

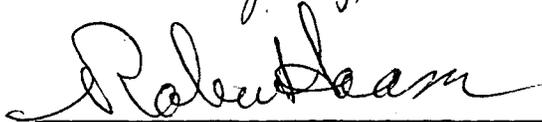
CR 91-165

STATE OF WISCONSIN )  
 )  
OFFICE OF THE COMMISSIONER OF INSURANCE)

I, Robert D. Haase, Commissioner of Insurance and custodian of the official records of this Office, certify that the attached rule-making order affecting s. Ins 17.28, Wis. Adm. Code, relating to revising the Patients Compensation Fund annual fee billing procedures, was issued by this Office on January 16, 1992.

I further certify that I have compared this copy with the original on file in this Office and that it is a true copy of the whole of the original.

Dated at Madison, Wisconsin, this 16<sup>th</sup> day of January, 1992.



Robert D. Haase  
Commissioner of Insurance

26520T3

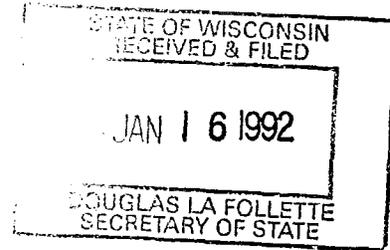
RECEIVED

JAN 17 1992

2:05 pm  
FOLLETTE  
SECRETARY OF STATE

4-1-92

STATE OF WISCONSIN  
RECEIVED & FILED  
JAN 16 1992  
DOUGLAS LA FOLLETTE  
SECRETARY OF STATE



RECEIVED

JAN 17 1992

Revisor of Statutes  
Bureau

ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE

REPEALING, AMENDING, REPEALING AND RECREATING, AND CREATING A RULE

To repeal s. Ins 17.28 (7); to amend Ins 17.28 (4) (b), (c) 1 (intro.) and 2 to 4, (cs) 1 and (f), (5) and (6e) (b); to repeal and recreate s. Ins 17.28 (4) (title); and to create s. Ins 17.28 (4) (h) to (o), relating to revising the patients compensation fund annual fee billing procedures.

---

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3), 655.004 and 655.27 (3) (b) 601.41 (3), Stats.

Statutes Interpreted: ss. 655.23 (1) and 655.27 (3) (a), (b) and (c), Stats.

The patients compensation fund (fund) is in the process of converting to a new computerized billing system which is expected to be in operation by March 1, 1992. This rule revises the procedures the fund uses to bill health care providers (providers) for their annual fund fees to incorporate changes from the old to the new computer system. The rule specifies the contents of both the initial bill sent to a provider at the beginning of each fiscal year, or when a provider first enters the fund, and subsequent bills sent to

providers that elect to make instalment payments. A provider is required to pay at least the minimum amount due on or before the due date specified in each bill.

The rule also specifies how the fund will apply each payment received. The fund will first apply payments to balances due for previous fiscal years and then to the current fiscal year's fee in the following order: patients compensation mediation fund fees, administrative fees, interest, peer review council surcharges, and annual fund fee. The fund may waive a balance of \$50 or less if it is in the economic interest of the fund to do so.

The rule also clarifies how the fund will adjust the annual fee charged to the medical college of Wisconsin affiliated hospitals, inc., for resident physicians covered by the fund.

If the system becomes operational on schedule, the procedural changes made in this rule will be applied for the first time to bills for the 4th quarter of the 1991-92 fiscal year. If the system is delayed, the changes will first apply to bills for the 1992-93 fiscal year.

---

SECTION 1. Ins 17.28 (4) (title) is repealed and recreated to read:

Ins 17.28 (4) (title) ANNUAL FEES; BILLING PROCEDURES.

SECTION 2. Ins 17.28 (4) (b), (c) 1 (intro.) and 2 to 4, (cs) 1 and (f) are amended to read:

Ins 17.28 (4) (b) Entry during fiscal year; prorated annual fee. If ~~a provider's fund coverage begins after July 1~~ provider begins practice or operation or enters the fund under sub. (3s) (b) after the beginning of a fiscal year, the fund shall charge the provider one twenty-fourth of the annual fee for each semimonthly period or part of a semimonthly period from the date fund coverage begins to the next June 30.

(c) 1 (intro.) If a provider is in compliance with ~~sub.-(7)-(b)~~ par. (k), and one of the following conditions exists, the fund shall issue a refund equal to one twenty-fourth of the provider's annual fee for each full semimonthly period from the date practice or operation ceased to the due date of the next payment:

2. If a provider that temporarily or permanently ceases practice or operation is in compliance with ~~sub.-(7)-(b)~~ par. (k), but none of the conditions described in subd. 1 exists, the fund shall issue a refund equal to one twenty-fourth of the provider's annual fee for each full semimonthly period from the date the fund receives notice of the cessation of practice or operation, plus a retroactive refund equal to no more than 3 twenty-fourths of the provider's annual fee.

3. If a provider that temporarily or permanently ceases practice or operation is not in compliance with ~~sub.-(7)-(b)~~ par. (k), the fund shall reduce the provider's arrearage ~~for-the-remainder-of-the-fiscal-year~~ by any amount that would be due as a refund under subd. 1 or 2 if the provider were in compliance ~~with-sub.-(7)-(b)~~.

4. If a provider who was in compliance with ~~sub.-(7)-(b)~~ par. (k) dies, the fund, upon receipt of notice of the death, shall issue a refund equal to one twenty-fourth of the provider's annual fee for each full semimonthly period from the date of death to the date the next payment would have been due, except that no refund under this subdivision may exceed the total amount of the most recent annual fee paid by the provider.

(cs) 1. If a provider who has paid all or part of the annual fee is or becomes ineligible to participate in the fund ~~because-he-or-she-is-a federal,-state,-county-or-municipal-employee~~ under s. 655.003 (1) or (3), Stats., or because he or she does not practice in this state, the fund shall

issue a full refund of any amount the provider paid for fund coverage for which he or she was not eligible.

(f) Refund of interest. If a provider entitled to a refund or credit under this subsection has paid interest under ~~sub. (7)-(c)-1~~ par. (j), the fund shall issue a refund or credit of the interest using the same method used to calculate a refund or credit of an annual fee.

SECTION 3. Ins 17.28 (4) (h) to (o) are created to read:

Ins 17.28 (4) (h) Billing; entire fiscal year. Except as provided in sub. (6e) (b), for each fiscal year, the fund shall issue to each provider participating in the fund an initial bill which shall include all of the following:

1. The total annual fee due for the fiscal year.
2. Any applicable surcharge imposed under s. Ins 17.285.
3. The balance and accrued interest, if any, due from a prior fiscal year.
4. Notice of the provider's right to pay the amount due in full or in instalments.
5. The minimum amount due if the provider elects instalment payments.
6. The payment due date.

(i) Billing; partial fiscal year. The fund shall issue each provider entering the fund after the beginning of a fiscal year an initial bill which shall include all of the following:

1. The total amount due calculated under par. (b).
2. Notice of the provider's right to pay the amount due in full or in instalments.
3. The minimum amount due if the provider elects instalment payments.
4. The payment due date.

(j) Balance billing. If a provider pays at least the minimum amount due but less than the total amount due by the due date, the fund shall calculate the remainder due by subtracting the amount paid from the amount due and shall bill the provider for the remainder on a quarterly instalment basis. Each subsequent bill shall include all of the following:

1. The total of the remainder due.

2. Interest on the remainder due. The daily rate of interest shall be the average annualized rate earned by the fund on its short-term funds for the first 3 quarters of the preceding fiscal year, as determined by the state investment board, divided by 360.

3. A nonrefundable \$3 administrative service charge.

4. The minimum amount due.

5. The payment due date.

(k) Prompt payment required. A provider shall pay at least the minimum amount due on or before each due date.

(l) Increase during fiscal year. If a provider changes class or type, resulting in an increased annual fee as calculated under par. (d), the fund shall bill the provider for the total amount of the increase if the provider has already paid the total annual fee, or shall prorate the increase over the remaining instalment payments.

(m) Decrease during fiscal year. If a provider changes class or type, resulting in a decreased annual fee as calculated under par. (e), the fund shall prorate the decrease over any remaining instalment payments. If the provider has already paid the total annual fee, the fund shall issue a refund if the amount of the refund is more than \$10.

(n) Application of payments. All payments to the fund shall be applied in chronological order first to previous fiscal years for which a

balance is due and then to the current fiscal year. The amounts for each fiscal year shall be credited in the following order:

1. Mediation fund fee imposed under s. Ins 17.01.
2. Administrative service charge under par. (j) 3.
3. Interest under par. (j) 2.
4. Surcharge imposed under s. Ins 17.285.
5. Annual fee under sub. (6).

(o) Waiver of balance. The fund may waive any balance of \$50 or less, if it is in the economic interest of the fund to do so.

SECTION 4. Ins 17.28 (5) and (6e) (b) are amended to read:

Ins 17.28 (5) FILING OF CERTIFICATES OF INSURANCE. An insurance company required under s. 655.23 (3) (b), Stats., to file a certificate of insurance on behalf of a provider shall file the certificate with the fund within 45 days after the original issuance and each renewal and within 45 days after a change of class or type that would affect the provider's fee under sub. (4) (1) or (m).

(6e) (b) ~~Before the beginning of~~ Notwithstanding sub. (4) (h), the fund's initial bill for each fiscal year, shall be the amount the medical college of Wisconsin affiliated hospitals, inc., ~~shall estimate the total amount of fund fees~~ estimates will be due for the next fiscal year for all its residents ~~and shall pay that amount to the fund.~~ At the end of the fiscal year, the ~~medical college of Wisconsin affiliated hospitals, inc.,~~ fund shall ~~determine~~ adjust the fee to reflect the residents' actual exposure during the fiscal year ~~and shall pay the fund the amount of an deficiency, plus interest as determined under sub. (7) (c) 3,~~ as determined by the medical college of Wisconsin affiliated hospitals, inc., and shall bill the medical college of Wisconsin affiliated hospitals, inc., for the balance due, if any, plus

accrued interest, as calculated under par. (j) 2, from the beginning of the fiscal year. The fund shall refund the amount of an overpayment, if any.

SECTION 5. Ins 17.28 (7) is repealed.

SECTION 6. (1) Except as provided in subdivision (2), the treatment of section Ins 17.28 (4) (b), (c) 1 (intro.) and 2 to 4, (cs) 1, (f) and (h) to (n), (5), (6e) (b) and (7) by this rule first applies to patients compensation fund annual fee bills for fiscal year 1992-93.

(2) If the patients compensation fund's new computerized billing system becomes operational on or before March 1, 1992, the treatment of section Ins 17.28 (4) (b), (c) 1 (intro.) and 2 to 4, (cs) 1, (f) and (h) to (n), (5), (6e) (b) and (7) by this rule first applies to patients compensation fund annual fee bills for the last quarter of fiscal year 1991-92.

SECTION 7. EFFECTIVE DATE. This rule will take effect on the first day of the month beginning after publication, as provided in s. 227.22 (2) (intro.), Stats.

Dated at Madison, Wisconsin, this 16<sup>th</sup> day of January, 1992.

  
\_\_\_\_\_  
Robert D. Haase  
Commissioner of Insurance

RECEIVED

JAN 17 1992

Review Bureau