

1979 Senate Bill 565

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CHAPTER 194, Laws of 1979

AN ACT to repeal 655.27 (3) (a) and (b) 4, (4) (f) and (6); to renumber 655.27 (3) (b) (intro.) and 1 to 3, (4) (g) and (7); to renumber and amend 655.27 (3) (c) and (d); to amend 655.27 (1), (3) (a) (intro.), as renumbered, and (4) (d); and to create 655.27 (3) (d) of the statutes, relating to the patients compensation fund.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 655.27 (1) of the statutes, as affected by chapter 34, laws of 1979, is amended to read:

655.27 (1) FUND. There is created a patients compensation fund for the purpose of paying that portion of a medical malpractice claim which is in excess of the limit expressed in s. 655.23 (5) and paying future medical expense periodic payments under s. 655.015. The fund shall provide occurrence coverage for health care providers permanently practicing or operating in this state. The fund shall be liable only for payment of claims against health care providers permanently practicing or operating in this state who have complied with this chapter and reasonable and necessary expenses incurred in payment of claims and fund administrative expenses incurred under this chapter. The coverage provided by the fund shall begin July 1, 1975, and run thereafter on a fiscal year basis.

SECTION 2. 655.27 (3) (a) of the statutes is repealed.

SECTION 3. 655.27 (3) (b) (intro.) and 1 to 3 of the statutes are renumbered 655.27 (3) (a) (intro.) and 1 to 3, and 655.27 (3) (a) (intro.), as renumbered, is amended to read:

655.27 (3) (a) (title) *Fees.* (intro.) ~~In addition, after the 2nd year of operation each~~ Each health care provider permanently practicing or operating in this state shall pay operating fees to the department or the commissioner for deposit into the fund in a manner prescribed by them by rule. ~~Such~~ The operating fees shall be assessed based on the following considerations:

SECTION 4. 655.27 (3) (b) 4 of the statutes is repealed.

SECTION 5. 655.27 (3) (c), and (d), as affected by chapter 34, laws of 1979, of the statutes are renumbered 655.27 (3) (b) and (c) and amended to read:

655.27 (3) (b) *Fees established.* ~~The fees under par. (b) may be adjusted downward for any fiscal year in which additional fees would not be necessary to maintain the fund at \$10,000,000. Fees shall be set by the~~ The commissioner, after consultation with approval by the board of governors, but such fees for health care providers permanently practicing or operating in this state may not exceed in any given year 10% of the premium the health care provider would be charged under the plan established by s. 619.04 for coverage in the amount of \$200,000 per claim and \$600,000 per year. ~~Nothing contained in this shall by~~

rule set the fees under par. (a). This paragraph shall be construed as imposing does not impose liability on the board of governors for payment of any part of a fund deficit on the board of governors. If the board of governors determines that the amount of money in the fund is not sufficient to satisfy the claims made against the fund in a given fiscal year, it shall certify the amount of the projected insufficiency to the commissioner and shall request the commissioner to levy a deficit assessment against all health care providers permanently practicing or operating in this state for that fiscal year. The commissioner shall levy such deficit assessment against such providers permanently practicing or operating in this state at the time the assessment is made in amounts that fairly reflect the classifications prescribed above and which are sufficient to obtain the money necessary to meet all claims for said fiscal year, but not to exceed in any given year 25% of the premium the health care provider would be charged under the plan established by s. 619.04 for coverage in the amount of \$200,000 per claim and \$600,000 per year.

(c) *Collection and deposit of fees.* All Annual fees under pars. (a), (b) and (c) (b) and future medical expense payments specified for the fund shall be collected by the commissioner or the department for deposit into the fund in a manner prescribed by them by rule.

SECTION 6. 655.27 (3) (d) of the statutes is created to read:

655.27 (3) (d) *Rule not effective; fees.* If the rule establishing fees under par. (b) does not take effect prior to June 2 of any fiscal year, the commissioner may elect to collect fees as established for the previous fiscal year. If the commissioner so elects and the rule subsequently takes effect, the balance for the fiscal year shall be collected or refunded except the commissioner may elect not to collect or refund minimal amounts.

SECTION 7. 655.27 (4) (d) of the statutes is amended to read:

655.27 (4) (d) Annually after the close of a fiscal year, the board of governors shall furnish an audited financial report to the commissioner. The report shall be prepared in accordance with accepted accounting procedures and shall include income the present value of all claims reserves, including those for incurred but not reported claims as determined by accepted actuarial principles, and such other information as may be required by the commissioner. The board of governors shall furnish an appropriate summary of this report to all fund participants.

SECTION 8. 655.27 (4) (f) of the statutes is repealed.

SECTION 9. 655.27 (4) (g) of the statutes is renumbered 655.27 (4) (f).

SECTION 10. 655.27 (6) of the statutes is repealed.

SECTION 11. 655.27 (7) of the statutes is renumbered 655.27 (6).
