

HEALTHCARE AND
REGULATORY SUBCOMMITTEE
Wednesday, November 17, 2021

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AGENDA

South Carolina
House of Representatives



Legislative Oversight Committee

HEALTHCARE AND REGULATORY SUBCOMMITTEE

The Honorable John Taliaferro "Jay" West, IV, Chair

The Honorable Gil Gatch

The Honorable Rosalyn D. Henderson-Myers

The Honorable Timothy A. "Tim" McGinnis

Wednesday, November 17, 2021

2PM

321 - Blatt Building

*Pursuant to Committee Rule 6.8, S.C. ETV shall be allowed access for internet streaming
whenever technologically feasible.*

AGENDA

- I. Approval of minutes
- II. Discussion of the study of the South Carolina State Accident Fund
- III. Adjournment

MINUTES

Chair Wm. Weston J. Newton

*First Vice-Chair:
Joseph H. Jefferson, Jr.*

Legislative Oversight Committee

*Kambrell H. Garvin
Rosalyn D. Henderson-Myers
Jeffrey E. "Jeff" Johnson
John R. McCravy, III
Adam M. Morgan
Melissa Lackey Oremus
Marvin R. Pendarvis
Tommy M. Stringer
Chris Wooten*



South Carolina House of Representatives

*Gil Gatch
William M. "Bill" Hixon
Kimberly O. Johnson
Josiah Magnuson
Timothy A. "Tim" McGinnis
Travis A. Moore
Russell L. Ott
Michael F. Rivers, Sr.
John Taliaferro (Jay) West, IV*

*Jennifer L. Dobson
Research Director*

*Cathy A. Greer
Administration Coordinator*

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Room 228 Blatt Building**

*Charles L. Appleby, IV
Legal Counsel*

*Lewis Carter
Research Analyst/Auditor*

*Riley E. McCullough
Research Analyst*

Legislative Oversight Committee

Thursday, October 14, 2021
2:00 pm Blatt Room 110

Archived Video Available

- I. Pursuant to House Legislative Oversight Committee Rule 6.7, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly's website (<http://www.scstatehouse.gov>) and clicking on *Committee Postings and Reports*, then under *House Standing Committees* click on *Legislative Oversight*. Then, click on *Video Archives* for a listing of archived videos for the Committee.

Attendance

- I. The Healthcare and Regulatory Subcommittee meeting was called to order by Chair John Taliaferro (Jay) West on Thursday, October 14, 2021, in Room 110 of the Blatt Building. All members were present for all or a portion of the meeting. Representative Timothy A. "Tim" McGinnis and Representative Rosalyn D. Henderson-Myers participated virtually in the meeting. Chair West and Representative Gil Gatch participated in person.

Minutes

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings.

Approval of Minutes

- I. Representative Gatch makes a motion to approve the meeting minutes, with leave for staff to correct a scrivener's error, from the August 30, 2021, meeting. A roll call vote was held, and the motion passed.

Rep. Gatch motion to approve the August 30, 2021, meeting minutes.	Yea	Nay	Not Voting
Rep. Gatch	✓		
Rep. Henderson-Meyers			✓
Rep. McGinnis	✓		
Rep. West	✓		

Receipt of Testimony from Constituent

- I. Mr. Jay Bruner of Calhoun County testified about concerns (e.g., competition with private market) and suggestions (e.g., increased oversight) he has for operation of the State Accident Fund. He answered questions from the Subcommittee.
- II. Previously, Mr. Bruner provided testimony to the full Committee about the State Accident Fund during a public input meeting on April 8, 2021. Chair West reminded Mr. Bruner that he remained under oath for his testimony to the Healthcare and Regulatory Subcommittee.

Discussion of State Accident Fund

- I. Chair West placed the following personnel from the State Accident Fund under oath:
- Abby Sellers, Director of Financial Services (in person);
 - Kirk Adair (in person), Senior Premium Auditor;
 - Meggan Damiano (virtual), Director of Insurance Services;
 - Debra Dozier (virtual), UEF Director of Claims;
 - Jayson Audette (virtual), Inspector General; and
 - Troy Hubbard (virtual), Safety and Loss Control Specialists.
- II. Chair West reminded Acting Director Erin Farthing (in person) and Matthew Hansford (in person), Deputy Director that they remained under oath.
- III. Acting Director Farthing provided an overview of the agency's programs. Topics discussed include:
- Mission;
 - Before Worker's Compensation;
 - The Grand Bargain;
 - Workers' Compensation in South Carolina;
 - State Accident Fund: Creation and Purpose;

- f. Establishment of State Accident Fund;
- g. State Accident Fund History;
- h. Uninsured Employers' Fund (UEF);
- i. Agency's Governing body;
- j. Duties of agency director as administrator of the agency;
- k. Records management; and
- l. Risk mitigation.

III. Acting Director Farthing provided an overview of the agency's organizational units:

- a. Accounting;
- b. Human Resources;
- c. Document Management;
- d. Claims Department (State Accident Fund and Uninsured Employers' Fund);
- e. Legal;
- f. Special Investigations Unit;
- g. Policyholders Services; and
- h. Information Technology.

Additionally, Director Farthing discussed the following topics related to organizational units:

- m. FTE's by organization unit;
- n. Exit surveys;
- o. Employee satisfaction; and
- p. Anonymous employee feedback.

IV. Director of Financial Services Sellers provided a financial overview of the agency. The following topics were discussed:

- a. Lack of agency's present ability to accept online payments from policyholders;
- b. Agency funding: State Accident Fund (SAF) vs. Uninsured Employers' Fund(UEF);
- c. Finance overview charts;
- d. Total premiums collected;
- e. Administrative expenditures; and
- f. Total claims expenditures.

V. Deputy Director Hansford provided an overview about policyholders.

- a. SAF policyholders and covered employees;
- b. Who does SAF cover;
- c. Policyholders by region (562 as of meeting date); and
- d. State vs nonstate (e.g., fire department, municipalities, etc.) policyholder comparisons.

VI. Acting Director Farthing; Deputy Director Hansford; and Premium Auditor Adair provided an overview of deliverables. Deliverables discussed included:

- a. Deliverable #1: premium activities (i.e., lifecycle of policy);
- b. Deliverable #2: safety and loss control requests;
- c. Deliverable #3: SAF claim management;
- d. Deliverable #4: UEF claim management;
- e. Deliverable #5: claim expense recovery;
- f. Deliverable #6: claim investigation;
- g. Deliverable #7: legal representation (in house counsel);
- h. Deliverable #8: legal representation (contract counsel)

VII. Subcommittee members ask questions relating to the following:

- a. The Grand Bargain;
- b. Second Injury Fund;
- c. Uninsured Employers' Fund (UEF);
- d. Sanctions for employers' that do not obtain workers' compensation coverage;
- e. Accountability of agency director;
- f. Prior agency heads;
- g. Federal and local counterparts;
- h. Records management;
- i. Implementation of State Inspector General recommendations from report issued in April 2021;
- j. Metrics of various organizational units;
- k. Number of cases open by special investigations unit;
- l. Process for referral of criminal matters;
- m. Payments by policyholders;
- n. Administrative expenditures;
- o. Premium development;
- p. Experience premium "E-Mod" formula;
- q. Attorney representation by workers; and
- r. Appeals process for injured worker denied a claim.

Agency staff respond to the members' questions.

Adjournment

- I. There being no further business, the meeting was adjourned.

STUDY TIMELINE

Timeline of Agency Study

The House Legislative Oversight Committee’s (Committee) process for studying the South Carolina State Accident Fund (agency, Department, or SAF) includes actions by the full Committee; Healthcare and Subcommittee (Subcommittee); the agency; and the public. Key dates and actions are listed below.

December 9, 2019	At Meeting 1, the Committee selects the South Carolina State Accident Fund as the next agency for the Healthcare and Regulatory Subcommittee to study.
January 15, 2020	The Committee provides the agency with notice about the oversight process.
February 28 – April 1, 2020	The Committee solicits input from the public about the agency in the form of an online public survey.
March 6, 2020	The South Carolina State Accident Fund submits its Program Evaluation Report.
April 8, 2021	At Meeting 2, the Committee receives public input regarding the agencies selected for study, to include State Accident Fund.
Oct. 14, 2021	The Subcommittee holds Meeting 3 with the agency to discuss an overview of its mission, history, resources, major programs, successes, challenges, and emerging issues.
Nov. 17, 2021	The Subcommittee holds Meeting 4 with the agency to discuss agency performance metrics and organizational units.

Figure 3. Summary of key dates and actions in the study process

AGENCY SNAPSHOT

State Accident Fund

History

- 1943 - The State Workers' Compensation Fund created as a division of the South Carolina Industrial Commission.
- 1974 - The State Workers' Compensation Fund established as a separate agency.
- 1982 - The State Workers' Compensation Insolvency Fund established within the State Workers' Compensation Fund.
- 1993 - The State Workers' Compensation Fund name is changed to the State Accident Fund.
- 2013 - the South Carolina Workers' Compensation Uninsured Employers' Fund was established within the State Accident Fund.

Agency Mission

Providing cost-effective, guaranteed workers' compensation insurance for state agencies and other governmental entities along with exceptional service to our state workers.

Organizational Units

Management Support

- Focuses on the overall operations and high-level decisions that go into running the agency

Business Support

- Includes Accounting, Human Resources, and Records Management

Claims

- Receiving and processing all workers' compensation claims from covered policyholders

Legal

- Provides legal advice and representation

Policyholder Services

- Compiles and analyzes data to establish premiums

Special Investigations Unit

- Performs investigations and provides investigative support

Information Technology

- Supports all critical business applications

Uninsured Employers' Fund

- Ensures payment of workers' compensation benefits to injured employees with underinsured employers

Information Technology

- Supports all critical business applications

Military Disability Program

- Provides settlements for National Guard members permanently disabled during the October 2015 weather event

Successes

Identified by the agency

- Improving the workplace by adding new positions and hiring more personnel
- Providing advancement opportunities by revamping its working organization
- Minimizing case expenses with new settlement and mediation processes
- Producing better rates with new Actuaries

Resources (FY 18-19)

Employees

62
all types at the start of the fiscal year

Funding

\$8,863,100
appropriated and authorized

Challenges

Identified by the agency

Current:

- Replacing the current case management system
- Moving to a new office location
- Competition from other workers' compensation insurers
- Delays in procurement processes

Emerging:

- Increased claims costs and premiums resulting from proposed House Bills 4147 & 4777
- Staff retention
- Cyber security and insurance technology changes
- Legalization of medical marijuana

AGENCY PRESENTATION

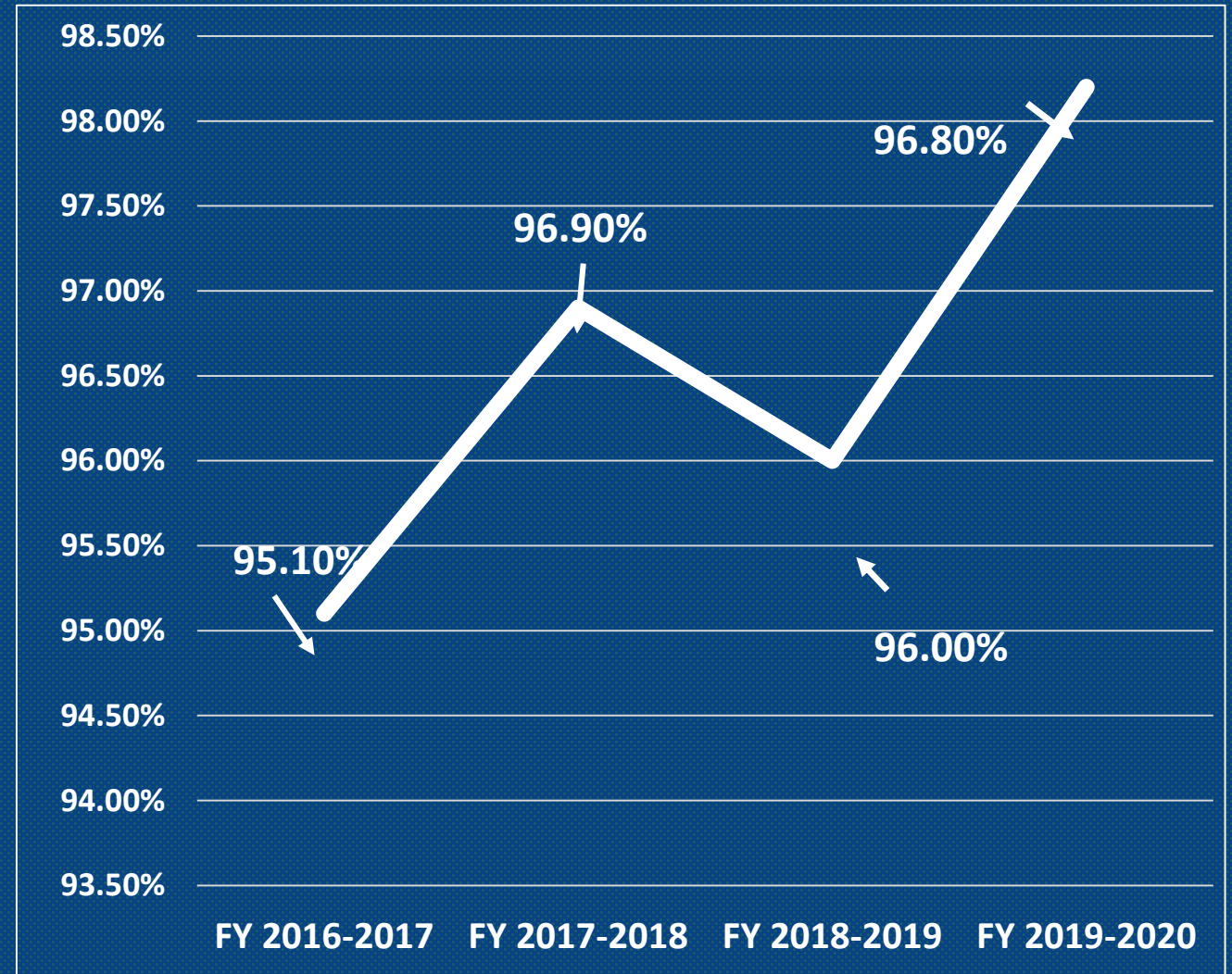
PERFORMANCE MEASURES

Matthew Hansford
Deputy Director



Performance Measure #1

Percentage of Positive Responses on Annual Policyholder Survey



**POLICYHOLDER
SURVEY**

Maintain a
greater than 90%
positive
response.

Completed
annually.
Measures
customer service in
Claims, Premium,
and Safety.



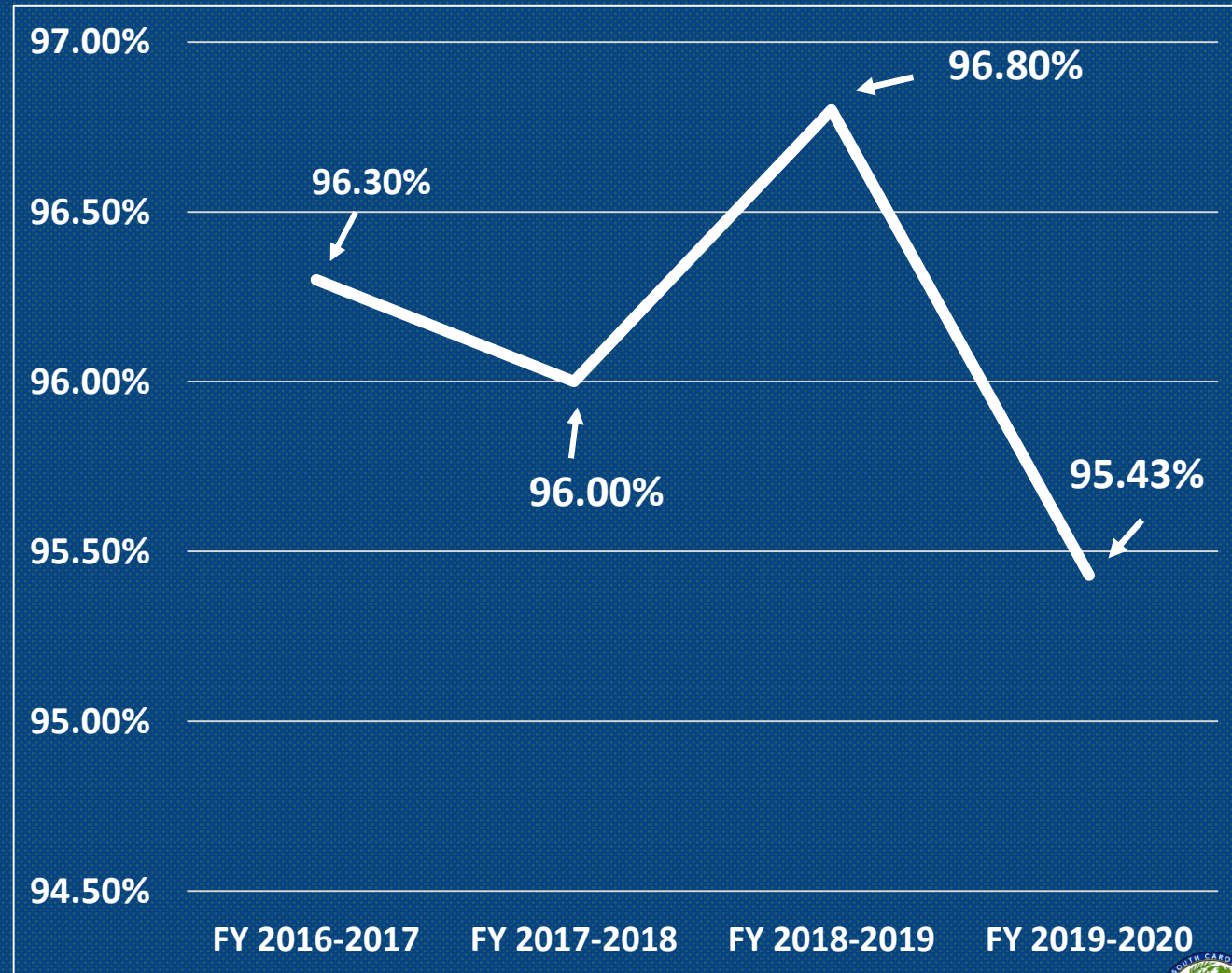
Performance Measure #2

**VOLUNTARY
ACCOUNT
RETENTION**

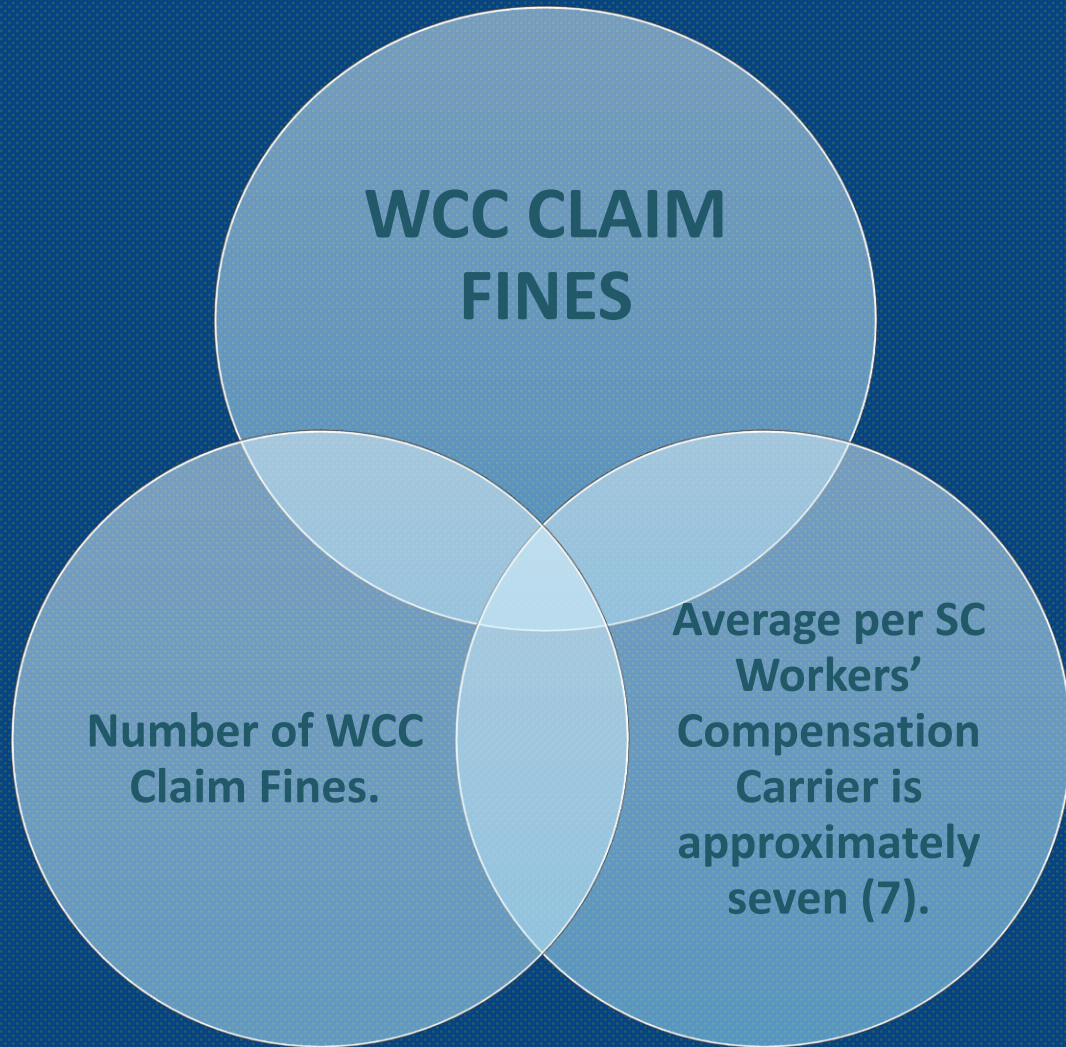
The percentage
of Non-State
policyholder who
continued
coverage with
SAF

Demonstrates
good customer
service and
competitive rates

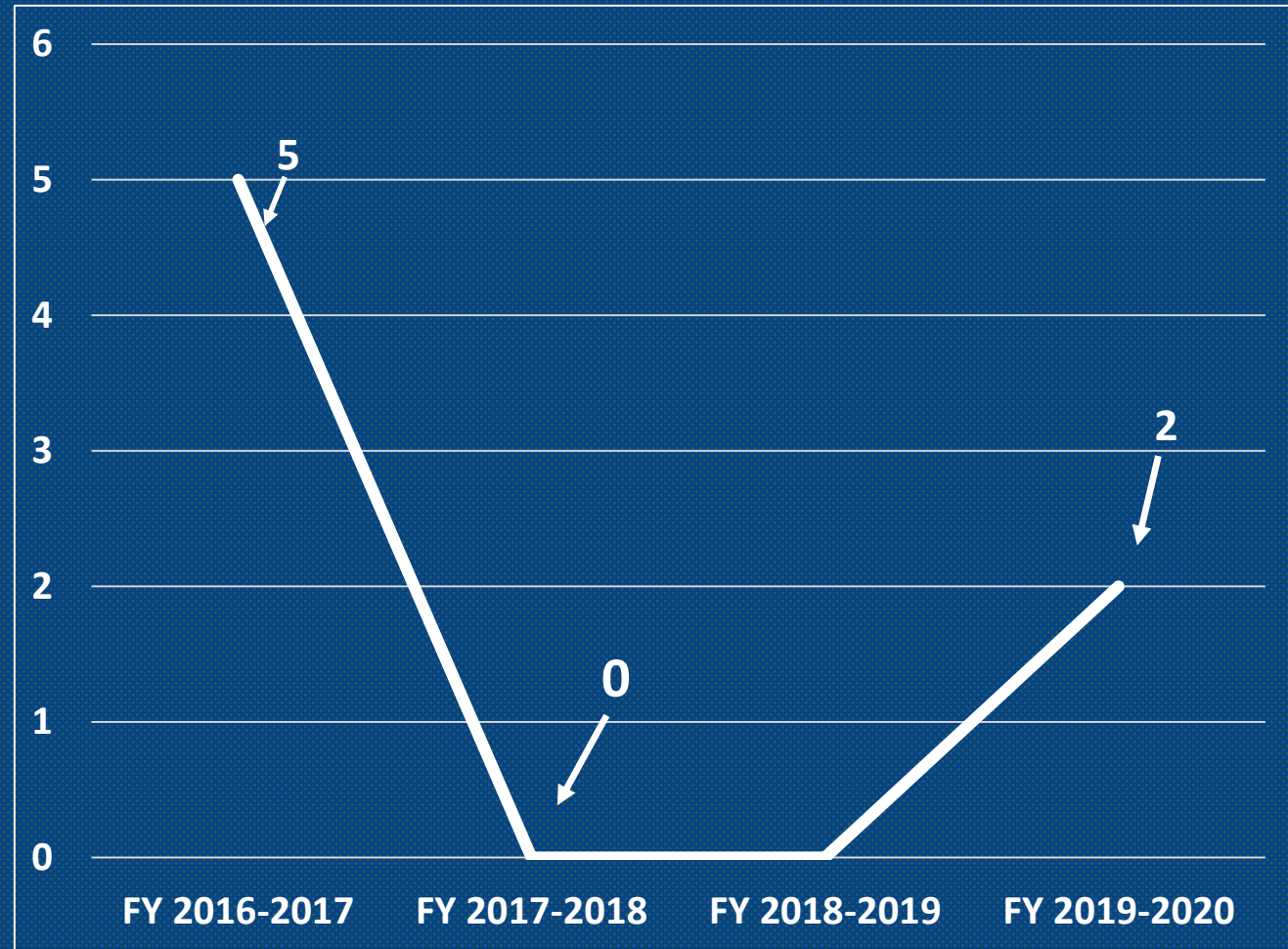
Percentage of Non-State Policyholders Who Continued Coverage



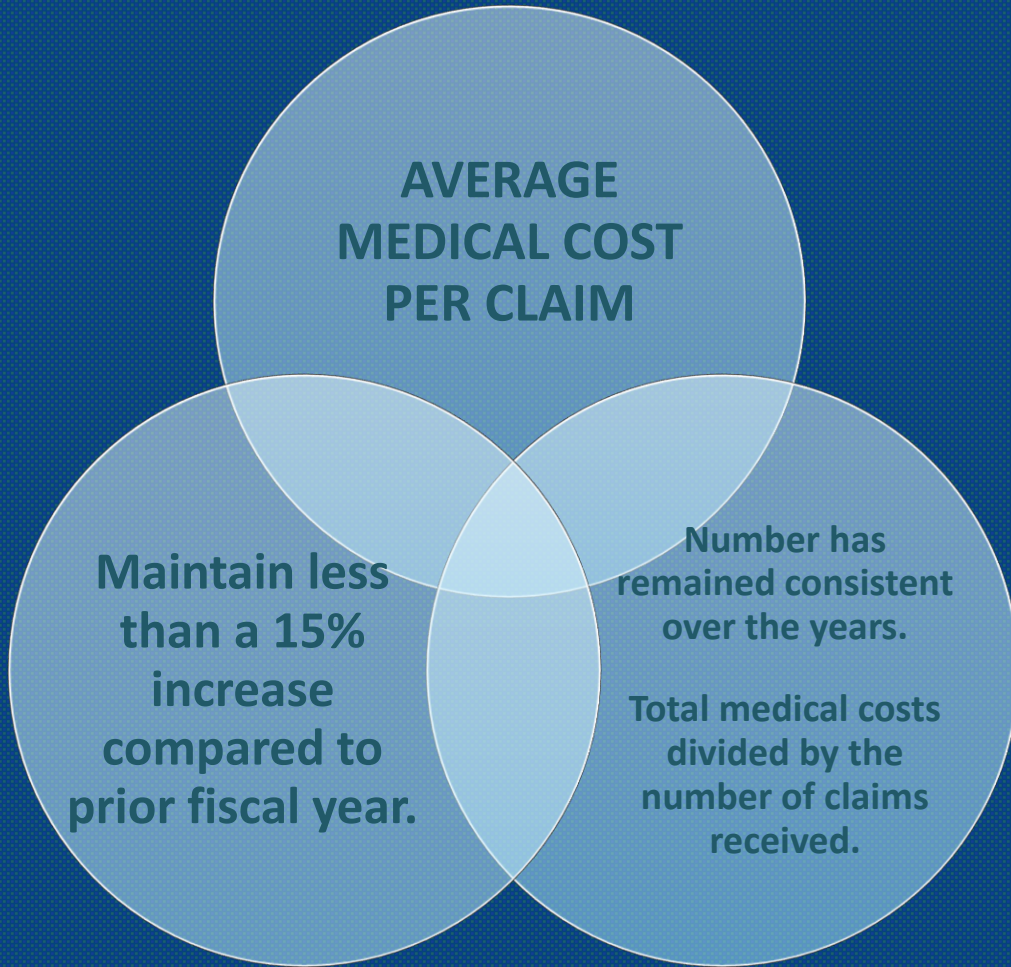
Performance Measure #3



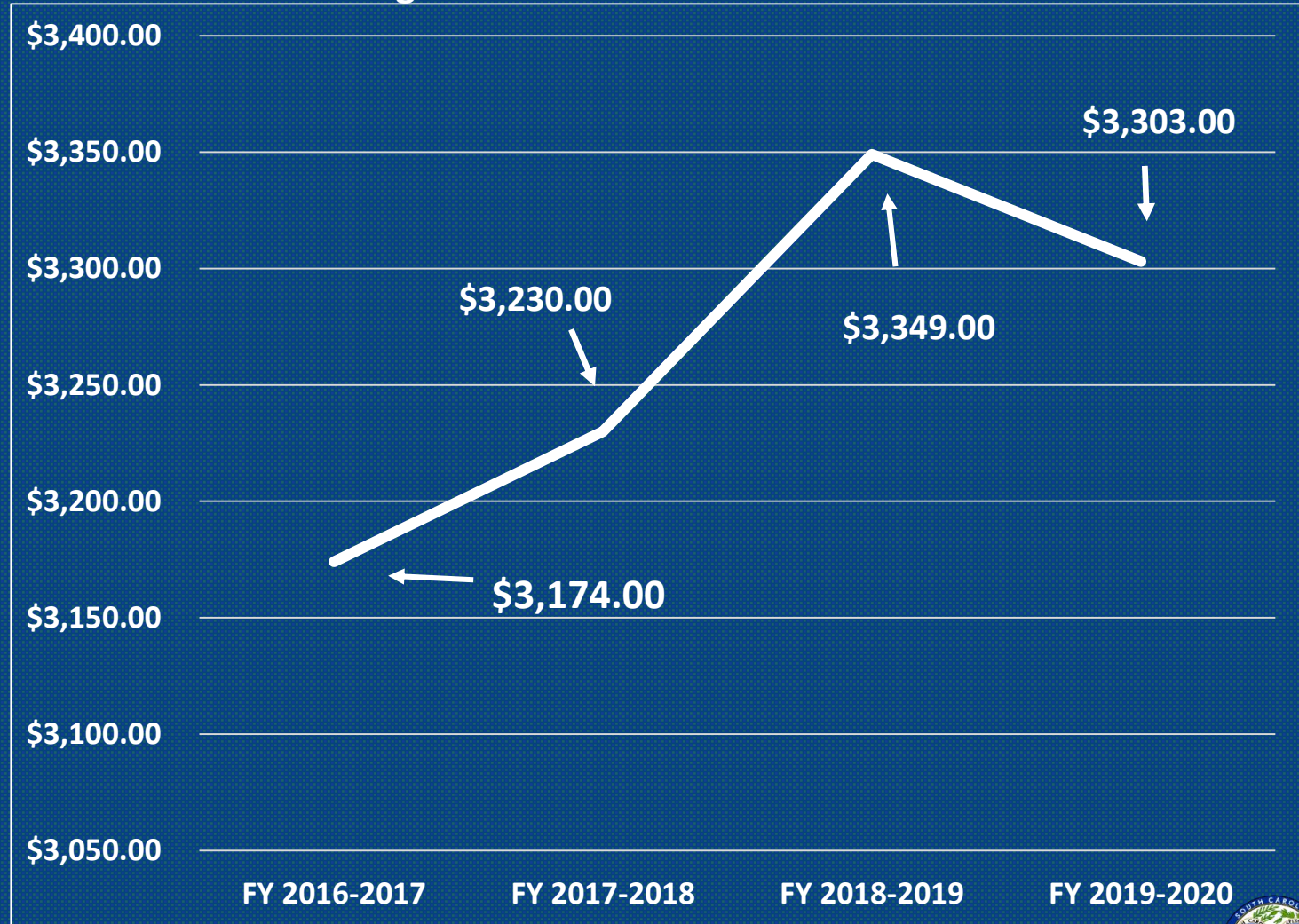
Number of Claim Fines Received



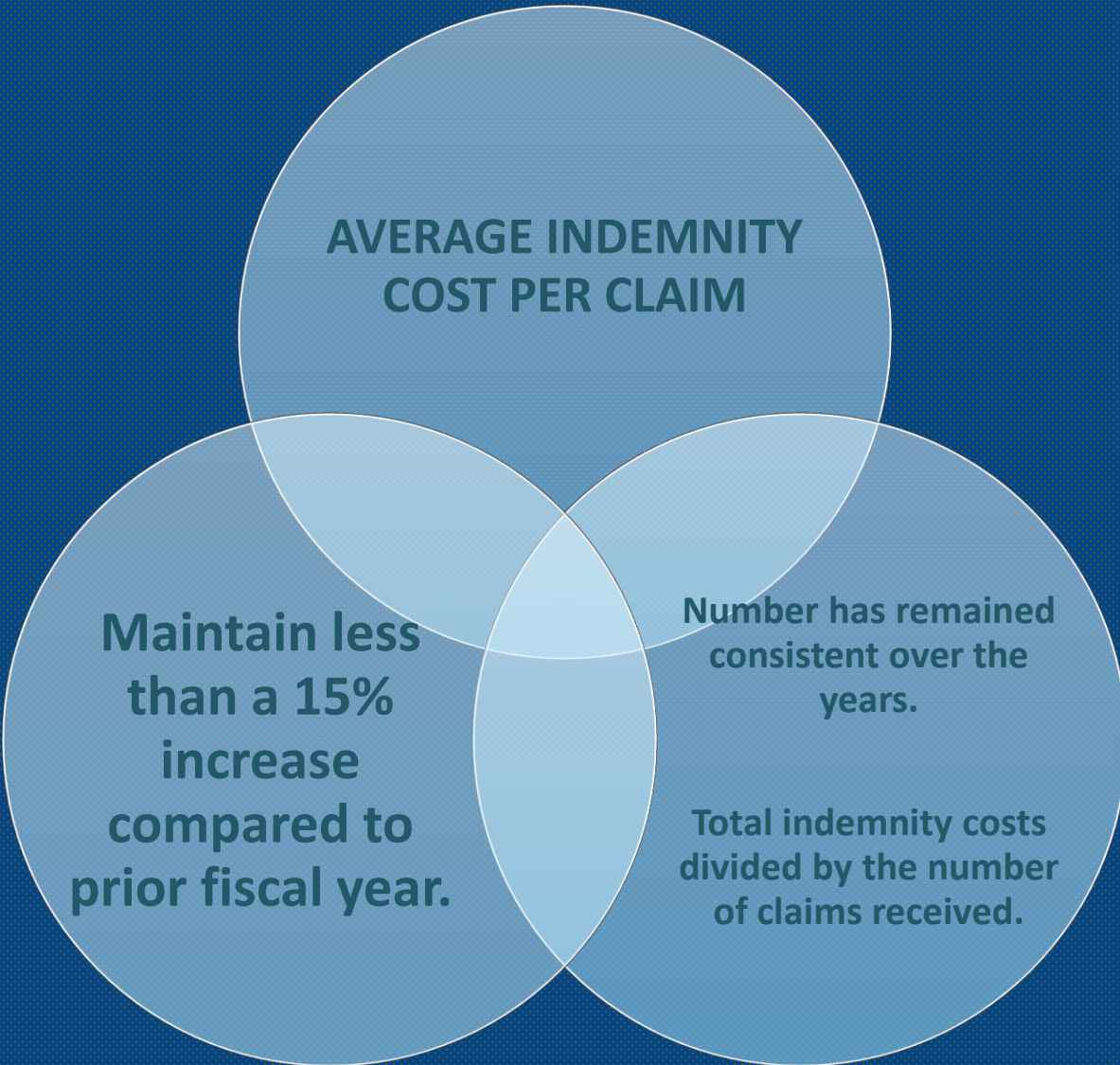
Performance Measure #4



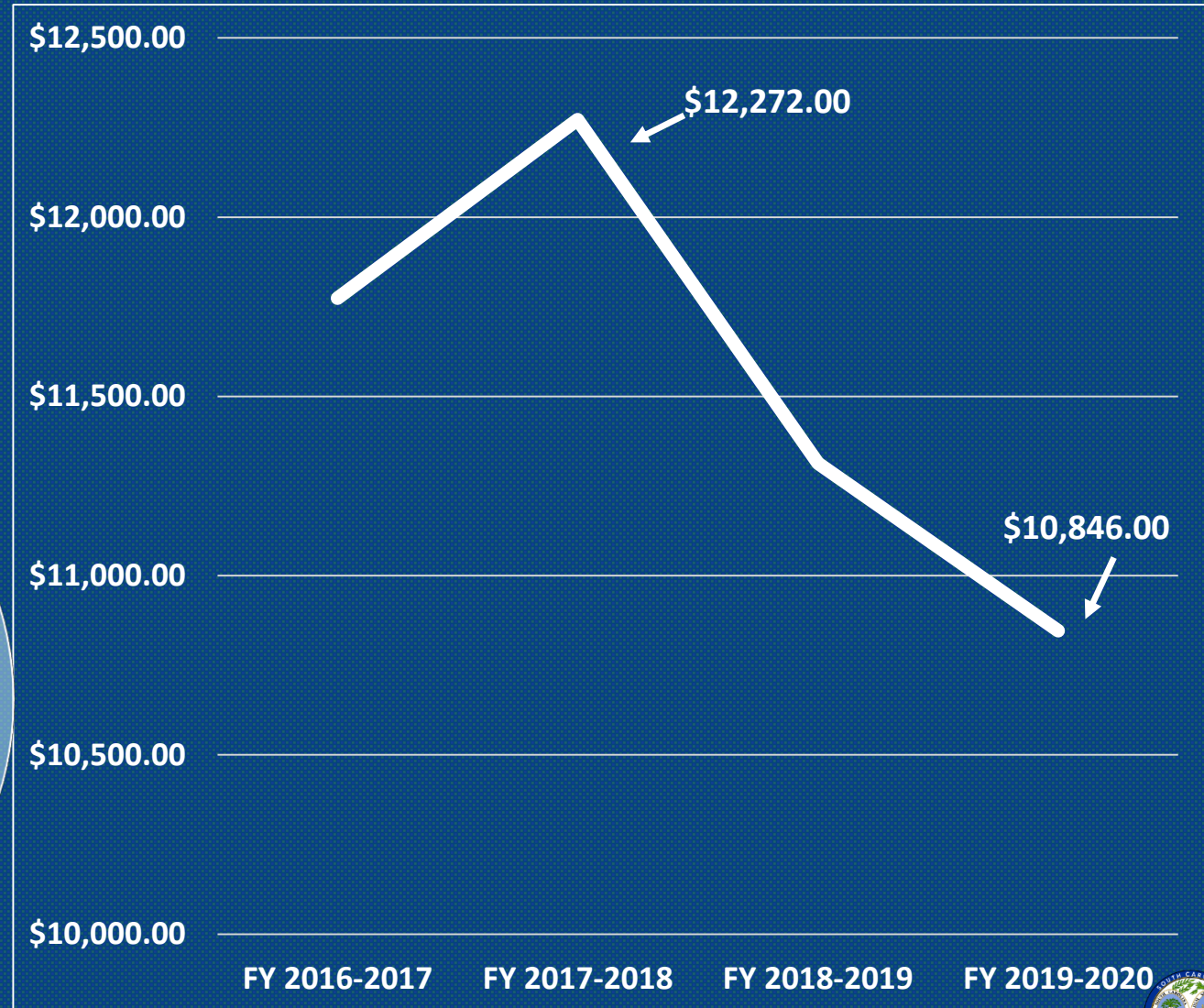
Average Medical Cost Per Claim Received



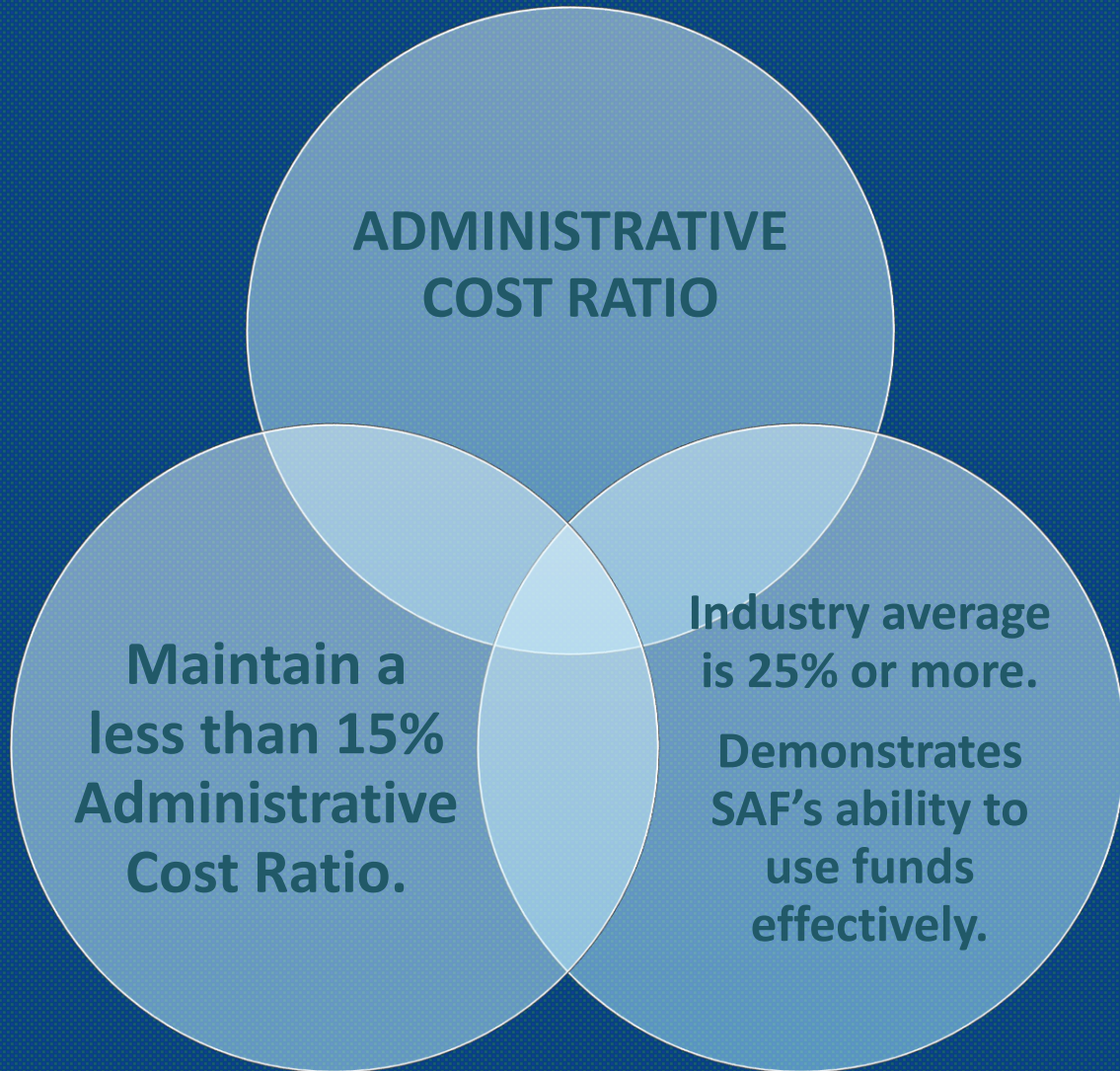
Performance Measure #5



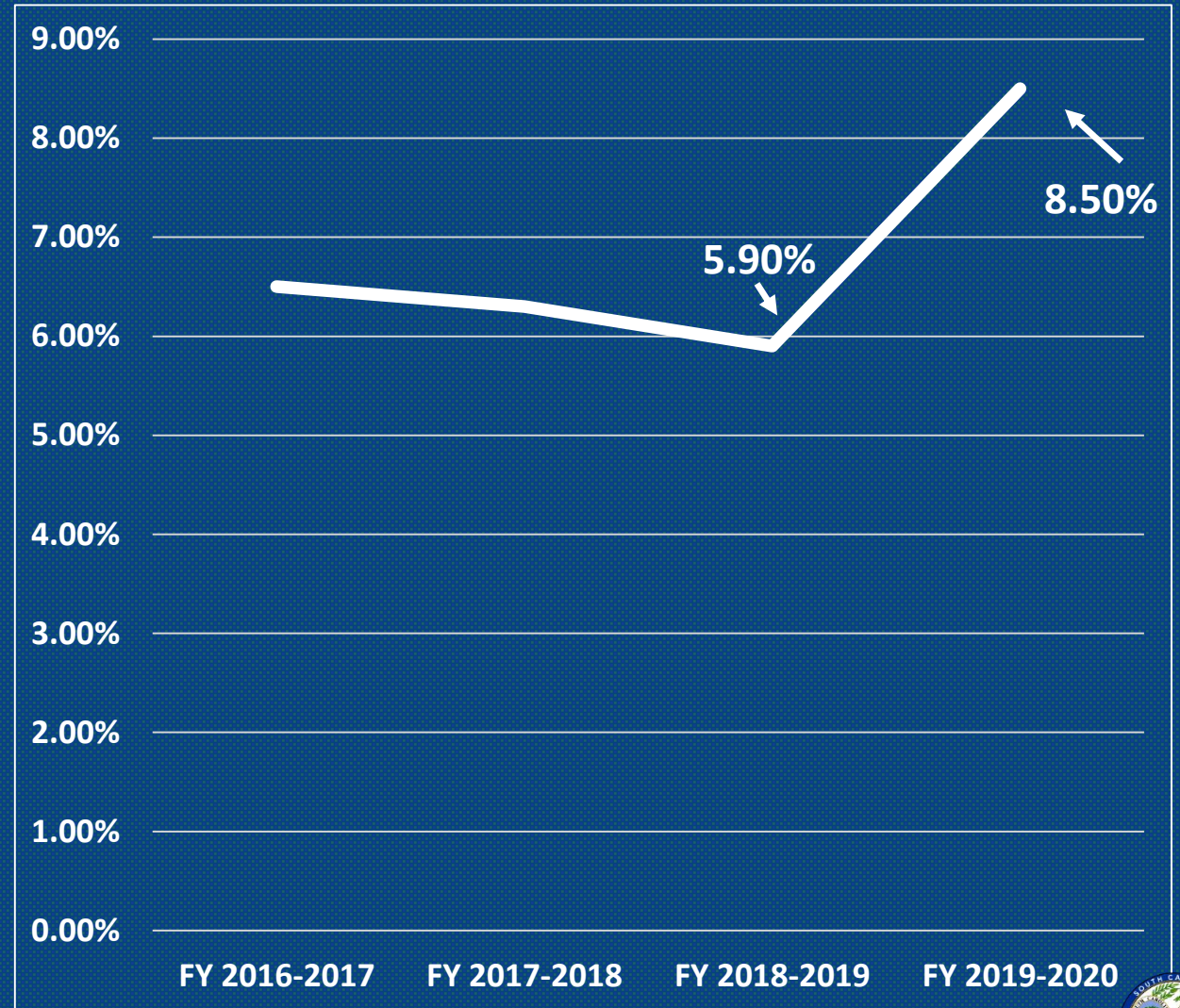
Average Indemnity Cost Per Claim Received



Performance Measure #6



Administrative Cost Ratio



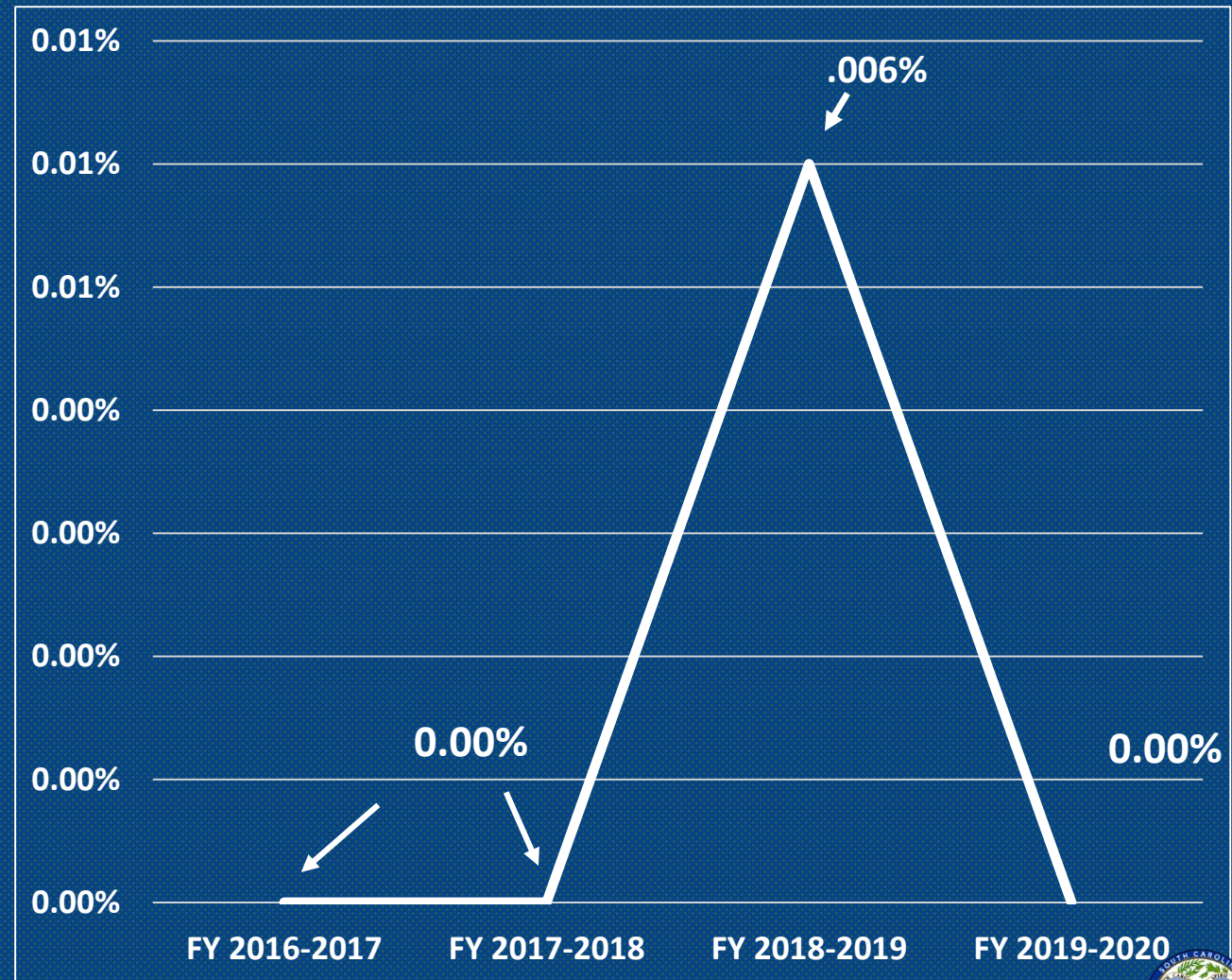
Performance Measure #7

**PREMIUM
PAST DUE**

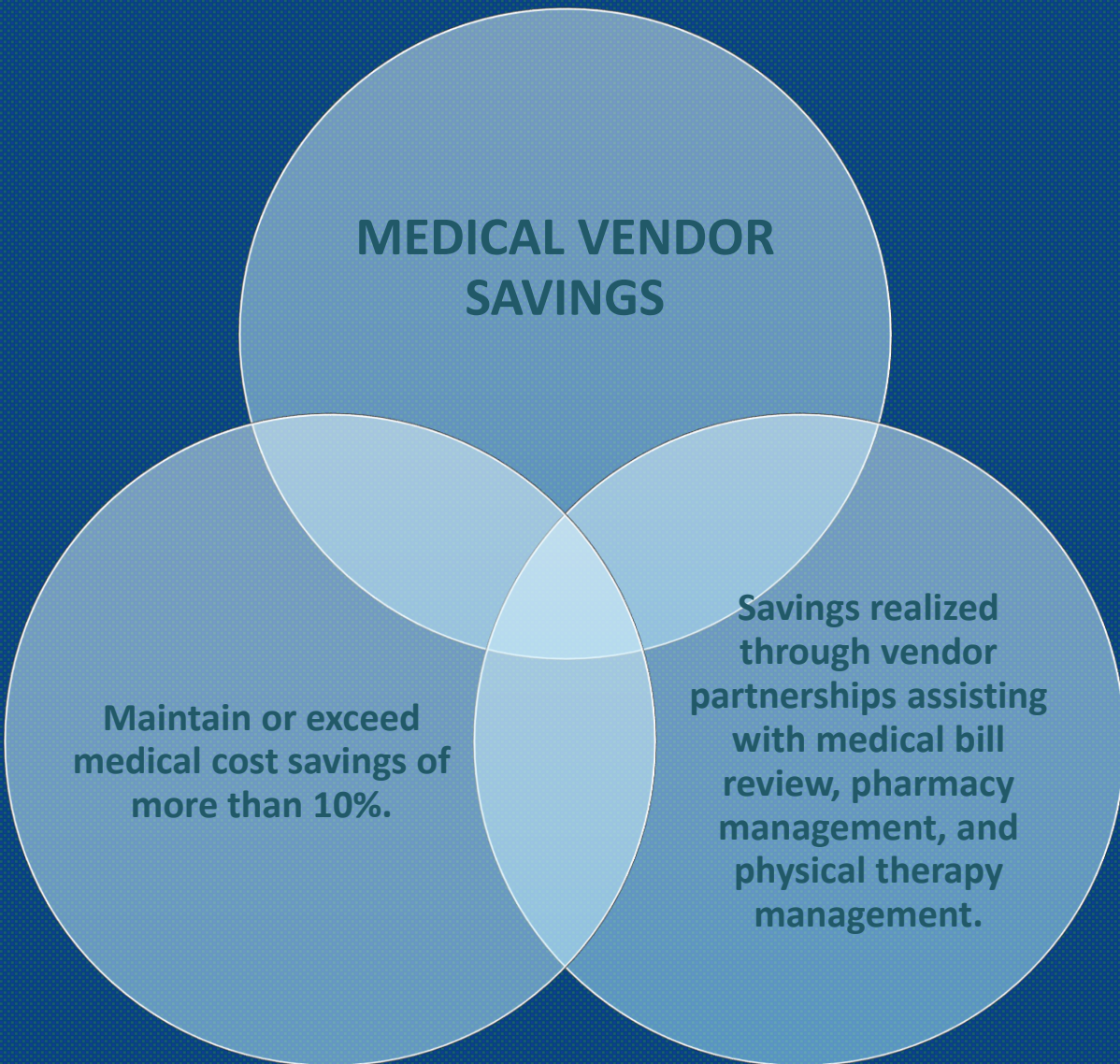
Percentage of premium due past 90 days is less than 5%.

SAF has limited issues with policyholders paying untimely.

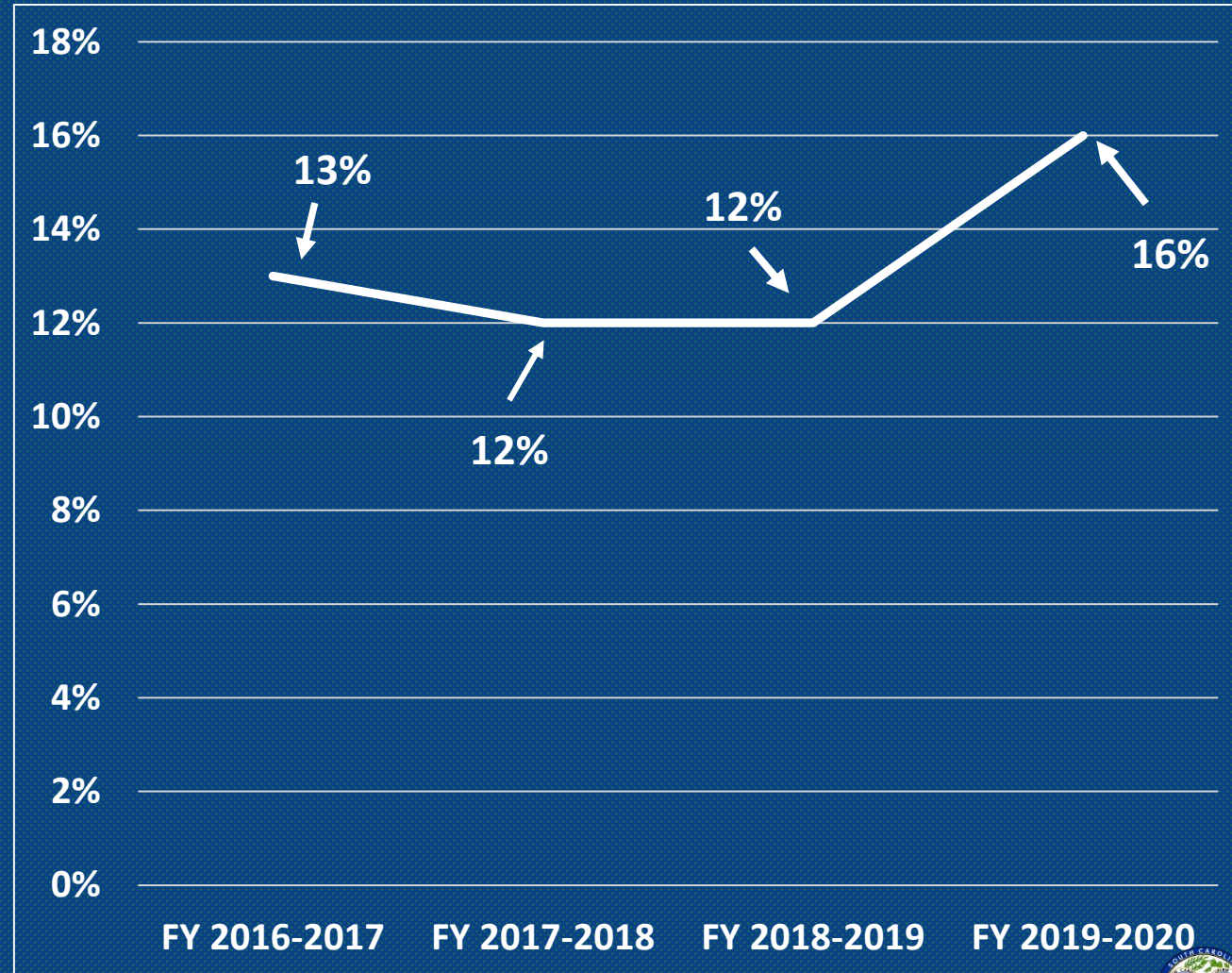
PERCENT OF PREMIUM BILLED PAST DUE MORE THAN 90 DAYS



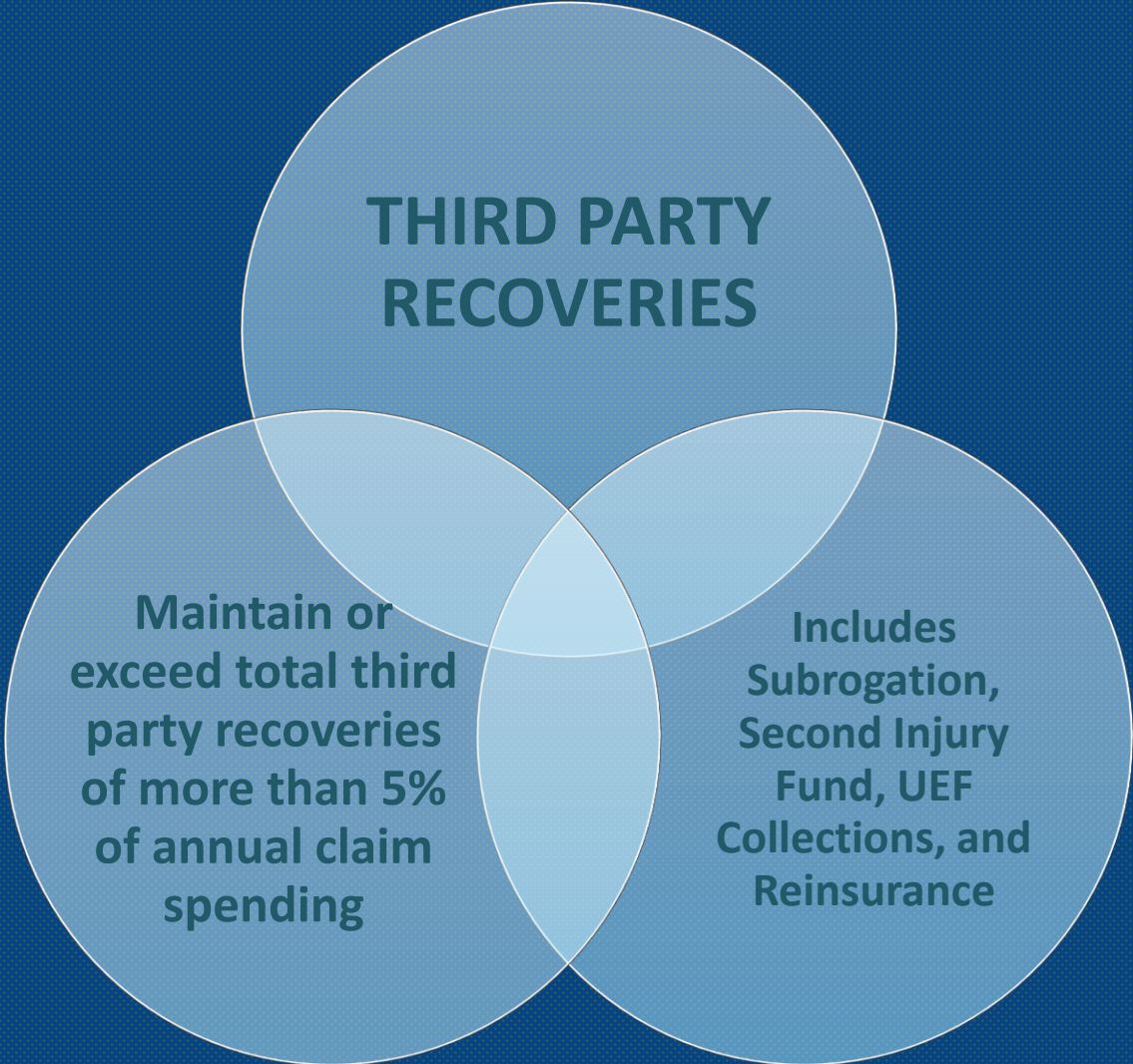
Performance Measure #8



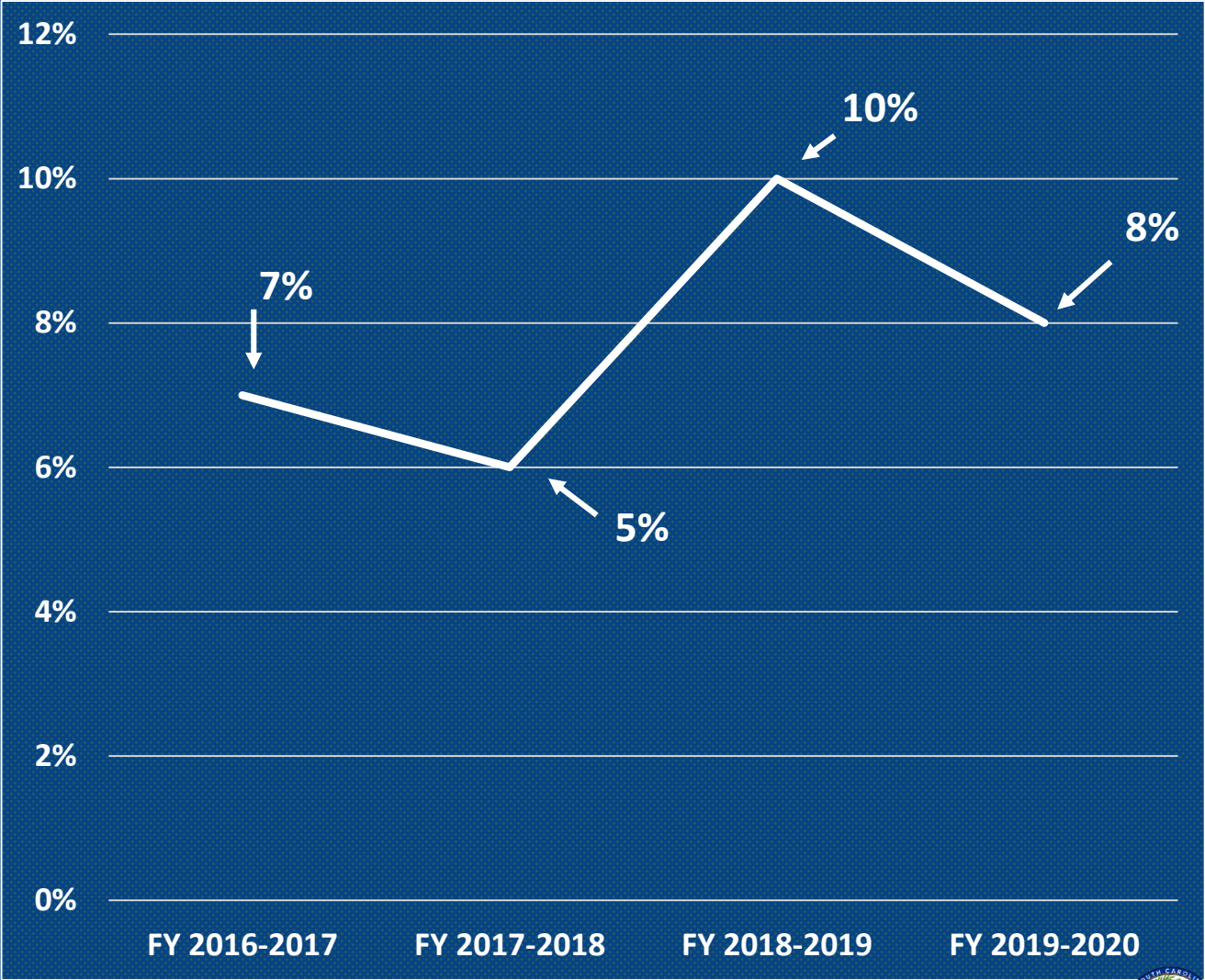
Percent of Savings Compared to Total Annual Claim Costs



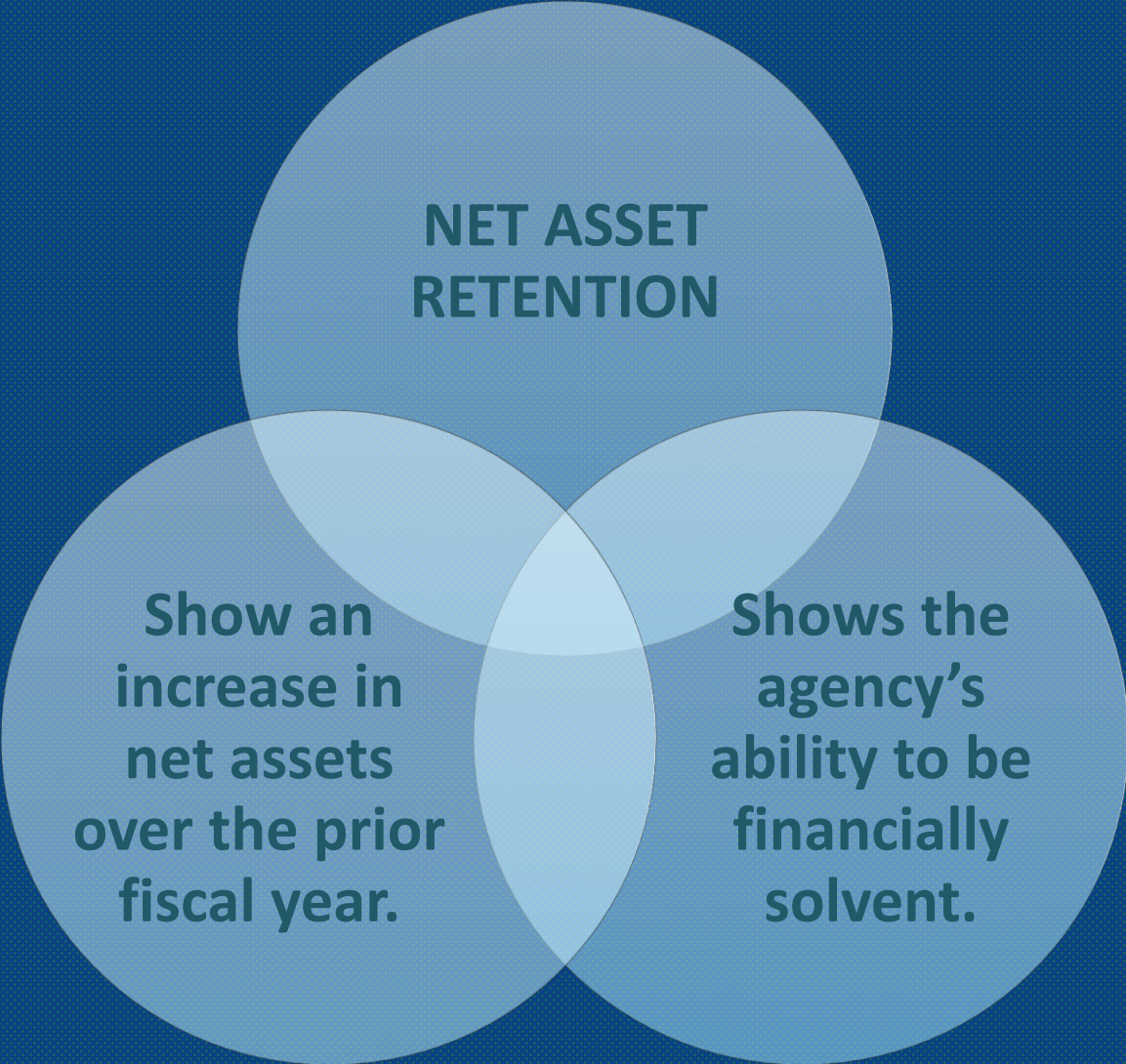
Performance Measure #9



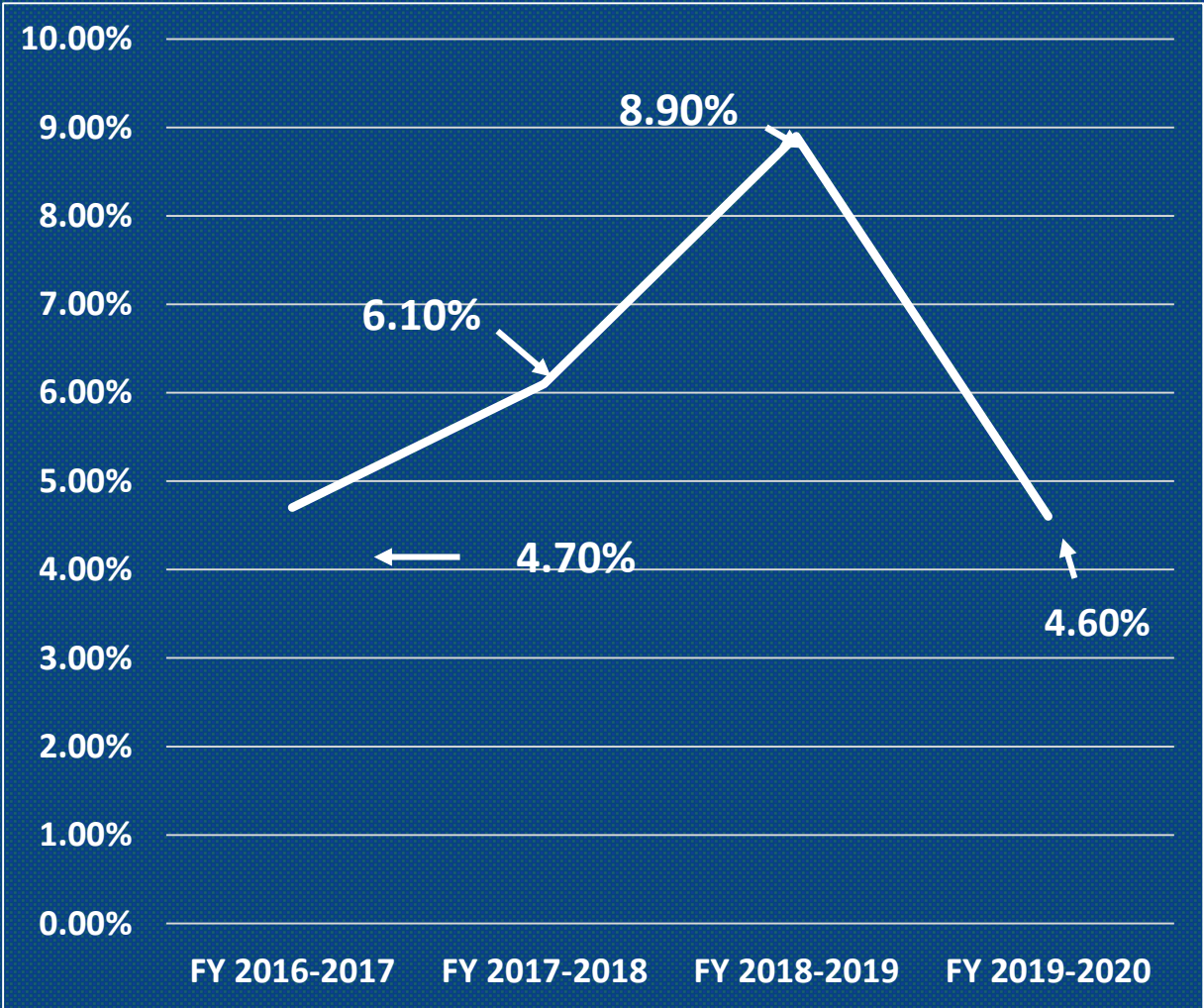
Recoveries as a Percentage of Total Annual Claim Costs



Performance Measure #10



Percent Increase of Net Assets Compared to Prior Year



SUCCESSSES, CHALLENGES, & EMERGING ISSUES

Erin Farthing
Acting Agency Director



Agency Successes

Staffing

Significant shortages throughout the agency. Affecting morale and service.

Filled vacant positions, which resulted in significant improvements in morale and service to policyholders and injured workers.

Improvements in claims handling process

Emphasis on more efficient handling, and more timely and complete resolutions.

Makes future costs for claims more predictable.

Mediation

More focus on meaningful participation in mediation.

85% resolution of claims in mediation in fiscal year 2019-2020, compared to 44% in fiscal year 2017-2018.

COVID-19

Collaborative effort agency wide ensured that a majority of workforce able to work exclusively from home.

Seamless continuation of claims handling and disability and bill payment.



Agency Challenges

New system selection and implementation

Replacement underway several years ago, but selected provider filed for bankruptcy mid-implementation.
About to begin selection process.

Hiring experienced staff

Competition from private market for skilled and experienced staff.

Medical provider availability

Provider must be willing to accept workers' compensation patients/fee schedule.
Significant shortages in certain areas, particularly psych providers.

COVID-19

Continues to pose challenges from claims handling perspective, as well as agency wide.



Emerging Issues

Staff retention

Worker shortages throughout variety of industries have led to a more competitive job market, and increasing incentives from employers.

Technology and data security

Continuously evolving area, which also means new and more advanced security threats.

Medical Marijuana

Potential challenges from workers' compensation standpoint, in particular with authorization and payment.

COVID-19

Changed so many elements of how people work and interact. How much of this change is permanent? How much more change is coming?

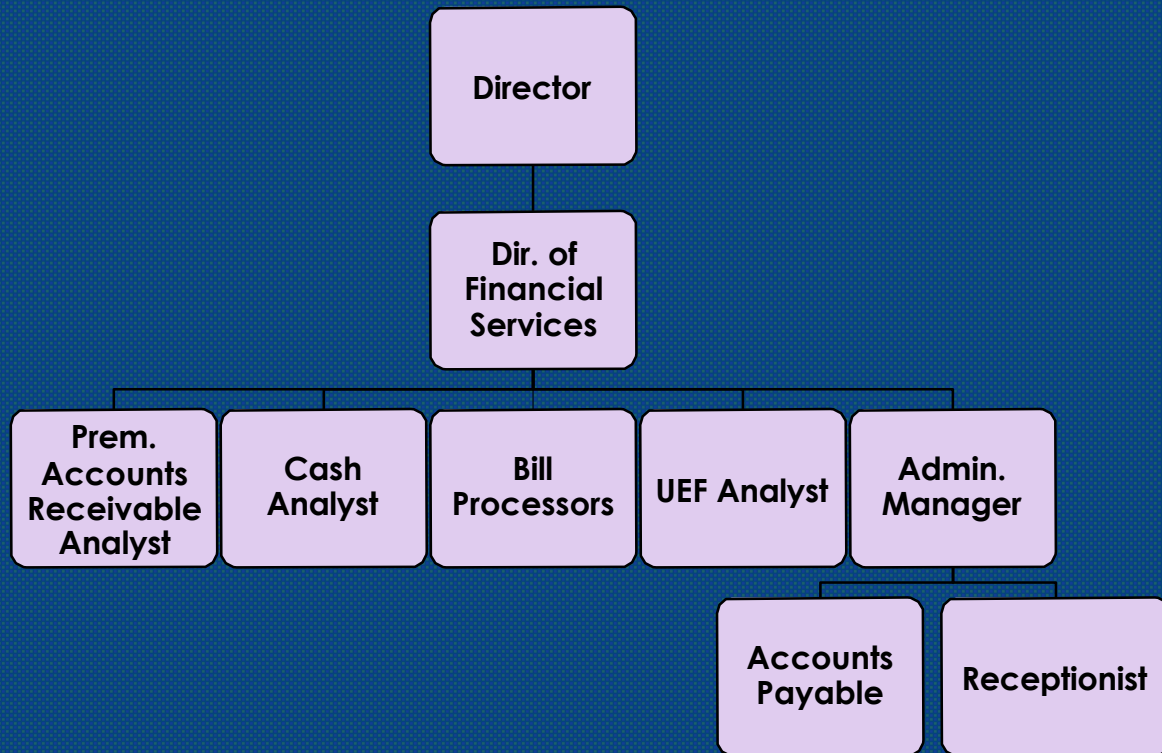


Detail of SAF Organizational Units



Accounting Department

Director of Financial Services (Accounting/Fiscal Manager I) (1)



- Plans, directs, and manages activities related to the agency's accounting operations.
- Prepares and delivers annual operating budget and assists auditors with annual financial statements.
- Ensures accurate documentation of all financial transactions.
- Completes reconciliations on a monthly basis for SAF and UEF general ledger accounts.
- Supervises all positions within business support accounting group and perform annual EPMS reports.
- Manages the claims expense checking account to ensure adequate cash flow.
- Provides customer service to providers and adjusters requesting check information.
- Evaluates and provides financial data regarding revenue and expenses, assists in the preparation of the accountability report, premium renewals, reinsurance program, strategic planning and other assignments at the request of the director and other state agencies.
- Prepares monthly variance reports and budget status reports.
- Approves SCEIS deposit documents, purchasing documents, journal entries and transfers.
- Participates and presents department data in monthly management meetings.

Accounting Department

Premium Analyst (Fiscal Technician II) (1)

- Posts all premium checks and IDT receipts to the policy holder accounts.
- Processes all refunds requested for credit balances.
- Reviews and matches daily claimant benefit/provider checks with EOBs and forms.
- Completes check printing process on Tuesdays and Thursdays, and as backup for Director of Financial Services.
- Monitors the premium account receivable on a daily basis. Contacts past due policy holders as needed.
- Reviews and mails all monthly PHS premium invoices. Scans the state agency invoices and enters IDT billing into SCEIS.
- Reviews all deposits and maintains detailed spreadsheet to track unapplied receipts for SAF and UEF.
- Monitors check stop pay and cancellation requests.

Receptionist (Administrative Assistant) (1)

- Answers all incoming calls at the main switchboard and directs to the appropriate personnel.
- Greets all visitors to the agency, guides them through the sign in process, and notifies the appropriate party of their arrival.
- Receives all deliveries in SCEIS as goods receipt, alerts the appropriate party or directs delivery to the appropriate destination.
- Scans and indexes electronic records regarding PAI rejected bill letters and accounting documents.
- Receives and forwards all facsimiles received through email.

Director

Dir. of
Financial
Services

Prem.
Accounts
Receivable
Analyst

Cash
Analyst

Bill
Processors

UEF Analyst

Admin.
Manager

Accounts
Payable

Receptionist

Accounting Department

Cash Analyst (Fiscal Technician II) (1)

- Audits and deposits all checks received for premiums, provider refunds, UEF collections, third party, and second injury fund recoveries.
- Maintains records of all deposits by type and reconciles to SCEIS monthly reports.
- Posts all cancellations of claimant benefit checks in CMS.
- Researches and posts all SAF third party and provider refund receipts in CMS.
- Ensures that all necessary adjustments are processed in CMS for provider refunds and verifies with adjustment EOBs printed.
- Enters Second Injury Fund billings as IDTs in SCEIS.
- Enters all Second Injury Fund receipts in CMS.
- Receives all Second Injury Fund invoices and delivers for processing.
- Assists with the check processing on large medical check days.

Bill Processor/Auditor (Accounting/Fiscal Analyst I)

- Serves as primary auditor for all bills received through electronic billing from PAI. Audits in-house bills when back up is needed.
- Serves as back up for medical bill entry.
- Serves as the main contact and liaison for PAI billing services. This includes attending all meetings to address billing processes with PAI.
- Processes all re-evaluations received through electronic billing notifications from PAI
- Trains all new bill entry employees on CMS and PAI bill processing

Director

Dir. of
Financial
Services

Prem.
Accounts
Receivable
Analyst

Cash
Analyst

Bill
Processors

UEF Analyst

Admin.
Manager

Accounts
Payable

Receptionist

Accounting Department

Bill Processor (Fiscal Technician II) (1)

- Sorts through bills received from mail drop to review codes for internal processing.
- Enters incoming documents to be paid in accordance with established bill processing application procedures.
- Audits and releases in-house and electronically transferred PAI bills for payment once they have gone through the approval process.
- Pulls invalid CPT code reports and corrects the coding.
- Assists with the check and invoice mailings.
- Serves as back up to the receptionist.
- Performs all necessary duties required with filing unclaimed property to the State of SC Unclaimed Property Division, to include mailing required letters to payees of outstanding stale dated checks, performing address updates, and filing the annual report for any unclaimed property older than five years.
- Researches past due PAI invoices and processes PAI credit invoices.

Bill Processor (Fiscal Technician II) (1)

- Enters incoming documents to be paid in accordance with established bill processing application procedures.
- Maintains vendor data in CMS legal entity window.
- Audits and releases in-house and serves as back up for electronically transferred PAI bills for payment once they have gone through the approval process.
- Contacts bill providers for missing information on bills.
- Maintains W-9 files.
- Works the rejected electronic bills requiring updated FEINs, contacts vendors for updated W9 forms when necessary and updates vendor data in CMS.

Director

Dir. of
Financial
Services

Prem.
Accounts
Receivable
Analyst

Cash
Analyst

Bill
Processors

UEF Analyst

Admin.
Manager

Accounts
Payable

Receptionist

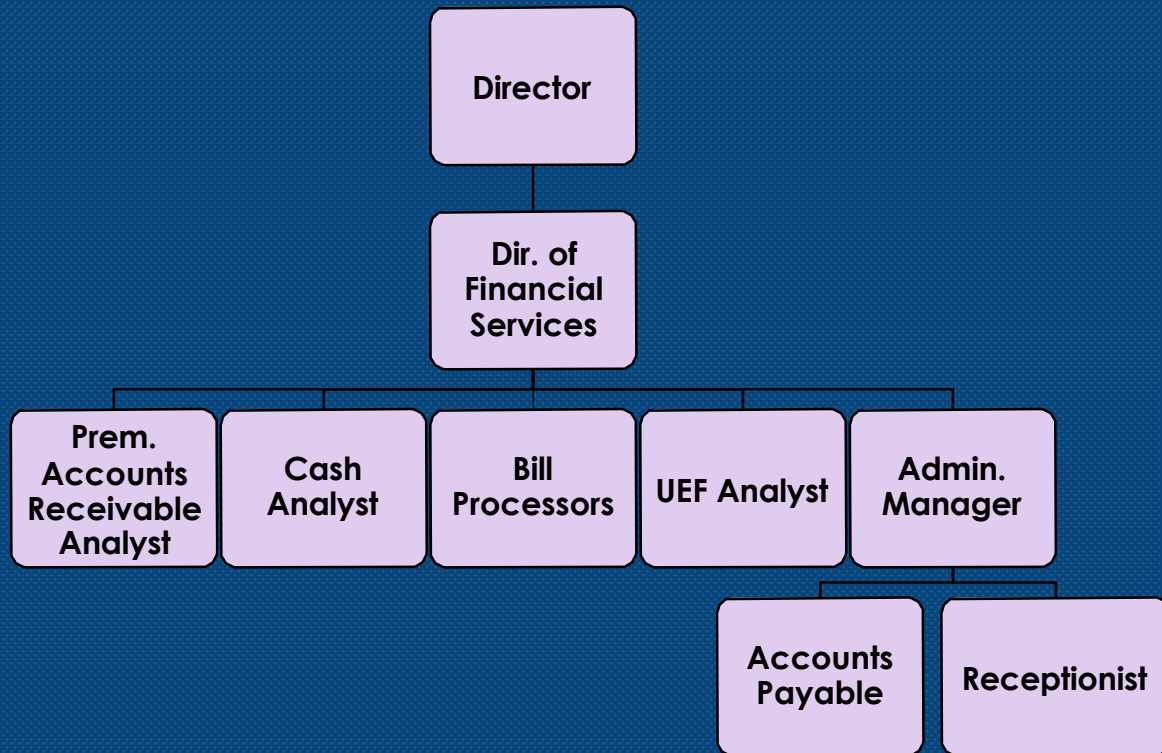
Accounting Department

UEF Analyst/Bill Processor (Accounting/Fiscal Analyst I) (1)

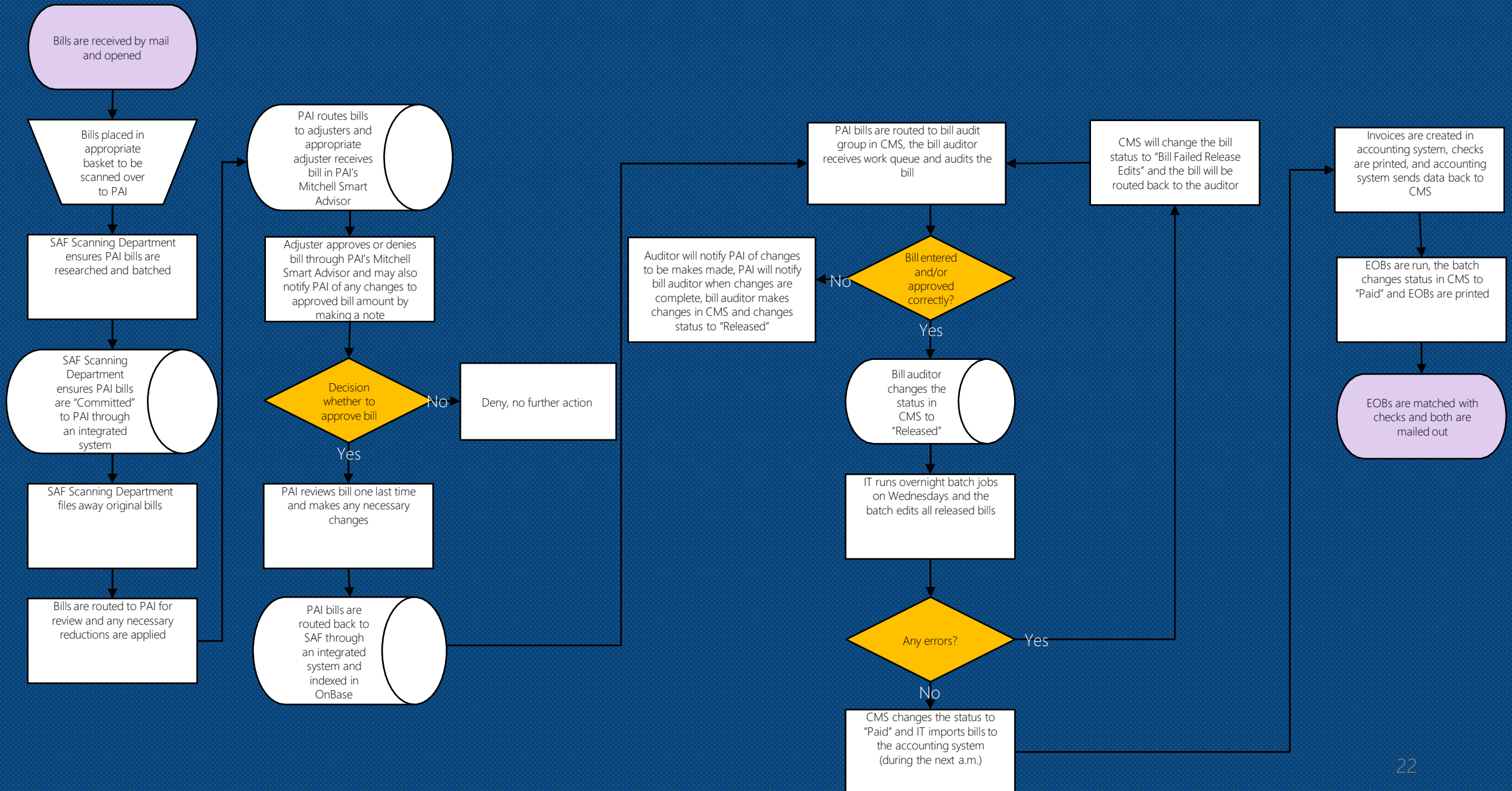
- Submits requests to transfer earmarked funds to the UEF fund to cover claim-related expenses and to transfer funds to the UEF operating fund for administrative expenses as needed.
- Assists UEF Claims Director with collection letters and information.
- Posts check receipts for UEF claims in CMS.
- Primary bill processor for entering incoming documents to be paid in accordance with established bill processing application procedures.
- Enters all UEF claims into the claims management system.
- Assists with the check processing on large medical check days.

Accounts Payable Analyst (Accounting/Fiscal Analyst I) (1)

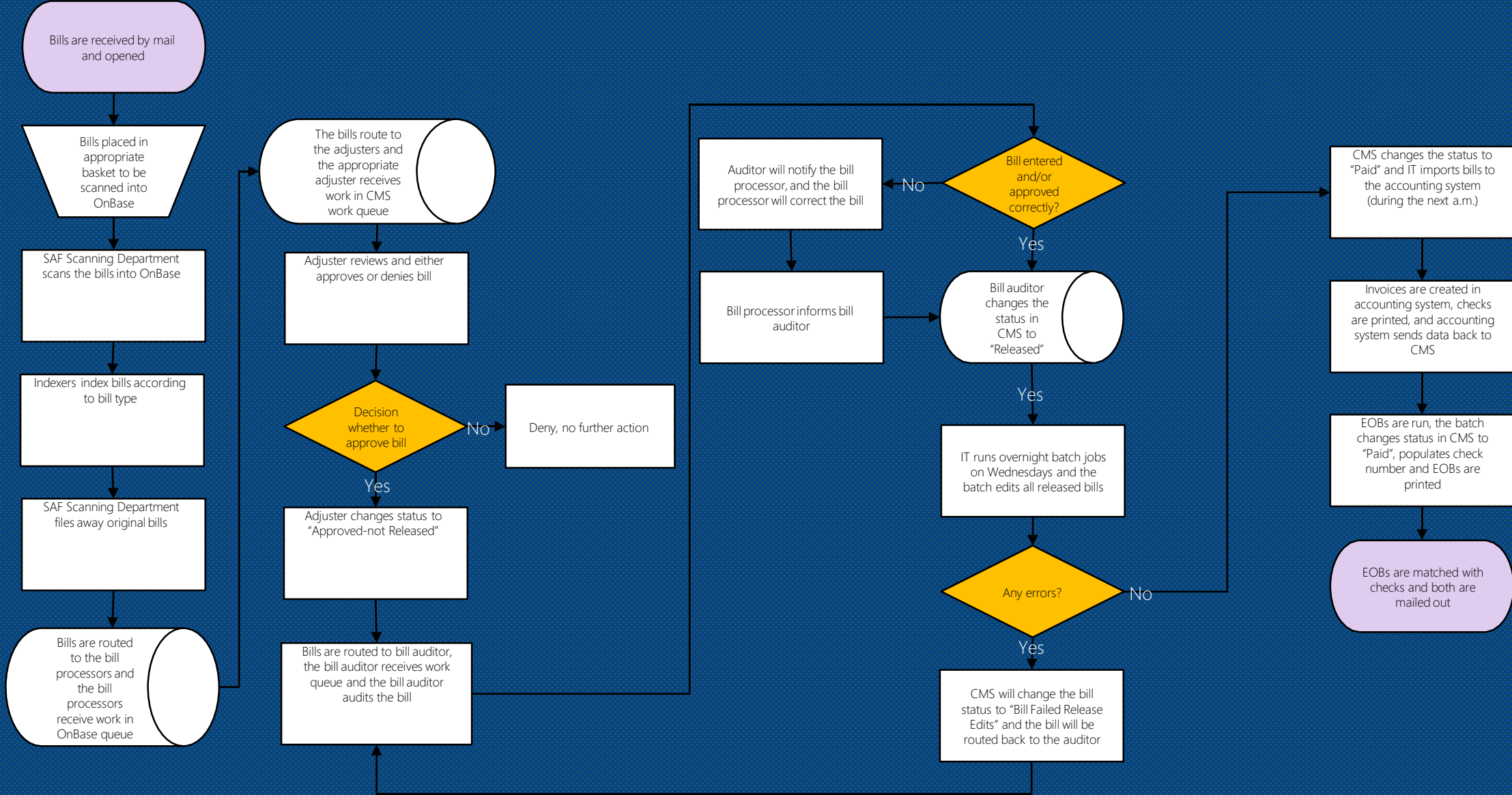
- Maintains the agency's accounts payable on SCEIS system, allocates expenses according to budgetary structure, ensures accuracy of all accounting data entered, estimates budgetary needs and prepares appropriation transfers as necessary.
- Serves as agency's purchaser; reviews purchase requests and shopping carts for compliance with the State Procurement Code and issues purchase orders as required.
- Processes vendor invoices for administrative expenses on SCEIS, including purchasing card statements.
- Maintains accounts payable check register and ACH register from the Comptroller General's Office to balance and ensure all checks requested are received by the agency.
- Assists agency staff in submission of travel reimbursement requests by scanning in documents and receipts as needed.
- Serves as the procurement and purchasing card contact within the agency.



Vendor Bill Review Flowchart



In-House Bill Review Flowchart



Accounting Department Metrics

The Accounting Department tracks the following metrics:

- Over 30 days past due premium.
- Monthly and yearly variance on revenue and expense accounts (cash basis).
- Monthly and yearly budget expenditures by cost center and GL account.
- Claims Management System vendor bill status.
- Deposits by day and amount.
- Number of checks and check type printed.
- Number of premium invoices printed.
- Number of bills entered and errors.
- Vendor/Provider payments.
- Reconciliations by completion date.

Human Resources

Director

Human Resources Director

Benefits Coordinator

Human Resources Director (Human Resource Manager I) (1)

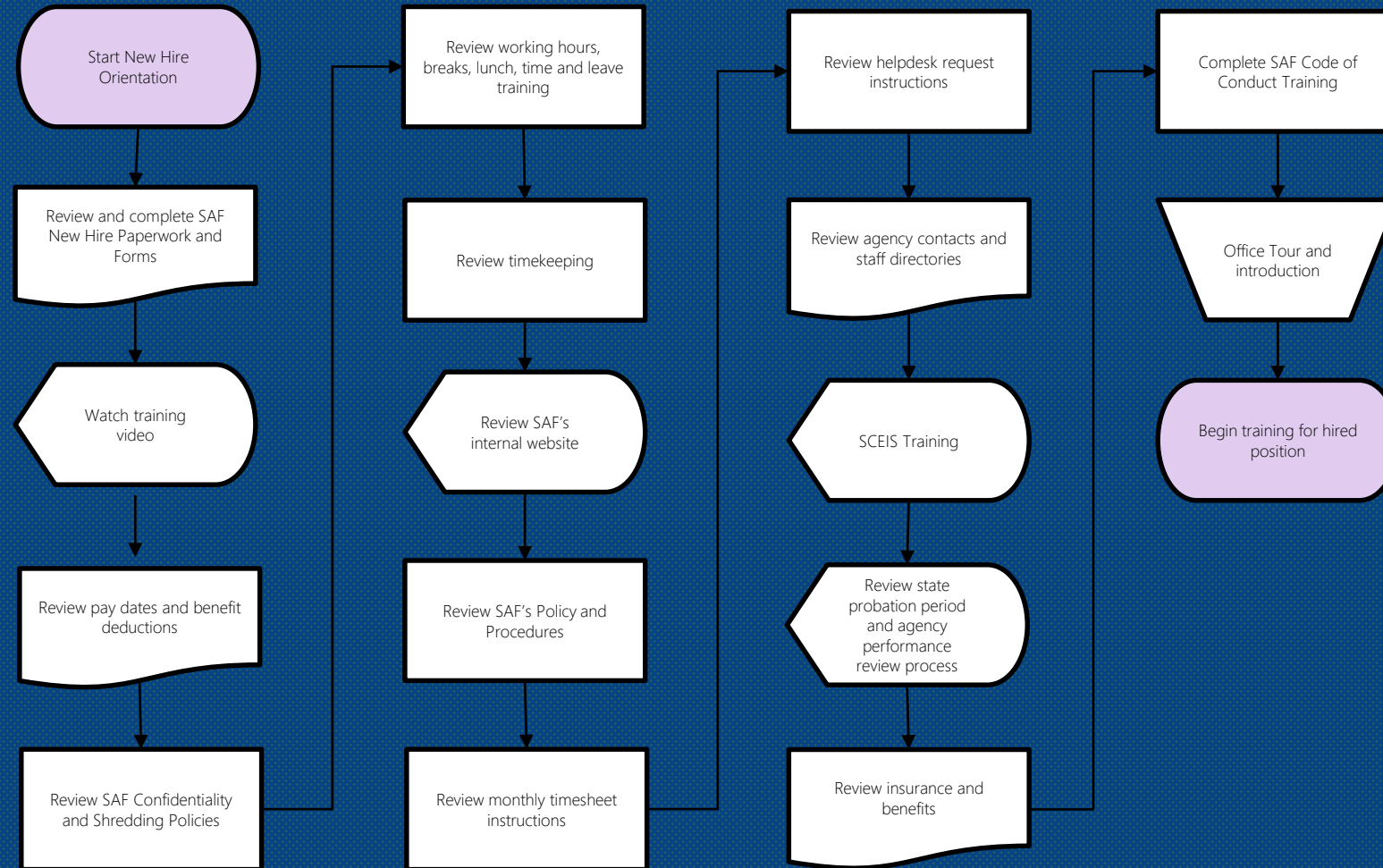
- Applies State and Federal Law, and South Carolina HR guidelines to assist agency staff with human resource related issues.
- Responsible for the direct supervision of Benefits Coordinator.
- Prepares labor and financial forecasting related to agency's annual budget.
- Administers agency's EEO and Affirmative Action programs.
- Maintains and updates personnel and organizational management in SCEIS.
- Serves as agency's talent acquisition manager.
- Serves as a member of agency's management committee.

Benefits Coordinator (Administrative Coordinator II) (1)

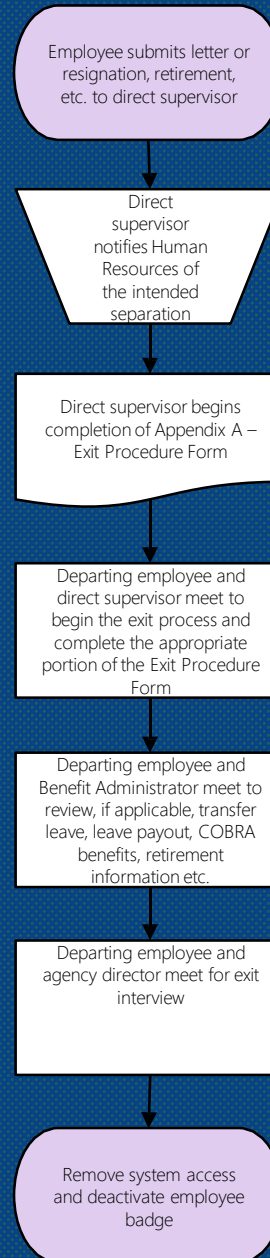
- Coordinates the agency's new hire on-boarding process.
- Processes all benefit enrollments, separations, and change of status actions.
- Creates and maintains the agency's employee benefit files.
- Manages the agency's employee recognition program.
- Administers leave of action for military leave, extended illness, FMLA, etc.
- Serves as time administrator for the SCEIS payroll system.
- Generates and monitors a variety of monthly and quarterly HR reports.



New Hire Orientation Flowchart



Employee Off Boarding Flowchart

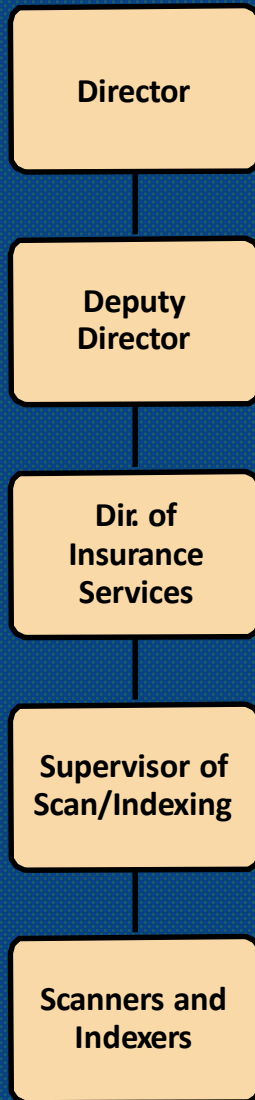


Human Resources Department Metrics

The Human Resources Department tracks the following metrics:

- Absence rate (Employee absences/total working hours).
- YTD Use of Leave Rate (Leave hours/working days).
- Monthly timesheet audit.
- Number of employees eligible for retirement.
- Average years in state service.
- Number of separations.
- Number of new hires.
- Average monthly benefit costs.

Document Management



Director of Insurance Services (Program Manager II) (1)

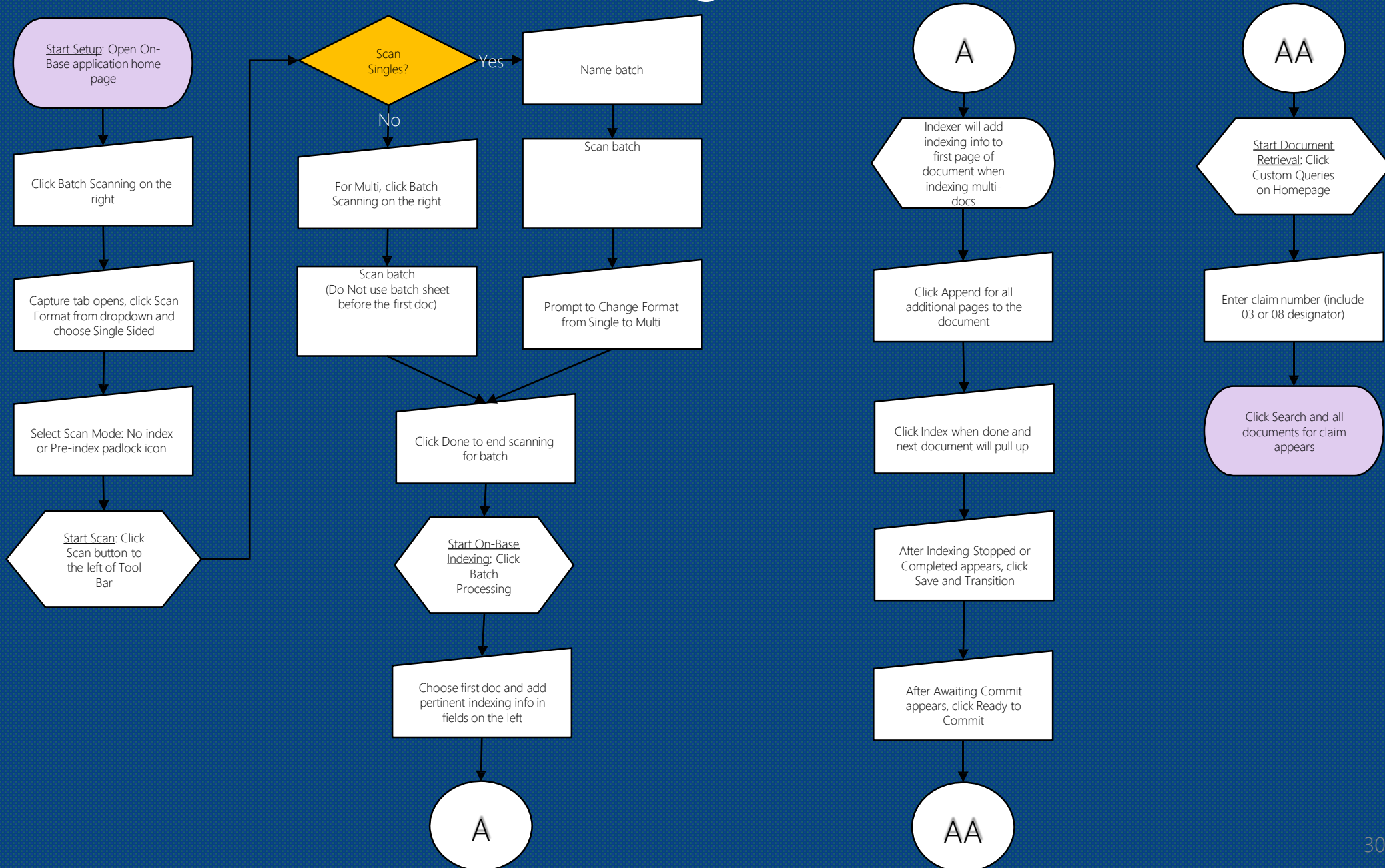
- Responsible for direct supervision of Scanners/Indexers.
- Serves as backup for daily printing and delivery of WCC Form 18s and policyholder statements.
- Maintains and develops the agency's document management workflow.

Scanners/Indexers (Administrative Assistant) (3)

- Researches batches, and scans claim related documents.
- Indexes claim related documents to the appropriate claim and document category
- Prints and delivers WCC Form 18s and policyholder statements daily.
- Postmarks and runs all agency mail to the post office each
- Reviews rejected medical bills from bill review vendor daily.



Document Management Workflow



Document Management Metrics

The document management team tracks the following metrics:

- Number of documents scanned.
- Type of documents scanned.
- Number of documents indexed.
- Type of documents indexed.

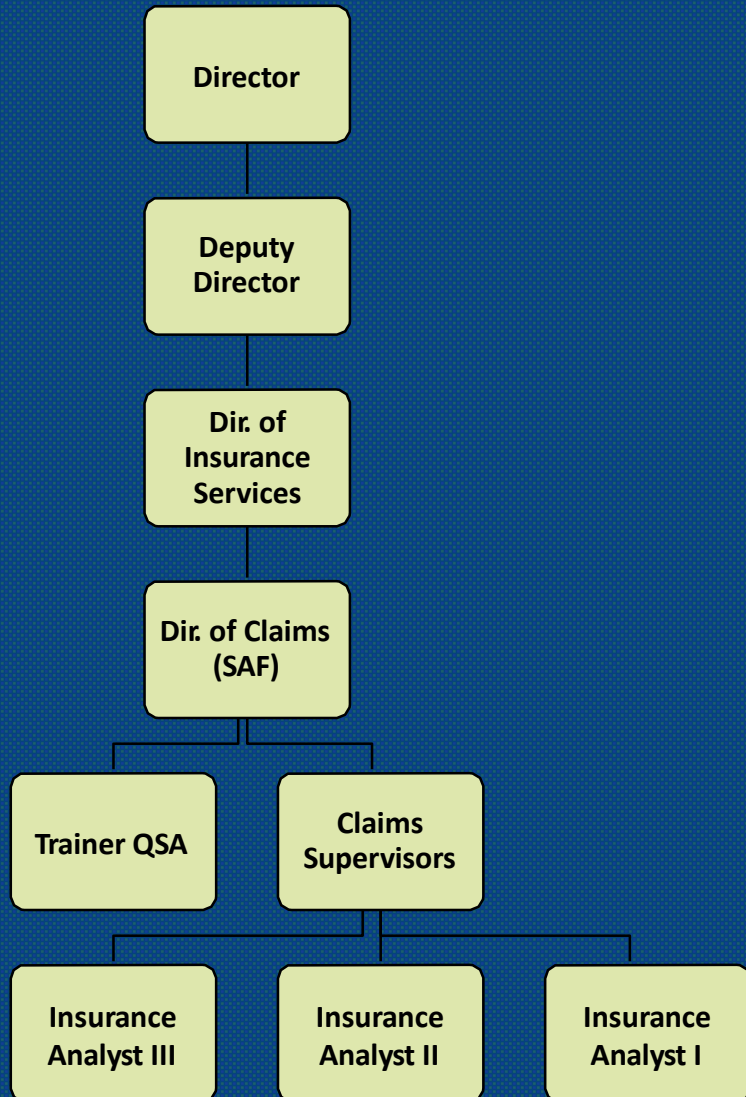
Business Support Staffing and Turnover

Fiscal Year	Employee Count at the Start of Fiscal Year	Employee Count at the End of Fiscal Year	Employee Losses During Fiscal Year
2019-2020	12	17	0
2018-2019	7	10	1
2017-2018	9	10	0
2016-2017	10	9	1

Current employees: 13 (3 current vacancies)

*The above numbers include Accounting, Human Resources, and Document Management employees.

State Accident Fund Claim Department



Deputy Director (Program Manager II) (1)

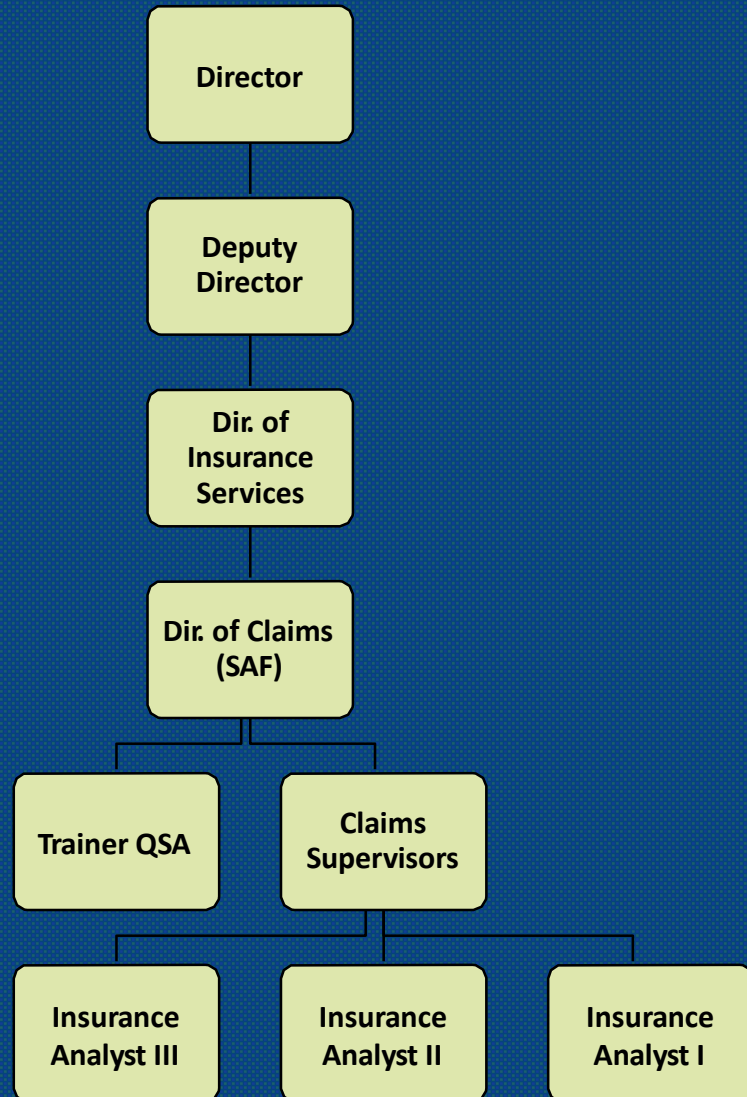
- Responsible for direct supervision of the Director of Insurance Services.
- Participates in development of annual department budget.
- Collects department data for annual Accountability Report, Premium Renewal and Reinsurance Renewal.
- Coordinates agency's Medicare Coordination of Benefits program.
- Serves as the executive contact for all claim service vendor partnerships.
- Serves as the Procurement Officer for claim related service contracts.
- Participates and presents department data in monthly management meetings.

Director of Insurance Services (Program Manager II) (1)

- Ensures the SAF & UEF Claim Departments, Quality Service Department, and the Records Management Department processes are in accordance with the rules and regulates set forth in Title 42, the SC Workers' Compensation Commission, SC Regulation 67 and agency policy and procedure.
- Responsible for the direct supervision of the SAF & UEF Director of Claims, QSA, and records management staff.
- Manages SAF & UEF Third Party Subrogation Program.
- Manages the UEF Collections Program.
- Reconciles the Second Injury Fund outstanding receivables.
- Oversees the Training and Claims Audit Programs.
- Interfaces with IT and external (existing and prospective) vendors to ensure all claims related business relationships and implementations are successful.
- Participates and presents department data in monthly management meetings.

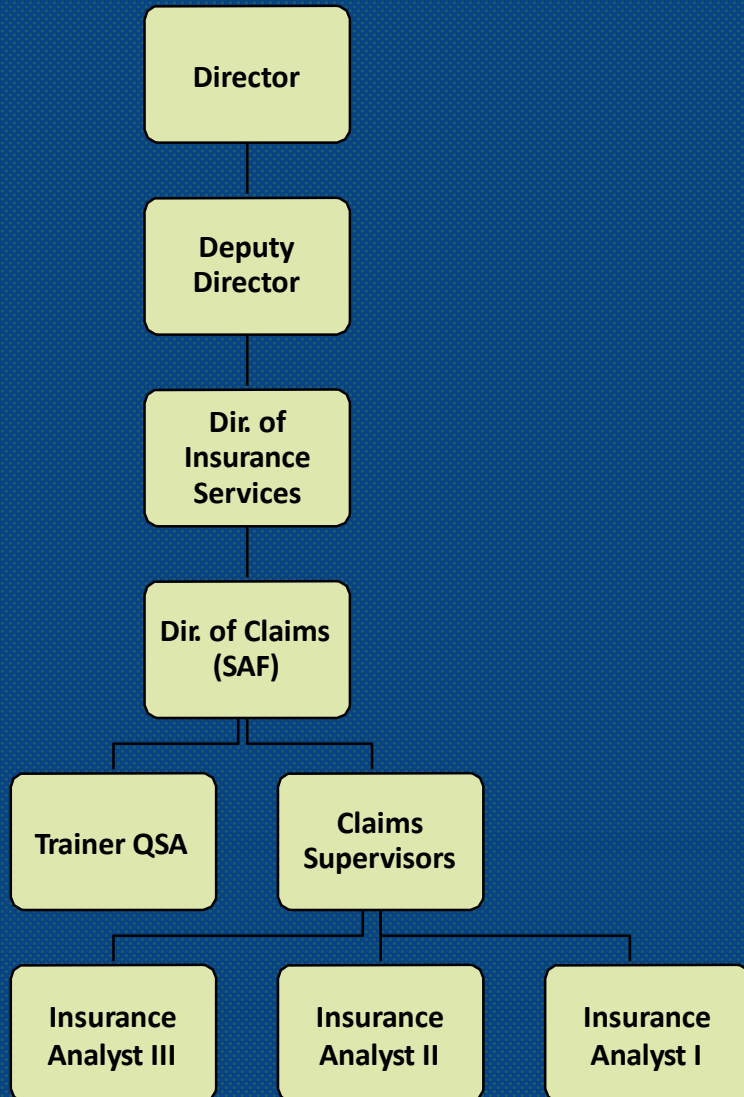
State Accident Fund Claim Department

SAF Director of Claims (Program Manager I) (1)



- Ensures the SAF Claims Department's claim handling processes are in accordance with the rules and regulates set forth in Title 42, the SC Workers' Compensation Commission, SC Regulation 67 and agency policy and procedure.
- Response for the direct supervision of the claim supervisors and their respective responsibilities.
- Assists with the direction and training of SAF claim personnel.
- Serves as the claim adjuster for assigned policyholder.
- Responsible for all SAF Claim Department reporting and monitoring.
- Coordinates the medical savings account (MSA) referrals.
- Coordinates referrals to DSS Child Support Services regarding outstanding child support liens.
- Administers Insurance Service Office (ISO) accounts for all adjusters.
- Participates and presents department data in monthly management meetings.

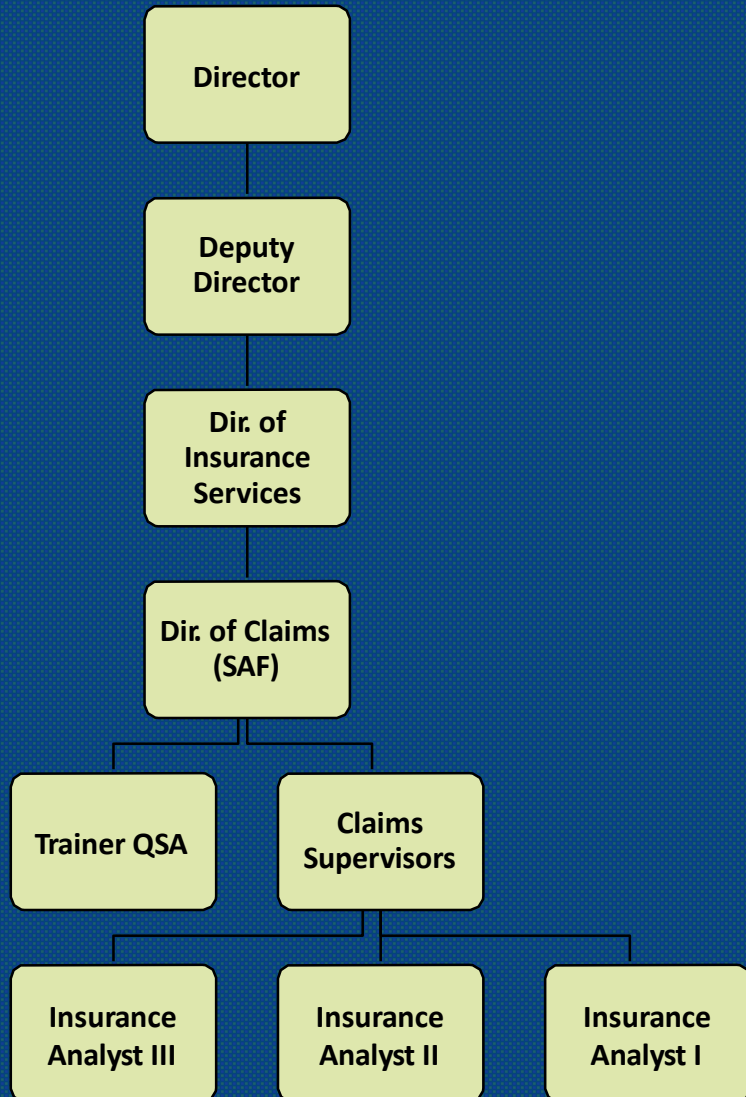
State Accident Fund Claim Department



Quality Service Analyst (Insurance Analyst III) (1)

- Designs, coordinates, and develops training for new and other designated personnel.
- Maintains claims audit schedule.
- In conjunction with Claim Supervisors conducts claim audits.
- Provides post-audit plans for adjusters and supervisors designed to increase productivity and foster success.
- Develops and maintains the Claims Training Manual.
- Conducts a minimum of four in-depth claim reviews a month.
- Collaborates with SAF Management to share information with IT to enhance the functionality of the claims management system.
- Participates in integration of new software systems, when needed.

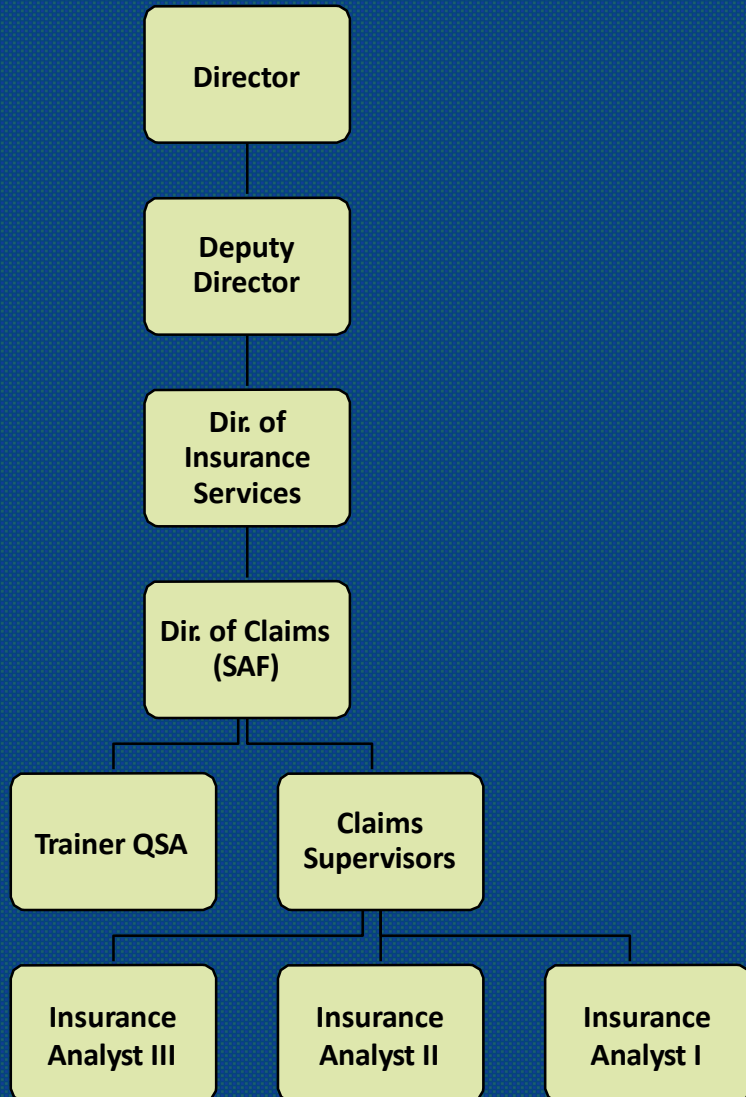
State Accident Fund Claim Department



Claims Supervisor (Program Coordinator II) (4)

- Ensures the claim handling processes of their respective team members are in accordance with the rules and regulates set forth in Title 42, the SC Workers' Compensation Commission, SC Regulation 67 and agency policy and procedure.
- Responsible for the direct supervision of five Insurance Analysts I and/or II and one Insurance Analyst I.
- Assists with the training and development of their respective staff.
- Serves as the claim adjuster for assigned policyholder(s).
- Responsible for weekly reporting by individual team members.
- Reviews a minimum of five open claims for each team member on a monthly basis.
- Serves as part of the audit team along with the Quality Service Analyst.

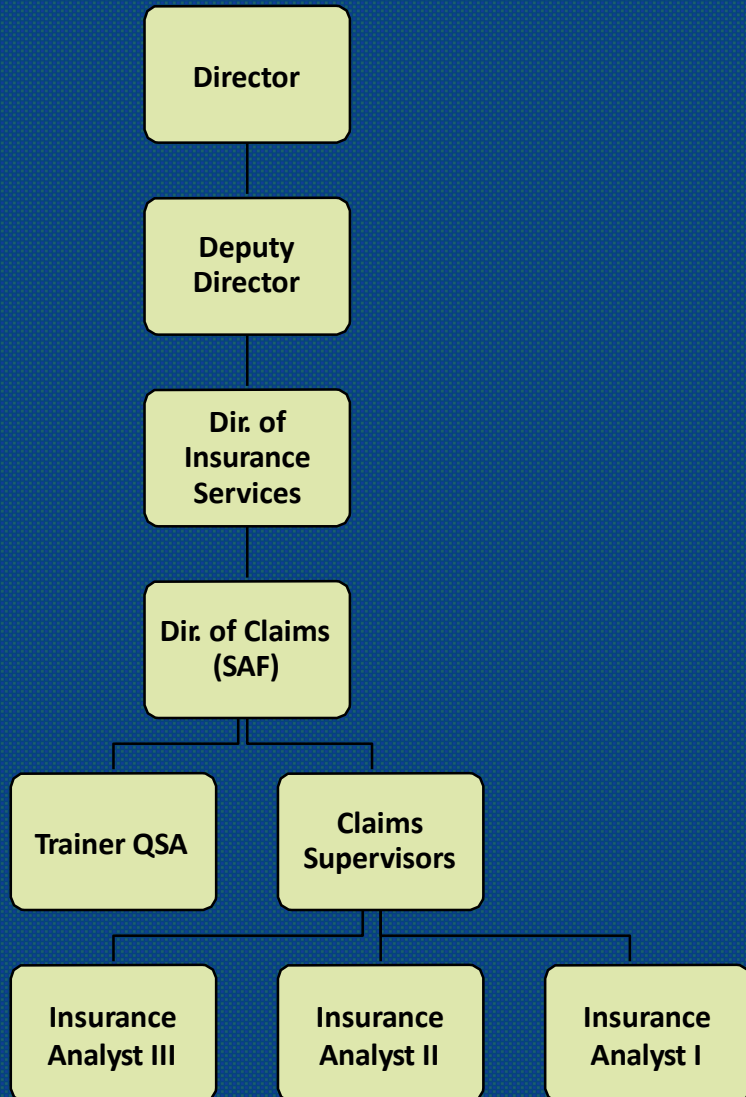
State Accident Fund Claim Department



Senior Claim Adjuster (Insurance Analyst III) (8)

- Senior member of the claims unit.
- Assists Claim Supervisor upon request.
- Manages incoming and existing claims for all assigned policyholders to include authorizing medical and lost time payments, settling claims, and setting reserves, etc. in accordance with SC Workers' Compensation Law, SC Workers' Compensation Fee Schedule and SAF agency policy and procedure.
- Completes 60-day reviews on all active files and 90-day reviews on Medical for Life files.

State Accident Fund Claim Department



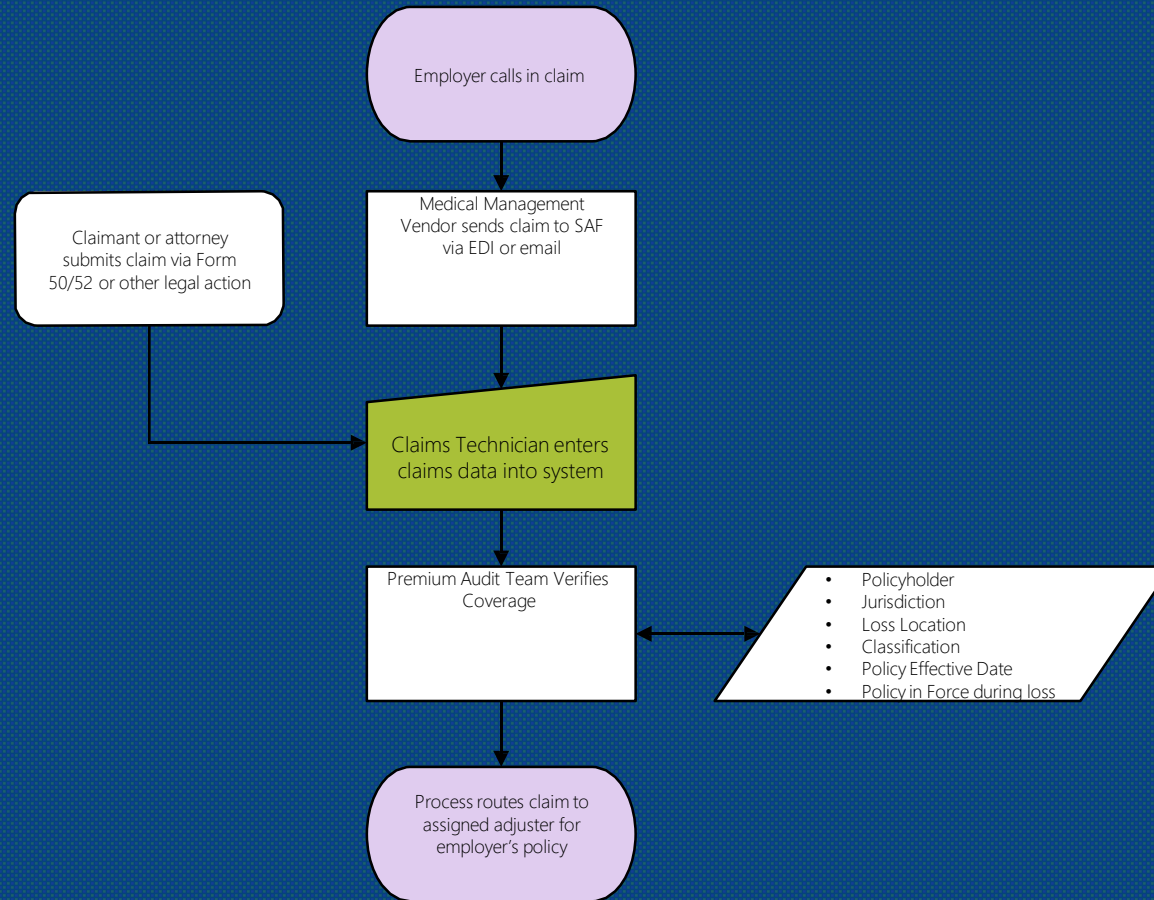
Claim Adjuster (Claim Analyst II) (12)

- Manages incoming and existing claims for all assigned policyholders to include authorizing medical and lost time payments, settling claims, and setting reserves, etc. in accordance with SC Workers' Compensation Law, SC Workers' Compensation Fee Schedule and SAF agency policy and procedure.
- Completes 60-day reviews on all active files and 90-day reviews on Medical for Life files.

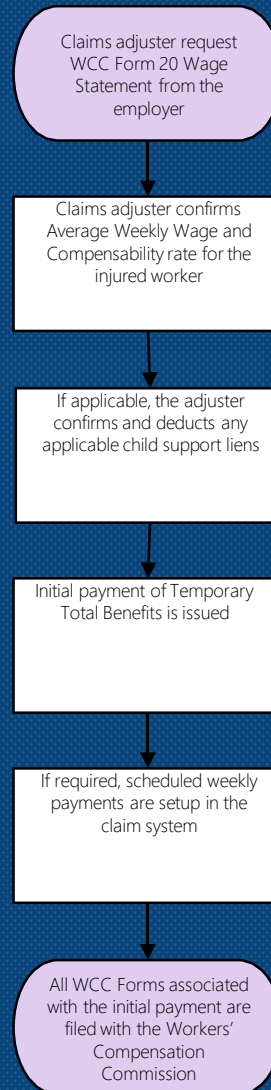
Claim Technician (Claim Analyst I) (4)

- Assists an individual Claim Team with the administrative duties necessary to adjudicate all claims properly.
- Drafts, mails, and follows up on claim related correspondence as assigned by the Claim Adjuster(s).
- Enters FROI data on incoming claims.
- Drafts informal conference documents
- Verifies mileage reimbursement to injured workers.
- Responds to incoming phone calls from providers, injured workers, etc.

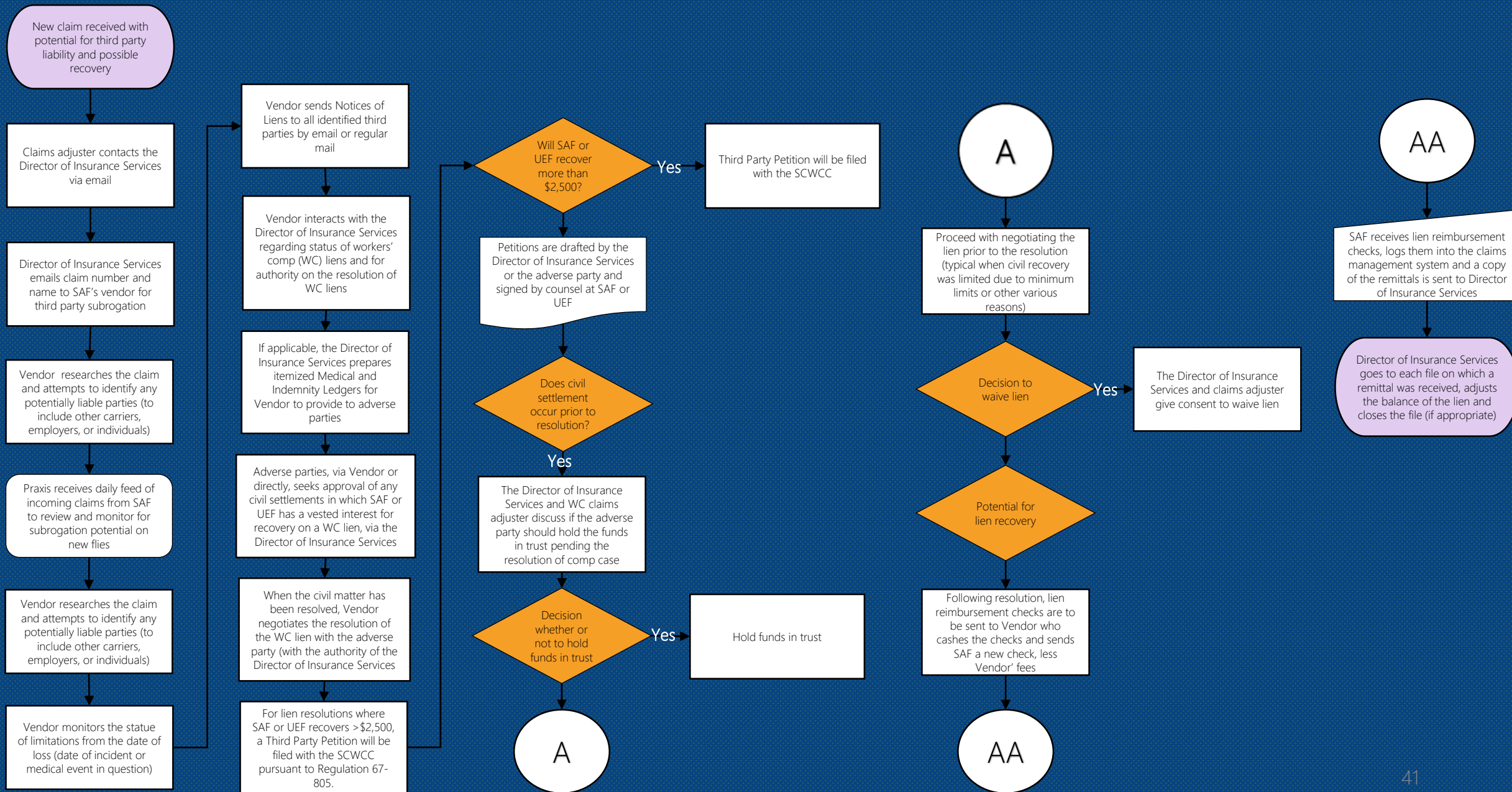
SAF Claims Department New Claim Receipt Workflow



Weekly Indemnity Benefit Flowchart



Subrogation Recovery Flowchart



Claims Department (SAF) Metrics

The SAF Claims Department tracks the following metrics:

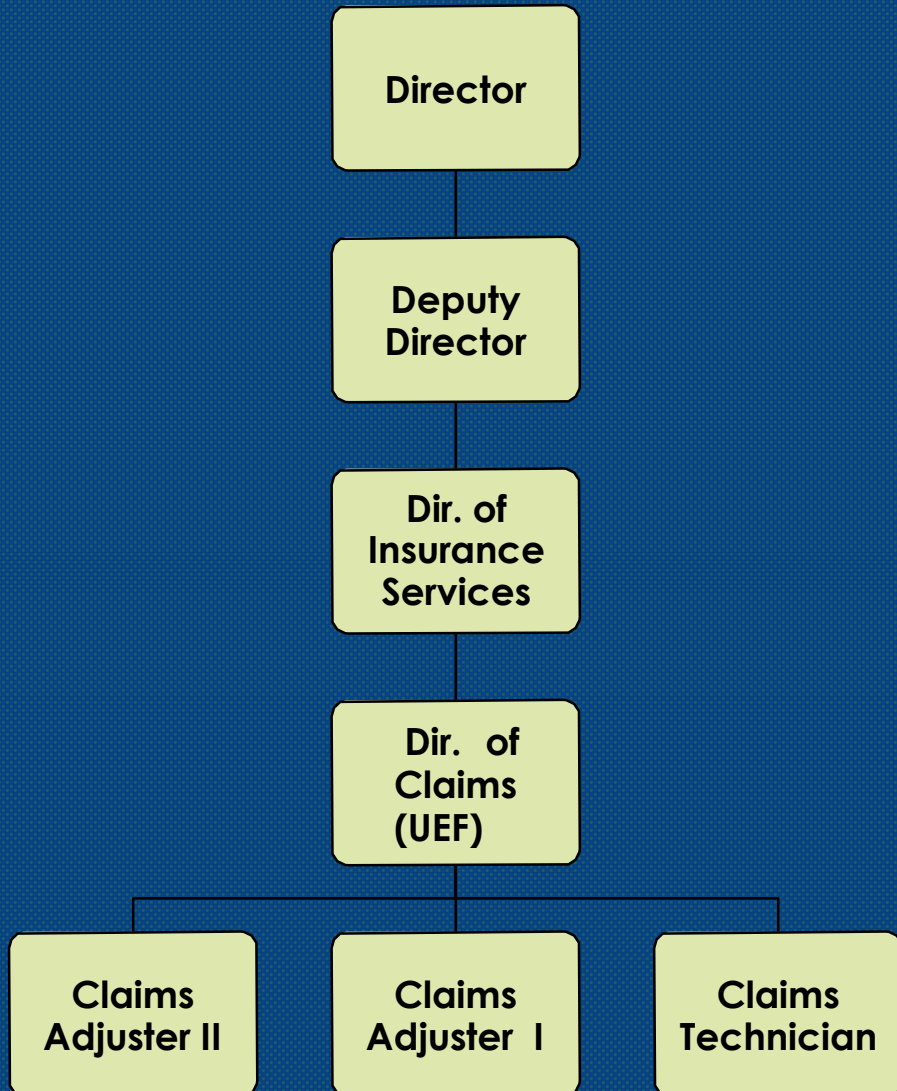
1. Incoming claims by claim type (report only, medical only, lost time) and team distribution.
2. Claim closures by team.
3. Closing ratios by team.
4. Average spent at the time of closure (indemnity and medical) by team.
5. Average compensability time per adjuster.
6. Average medical bill payment time per adjuster.
7. Settlement count by team and dollar amount.
8. Average settlement amount by team.
9. Total open caseload per adjuster.
10. Annual audit score per adjuster.
11. Number and amount of claim fines paid to Workers' Compensation Commission.
12. Annual claims savings realized through vendor partnerships.
13. Positive and negative comments to annual policyholder survey.

SAF Claim Department Staffing and Turnover

Fiscal Year	Employee Count at the Start of Fiscal Year	Employee Count at the End of Fiscal Year	Employee Losses During Fiscal Year
2019-2020	26	29	4
2018-2019	27	26	7
2017-2018	29	29	4
2016-2017	25	29	5

Current employees: 32 (no current vacancies)

Uninsured Employers' Fund Claims Department



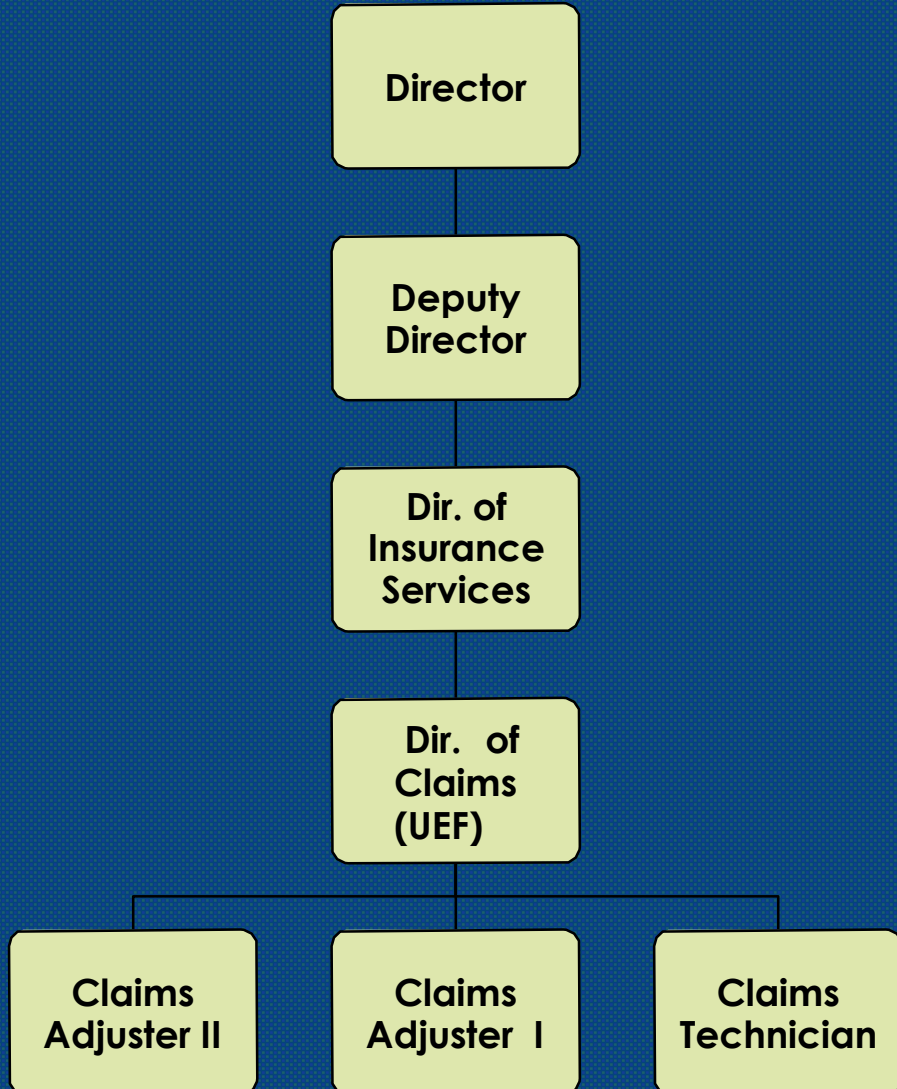
Deputy Director (Program Manager II) (1)

- Responsible for the direct supervision of the Director of Insurance Services.
- Participates in development of annual department budget.
- Collects department data for annual Accountability Report.
- Coordinates agency's Medicare Coordination of Benefits program.
- Serves as the executive contact for all claim service vendor partnerships.
- Serves as the Procurement Officer for claim related service contracts.

Director of Insurance Services (Program Manager II) (1)

- Responsible for the operational claim functions of the UEF, including the direct supervision of the UEF Director of Claims.
- Manages the UEF Collections Program and coordinates the UEF Collections Team to ensure consistent recoveries.
- Oversees the Training and Claims Audit Programs for UEF claims department.

Uninsured Employers' Fund Claims Department



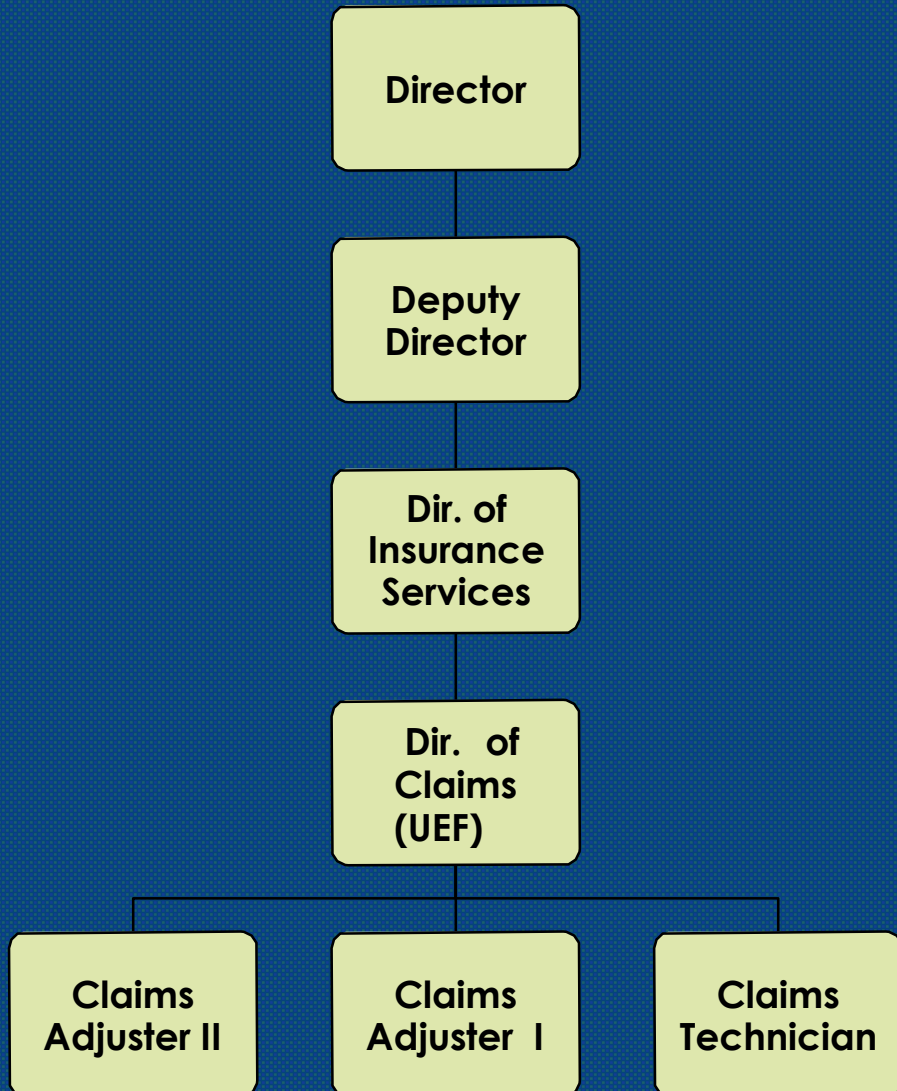
UEF Director of Claims (Program Manager I) (1)

- Manages the UEF's claim administration process, serving as the senior claims administrator for the UEF.
- Responsible for the effectiveness of the UEF's claims management, assisting with the direction and training of UEF claim personnel, claims reporting and monitoring, and participation in the large claim resolution process.
- The primary handler of the UEF collections effort, as well as a member of the Management Committee.
- Responsible for a limited caseload of claims and the management of those claims in accordance with SC Workers' Compensation Law.

Senior Claim Adjuster (Insurance Analyst III) (1)

- Works as a senior member of the claims unit.
- Manages and monitors all assigned claims, to include authorizing medical and lost time payments, settling claims, and setting reserves, in accordance with SC Workers' Compensation Law.
- Follows their assigned claims from inception to resolution and completes 90-day reviews on all active files.
- Maintains detailed documentation in their files, and interacts with medical providers, injured workers, medical management vendors, and attorneys in a timely and professional manner.
- Assists other members of their claims unit, when needed or when requested to do so by the UEF Director of Claims.

Uninsured Employers' Fund Claims Department



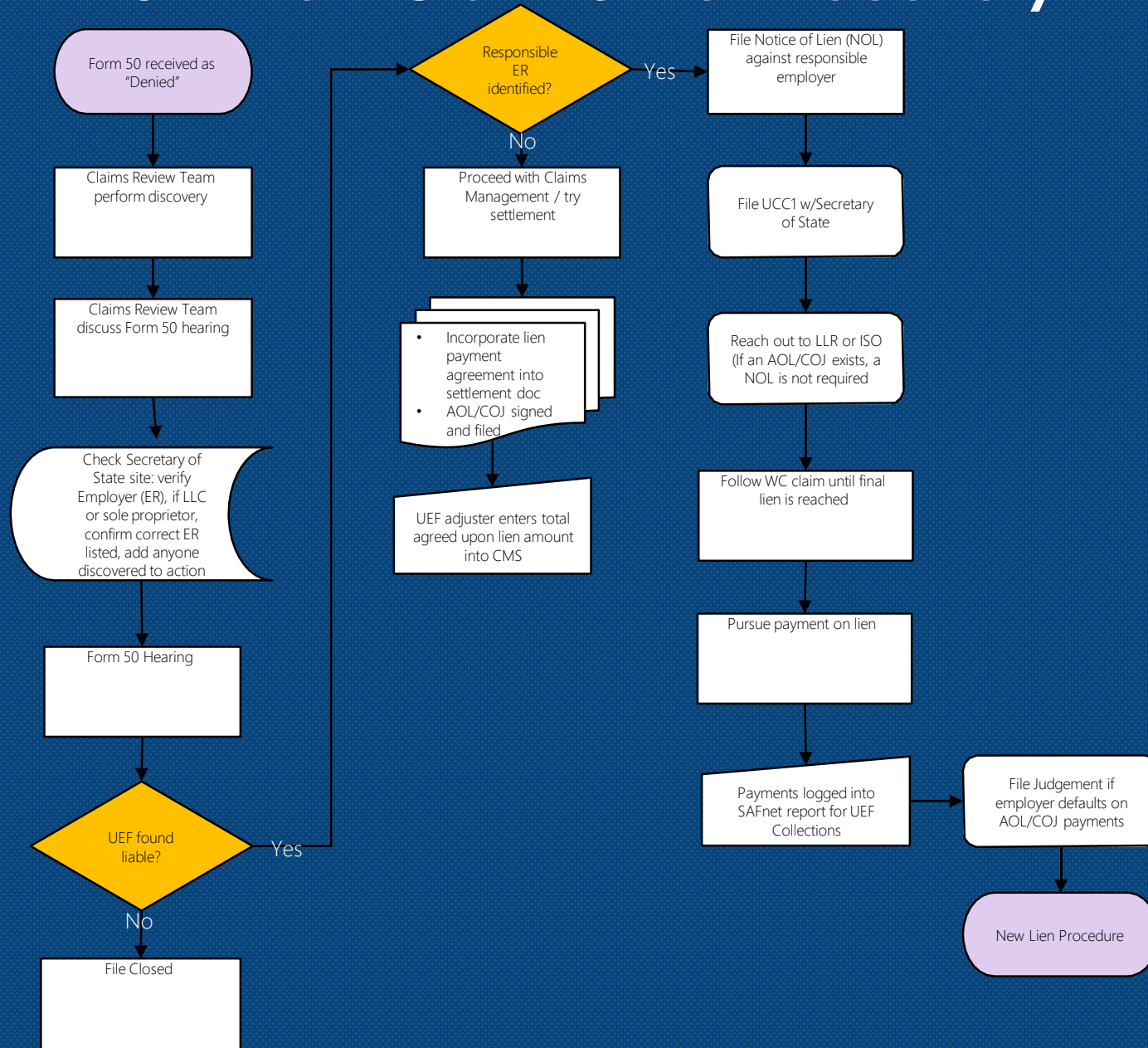
Claim Adjuster (Insurance Analyst II) (1)

- Works as a member of the claims unit.
- Manages and monitors all assigned claims, to include authorizing medical and lost time payments, settling claims, and setting reserves, in accordance with SC Workers' Compensation Law.
- Follows their assigned claims from inception to resolution and completes 90-day reviews on all active files.
- Maintains detailed documentation in their files, and interacts with medical providers, injured workers, medical management vendors, and attorneys in a timely and professional manner.

Claim Technician (Insurance Analyst I) (1)

- Assists an individual Claim Team with the administrative duties necessary to adjudicate all claims properly.
- Drafts, mails, and follows up on claim related correspondence as assigned by the Claim Adjuster(s).
- Enters of First Report of Injury data on incoming claims, drafting informal conference documents and notices of liens, verifying mileage, and responding to incoming phone calls from providers, injured workers, etc.

UEF New Claim & Lien Recovery Process



UEF Claims Department Metrics

The UEF Claims Department tracks the following metrics:

1. Number of claims received.
2. Number of claims closed.
3. Incoming claims by type.
4. Closing ratio.
5. Average spent at the time of closure (indemnity and medical).
6. Settlement count and dollar amount.
7. Dollar amount of collection recoveries.

UEF Claim Department Staffing and Turnover

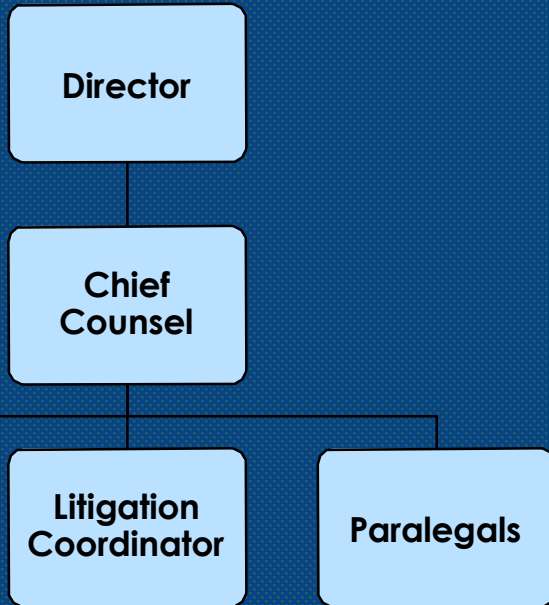
Fiscal Year	Employee Count at the Start of Fiscal Year	Employee Count at the End of Fiscal Year	Employee Losses During Fiscal Year
2019-2020	3	4	0
2018-2019	6	6	0
2017-2018	3	3	0
2016-2017	3	3	0

Current employees: 4 (no current vacancies)

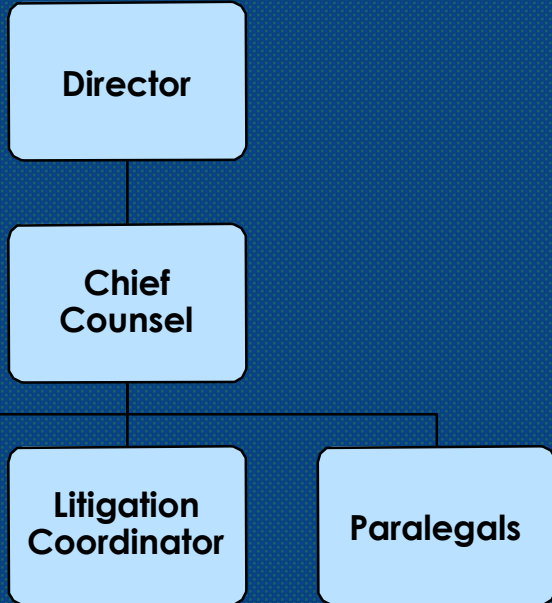
Legal

Chief Counsel (Attorney III) (1)

- Responsible for the operational functions of the Legal Department.
- Represents the agency and policyholders in litigation before the SC Workers' Compensation Commission and appeals through the Supreme Court.
- Provides legal advice to agency management and staff, including analysis of statutes, regulations, legislative acts, court decisions and general workers' compensation law and procedures.
- Conducts legal research and applies research findings to assist in determination of compensability, denials, settlements and disputed issues.
- Acts as liaison between SAF employees and contract attorneys as needed.
- Participates and presents department data in monthly management meetings.



Legal



Deputy Counsel (SAF) (Attorney III/Attorney II) (2)

- Represents the State Accident Fund and policyholder in litigation before the SC Worker's Compensation Commission and appeals through the Supreme Court.
- Provides legal advice to the agency staff, including analysis of statutes, regulations, legislative acts, court decisions and general workers' compensation law and procedures.
- Conducts legal research and apply research findings to assist in determination of compensability, denials, settlements, and disputed issues.

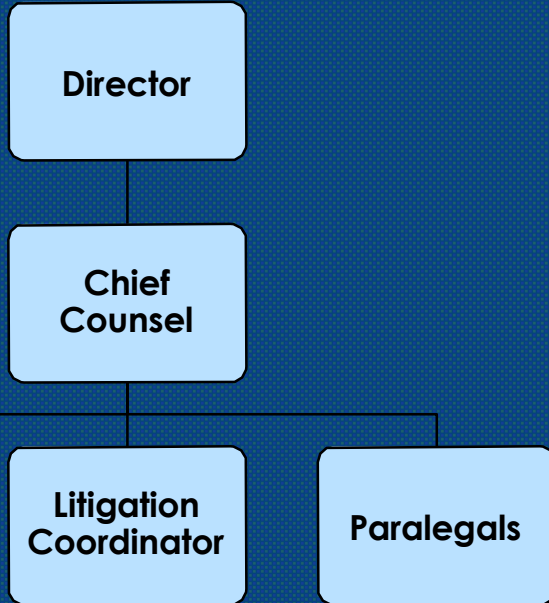
Deputy Counsel (UEF) (Attorney III) (1)

- Represents the Uninsured Employers' Fund litigation before the SC Worker's Compensation Commission and appeals through the Supreme Court.
- Provides legal advice to the UEF staff, including analysis of statutes, regulations, legislative acts, court decisions and general workers' compensation law and procedures.
- Conducts complex legal research and apply research findings to assist in determination of compensability, denials, settlements, and disputed issues.

Legal

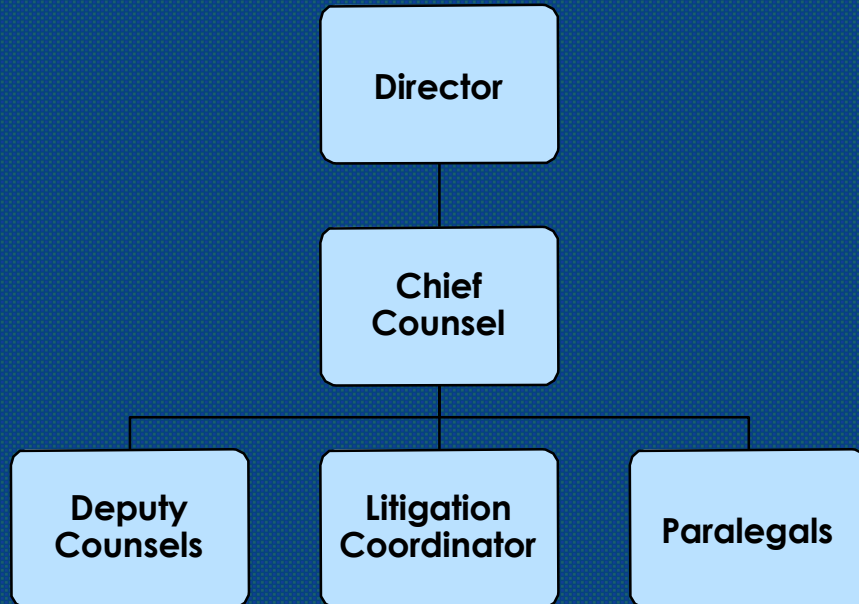
Litigation Coordinator (Program Manager I) (1)

- Receives requests to send claim to contract attorney and processes legal files to mail to contract attorneys.
- Prepares Form 1s for all contract attorney as required by Attorney General's office.
- Serves as SAF liaison for agency cases being handled by contract attorneys.
- Drafts and prepares memos, reports and correspondence pertaining to all aspects of the contract attorney program.
- Reviews and processes all incoming correspondence from contract attorneys.
- Maintains contract attorney budget and advises Chief Counsel on contract attorney budget matters.
- Reviews and approves all contract attorney statements for legal services and litigated expenses incurred on legal files.
- Tracks metrics and prepares reports regarding performance within legal department and contract attorney performance
- Maintains a hearing calendar for all farmed out cases.



Paralegals (3)

Legal

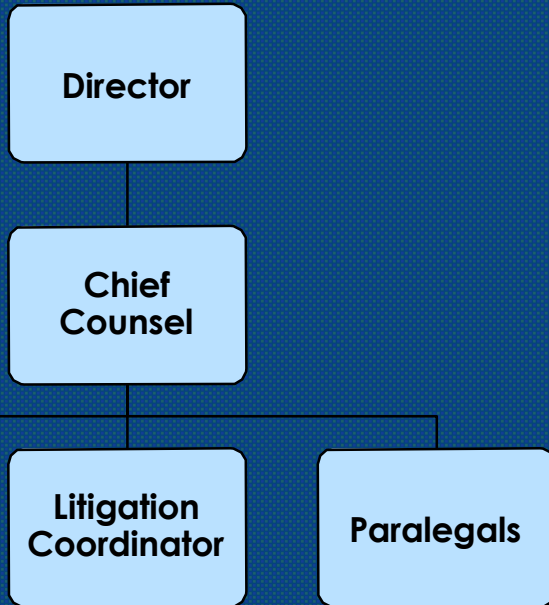


- SAF has two paralegals who perform duties related more specifically to claim handling.
 - Prepares and processes approved settlement documents and Orders.
 - Prepares each file where a hearing is requested by pulling and organizing copies of medicals.
 - Drafts various WCC required forms and prepares other legal documents for filing, to include Pre-hearing Briefs, appeals briefs, etc.
 - Assists attorneys in preparing all claims scheduled for hearing to include setting depositions and securing updated medical reports and responding to telephone inquiries and written correspondence.
 - In medically complex claims, prepares a medical chronology and summary.
 - Maintains a reminder system to ensure all deadlines are met.
- A third paralegal performs more agency-wide and department-wide functions.
 - Receives and sorts all incoming agency mail.
 - Processes all legal mail and places deadlines on the legal calendar and on legal deadline sheet.
 - Processes all in-house and contract attorney hearing notices and clincher conference notices received from the WCC.
 - Enters hearing date in system and on SAF Legal Calendar.
 - Enters pre-hearing brief deadlines in system and on deadline sheet.
 - Drafts and processes all SAF Pro-Se and Represented Clincher documents.
 - Schedules and calendars all SAF in-house mediations.
 - Process and submit all SAF wage report requests.
 - Processes all subpoenas received by SAF.
 - Coordinates with policyholder when subpoena requests employment records.

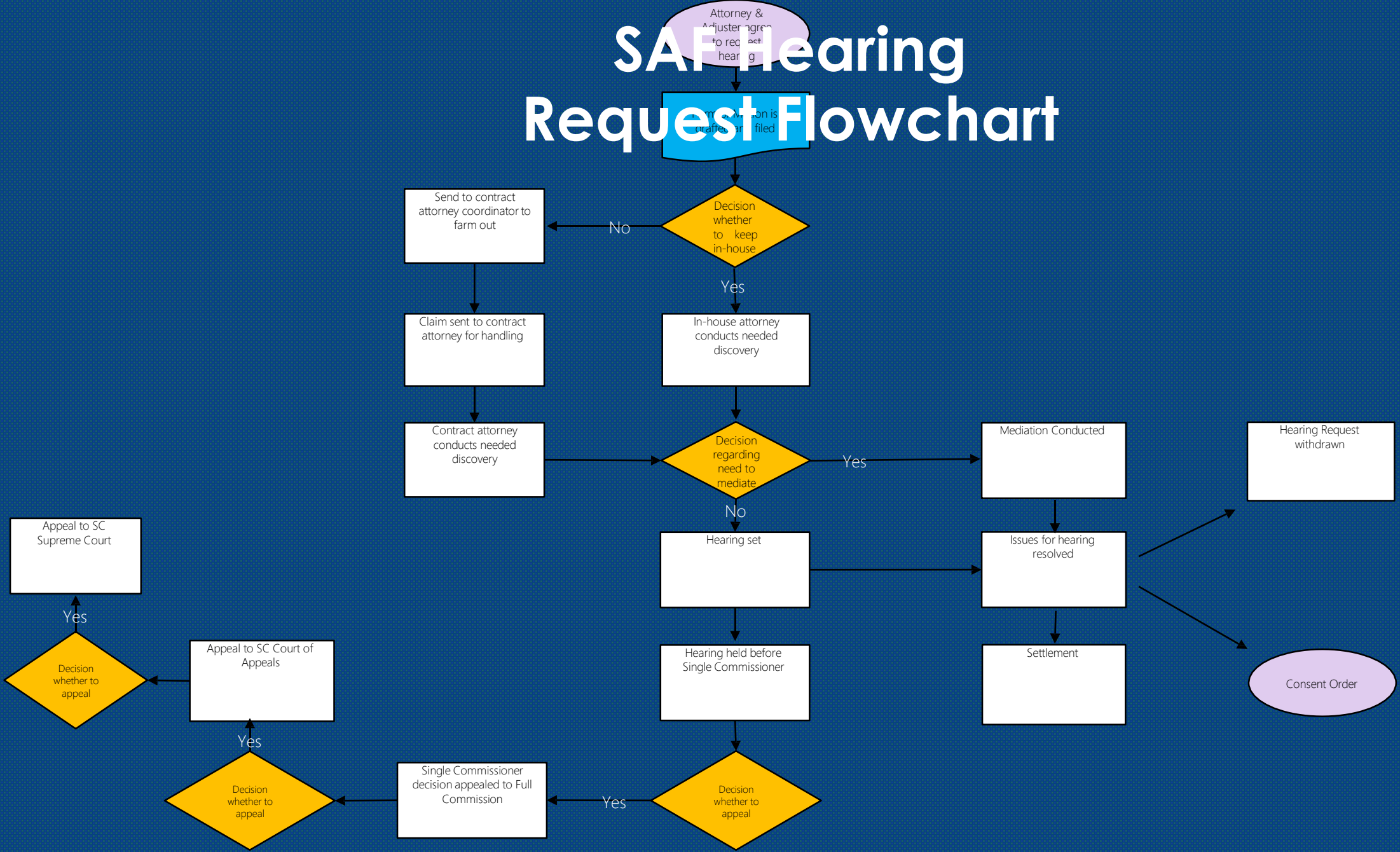
Legal

Uninsured Employers' Fund Legal Assistant (Administrative Assistant) (1)

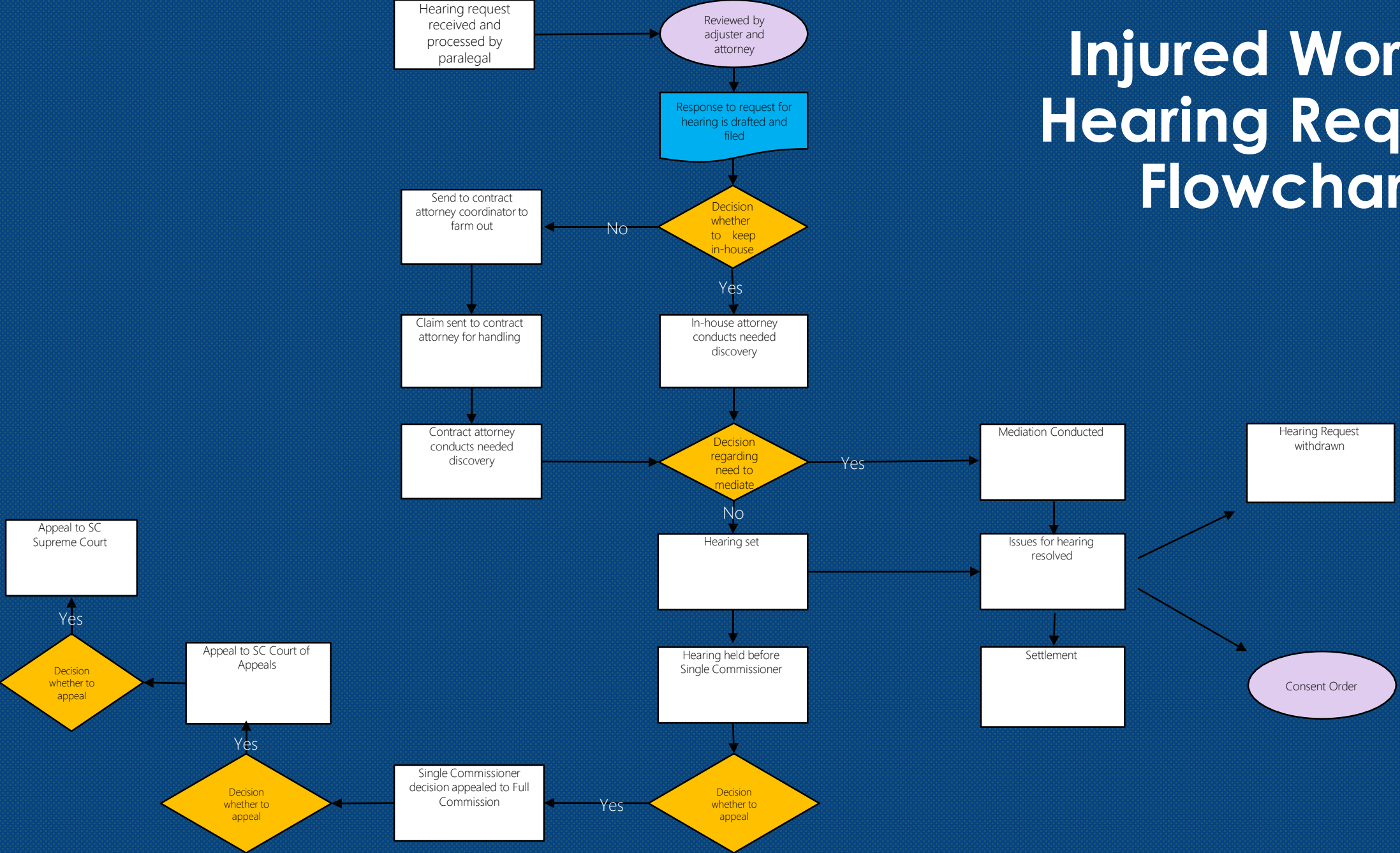
- Prepares and processes all approved settlement documents and Orders for UEF in house claims.
- Prepares Deadline Sheet for responsive forms and Pre-hearing Briefs.
- Drafts various WCC required forms and prepares other legal documents for filing, to include Pre-hearing Briefs, appeals briefs, etc.
- Assists UEF attorney in preparing all claims scheduled for hearing to include setting depositions and securing updated medical reports, responding to telephone inquiries and written correspondence.
- In medically complex claims, prepares a medical chronology and summary.
- Maintains a reminder system.
- Files documents related to UEF's lien against responsible employer, including the Agreement to Repay & Confession of Judgment.
- Once lien is satisfied, or the employer is determined to not be responsible, files the necessary documents to satisfy liens.



SAF Hearing Request Flowchart



Injured Worker Hearing Request Flowchart



Legal Metrics

The Legal Department tracks the following metrics:

1. Hearings set/held by SAF in-house attorney (tracks the number of cases set for a hearing and held).
2. Contract attorney budget (monthly expenses).
3. Contract attorney monthly costs.
4. Cases farmed-out to contract attorneys detail (number of cases farmed and location).
5. Cases farmed-out to contract attorneys totals.
6. Cases farmed out to contract attorneys archives (broken down by claim teams for a three month period).
7. Settled and farmed out claims by contract attorney (details monthly and year-to-date data).
8. Trigger report.
9. Mediations year-to-date.
10. Legal team monthly litigation (tracks Form 50, Form 50 claim only, filed Form 15, informal conferences, clincher conferences, claims with attorneys and settled by clincher for month, and the number of Decision and Orders received).
11. All litigation (broken down by claims teams).

Legal Department Staffing and Turnover

Fiscal Year	Employee Count at the Start of Fiscal Year	Employee Count at the End of Fiscal Year	Employee Losses During Fiscal Year
2019-2020	6	8	2
2018-2019	7	6	2
2017-2018	8	8	1
2016-2017	8	8	0

Current employees: 9 (no current vacancies)

Special Investigations Unit



Chief Counsel

- Responsible for the direct supervision of the Inspector General.
- Participates in development of annual department budget.
- Provides legal guidance and advice as needed in investigations.
- Reviews records in referred claims involving suspected fraud.

Inspector General (Investigator IV) (1)

- Supervises all employees of the SIU department, to include completing EPMS planning and evaluation stages for team members.
- Directs, manages, performs, and assists with in-depth investigations regarding the compensability of workers' compensation claims as requested by a SAF policyholder or SAF/UEF claim adjuster.
- Conducts good-faith dependency investigations in cases involving the death of a SAF/UEF claimant and provides hearing testimony regarding same as needed.
- Directs and coordinates referrals and investigative support efforts (e.g., surveillance) with outside intelligence firms.
- Works with claims staff and legal department to detect potential fraudulent claims and serves as agency liaison for referrals for possible prosecution.
- Directs and manages the access control program, consults on physical security matters, and coordinates or supplements training for the Agency, and liaise with law enforcement as needed.
- Participates and presents department data in monthly management meetings.

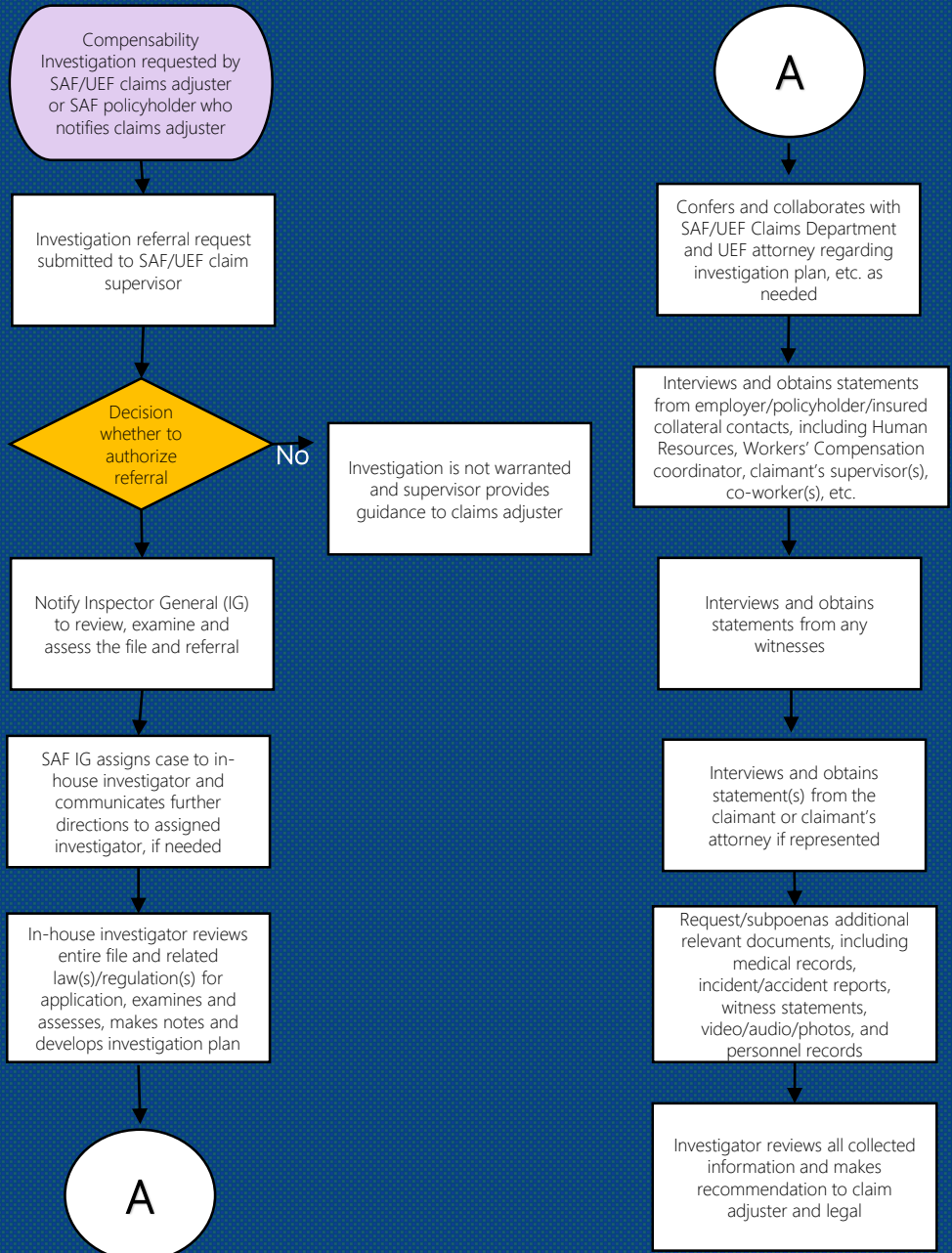
Special Investigations Unit



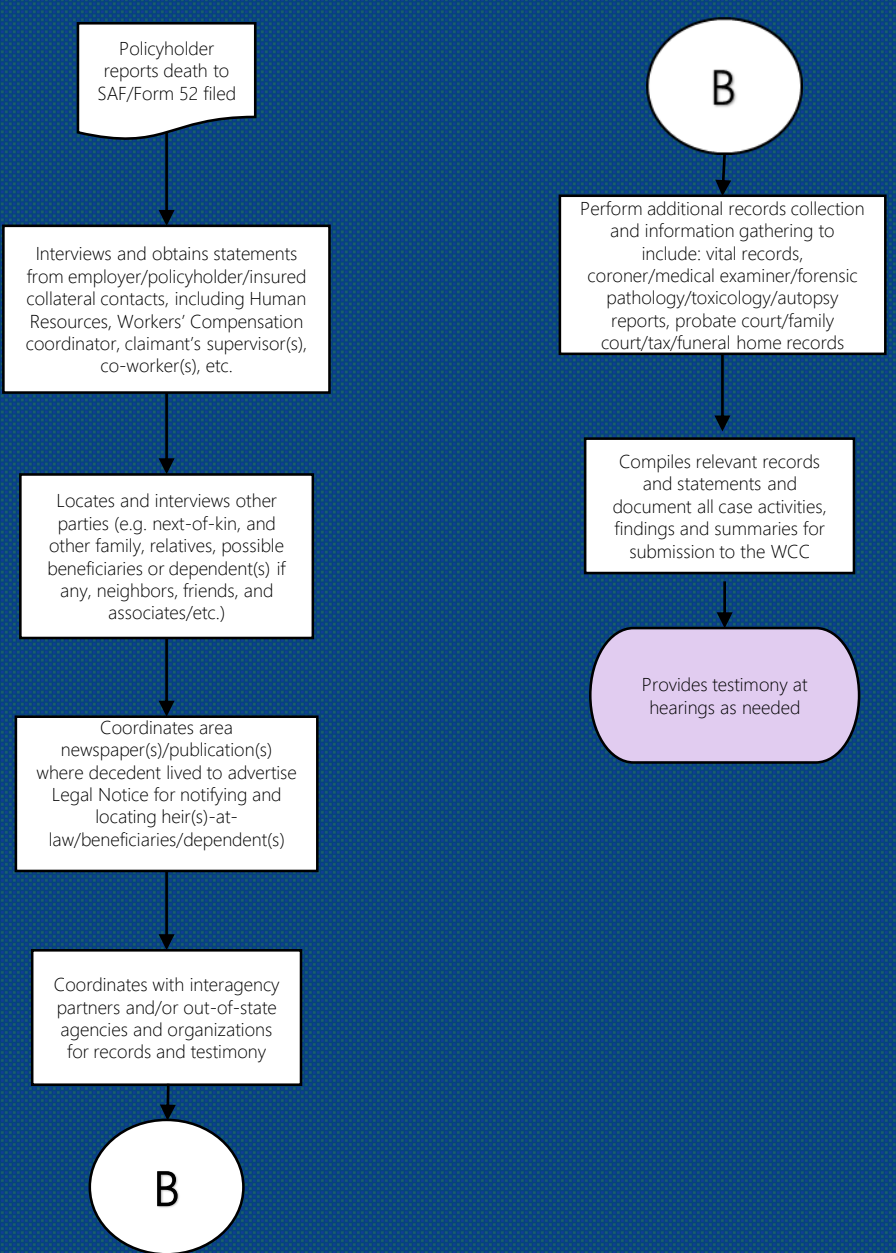
SIU Special Investigators (Investigator III/Investigator II) (2)

- Performs and assists with in-depth investigations regarding the compensability of workers' compensation claims as requested by a SAF policyholder and/or SAF/UEF adjuster.
- Conducts good-faith dependency investigations in cases involving the death of a SAF/U E claimant and provides hearing testimony regarding same as needed.
- Performs and/or assists with other investigations or tasks as requested.
- Provides requested information regarding investigations to policyholders.

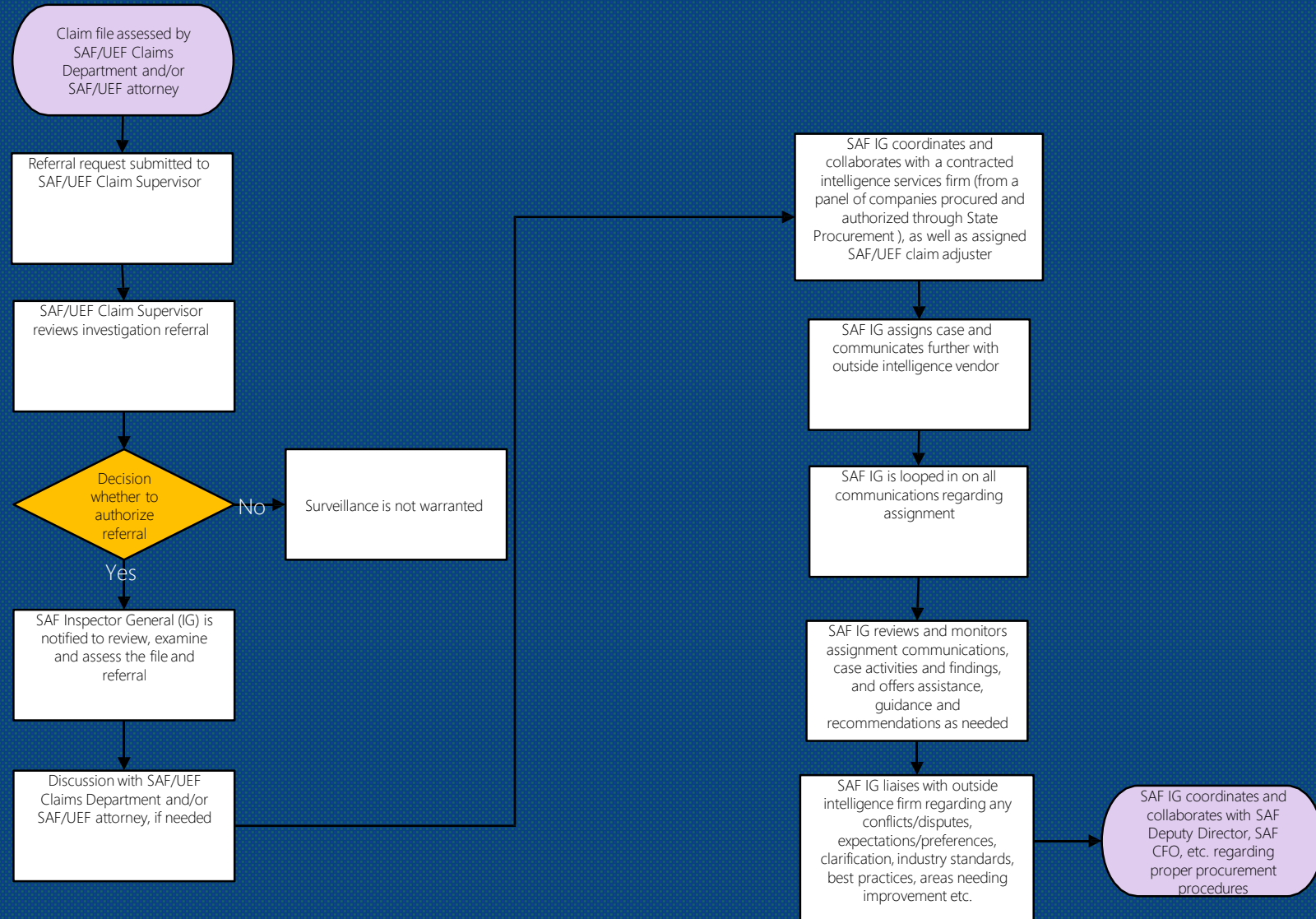
New Compensability Investigation Flowchart



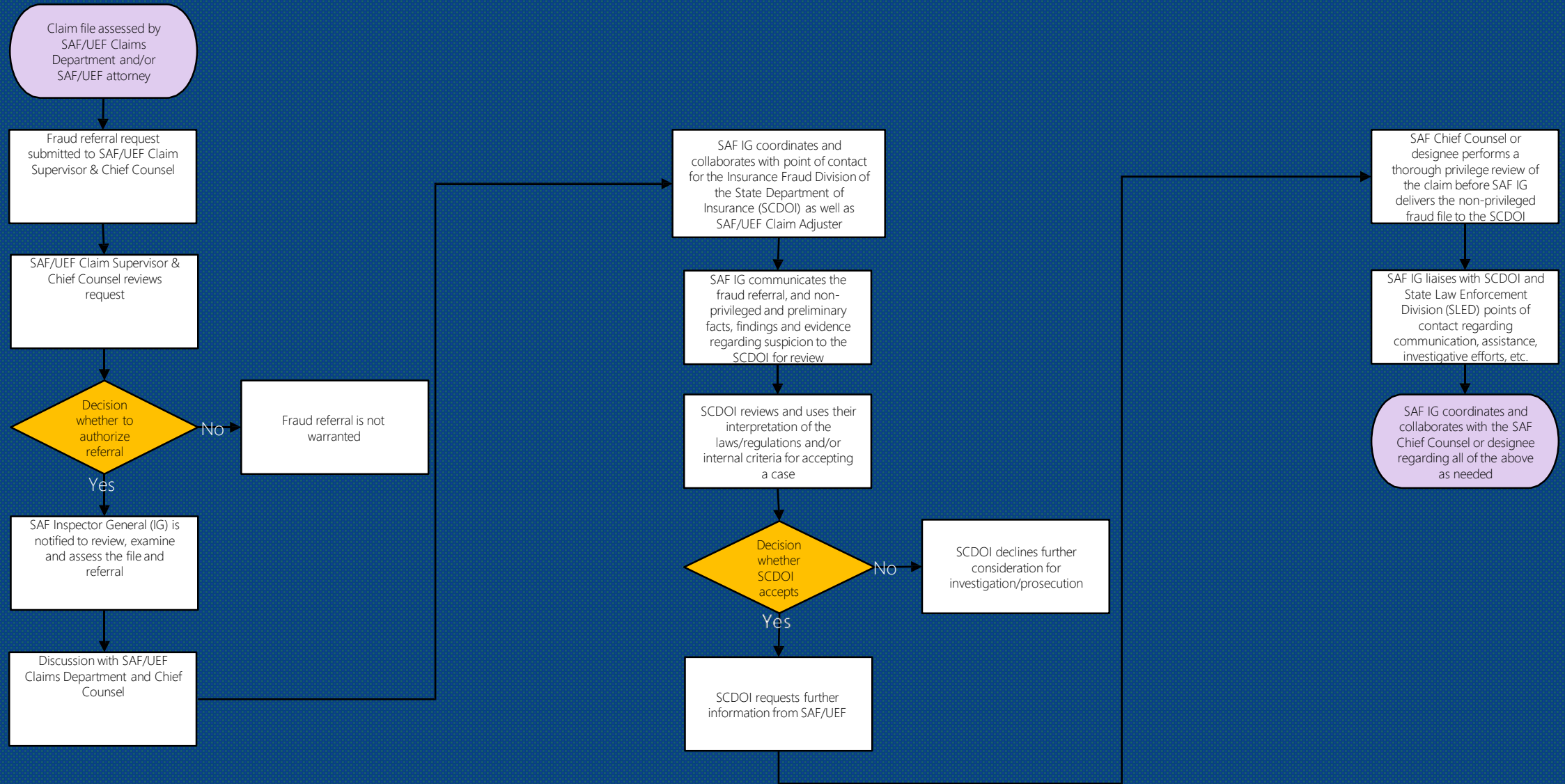
New Death Investigation Flowchart



New Surveillance Referral Flowchart



Fraud Referral Flowchart



Special Investigations Unit Metrics

The Special Investigations Unit tracks the following metrics:

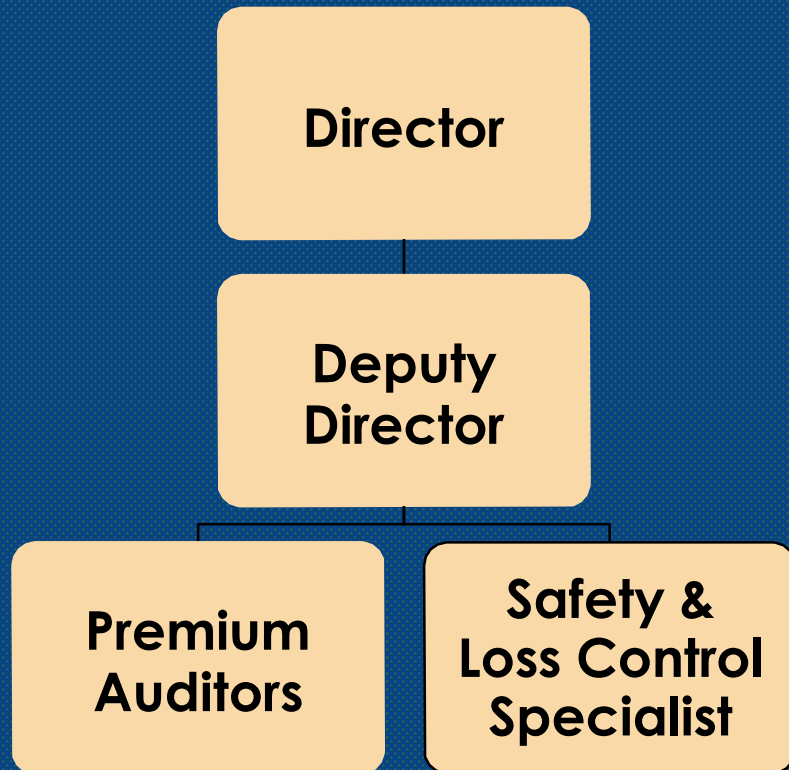
1. Number of in-house compensability and dependency investigations referred, open/active, and completed (monthly, quarterly and by fiscal year).
2. Number of pending hearings (only where investigator may be called for testimony) scheduled (monthly, quarterly and by fiscal year).
3. Number of external intelligence assignments referred, open/active, and completed (monthly, quarterly and by fiscal year).
4. Number of fraud cases referred, open/active, and completed) monthly, quarterly and by fiscal year).
5. Number of physical security trainings (monthly, quarterly and by fiscal year).

SIU Staffing and Turnover

Fiscal Year	Employee Count at the Start of Fiscal Year	Employee Count at the End of Fiscal Year	Employee Losses During Fiscal Year
2019-2020	3	3	0
2018-2019	2	2	1
2017-2018	2	2	0
2016-2017	2	2	0

Current Employees: 3 (no current vacancies)

Policyholder Services



Deputy Director (Program Manager II)

- Responsible for the direct supervision of the employees within the Policyholder Services Department.
- Participates in development of annual department budget.
- Directs and supports the agency's annual policyholder premium rates and renewal process.
- Directs and supports the agency's annual reinsurance renewal process.

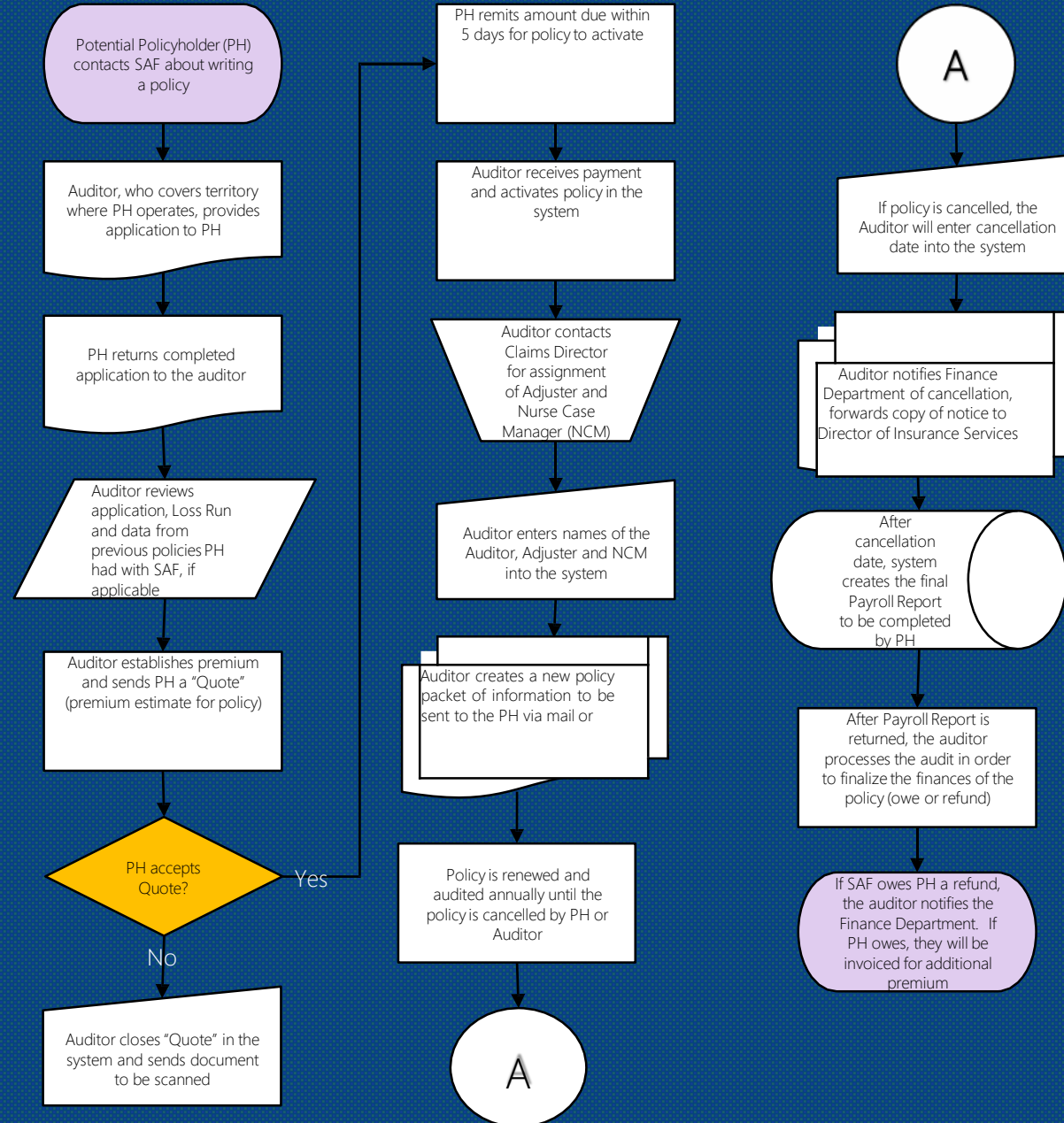
Premium Auditor (2)

- Obtains information (current payroll, job classifications, loss history, etc.) from all policyholders necessary to perform department functions.
- Calculates premium for all SAF Policyholders.
- Educates and trains all SAF Policyholders regarding the premium calculation process.
- Participates and presents department data in monthly management meetings.

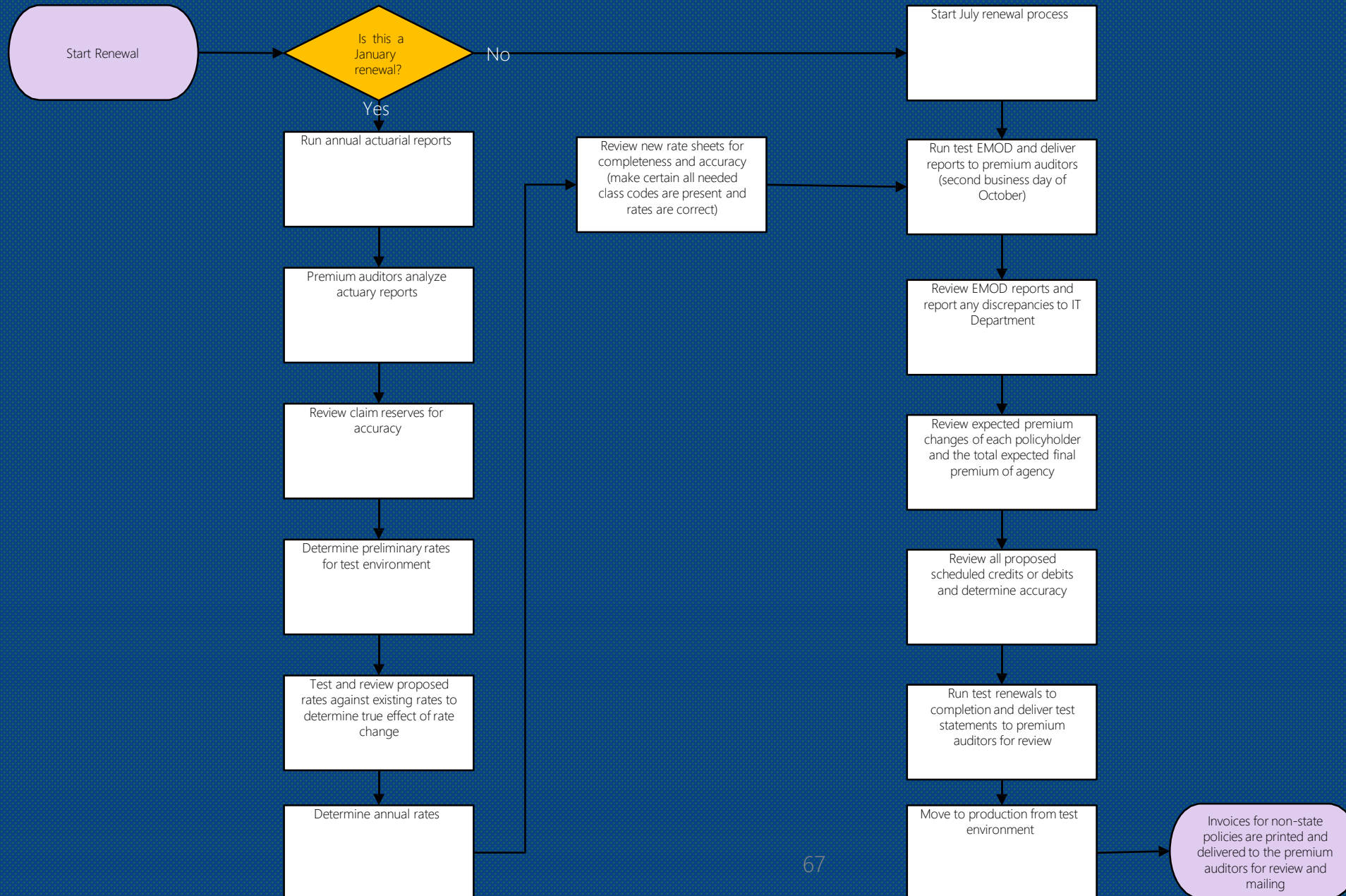
Safety & Loss Control Specialist (1)

- Conducts safety related training classes and provides safety consultation for policyholders of the State Accident Fund.
- Evaluates worksites (inspections) for safety hazards, unsafe work practices and assists participants with OSHA standards compliance.
- Monitors and maintains safety awareness programs within the State Accident Fund.
- Participates and presents department data in monthly management meetings.

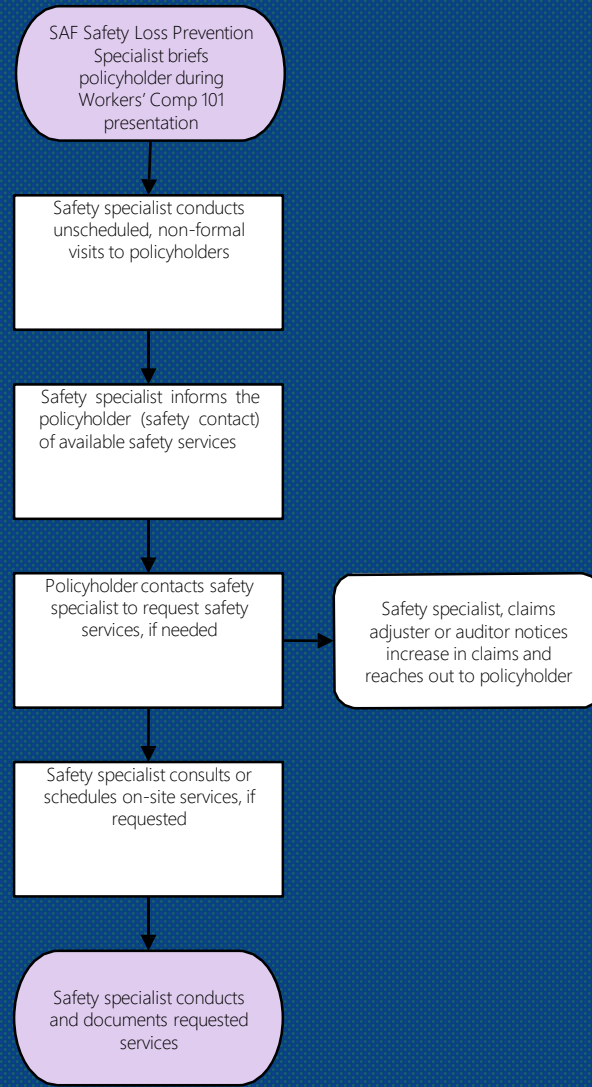
New Policyholder Flowchart



Policy Renewal Flowchart



Safety & Loss Referral Flowchart



Policyholder Services Metrics

The Policyholder Services Department tracks the following metrics for:

Premium Audit

1. Number of audits completed within 180 days of renewal.
2. Average number of days for completion of all assigned audits.
3. Number of policyholder visits/training.

Safety & Loss

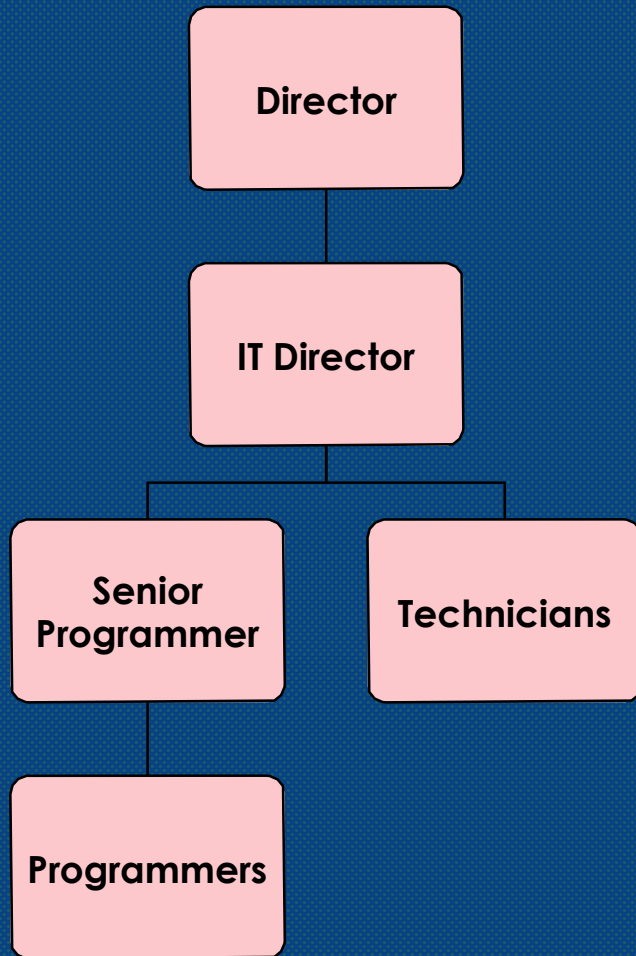
1. Total number of safety-related policyholder contacts (emails, phone calls, training).
2. Total number of training classes.
3. Total number of training class attendees.
4. Number of policyholders visited for training classes.
5. Total number of inspections.
6. Number of positive survey responses post policyholder training.

Policyholder Services Department Staffing and Turnover

Fiscal Year	Employee Count at the Start of Fiscal Year	Employee Count at the End of Fiscal Year	Employee Losses During Fiscal Year
2019-2020	3	4	1
2018-2019	3	3	0
2017-2018	3	3	0
2016-2017	3	3	0

Current employees: 3 (no current vacancies)

Information Technology (IT)



IT Director (Information Technology Manager I) (1)

- Responsible for direct supervision of Senior Programmer and Technicians.
- Participates and presents department data in monthly management meetings.

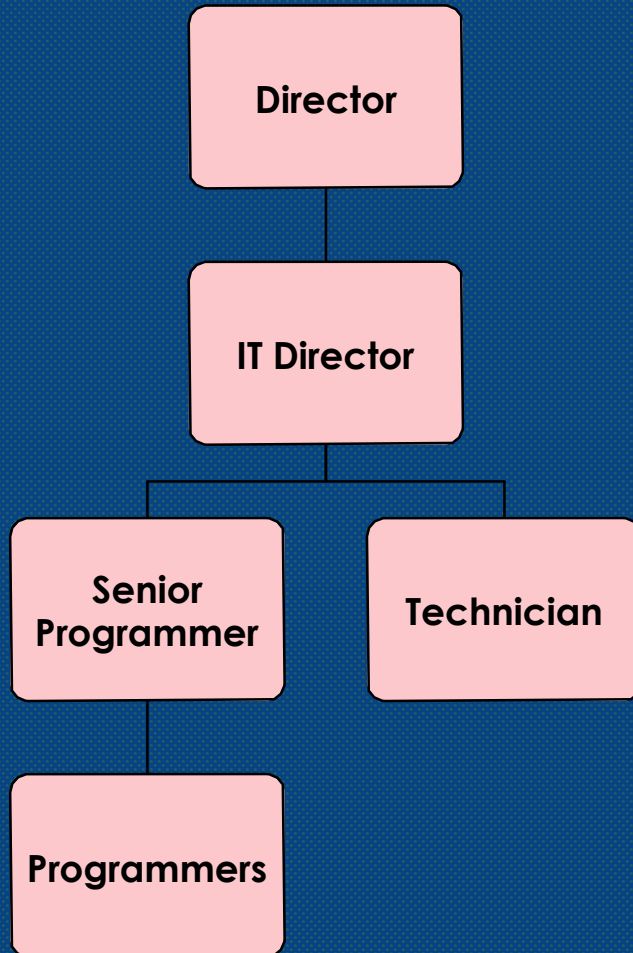
Senior Programmer (Systems Programmer/Developer III) (1)

- Performs all programming duties pertaining to system maintenance, system upgrades, and new implementation.
- Responsible for the direct supervision of Programmer.
- Assists management and procurement staff regarding the planning and execution of critical agency projects.
- Responds to programming related help desk tickets.

Programmer (Information Systems/Business Analyst I) (1)

- Performs light programming duties pertaining to updates, break/fix requests, and internal reports.
- Assists Senior Programmer when needed.

Information Technology (IT)



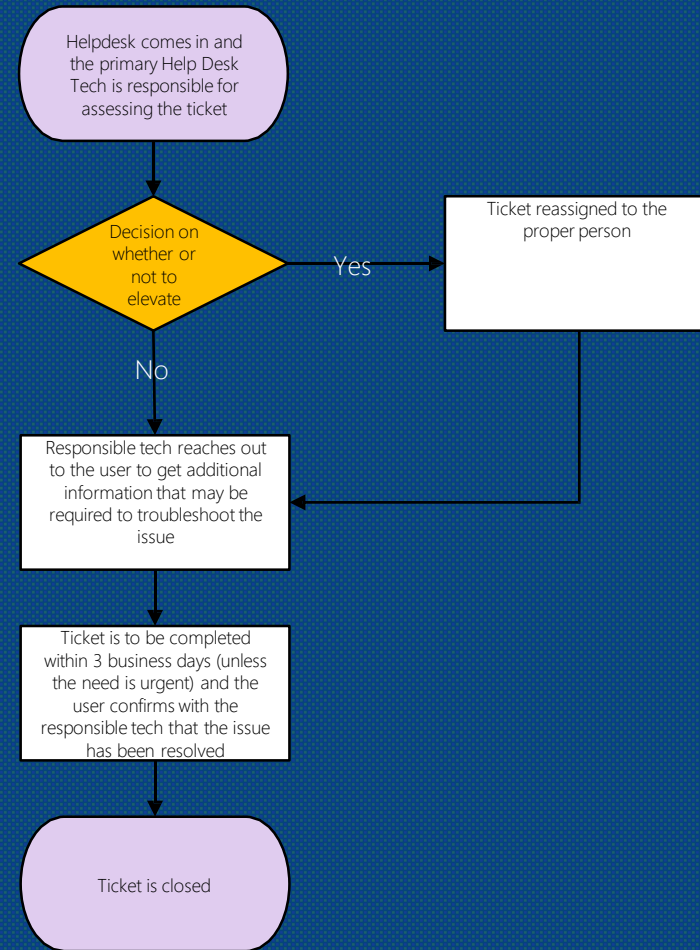
Lead Systems Administrator (Systems Engineer) (1)

- Responsible for all IT related infrastructure maintenance, upgrades, and implementations.
- Monitors system logs for system errors, malicious activity, etc.
- When necessary, reports any cyber-security related incidents to DIS.

Help Desk Technician (IT Technician I) (1)

- Responsible for all help desk functions including escalation of help desk tickets to other IT staff.
- Works with agency's managed print vendor.
- Maintains agency phone services.

IT Helpdesk Ticket Workflow



Information Technology Metrics

- Number of opened help desk tickets.
- Number of closed help desk tickets.
- Number of help desk ticket outstanding.
- Average completion time per help desk ticket closed.
- Physical inventory of all IT related equipment.
- Number of incident responses.

IT Department Staffing and Turnover

Fiscal Year	Employee Count at the Start of Fiscal Year	Employee Count at the End of Fiscal Year	Employee Losses During Fiscal Year
2019-2020	11	6	1
2018-2019	9	11	1
2017-2018	10	9	1
2016-2017	10	10	0

Current employees: 5 (no current vacancies)

SC State Accident Fund

Agency Presentation

- Organizational Units
- Questions

Agency Information

Erin Farthing, Acting Agency Director

Primary Agency Staff Contact for Oversight Study

Matthew Hansford, Deputy Director

- Main Agency Contact Information
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