

FINANCIAL REPORT
FY ENDING JUNE 30, 2013

General Appropriation

	Amended Budget	Actual
REVENUES		
General Appropriation	\$ 1,843,376	\$ 1,843,376
EXPENDITURES		
Commissioners	\$ 1,122,980	\$ 1,122,980
Administration	\$ 150,870	\$ 150,870
Claims	\$ 79,361	\$ 79,361
Insurance & Medical Services	\$ 33,109	\$ 33,109
Judicial	\$ 28,693	\$ 28,693
Fringe Benefits	\$ 428,363	\$ 428,363
Total	\$ 1,843,376	\$ 1,843,376
Operating Surplus (Deficit)		\$ 0

Earmarked Funds

	Amended Budget	Actual
REVENUES		
Training Conference	\$ 1,000	\$ 8,450
Publications & Brochures	\$ 8,000	\$ 4,465
Award Review Fees	\$ 75,000	\$ 61,970
Sale of Photocopies	\$ 95,000	\$ 87,499
Filing Violation Fees	\$ 1,891,000	\$ 1,576,011
Sale of Listings and Labels	\$ 30,000	\$ 25,487
Hearing Fees	\$ 600,000	\$ 533,415
Insurance Reserve Refund	\$	\$ 3,493
Total	\$ 2,700,000	\$ 2,300,790
Transfer Fund Balance	535,066	
Total Revenues	\$ 3,235,066	\$ 2,300,790
EXPENDITURES		
Commissioners	\$ 513,921	\$ 472,448
Administration	\$ 701,382	\$ 699,733
Claims	\$ 481,436	\$ 479,752
Insurance & Medical Services	\$ 586,119	\$ 581,374
Judicial	\$ 452,324	\$ 419,393
Other Employee Contributions	\$ 499,884	\$ 499,884
Total Expenditures	\$ 3,235,066	\$ 3,152,584
Total	\$ 3,235,066	\$ 3,152,584
Operating Surplus (Deficit)		\$ 82,481
Gen App & Earmarked Funds		
Total	\$ 5,078,442	\$ 4,995,960

STATISTICAL RECAP
FY ENDING JUNE 30, 2013

Number of Employers Purchasing Insurance	77,475
Number of Employers Qualifying as Self-Insurers	2,072
Investigations Active Beginning of Fiscal Year	461
Investigations Initiated	902
Investigations Set for Show Cause Hearings/	97
Compliance Agreements Received *	224
Total Investigations Closed	963
Investigations Active at Close of Fiscal Year	352
Number of Accident Cases Filed with the Commission	62,213
A. New Cases	60,163
B. Reopened cases	2,050
Number of Cases Closed during Fiscal Year	62,933
A. Individually Reported Accidents	25,049
B. Minor Medical Only Accidents Reported	37,884
Total Compensation & Medical Cost Paid on Closed Cases	\$870,081,767
Medical Costs	\$328,566,630
Compensation	\$541,515,137
Temporary Compensation Agreements	15,352
Agreements for Permanent Disability	3,331
Applications for Stop Payment **	1,648
Cases Docketed for Hearings	10,162
Cases Assigned for Informal Conferences	4,417
Hearings Conducted by Single Commissioners	1,392
Informal Conferences Conducted	2,981
Decisions, Opinions & Orders, Single Commissioners	1,455
Cases Appealed to Full Commission for Review	507
Reviews Conducted by Full Commission or Panel	262
Decisions and Opinions by Full Commission or Panel	333
Commission Decisions Appealed to Higher Court	127
Common Law Settlements	10,127
Attorney Fee Approvals	8,502
Self-Insurance Tax Collected	\$4,812,942
* Formerly Consent Agreements; **Includes 60-Day Notice	

**South Carolina
Workers'
Compensation
Commission**

**Annual Report
FY 2012-2013**



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THE YEAR IN REVIEW

The South Carolina Workers' Compensation Commission is proud to report its activities and accomplishments for Fiscal Year ending June 30, 2013. Through the efforts of its 54 dedicated employees, the Commission continues to focus on accomplishing its mission to *provide an equitable and timely system of benefits to injured workers and employers in the most responsive, accurate, and reliable manner possible*. The Commission continues to improve the efficiency of operations, focus on transparency, fairness, consistency and engaging all stakeholders in the development and implementation of fee schedules, regulation changes, and changes in policies and procedures.

Financial Condition

- The Commission's FY 2013 operating budget was \$5 million, \$1.8 million in General Funds and \$3.2 million in Other Funds.
- The Commission continued to implement cost reduction measures, however, it was necessary to utilize \$452,585 from cash reserves for the general operating budget.
- The Commission's cash reserve fund balance at the end of FY 2013 was \$1,258,528.

Key Accomplishments

- Approved a recommendation from the Commuted Value Discount Advisory Committee and the Notice of Drafting to amend the language in Regulation 67-1605 Lump Sum Payment.
- Amended the Commission's Ambulatory Surgery Centers (ASC) Fee Schedule to support the cost for certain surgically implanted devices as a part of the maximum allowable payment.
- Obtained approval by the General Assembly of new regulations to require mediation of certain cases prior to a hearing with a Commissioner (R 67-1801).
- Partnered with private sector organizations and businesses to develop a system to notify a general contractor via email if a sub-contractor fails to maintain workers' compensation insurance.
- Initiated upgrades to EDI Release 3 to allow the Commission to obtain additional claim data to improve the claims adjudication process and maintain industry standards in data reporting.
- Partnered with the S.C. Vocational Rehabilitation Department, implemented an electronic database portal for claimant contact and referral for vocational rehabilitation services.

Communication/External Relations

- Conducted two training sessions, **Claims Administration Workshop**, for 171 stakeholders on November 7, 2012 and May 3, 2013. Attendees included attorneys, insurance companies, TPAs, employers and others who deal with workers' compensation claims.

THE YEAR IN REVIEW—cont.

Communication/External Relations (cont'd)

- Posted 12 agendas and supporting documents for the Commission Business Meetings on the Commission's website two days prior to the meetings.
- Increased the Commission's electronic general notice distribution contact list from 261 to 404.
- Posted 124 general notices to the Commission's website
- Emailed 64 general notices, policy advisories and updates to stakeholders and other interested parties.
- Commissioner Aisha Taylor was appointed to the Commission by Governor Nikki Haley to fill an unexpired Commission seat. Commissioner Taylor's term commenced on January 31, 2013 and expires June 30, 2014.
- The Senate confirmed the reappointment of Andrea C. Roche to the Commission. Commissioner Roche was appointed to the Commission in 2006. Her term expires on June 30, 2018.
- The Commission employed James Keith Roberts as the Commission's staff attorney effective February 11, 2013.

Compliance

- The Compliance Division collected \$587,492 in fines which represents 164% of FY 12 year-end collection.

Coverage

- Increased Compliance investigations by 4% (921 to 958).

Claims

- Number of cases filed with the Commission increased 425, or .69%, (61,788 to 62,213) from FY 12.
- Processed 13,771 settlements (Clinchers, Form 16s, and third party settlements), and 24,589 initial notices of payments (Form 15 Sections I and II).

COMMISSIONERS

July 1, 2012 - June 30, 2013

T. Scott Beck, Interim Chairman Andrea C. Roche
Susan S. Barden, Vice Chair Avery B. Wilkerson, Jr.
Gene McCaskill Aisha Taylor
Melody L. James

Executive Director — Gary M. Cannon

THE YEAR IN REVIEW—cont.

Hearings

- Assigned 4,417 cases for Informal Conferences. (FY12 assigned 4,706)
- Conducted 2,981 Informal Conferences. (FY12 conducted 3,262)
- Docketed 10,162 cases for single commissioner hearing. (FY12 docketed 11,121)
- Cases docketed for single commissioner hearings decreased 959 or 9%; hearings conducted by a commissioner decreased 2346 or 20%.
- The number of settlements decreased by 245 or 2.4%.
- Single commissioner cases appealed to the Full Commission decreased by 53 or 9.5%.
- The number of cases reviewed by the Full Commission decreased by 2 and the number of Full Commission cases appealed to higher court decreased by 41 or 24%.

Appeals

- Processed 507 appeals to the Full Commission. (FY12 processed 560)
- Conducted 262 appellate hearings. (FY12 conducted 264)
- Full Commission decisions appealed to higher Court-127. (FY12 - 168 appealed)

System Overview

Premiums

- Premiums paid into the workers' compensation system totaled \$927.7 million in FY 12-13
Market Share
Commercial (CY 12) - \$641.8 million (69%)
Self Insurance - \$216.7 million (23%)
State Accident Fund - \$69.2 million (7%)

Insurance Tax

- Collected and remitted to the State General Fund \$4.8 million Self-Insurance Taxes (4% increase from FY 12)
- Workers' Compensation premium tax paid to the State General Fund - \$16,053,386

Total Cost Reported for Cases Closed (Medical and Indemnity)

- Total cost of medical and compensation - \$870.1 million. (FY12 - \$867.5 million)
- Medical expenses totaled \$328.6 million. (FY 12 - \$327.6 million)
- Compensation totaled \$541.5 million. (FY 12 - \$539.4 million)

Average Cost Per Claim

- Total = \$13,826 per claim. (FY 12 - \$13,750)
- Medical = \$5,221 per claim. (FY 12 - \$5,196)
- Compensation = \$8,605 per claim. (FY 12 - \$8,557)

Compensation by Category

- Total = \$541.5 million. (FY 12 - \$539.4 million)
- Agreement = \$517.1 million. (FY 12 - \$511.5 million)
Percent of Total = 95.5 % (FY 12 - 94.8%)
- Award = \$24.4 million. (FY12 - \$27.5 million)
Percent of total = 4.5% (FY 12 - 5.1%)