

STATE ACCIDENT FUND

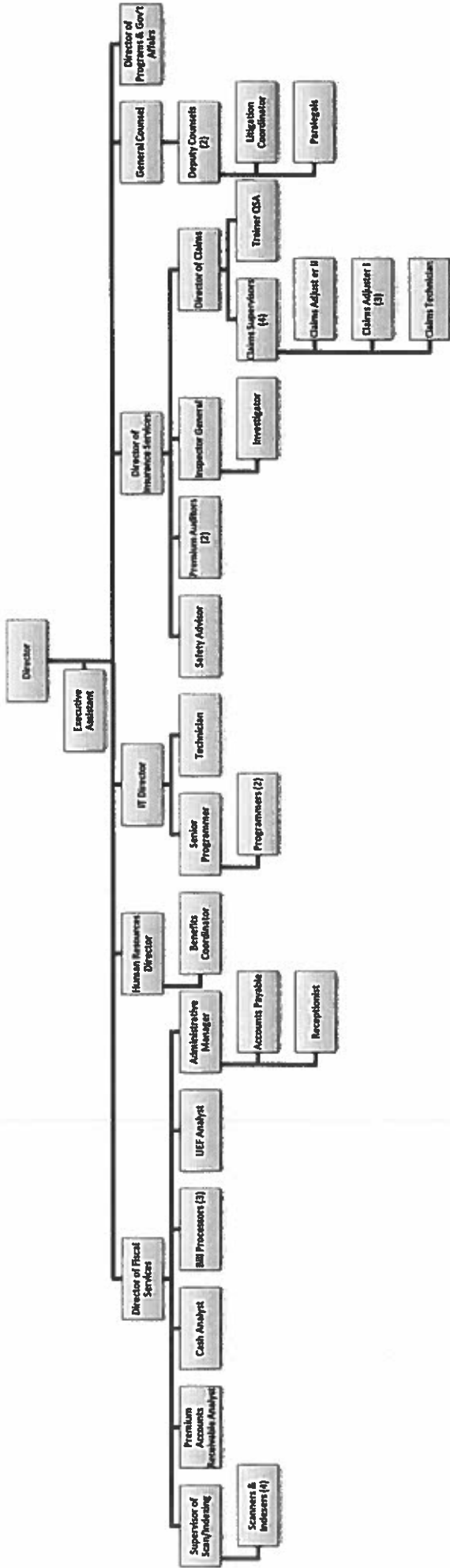
Director:

Amy V. Cofield

(803) 896-5840
director@saf.sc.gov

Abigail Sellers
Fiscal Services Director
(803) 896-5872

South Carolina State Accident Fund Organizational Chart



AGENCY NAME:	State Accident Fund		
AGENCY CODE:	R120	SECTION:	75

**Fiscal Year 2018–2019
Accountability Report**

SUBMISSION FORM

AGENCY MISSION	<p>To provide cost effective, guaranteed workers’ compensation insurance for state agencies and optional coverage for other governmental entities, and to provide superior servicing for policy holders and injured workers.</p>
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AGENCY VISION	<p>The South Carolina State Accident Fund will be recognized as a progressive and intuitive state agency and leader in the field of workers’ compensation insurance for governmental entities.</p>
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Does the agency have any major or minor recommendations (internal or external) that would allow the agency to operate more effectively and efficiently?

RESTRUCTURING RECOMMENDATIONS:	Yes	No
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Is the agency in compliance with S.C. Code Ann. § 2-1-230, which requires submission of certain reports to the Legislative Services Agency for publication online and the State Library? See also S.C. Code Ann. § 60-2-30.

REPORT SUBMISSION COMPLIANCE:	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Is the agency in compliance with various requirements to transfer its records, including electronic ones, to the Department of Archives and History? See the Public Records Act (S.C. Code Ann. § 30-1-10 through 30-1-180) and the South Carolina Uniform Electronic Transactions Act (S.C. Code Ann. § 26-6-10 through 26-10-210).

RECORDS MANAGEMENT COMPLIANCE:	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Is the agency in compliance with S.C. Code Ann. § 1-23-120(J), which requires an agency to conduct a formal review of its regulations every five years?

REGULATION REVIEW:	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Please identify your agency's preferred contacts for this year's accountability report.

	<i><u>Name</u></i>	<i><u>Phone</u></i>	<i><u>Email</u></i>
PRIMARY CONTACT:	David R Andrews	(803) 896-5044	dandrews@saf.sc.gov
SECONDARY CONTACT:	Abby Sellers	(803) 896-5872	asellers@saf.sc.gov

I have reviewed and approved the enclosed FY 2018–2019 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR (SIGN AND DATE):	
(TYPE/PRINT NAME):	Amy V. Cofield

BOARD/CMSN CHAIR (SIGN AND DATE):	
(TYPE/PRINT NAME):	

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AGENCY'S DISCUSSION AND ANALYSIS

The South Carolina State Accident Fund (SAF) was established in 1943 for the purpose of providing workers' compensation coverage and administration for all state agencies and other local governmental entities at reasonable prices. By creating a state agency for the sole purpose of "self-insuring", the state of South Carolina provides a stable source of guaranteed insurance coverage so that state workers' are not placed at undue risk.

The mission of SAF is to provide cost effective, guaranteed workers' compensation insurance for state agencies and other governmental entities along with exceptional service to its' state workers.

As set forth by statute, the State Accident Fund determines rates and premiums in the same manner as a private insurance company. It is funded entirely by the premiums it collects and receives no general funds from the state of South Carolina.

On July 1, 2013, the administration of the South Carolina Workers' Compensation Uninsured Employers' Fund (UEF) was transferred to the State Accident Fund. The UEF was created to ensure payment of workers' compensation benefits to injured employees whose employers failed to acquire necessary coverage for their employees as required. The UEF is funded from the collections of tax on insurance carriers and self-insureds.

By self-insuring, SAF provides the State a more stable and economic source of insurance coverage and avoids many underwriting risks associated with varied governmental functions. This stability ensures that injured state workers are provided necessary medical care and income while out of work thereby limiting any burden on SC employees, and ultimately, the state of South Carolina.

SAF measures its success and establishes goals based on the expectations of our policyholders and stakeholders. Surveys and interviews have supported these continued goals:

- Quality and customized services (timely processing of claims and providing appropriate services);
- Low claim costs;
- Competitive rates; and
- Personal and interactive service and communication.

The key strategic goals facing SAF include a complete upgrade of the IT Department to include a new case management system and document management system. The incorporation of updated equipment and programs will facilitate job performance and ensure the security and integrity of information while reducing operating costs. Another primary goal is to increase staff and services so that SAF will be unmatched in the workers' compensation insurance arena, and finally to reach more governmental entities to establish new partnerships.

The agency's major applicable achievements include:

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- Agency remained financially sound and self-sustaining;
- SAF began implementation of new efforts and new vendors to control costs and improve services with reported savings below:
 - Medical services/ Charge Review \$1,615,632.00
 - Pharmacy Services \$4,680,139.23
 - Subrogation Services \$1,201,560.52
 - Physical Therapy Services \$326,430.00
 - Second Injury Fund Recoveries \$3,191,054.08
 - Collection Services (UEF) \$498,287.03
- SAF underwent a restructuring of its Organizational Chart and employed new staff including experienced adjusters, a Human Relations Director, an IT Director, Benefits Manager, and an Inspector General to assist with investigations and fraud services.

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Fiscal Year 2020-21 Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2020-21, my agency is (mark "X"): <input type="checkbox"/> Requesting General Fund Appropriations. <input checked="" type="checkbox"/> Requesting Federal/Other Authorization. <input type="checkbox"/> Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2020-21, my agency is (mark "X"): <input type="checkbox"/> Requesting Non-Recurring Appropriations. <input type="checkbox"/> Requesting Non-Recurring Federal/Other Authorization. <input checked="" type="checkbox"/> Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2020-21, my agency is (mark "X"): <input type="checkbox"/> Requesting funding for Capital Projects. <input checked="" type="checkbox"/> Not requesting any changes.
PROVISOS (FORM D)	For FY 2020-21, my agency is (mark "X"): <input type="checkbox"/> Requesting a new proviso and/or substantive changes to existing provisos. <input type="checkbox"/> Only requesting technical proviso changes (such as date references). <input checked="" type="checkbox"/> Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Amy V. Cofield	(803)896-5840	acofield@saf.sc.gov
SECONDARY CONTACT:	Abigail Sellers	(803)896-5872	asellers@saf.sc.gov

I have reviewed and approved the enclosed FY 2020-21 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:	<u>Agency Director</u> 	<u>Board or Commission Chair</u>
TYPE/PRINT NAME:	Amy V. Cofield	

This form must be signed by the agency head – not a delegate.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Requesting Other Fund Authorization
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Provide a brief, descriptive title for this request.

AMOUNT	General: Federal: Other: \$1,481,121 Total: \$1,481,121
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What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input checked="" type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/>	IT Technology/Security related
<input checked="" type="checkbox"/>	Consulted DTO during development	
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

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ACCOUNTABILITY OF FUNDS	<p>This budget request supports all of the agency's goals and objectives. It provides the resources needed to: "Maintain (a) High Level of Customer Satisfaction, "Be the Leader in South Carolina Workers' Compensation rule and regulation compliance, "Agency remain financially self-sustaining." The Fund's financial records will reflect a cumulative net gain in assets.</p>
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What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	<p>Agency Employees</p>
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	<p>The agency is striving to develop more quality and efficient procedures that will ensure overall improvement in productivity and decrease costs to policy holders. This includes major upgrades to our IT Department and systems and an increase in support staff. System upgrades will increase stability and security within our IT department and agency.</p>
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Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Proviso Request Summary			
Proviso # in FY 20-21 Act	Proviso Title	Short Summary	Agency Recommended Action (keep, change, delete, add)
75.1	SAF: Educational Seminar Revenue	Authorizes the State Accident Fund to collect fees for educational seminars and retain those funds for seminar related expenses	Retain as written
75.2	SAF: Military Disability	States that State Accident Fund will establish a military disability program that provides a settlement to any such member of the National Guard that became permanently disabled while serving during the catastrophic weather event in October 2015.	N/A

SECTION 75 - R120 - STATE ACCIDENT FUND

75.1. (SAF: Educational Seminar Revenue) The State Accident Fund is authorized to set and collect fees for educational seminars. All revenue earned from educational seminars shall be retained by the agency and used for supplies, materials, and other expenses relating to the seminars.

75.2. (SAF: Military Disability) (A) From the funds credited to the State Accident Fund in the current fiscal year, there is established within the State Accident Fund a military disability program that provides a settlement for any such member of the National Guard that became permanently disabled while serving during the catastrophic weather event in October 2015. The settlement must be based upon that which persons under similar circumstances in the military service of the United States receive from the United States. The director may seek assistance in establishing the program from the Adjutant General or any other agency or entity with such expertise.

(B) A National Guard member may only participate in this program if the member permanently waives any right to claim benefits pursuant to Section 25-1-100 and releases the State from any potential liability pursuant to Section 25-1-100, and further agrees that any amounts due under this proviso are subject to appropriate offsets to avoid compensation in excess of what the member would have received from the federal government if permanently disabled while performing federally paid duty. Offsets include benefits received, or to be received, under Title 42 of the 1976 Code as a result of these injuries (State Workers' Compensation), benefits received, or to be received, pursuant to Chapter 10 of Title 9 of the 1976 Code (SC National Guard Retirement System), as well as any benefits received, or to be received, from the federal government such as severance pay, military retirement pay, or VA benefits relating to the same disabilities at issue in the State military disability claim.

(C) From the funds credited and authorized to the State Accident Fund in the current fiscal year, the director of the State Accident Fund is authorized to offer a onetime lump sum settlement to members of the military disability program, subject to eligibility and the other requirements set forth in the proviso.

State Accident Fund

FTE Breakdown

Unclassified Positions	1
Classified Positions	88.5

State Accident Fund

Carry-Forward Funds

Fund	Title	Comments
32339000	AFS - WORKS' COMP FD	The funds carried forward do not increase the agency's budget authorization.
32339001	AFS-UNINSURED EMPLRS	The funds carried forward do not increase the agency's budget authorization.

