

Fiscal Estimate Narratives

DHFS 10/31/2005

LRB Number	05-3232/1	Introduction Number	AB-789	Estimate Type	Original
Subject					
State agency status coverage under Volunteer Health Care Provider Program regardless of applicable health care liability insurance co					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a health care provider and nonprofit agency can petition DOA to allow the provider to provide, without charge to low-income patients, health care services, including health education, office visits, prescriptions and, for dentists, simple tooth extracting and necessary related suturing. The health care provider becomes a state agent of the Department for the provision of these services. If a civil action arises out of an act committed by the provider during the lawful course of that person's duties, the state provides legal counsel and any judgements against the provider are paid by the state and capped at \$250,000. However, a governmental unit need not provide or pay for legal representation if the provider's malpractice insurance provides representation.

This bill gives health care providers who provide services under the volunteer program the status of state agents of DHFS, regardless of whether the provider has medical malpractice insurance coverage that would extend to the provision of the volunteer services. The bill removes the current limit on state payment of damages and costs for providers in the volunteer program.

Liability claims against the state are paid from funds administered by the Department of Administration. The Department pays premiums to DOA for liability insurance. The Department paid \$867,380 for liability insurance and \$41,595 for medical malpractice insurance in SFY 05. If these volunteer health care providers were added to the Department for liability purposes, and claims were made against them, the Department's liability premiums would also increase.

If the current cap on damages were lifted and the state were required to pay a significant judgement that exceeds the current limit of \$250,000, it is likely that the costs of insurance premiums would increase even more. It is not possible to project what the amount of this increase would be because the extent of possible increased liabilities is not known.

Long-Range Fiscal Implications