.

A Preferred Provider Organization (PPO) consists of those medical providers who are experienced in occupational medicine. In addition, PPO members agree to discount charges for their professional services below the maximum levels set by the SC Workers' Compensation Commission Fee Schedule.

Through Telephone Case Management, the nurse case manager maintains contact with an injured worker, health care providers, and the employer to assess progress, coordinate medical care, ensure compliance with the treatment plan, and advise SAF staff of possible problems before they adversely affect the timely resolution of a claim.

For serious lost-time claims, On-Site Nurse Case Management provides for a case manager to periodically visit the employee, medical providers, and the employer as part of a more intensive review process. If an injured employee is permanently unable to return to their pre-injury job, vocational assessments and labor market analyses help them to find other job opportunities.

Savings realized by this program directly reduce the cost of individual claims paid by SAF. Lower claims expenses translate into lower premiums for policyholders.

For additional information, call Janis Howard at (803) 737-8171 or (800) 521-6576.

The Impact of Managed Care

$739,139 in cost savings realized during '97
Accuracy Speeds Claims Process

Did you know that incomplete or inaccurate completion of the First Report of Injury (WCC Form 12-A) can cause serious delays in processing a new claim?

This information is needed (by SC law) to determine compensability and ensure the prompt payment of benefits.

Proper completion of this form also means fewer phone calls from SAF asking for "bits and pieces" of additional information.

For detailed information on completing claims paperwork, refer to the SAF Employer's Manual. If you have questions, please contact your adjuster.
How To Follow-Up After An Injury

What should you do after an employee is injured on-the-job and the First Report of Injury (WCC Form 12-A) is filed with SAF?

1. Should a representative of the employer visit an injured worker when he/she is away from the job?
   A. No, this is illegal.
   B. Always.
   C. If the employer is self-insured.
   D. Whenever possible.
   E. No, because the worker will interpret it as snooping.

2. Who is the best person to visit an injured worker as a representative of the employer?
   A. A representative of State Accident Fund.
   B. A human resource manager from the employer.
   C. The immediate supervisor.

3. If the employer's representative is visiting the employee and finds him/her doing something that is incompatible with his claim, what should be done?
   A. Cut off benefits.
   B. Cut off benefits and charge the employee with fraud.
   C. Evaluate each case individually.
   D. Ignore the situation.

4. When is it appropriate for an employer to send flowers to a sick employee at home?
   A. Never.
   B. When it is a non-workers' compensation injury.
   C. When it is a workers' compensation injury.
   D. For all disabilities.

5. How soon should an employer submit the First Report of Injury (WCC 12-A) to SAF following an injury?
   A. As soon as possible upon having knowledge of the accident.
   B. Upon receipt of a doctor bill.
   C. After an employee retains an attorney.

6. How often should someone managing the claim contact the injured worker?
   A. Once a week.
   B. Once every two weeks.
   C. Once a week for the first 2 months, once every 2 weeks for the next 6 months, and once a month thereafter.
   D. Whenever anything significant happens in the case.
   E. There is no fixed rule, so long as there is regular contact.

7. A return-to-work date or goal:
   A. Should be maintained on every case, but should be kept confidential by SAF.
   B. Should be set only within a month of the expected return date.
   C. Should be maintained in a file only when you can be confident the goal is realistic.
   D. Should be the focus of the entire case and all discussions about it.
   E. Should be established by the treating physician.

8. Which of the following should not be available to individuals who are out-of-work because of job-related injuries?
   A. The company newsletter.
   B. The company picnic and Christmas party.
   C. The employee assistance program.
   D. All of the above should be available.

Answers

1. (D) In a few instances, it's not practical or appropriate. Otherwise, you should visit injured employees.
2. (C) The first choice should be the employee's supervisor.
3. (C) Each claim should be judged on its own merit. Report any inconsistencies to SAF immediately.
4. (D) If you normally send flowers, cards, etc. don't differentiate because of an on-the-job injury.
5. (A) Generally, the 12-A should be sent as soon as the employer knows about the injury.
6. (E) Each case is unique. Call as appropriate.
7. (D) Our ultimate goal is to return the employee to work.
8. (D) Don't exclude employees from anything.
SAF Needs Updated Information

As part of SAF's ongoing conversion to a new information management system, we are attempting to gather more information about you, our policyholders. Existing contact data also needs to be verified.

Please complete the update sheet and return to Walter Caudle at SAF via:

**SC State Government Interagency Mail**
800 Dutch Square Blvd., Suite 160
Columbia, SC

**US Mail**
POB 102100, Columbia, SC  29221-5000

**Fax** - (803) 737-8058

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**SAF CONTACT INFORMATION UPDATE SHEET** (please print)

<table>
<thead>
<tr>
<th>Policyholder Name/Account Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Contact Name &amp; Phone Number</td>
</tr>
<tr>
<td>Premium Contact Name &amp; Phone Number</td>
</tr>
<tr>
<td>Safety/Loss Control Contact Name &amp; Phone Number</td>
</tr>
<tr>
<td>Executive Decision Maker Name &amp; Phone Number</td>
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</tbody>
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