

AGENCY NAME:	SC Patients' Compensation Fund		
AGENCY CODE:	R140	SECTION:	Section 76



Fiscal Year 2017-18 Agency Budget Plan

FORM A – SUMMARY

RECURRING FUNDS (FORM B DECISION PACKAGES)	My agency is submitting the following recurring decision packages listed in <u>priority order</u> (Form B):	
	9750	
	For FY 2017-18, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a net increase in recurring General Fund appropriations.
	<input checked="" type="checkbox"/>	Not requesting a net increase in recurring General Fund Appropriations.

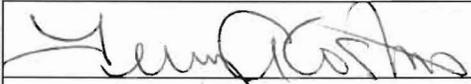
CAPITAL & NON-RECURRING FUNDS (FORM C DECISION PACKAGES)	My agency is submitting the following one-time decision packages listed in <u>priority order</u> (Form C):	
	For FY 2017-18, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting capital and/or non-recurring funds.
	<input checked="" type="checkbox"/>	Not requesting capital and/or non-recurring funds.

PROVISOS (FORM D)	For FY 2017-18, 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:	Terry Coston	803-896-5291	terry.coston@pcf.sc.gov
SECONDARY CONTACT:	Leigh Brazell	803-896-5293	leigh.brazell@pcf.sc.gov

I have reviewed and approved the enclosed FY 2017-18 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>
	 Terry A. Coston, SCLA, CPM Attn: Lauren Henry, Executive Budget Office 1205 Pendleton Street, Suite 529	
TYPE/PRINT NAME:		

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	Columbia, SC 29201	
	ELECTRONIC SUBMISSIONS	

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

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FORM B – PROGRAM REVISION REQUEST

DECISION PACKAGE	9750
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Provide the decision package number issued by the PBF system ("Governor's Request").

TITLE	SC PCF 2017 Budget
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Provide a brief, descriptive title for this request.

AMOUNT	\$95,999.00
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What is the net change in requested appropriations for FY 2017-18? This amount should correspond to the decision package's total in PBF across all funding sources.

ENABLING AUTHORITY	Title 38 Chapter 79 Article 5 Section(s) 410 - 490
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What specific state or federal statutory, regulatory, and/or administrative authority established this program? Is this decision package prompted by the establishment of or a revision to that authority? Please avoid citing general provisions of law where possible, and instead cite to the most specific legal authority supporting the request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:
	<input checked="" type="checkbox"/> (Base Adjustment) Allocation of statewide employee benefits.
	<input type="checkbox"/> (Base Adjustment) Realignment within existing programs and lines.
	<input type="checkbox"/> (Base Adjustment) Restructuring of agency programs – <i>requires pre-approval.</i>
	<input checked="" type="checkbox"/> IT Technology/Security related
	<input type="checkbox"/> Consulted DTO during development
	<input type="checkbox"/> Related to a Non-Recurring request – If so, Decision Package # _____
	<input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience.
	<input 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.	

RECIPIENTS OF FUNDS	Vendors that provide IT security, software development & support and Risk Management. Allocated thru sole source.
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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?

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ACCOUNTABILITY OF FUNDS	<p>Costs associated with the following:</p> <p>Risk Management & Patient Safety – On-line Risk Management program to help reduce medical errors of our PCF members to reduce total claims expense.</p> <p>IT Security – Education and Training and implementation of IT security protocols.</p> <p>Customer Service Improvements – maintenance and upgrades of current PCF membership system.</p>
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What specific agency objective, as outlined in the agency's accountability report, does this funding request support? How would this request advance that objective?

POTENTIAL OFFSETS	None
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For decision packages that request non-mandatory funding increases to programs or initiatives, please identify a potential offset within an existing lower priority or ineffective program(s).

MATCHING FUNDS	None
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Would these funds be matched by federal, institutional, philanthropic, or other resources? If so, identify the source, amount, and terms of the match requirement.

FUNDING ALTERNATIVES	Restricted or Other Funds of the PCF.
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What other possible funding sources were considered? Could this request be met in whole or in part with the use of other resources, including fund balances? If so, please comment on the sustainability of such an approach.

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SUMMARY	<p>Over the past couple of years there has been an increase in the costs of Risk Management Programs that assist PCF members better handle potential medical malpractice risks.</p> <p>The development of the Membership Management application (PCFA) requires enhancements and upgrades. The PCFA is the system we use to implement and support the billing, underwriting, membership services and claims of the PCF members. We have also had to increase the Employer contributions to handle the increase of employee benefits and the retirement system.</p>
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Using as much detail as necessary to make an informed decision regarding this request, provide a summary of the rationale for the decision package. Why has it been requested? How specifically would the requested funds be used? If the request is related to information security or information technology, explain its relationship to the agency's security or technology plan.

METHOD OF CALCULATION	<p>3.5% increase in Classified positions. \$41,000 cost of the online Risk Management program \$38,621 estimated costs of enhancements and new functionality of the PCFA Membership Management System. \$4,502 increase in Employer contributions.</p>
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How was the amount of the request calculated? List the per unit or per FTE costs of implementation. What factors could cause deviations between the request and the amount that could ultimately be required in order to perform the underlying work?

FUTURE IMPACT	<p>The State will not incur any financial obligations by adopting this decision package. The impact to the PCF if this decision package is not approved would be our inability to adequately service and protection the PCF members. The PCF does not rely on public funds and is totally funded by the healthcare members of the PCF. All initiatives have been approved by the PCF Board of Governors.</p>
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Will the state incur any maintenance-of-effort or other obligations by adopting this decision package? What impact will there be on future capital and/or operating budgets if this request is or is not honored? Has a source of any such funds been identified and/or obtained by your agency?

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PRIORITIZATION	N/A. Funding for this decision package comes from Membership fees of the PCF members.
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If no or insufficient new funds are available in order to meet this need, how would the agency prefer to proceed? By using fund balances, generating new revenue, cutting other programs, or deferring action on this request in FY 2017-18? Please be specific.

INTENDED IMPACT	To better serve our members and to assist in the operations of the PCF. Reduce the liability of the fund by reducing medical errors. Increase efficiency of the membership processing of the Fund and fund the required increases of the Employer Contributions.
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What impact is this decision package intended to have on service delivery and program outcomes, and over what period of time?

PROGRAM EVALUATION	Reduction of total claims costs; increase in PCF membership (revenue) and fulfillment of the employer's contribution to health & retirement benefits.
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How would the use of these funds be evaluated? What specific outcome or performance measures would be used to assess the effectiveness of this program?