

98-048 INS 17-PATIENT'S COMP
FUND



of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE



Tommy G. Thompson
Governor

MAY 20 1998

121 East Wilson Street
P.O. Box 7873
Madison, Wisconsin 53707-7873

Randy Blumer
Commissioner (Acting)

May 20, 1998

(608) 266-3585

http://badger.state.wi.us/agencies/oci/oci_home.htm

HONORABLE SENATOR ROBERT WELCH
SENATE CO-CHAIRPERSON
JOINT COMM FOR REVIEW OF ADM RULES
1 EAST MAIN ST RM 201
MADISON WI 53702

Re: Rule, Section Ins 17.01(3)(intro.), 17.28(4)(cm), 17.28(6a),
17.35(2b)(title), 17.28(6), 17.35(2b)(b), (c) and (d)., Wis. Adm. Code,
relating to annual patients compensation fund and mediation fund
fees for the fiscal year beginning July 1, 1998.

Clearinghouse Rule No. 98-048

Dear Senator Welch:

I am enclosing a copy of this proposed rule which has been submitted to the
presiding officers of the legislative houses under s. 227.19 (2), Wis. Stat. A copy
of the report required under s. 227.19 (3), Wis. Stat., is also enclosed.

Best Regards,

Randy Blumer
Commissioner of Insurance

RB:AS

Attachment: 1 copy rule & legislative report



of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE



Tommy G. Thompson
Governor

Randy Blumer
Commissioner (Acting)

May 18, 1998

121 East Wilson Street
P.O. Box 7873
Madison, Wisconsin 53707-7873
(608) 266-3585

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REPORT ON Section Ins
17.01(3)(intro.), 17.28(4)(cm), 17.28(6a),
17.35(2b)(title), 17.28(6), 17.35(2b)(b), (c) and (d), Wis.
Adm. Code, relating to annual patients compensation
fund and mediation fund fees for the fiscal year
beginning July 1, 1998.

Clearinghouse Rule No 98-048
Submitted Under s. 227.19 (3), Stats.
The proposed rule-making order is attached.

(a) Statement of need for the proposed rule

The Commissioner is required to promulgate by rule the annual fees for the patients compensation fund and the mediation system operated by the director of state courts. This rule establishes those fees for the fiscal year 1998-99 in s. Ins. 17.28(6), limits fund fee refund requests to the current or prior fiscal year only in s. Ins. 17.28(4) and sets standards for the application of the aggregate underlying liability limits upon the termination of a claims-made policy in s. Ins. 17.35.

(b) Modifications made in proposed rule based on testimony at public hearing:
None

(c) Persons who appeared or registered regarding the proposed rule:

Appearances For: None

Appearances Against: None

Appearances For Information: Theresa Wedekind, Administrator,
Patients Compensation Fund

Registrations For: None

Registrations Against: None

Registrations Neither for nor against: None

Letters received: None

(d) Response to Legislative Council staff recommendations

All comments were complied with and corrected.

(e) Regulatory flexibility analysis

1. No issues were raised by small businesses during the hearing on the proposed rule.
2. The proposed rule does not impose any additional reporting requirements on small businesses.
3. The proposed rule does not require any additional measures or investments by small businesses.

(f) Fiscal Effect

See fiscal estimate attached to proposed rule.

Attachment: Legislative Council Staff Recommendations
May 15, 1998

WISCONSIN LEGISLATIVE COUNCIL STAFF



RULES CLEARINGHOUSE

Ronald Sklansky
Director
(608) 266-1946

Richard Sweet
Assistant Director
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David J. Stute, Director
Legislative Council Staff
(608) 266-1304

One E. Main St., Ste. 401
P.O. Box 2536
Madison, WI 53701-2536
FAX: (608) 266-3830

CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 98-048

AN ORDER to amend Ins 17.01 (3) (intro.), 17.28 (4) (cm) and (6a) and 17.35 (2b) (title); to repeal and recreate Ins 17.28 (6) and 17.35 (2b) (b); and to create Ins 17.35 (2b) (c) and (d), relating to annual patients compensation fund and mediation fund fees for the fiscal year beginning July 1, 1998, to limit fund fee refund requests to the current and immediate prior year only and to establish standards for the application of the aggregate underlying liability limits upon the termination of a claims-made policy.

Submitted by **OFFICE OF THE COMMISSIONER OF INSURANCE**

03-13-98 RECEIVED BY LEGISLATIVE COUNCIL.

04-02-98 REPORT SENT TO AGENCY.

RNS:GAA:kjf;ksm

Exhibit	C
Date	5-8-98
Case	Reels hrs
Ins. Comm.	17.01 + 17.28

WISCONSIN LEGISLATIVE COUNCIL STAFF

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CLEARINGHOUSE RULE 98-048

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated October 1994.]

2. Form, Style and Placement in Administrative Code

a. The titles to ss. Ins 17.28 (4) (cm) and (6a) and 17.35 (2b) (b) 1. and 2. are not in proper format. [See s. 1.05 (2), Manual.]

b. The material in SECTION 4 should follow SECTION 5 so that the provisions affected are shown in numerical order.

PROPOSED ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE
AND THE BOARD OF GOVERNORS OF THE PATIENTS COMPENSATION FUND
AMENDING AND REPEALING AND RECREATING A RULE

The office of the commissioner of insurance and the board of governors of the patients compensation fund propose an order to amend s. Ins 17.01 (3) (intro.), s. Ins 17.28 (4) (cm), s. Ins 17.28 (6a), and s. Ins 17.35 (2b) (title), to repeal and recreate s. Ins 17.28 (6) and s. Ins 17.35 (2b) (b), and to create s. Ins 17.35 (2b) (c) and (d), relating to annual patients compensation fund and mediation fund fees for the fiscal year beginning July 1, 1998, to limit fund fee refund requests to the current and immediate prior year only, and to establish standards for the application of the aggregate underlying liability limits upon the termination of a claims-made policy.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3), 655.004, 655.23 (4), 655.27 (3) (b) and 655.61, Stats.

Statutes interpreted: ss. 655.27 (3) and 655.23 (4), Stats.

The commissioner of insurance, with the approval of the board of governors (board) of the patients compensation fund (fund), is required to establish by administrative rule the annual fees which

participating health care providers must pay to the fund. This rule establishes those fees for the fiscal year beginning July 1, 1998. These fees incorporate changes to class 2 and 3 relativities based on experience factors with an overall impact of zero compared with fees paid for the 1997-98 fiscal year. The board approved this change in relativities with no overall increase in fees at its meeting on February 25, 1998, based on the recommendation of the board's actuarial and underwriting committee.

The board is also required to promulgate by rule the annual fees for the operation of the patients compensation mediation system, based on the recommendation of the director of state courts. This rule implements the director's funding level recommendation by establishing mediation panel fees for the next fiscal year at \$16.00 for physicians and \$1.00 per occupied bed for hospitals, representing a 50% decrease from 1997-98 fiscal year fees.

This rule also limits fund fee refunds to the current fiscal year and the immediate prior fiscal year in s. Ins 17.28 (4) (cm). This rule in s. Ins 17.35 (2b) (b), (c) and (d) sets standards for the application of the aggregate underlying liability limits upon the termination of a claims-made policy based on the actuarial equivalence of an occurrence policy.

SECTION 1. Ins 17.01 (3) (intro.) is amended to read:

Ins 17.01 (3) FEE SCHEDULE. (intro.) The following fee schedule shall be effective July 1, ~~1997~~ 1998.

SECTION 2. Ins 17.28 (4) (cm) is amended to read:

Ins 17.28 (4) (cm) Eligibility for exemption; refund. If a provider claims an exemption after paying all or part of the annual fee, the fund shall issue a refund equal to one twenty-fourth of the provider's annual fee for each full semi-monthly period from the date the provider becomes eligible for the exemption to the due date of the next payment. The refund for any past exemption period will be limited to the current fiscal year and the immediate prior fiscal year.

SECTION 3. Ins 17.28 (6a) is amended to read:

Ins 17.28 (6a) FEES FOR OCI APPROVED SELF-INSURED HEALTH CARE PROVIDERS. The following fee schedule is in effect from July 1, 1997 to June 30, ~~1998~~ 1999 for OCI

approved self-insured health care providers who elect, pursuant to s. 655.23 (4) (c) 2, Stats., to increase their per occurrence limit to \$600,000 for each occurrence on or after July 1, 1997, provided such self-insured provider has filed an amended self-insured plan document reflecting the increased coverage levels with the office of the commissioner of insurance and with the patients compensation fund on or before August 15, 1997:

The fees set forth in sub. (6) multiplied by 1.161.

SECTION 4. Ins 17.28 (6) is repealed and recreated to read:

Ins 17.28 (6) FEE SCHEDULE. The following fee schedule is in effect from July 1, 1998, to June 30, 1999:

(a) Except as provided in pars. (b) to (g) and sub. (6e), for a physician for whom this state is a principal place of practice:

Class 1	\$2,721	Class 3	\$11,292
Class 2	\$5,170	Class 4	\$16,326

(b) For a resident acting within the scope of a residency or fellowship program:

Class 1	\$1,361	Class 3	\$5,648
Class 2	\$2,586	Class 4	\$8,166

(c) For a resident practicing part-time outside the scope of a residency or fellowship program:

All classes	\$1,633
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(d) For a medical college of Wisconsin, inc., full-time faculty member:

Class 1	\$1,088	Class 3	\$4,515
Class 2	\$2,067	Class 4	\$6,528

(e) For a physician who practices fewer than 500 hours during the fiscal year, limited to office practice and nursing home and house calls, and who does not practice obstetrics or surgery or assist in surgical procedures: \$680

(f) For a physician for whom this state is not a principal place of practice:

Class 1	\$1,361	Class 3	\$5,648
---------	---------	---------	---------

Class 2	\$2,586	Class 4	\$8,166
---------	---------	---------	---------

(g) For a nurse anesthetist for whom this state is a principal place of practice: \$678

(h) For a nurse anesthetist for whom this state is not a principal place of practice: \$339

(i) For a hospital:

1. Per occupied bed \$167; plus
2. Per 100 outpatient visits during the last calendar year for which totals are available. \$8.35

(j) For a nursing home, as described under s. 655.002 (1) (j), Stats., which is wholly owned and operated by a hospital and which has health care liability insurance separate from that of the hospital by which it is owned and operated:

Per occupied bed	\$31
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(k) For a partnership comprised of physicians or nurse anesthetists, organized for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of partners and employed physicians and nurse anesthetists is from 2 to 10 \$95

b. If the total number of partners and employed physicians and nurse anesthetists is from 11 to 100 \$947

c. If the total number of partners and employed physicians and nurse anesthetists exceeds 100 \$2,368

2. The following fee for each of the following employees employed by the partnership as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952

Nurse Midwives	5,986
Advanced Nurse Midwives	6,258
Advanced Practice Nurse Prescribers	952
Chiropractors	1,088
Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(L) For a corporation, including a service corporation, with more than one shareholder organized under ch. 180, Stats., for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of shareholders and employed physicians and nurse anesthetists is from 2 to 10 \$95
- b. If the total number of shareholders and employed physicians and nurse anesthetists is from 11 to 100 \$947
- c. If the total number of shareholders and employed physicians or nurse anesthetists exceeds 100 \$2,368

2. The following for each of the following employes employed by the corporation as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952
Nurse Midwives	5,986
Advanced Nurse Midwives	6,258
Advanced Practice Nurse Prescribers	952
Chiropractors	1,088

Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(m) For a corporation organized under ch. 181, Stats., for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of employed physicians and nurse anesthetists is from 1 to 10 \$95
- b. If the total number of employed physicians and nurse anesthetists is from 11 to 100 \$947
- c. If the total number of employed physicians or nurse anesthetists exceeds 100 \$2,368

2. The following for each of the following employees employed by the corporation as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952
Nurse Midwives	5,986
Advanced Nurse Midwives	6,258
Advanced Practice Nurse Prescribers	952
Chiropractors	1,088
Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(n) For an operational cooperative sickness care plan as described under s. 655.002 (1) (f),

Stats., all of the following fees:

1. Per 100 outpatient visits during the last calendar year for which totals are available \$0.20.
2. 2.5% of the total annual fees assessed against all of the employed physicians.
3. The following for each of the following employees employed by the operational cooperative sickness plan as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952
Nurse Midwives	5,986
Advanced Nurse Midwives	6,258
Advanced Practice Nurse Prescribers	952
Chiropractors	1,088
Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(o) For a freestanding ambulatory surgery center, as defined in s. Ins 120.03 (10):

Per 100 outpatient visits during the last calendar year for which totals are available \$40

(p) For an entity affiliated with a hospital, the greater of \$100 or whichever of the following applies:

1. 7% of the amount the entity pays as premium for its primary health care liability insurance, if it has occurrence coverage.

2. 10% of the amount the entity pays as premium for its primary health care liability insurance, if it has claims-made coverage.

SECTION 5. Ins 17.35 (2b) (title) is amended to read:

Ins 17.35 (2b) (title) AGGREGATE LIMITS; UNLIMITED EXTENDED REPORTING ENDORSEMENTS.

SECTION 6. Ins 17.35 (2b) (b) is repealed and recreated to read:

Ins 17.35 (2b) (b) Highest aggregate limit applies. 1. 'Claims-made coverage' The aggregate limit applicable to all claims reported during a reporting year of a claims-made policy shall be the highest limit specified in s. 655.23 (4) (b), Stats., that applies during the reporting year.

2. 'Occurrence coverage.' The limit applicable to all occurrences during an occurrence year of an occurrence policy shall be the highest limit specified in s. 655.23 (4), Stats., that applies during the occurrence year.

SECTION 7. Ins 17.35 (2b) (c) is created to read:

Ins 17.35 (2b) (c) Unlimited extended reporting endorsements issued before January 1, 1999. Before January 1, 1999, the aggregate limit applicable to an unlimited extended reporting endorsement shall be one of the following:

1. The total amount of the annual aggregate limit specified in s. 655.23 (4), Stats., as it applied on the date of the occurrence, shall be available for each occurrence year, less amounts previously paid under any policy for that occurrence year.

2. The following minimum percentage of the annual aggregate limit specified in s. 655.23 (4), Stats., as it applied to the last reporting year of the canceled or nonrenewed claims-made policy shall be available for all claims reported under the extended reporting endorsement: 100% when the policy was in effect for 1 year or less, including any retroactive coverage period; 130% when the policy was in effect for more than 1 year, but less than or equal to 2 years, including any retroactive coverage period; 150% when the policy was in effect for more than 2 years, but less than or equal to 3 years, including any retroactive coverage period; 160% when the policy was in effect for more than 3 years, including any retroactive coverage period.

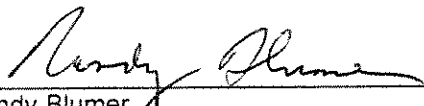
SECTION 8. Ins 17.35 (2b) (d) is created to read:

Ins 17.3 (2b) (d) Unlimited extended reporting endorsements issued on and after January 1, 1999. On and after January 1, 1999 the minimum aggregate limit applicable to an unlimited extended reporting endorsement shall be that specified in subd. (c) 2.

SECTION 9. INITIAL APPLICABILITY. This rule first applies on July 1, 1998.

SECTION 10. EFFECTIVE DATE. This rule will take effect on the first day of the first month after publication, as provided in s. 227.22 (2) (intro), Stats.

Dated at Madison, Wisconsin, this 18th day of May 1998.



Randy Blumer
Commissioner of Insurance (Acting)

FISCAL ESTIMATE
DOA-2048 N(R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
Iss 17.01, 17.28
Amendment No. if Applicable

Subject

Relating to annual Patients Compensation Fund fees for fiscal year 1998-1999

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- | | |
|--|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing Revenues |
| <input type="checkbox"/> Create New Appropriation | |

- Increase Costs - May be possible to Absorb Within Agency's Budget Yes No
- Decrease Costs

Local: No local government costs

- | | |
|--|--|
| 1. <input type="checkbox"/> Increase Costs | 3. <input type="checkbox"/> Increase Revenues |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |
| 2. <input type="checkbox"/> Decrease Costs | 4. <input type="checkbox"/> Decrease Revenues |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |

5. Types of Local Governmental Units Affected:
- Towns Villages Cities
- Counties Others _____
- School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The Patients Compensation Fund (Fund) is a segregated fund. Annual Fund fees are established to become effective each July 1, based on actuarial estimates of the Fund's needs for payment of medical malpractice claims. The proposed fees were approved by the Fund's Board at its February 25, 1998, meeting.

There is no effect on GPR.

Estimated revenue for fiscal year 1998-1999 is approximately \$50.6 million, which represents a zero percent increase to fiscal year 1997-1998 revenues.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

PCF/Theresa Wedekind 608-266-0958

Authorized Signature/Telephone No.

Randy Blumer

Randy Blumer, Commissioner

Date

3/12/98

FISCAL ESTIMATE WORKSHEET

1995 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. Amendment No.
Ins 17.01, 17.28

Subject: Relating to annual Patients Compensation Fund fees for fiscal year 1998-1999

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -

3. State Costs by Source of Funds	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-

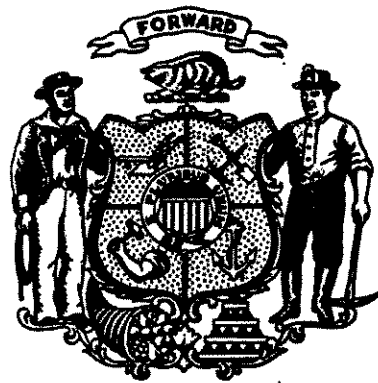
II. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Annualized Fiscal impact on State funds from:	
	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$ -0-	\$ - -0-

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ _____	\$ _____

Agency/Prepared by: (Name & Phone No.) PCF/Theresa Wedekind 608-266-0953	Authorized Signature/Telephone No. <i>Randy Blumer</i> Randy Blumer, Commissioner	Date 3/12/98
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END



END



of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE



MAY 20 1998

Tommy G. Thompson
Governor

Randy Blumer
Commissioner (Acting)

May 20, 1998

121 East Wilson Street
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HONORABLE SENATOR ROBERT WELCH
SENATE CO-CHAIRPERSON
JOINT COMM FOR REVIEW OF ADM RULES
1 EAST MAIN ST RM 201
MADISON WI 53702

Re: Emergency Rule, Sections Ins 17.01 (3) (intro), 17.28 (4) (cm), 17.28 (6a),
17.28 (6), 17.35 (2b) (title), and 17.35 (2b) (b) (c) and (d), Wis. Adm.
Code, relating to annual patients compensation fund and mediation
fund fees for the fiscal year beginning July 1, 1998

Dear Senator Welch:

I will be promulgating an emergency rule. Attached is a draft of the rule for your review. The reasons for proceeding with an emergency rule are given in the Finding of Emergency in the rule. It will be published in the official State newspaper in about a week.

If you have any questions, please contact Alice M. Shuman at 266-9892 or e-mail at ashuman@mail.state.wi.us.

Best regards,

Randy Blumer
Commissioner of Insurance

RB:AS
Attachment: 1 copy draft rule



of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE



Tommy G. Thompson
Governor

Randy Blumer
Commissioner (Acting)

May 20, 1998

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STATE OF WISCONSIN

OFFICE OF THE COMMISSIONER OF INSURANCE

SS

I, Randy Blumer, Commissioner of Insurance and custodian of the official records, certify that the annexed emergency rule affecting Sections Ins 17.01 (3) (intro), 17.28 (4) (cm), 17.28 (6a), 17.28 (6), 17.35 (2b) (title), and 17.35 (2b) (b) (c) and (d), Wis. Adm. Code, relating to annual patients compensation fund and mediation fund fees for the fiscal year beginning July 1, 1998, is duly approved and adopted by this Office on May 20, 1998.

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 original, and the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 121 East Wilson Street, Madison, Wisconsin, on May 20, 1998.

Randy Blumer
Commissioner of Insurance

PROPOSED ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE
AND THE BOARD OF GOVERNORS OF THE PATIENTS COMPENSATION FUND
AMENDING AND REPEALING AND RECREATING A RULE

The office of the commissioner of insurance and the board of governors of the patients compensation fund propose an order to amend s. Ins 17.01 (3) (intro.), s. Ins 17.28 (4) (cm), s. Ins 17.28 (6a), and s. Ins 17.35 (2b) (title), to repeal and recreate s. Ins 17.28 (6) and s. Ins 17.35 (2b) (b), and to create s. Ins 17.35 (2b) (c) and (d), relating to annual patients compensation fund and mediation fund fees for the fiscal year beginning July 1, 1998, to limit fund fee refund requests to the current and immediate prior year only, and to establish standards for the application of the aggregate underlying liability limits upon the termination of a claims-made policy.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3), 655.004, 655.23 (4), 655.27 (3) (b) and 655.61, Stats.

Statutes interpreted: ss. 655.27 (3) and 655.23 (4), Stats.

The commissioner of insurance, with the approval of the board of governors (board) of the patients compensation fund (fund), is required to establish by administrative rule the annual fees which

participating health care providers must pay to the fund. This rule establishes those fees for the fiscal year beginning July 1, 1998. These fees incorporate changes to class 2 and 3 relativities based on experience factors with an overall impact of zero compared with fees paid for the 1997-98 fiscal year. The board approved this change in relativities with no overall increase in fees at its meeting on February 25, 1998, based on the recommendation of the board's actuarial and underwriting committee.

The board is also required to promulgate by rule the annual fees for the operation of the patients compensation mediation system, based on the recommendation of the director of state courts. This rule implements the director's funding level recommendation by establishing mediation panel fees for the next fiscal year at \$16.00 for physicians and \$1.00 per occupied bed for hospitals, representing a 50% decrease from 1997-98 fiscal year fees.

This rule also limits fund fee refunds to the current fiscal year and the immediate prior fiscal year in s. Ins 17.28 (4) (cm). This rule in s. Ins 17.35 (2b) (b), (c) and (d) sets standards for the application of the aggregate underlying liability limits upon the termination of a claims-made policy based on the actuarial equivalence of an occurrence policy.

FINDING OF EMERGENCY

The commissioner of insurance (commissioner) finds that an emergency exists and that promulgation of this emergency rule is necessary for the preservation of the public peace, health, safety or welfare. The facts constituting the emergency are as follows:

The commissioner was unable to promulgate the permanent rule corresponding to this emergency rule, clearinghouse rule no. 98-048, in time for the patients compensation fund (fund) to bill health care providers in a timely manner for fees applicable to the fiscal year beginning July 1, 1998.

The commissioner expects that the permanent rule will be filed with the secretary of state in time to take effect September 1, 1998. Because the provisions of this rule first apply on July 1, 1998, it is necessary to promulgate the rule on an emergency basis. A hearing on the permanent rule, pursuant to published notice thereof, was held on May 8, 1998.

SECTION 1. Ins 17.01 (3) (intro.) is amended to read:

Ins 17.01 (3) FEE SCHEDULE. (intro.) The following fee schedule shall be effective July 1, ~~1997~~ 1998.

SECTION 2. Ins 17.28 (4) (cm) is amended to read:

Ins 17.28 (4) (cm) Eligibility for exemption; refund. If a provider claims an exemption after paying all or part of the annual fee, the fund shall issue a refund equal to one twenty-fourth of the provider's annual fee for each full semi-monthly period from the date the provider becomes eligible for the exemption to the due date of the next payment. The refund for any past exemption period will be limited to the current fiscal year and the immediate prior fiscal year.

SECTION 3. Ins 17.28 (6a) is amended to read:

Ins 17.28 (6a) FEES FOR OCI APPROVED SELF-INSURED HEALTH CARE PROVIDERS. The following fee schedule is in effect from July 1, 1997 to June 30, ~~1998~~ 1999 for OCI approved self-insured health care providers who elect, pursuant to s. 655.23 (4) (c) 2, Stats., to increase their per occurrence limit to \$600,000 for each occurrence on or after July 1, 1997, provided such self-insured provider has filed an amended self-insured plan document reflecting the increased coverage levels with the office of the commissioner of insurance and with the patients compensation fund on or before August 15, 1997:

The fees set forth in sub. (6) multiplied by 1.161.

SECTION 4. Ins 17.28 (6) is repealed and recreated to read:

Ins 17.28 (6) FEE SCHEDULE. The following fee schedule is in effect from July 1, 1998, to June 30, 1999:

(a) Except as provided in pars. (b) to (g) and sub. (6e), for a physician for whom this state is a principal place of practice:

Class 1	\$2,721	Class 3	\$11,292
Class 2	\$5,170	Class 4	\$16,326

(b) For a resident acting within the scope of a residency or fellowship program:

Class 1	\$1,361	Class 3	\$5,648
Class 2	\$2,586	Class 4	\$8,166

(c) For a resident practicing part-time outside the scope of a residency or fellowship program:

All classes	\$1,633
-------------	---------

(d) For a medical college of Wisconsin, inc., full-time faculty member:

Class 1	\$1,088	Class 3	\$4,515
Class 2	\$2,067	Class 4	\$6,528

(e) For a physician who practices fewer than 500 hours during the fiscal year, limited to office practice and nursing home and house calls, and who does not practice obstetrics or surgery or assist in surgical procedures:

\$680

(f) For a physician for whom this state is not a principal place of practice:

Class 1	\$1,361	Class 3	\$5,648
Class 2	\$2,586	Class 4	\$8,166

(g) For a nurse anesthetist for whom this state is a principal place of practice:

\$678

(h) For a nurse anesthetist for whom this state is not a principal place of practice:

\$339

(i) For a hospital:

1. Per occupied bed	\$167; plus
2. Per 100 outpatient visits during the last calendar year for which totals are available.	\$8.35

(j) For a nursing home, as described under s. 655.002 (1) (j), Stats., which is wholly owned and operated by a hospital and which has health care liability insurance separate from that of the hospital by which it is owned and operated:

Per occupied bed	\$31
------------------	------

(k) For a partnership comprised of physicians or nurse anesthetists, organized for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of partners and employed physicians and nurse anesthetists is from 2 to 10	\$95
--	------

b. If the total number of partners and employed physicians and nurse anesthetists is from 11 to 100 \$947

c. If the total number of partners and employed physicians and nurse anesthetists exceeds 100 \$2,368

2. The following fee for each of the following employes employed by the partnership as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952
Nurse Midwives	5,986
Advanced Nurse Midwives	6,258
Advanced Practice Nurse Prescribers	952
Chiropractors	1,088
Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(L) For a corporation, including a service corporation, with more than one shareholder organized under ch. 180, Stats., for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of shareholders and employed physicians and nurse anesthetists is from 2 to 10 \$95

b. If the total number of shareholders and employed physicians and nurse anesthetists is from 11 to 100 \$947

c. If the total number of shareholders and employed physicians or nurse anesthetists exceeds 100 \$2,368

2. The following for each of the following employees employed by the corporation as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952
Nurse Midwives	5,986
Advanced Nurse Midwives	6,258
Advanced Practice Nurse Prescribers	952
Chiropractors	1,088
Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(m) For a corporation organized under ch. 181, Stats., for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of employed physicians and nurse anesthetists is from 1 to 10	\$95
b. If the total number of employed physicians and nurse anesthetists is from 11 to 100	\$947
c. If the total number of employed physicians or nurse anesthetists exceeds 100	\$2,368

2. The following for each of the following employees employed by the corporation as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952
Nurse Midwives	5,986
Advanced Nurse Midwives	6,258

Advanced Practice Nurse Prescribers	952
Chiropractors	1,088
Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(n) For an operational cooperative sickness care plan as described under s. 655.002 (1) (f),

Stats., all of the following fees:

1. Per 100 outpatient visits during the last calendar year for which totals are available \$0.20.
2. 2.5% of the total annual fees assessed against all of the employed physicians.
3. The following for each of the following employes employed by the operational cooperative sickness plan as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952
Nurse Midwives	5,986
Advanced Nurse Midwives	6,258
Advanced Practice Nurse Prescribers	952
Chiropractors	1,088
Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(o) For a freestanding ambulatory surgery center, as defined in s. Ins 120.03 (10):

Per 100 outpatient visits during the last calendar year for which totals are available \$40

(p) For an entity affiliated with a hospital, the greater of \$100 or whichever of the following applies:

1. 7% of the amount the entity pays as premium for its primary health care liability insurance, if it has occurrence coverage.

2. 10% of the amount the entity pays as premium for its primary health care liability insurance, if it has claims-made coverage.

SECTION 5. Ins 17.35 (2b) (title) is amended to read:

Ins 17.35 (2b) (title) **AGGREGATE LIMITS; UNLIMITED EXTENDED REPORTING ENDORSEMENTS.**

SECTION 6. Ins 17.35 (2b) (b) is repealed and recreated to read:

Ins 17.35 (2b) (b) Highest aggregate limit applies. 1. 'Claims-made coverage' The aggregate limit applicable to all claims reported during a reporting year of a claims-made policy shall be the highest limit specified in s. 655.23 (4) (b), Stats., that applies during the reporting year.

2. 'Occurrence coverage.' The limit applicable to all occurrences during an occurrence year of an occurrence policy shall be the highest limit specified in s. 655.23 (4), Stats., that applies during the occurrence year.

SECTION 7. Ins 17.35 (2b) (c) is created to read:

Ins 17.35 (2b) (c) Unlimited extended reporting endorsements issued before January 1, 1999. Before January 1, 1999, the aggregate limit applicable to an unlimited extended reporting endorsement shall be one of the following:

1. The total amount of the annual aggregate limit specified in s. 655.23 (4), Stats., as it applied on the date of the occurrence, shall be available for each occurrence year, less amounts previously paid under any policy for that occurrence year.

2. The following minimum percentage of the annual aggregate limit specified in s. 655.23 (4), Stats., as it applied to the last reporting year of the canceled or nonrenewed claims-made policy shall be available for all claims reported under the extended reporting endorsement: 100% when the policy was in effect for 1 year or less, including any retroactive coverage period; 130% when the policy was in effect for more than 1 year, but less than or equal to 2 years, including any retroactive coverage period; 150% when the policy was in effect for more than 2 years, but less than or equal to 3 years,

including any retroactive coverage period; 160% when the policy was in effect for more than 3 years, including any retroactive coverage period.


SECTION 8. Ins 17.35 (2b) (d) is created to read:

Ins 17.3 (2b) (d) Unlimited extended reporting endorsements issued on and after January 1, 1999. On and after January 1, 1999 the minimum aggregate limit applicable to an unlimited extended reporting endorsement shall be that specified in subd. (c) 2.

SECTION 9. INITIAL APPLICABILITY. This rule first applies on July 1, 1998.

SECTION 10. EFFECTIVE DATE. This rule will take effect on the first day of the first month after publication, as provided in s. 227.22 (2) (intro), Stats.

Dated at Madison, Wisconsin, this 18th day of May 1998.



Randy Blumer
Commissioner of Insurance (Acting)

FISCAL ESTIMATE WORKSHEET

1995 Session

Estimated Estimate of Annual Fiscal Effect
 OA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
 Ins 17.01, 17.28

Amendment No.

Subject:

Relating to annual Patients Compensation Fund fees for fiscal year 1998-1999

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
State Costs by Category			
State Operations - Salaries and Fringes		\$	\$ -
(FTE Position Changes)		(FTE)	(- FTE)
State Operations - Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$	\$ -
State Costs by Source of Funds			
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
TOTAL State Revenues		\$ -0-	\$ - -0-

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS \$ _____ \$ _____

NET CHANGE IN REVENUES \$ _____ \$ _____

Agency/Prepared by: (Name & Phone No.)

PCF/Theresa Wedekind 608-266-0953

Authorized Signature/Telephone No.

Randy Blumer
 Randy Blumer, Commissioner

Date

3/12/98

FISCAL ESTIMATE
OOA-2048 N(R10/94)

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
Iss 17.01, 17.28
Amendment No. if Applicable

Subject

Relating to annual Patients Compensation Fund fees for fiscal year 1998-1999

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:

- Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The Patients Compensation Fund (Fund) is a segregated fund. Annual Fund fees are established to become effective each July 1, based on actuarial estimates of the Fund's needs for payment of medical malpractice claims. The proposed fees were approved by the Fund's Board at its February 25, 1998, meeting.

There is no effect on GPR.

Estimated revenue for fiscal year 1998-1999 is approximately \$50.6 million, which represents a zero percent increase to fiscal year 1997-1998 revenues.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

PCF/Theresa Wedekind 608-266-0958

Authorized Signature/Telephone No.

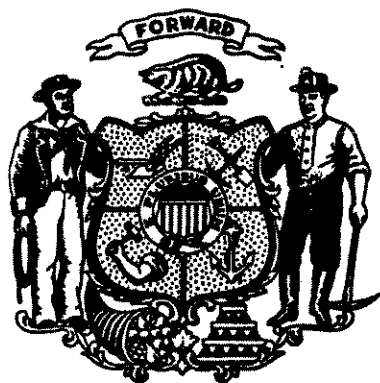
Randy Blumer

Randy Blumer, Commissioner

Date

3/12/98

END



END



of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE



Tommy G. Thompson
Governor

Randy Blumer
Commissioner (Acting)

May 26, 1998

121 East Wilson Street
P.O. Box 7873
Madison, Wisconsin 53707-7873

(608) 266-3585

http://badger.state.wi.us/agencies/oci/oci_home.htm

HONORABLE ROBERT WELCH
SENATE CO-CHAIRPERSON
JOINT COMM FOR REVIEW OF ADM RULES
1 EAST MAINS STREET RM 201
MADISON WI 53702

Re: Emergency Rule, Sections Ins 17.01 (3) (intro), 17.28 (4) (cm), 17.28 (6a),
17.28 (6), 17.35 (2b) (title), and 17.35 (2b) (b) (c) and (d), Wis. Adm.
Code, relating to annual patients compensation fund and mediation
fund fees for the fiscal year beginning July 1, 1998

Dear Senator Welch:

I am promulgating the attached rule as an emergency rule. It will be published
in the official State newspaper on May 28, 1998.

If you have any questions, please contact Alice M. Shuman at 266-9892 or e-
mail at ashuman@mail.state.wi.us.

Best regards,

Randy Blumer
Commissioner of Insurance

RB:AS
Attachment: 1 copy rule



of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE



Tommy G. Thompson
Governor

Randy Blumer
Commissioner (Acting)

May 20, 1998

121 East Wilson Street
P.O. Box 7873
Madison, Wisconsin 53707-7873

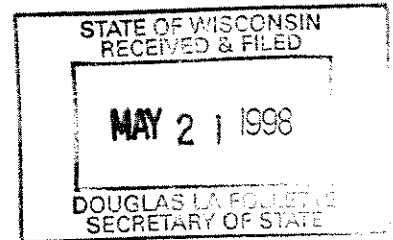
(608) 266-3585

http://badger.state.wi.us/agencies/oci/oci_home.htm

STATE OF WISCONSIN

OFFICE OF THE COMMISSIONER OF INSURANCE

SS

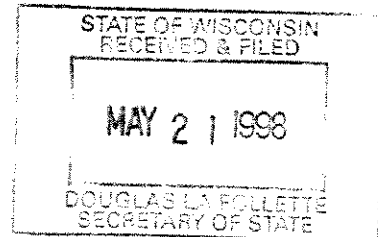


I, Randy Blumer, Commissioner of Insurance and custodian of the official records, certify that the annexed emergency rule affecting Sections Ins 17.01 (3) (intro), 17.28 (4) (cm), 17.28 (6a), 17.28 (6), 17.35 (2b) (title), and 17.35 (2b) (b) (c) and (d), Wis. Adm. Code, relating to annual patients compensation fund and mediation fund fees for the fiscal year beginning July 1, 1998, is duly approved and adopted by this Office on May 20, 1998.

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 original, and the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 121 East Wilson Street, Madison, Wisconsin, on May 20, 1998.

Randy Blumer
Commissioner of Insurance



PROPOSED ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE
AND THE BOARD OF GOVERNORS OF THE PATIENTS COMPENSATION FUND
AMENDING AND REPEALING AND RECREATING A RULE

The office of the commissioner of insurance and the board of governors of the patients compensation fund propose an order to amend s. Ins 17.01 (3) (intro.), s. Ins 17.28 (4) (cm), s. Ins 17.28 (6a), and s. Ins 17.35 (2b) (title), to repeal and recreate s. Ins 17.28 (6) and s. Ins 17.35 (2b) (b), and to create s. Ins 17.35 (2b) (c) and (d), relating to annual patients compensation fund and mediation fund fees for the fiscal year beginning July 1, 1998, to limit fund fee refund requests to the current and immediate prior year only, and to establish standards for the application of the aggregate underlying liability limits upon the termination of a claims-made policy.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3), 655.004, 655.23 (4), 655.27 (3) (b) and 655.61, Stats.

Statutes interpreted: ss. 655.27 (3) and 655.23 (4), Stats.

The commissioner of insurance, with the approval of the board of governors (board) of the patients compensation fund (fund), is required to establish by administrative rule the annual fees which

participating health care providers must pay to the fund. This rule establishes those fees for the fiscal year beginning July 1, 1998. These fees incorporate changes to class 2 and 3 relativities based on experience factors with an overall impact of zero compared with fees paid for the 1997-98 fiscal year. The board approved this change in relativities with no overall increase in fees at its meeting on February 25, 1998, based on the recommendation of the board's actuarial and underwriting committee.

The board is also required to promulgate by rule the annual fees for the operation of the patients compensation mediation system, based on the recommendation of the director of state courts. This rule implements the director's funding level recommendation by establishing mediation panel fees for the next fiscal year at \$16.00 for physicians and \$1.00 per occupied bed for hospitals, representing a 50% decrease from 1997-98 fiscal year fees.

This rule also limits fund fee refunds to the current fiscal year and the immediate prior fiscal year in s. Ins 17.28 (4) (cm). This rule in s. Ins 17.35 (2b) (b), (c) and (d) sets standards for the application of the aggregate underlying liability limits upon the termination of a claims-made policy based on the actuarial equivalence of an occurrence policy.

FINDING OF EMERGENCY

The commissioner of insurance (commissioner) finds that an emergency exists and that promulgation of this emergency rule is necessary for the preservation of the public peace, health, safety or welfare. The facts constituting the emergency are as follows:

The commissioner was unable to promulgate the permanent rule corresponding to this emergency rule, clearinghouse rule no. 98-048, in time for the patients compensation fund (fund) to bill health care providers in a timely manner for fees applicable to the fiscal year beginning July 1, 1998.

The commissioner expects that the permanent rule will be filed with the secretary of state in time to take effect September 1, 1998. Because the provisions of this rule first apply on July 1, 1998, it is necessary to promulgate the rule on an emergency basis. A hearing on the permanent rule, pursuant to published notice thereof, was held on May 8, 1998.

SECTION 1. Ins 17.01 (3) (intro.) is amended to read:

Ins 17.01 (3) FEE SCHEDULE. (intro.) The following fee schedule shall be effective July 1, ~~1997~~ 1998.

SECTION 2. Ins 17.28 (4) (cm) is amended to read:

Ins 17.28 (4) (cm) Eligibility for exemption; refund. If a provider claims an exemption after paying all or part of the annual fee, the fund shall issue a refund equal to one twenty-fourth of the provider's annual fee for each full semi-monthly period from the date the provider becomes eligible for the exemption to the due date of the next payment. The refund for any past exemption period will be limited to the current fiscal year and the immediate prior fiscal year.

SECTION 3. Ins 17.28 (6a) is amended to read:

Ins 17.28 (6a) FEES FOR OCI APPROVED SELF-INSURED HEALTH CARE PROVIDERS. The following fee schedule is in effect from July 1, 1997 to June 30, ~~1998~~ 1999 for OCI approved self-insured health care providers who elect, pursuant to s. 655.23 (4) (c) 2, Stats., to increase their per occurrence limit to \$600,000 for each occurrence on or after July 1, 1997, provided such self-insured provider has filed an amended self-insured plan document reflecting the increased coverage levels with the office of the commissioner of insurance and with the patients compensation fund on or before August 15, 1997:

The fees set forth in sub. (6) multiplied by 1.161.

SECTION 4. Ins 17.28 (6) is repealed and recreated to read:

Ins 17.28 (6) FEE SCHEDULE. The following fee schedule is in effect from July 1, 1998, to June 30, 1999:

(a) Except as provided in pars. (b) to (g) and sub. (6e), for a physician for whom this state is a principal place of practice:

Class 1	\$2,721	Class 3	\$11,292
Class 2	\$5,170	Class 4	\$16,326

(b) For a resident acting within the scope of a residency or fellowship program:

Class 1	\$1,361	Class 3	\$5,648
Class 2	\$2,586	Class 4	\$8,166

(c) For a resident practicing part-time outside the scope of a residency or fellowship program:

All classes	\$1,633
-------------	---------

(d) For a medical college of Wisconsin, inc., full-time faculty member:

Class 1	\$1,088	Class 3	\$4,515
Class 2	\$2,067	Class 4	\$6,528

(e) For a physician who practices fewer than 500 hours during the fiscal year, limited to office practice and nursing home and house calls, and who does not practice obstetrics or surgery or assist in surgical procedures:

\$680

(f) For a physician for whom this state is not a principal place of practice:

Class 1	\$1,361	Class 3	\$5,648
Class 2	\$2,586	Class 4	\$8,166

(g) For a nurse anesthetist for whom this state is a principal place of practice:

\$678

(h) For a nurse anesthetist for whom this state is not a principal place of practice:

\$339

(i) For a hospital:

1. Per occupied bed \$167; plus

2. Per 100 outpatient visits during the last calendar year for which totals are available. \$8.35

(j) For a nursing home, as described under s. 655.002 (1) (j), Stats., which is wholly owned and operated by a hospital and which has health care liability insurance separate from that of the hospital by which it is owned and operated:

Per occupied bed	\$31
------------------	------

(k) For a partnership comprised of physicians or nurse anesthetists, organized for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of partners and employed physicians and nurse anesthetists is from 2 to 10 \$95

b. If the total number of partners and employed physicians and nurse anesthetists is from 11 to 100 \$947

c. If the total number of partners and employed physicians and nurse anesthetists exceeds 100 \$2,368

2. The following fee for each of the following employees employed by the partnership as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952
Nurse Midwives	5,986
Advanced Nurse Midwives	6,258
Advanced Practice Nurse Prescribers	952
Chiropractors	1,088
Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(L) For a corporation, including a service corporation, with more than one shareholder organized under ch. 180, Stats., for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of shareholders and employed physicians and nurse anesthetists is from 2 to 10 \$95

b. If the total number of shareholders and employed physicians and nurse anesthetists is from 11 to 100 \$947

c. If the total number of shareholders and employed physicians or nurse anesthetists exceeds 100 \$2,368

2. The following for each of the following employes employed by the corporation as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952
Nurse Midwives	5,986
Advanced Nurse Midwives	6,258
Advanced Practice Nurse Prescribers	952
Chiropractors	1,088
Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(m) For a corporation organized under ch. 181, Stats., for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of employed physicians and nurse anesthetists is from 1 to 10	\$95
b. If the total number of employed physicians and nurse anesthetists is from 11 to 100	\$947
c. If the total number of employed physicians or nurse anesthetists exceeds 100	\$2,368

2. The following for each of the following employes employed by the corporation as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952
Nurse Midwives	5,986
Advanced Nurse Midwives	6,258

Advanced Practice Nurse Prescribers	952
Chiropractors	1,088
Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(n) For an operational cooperative sickness care plan as described under s. 655.002 (1) (f),

Stats., all of the following fees:

1. Per 100 outpatient visits during the last calendar year for which totals are available \$0.20.
2. 2.5% of the total annual fees assessed against all of the employed physicians.
3. The following for each of the following employes employed by the operational cooperative sickness plan as of July 1, 1998:

Employed Health Care Persons	July 1, 1998 Fund Fee
Nurse Practitioner	\$ 680
Advanced Nurse Practitioner	952
Nurse Midwives	5,986
Advanced Nurse Midwives	6,258
Advanced Practice Nurse Prescribers	952
Chiropractors	1,088
Dentists	544
Oral Surgeons	4,082
Podiatrists-Surgical	11,564
Optometrists	544
Physician Assistant	544

(o) For a freestanding ambulatory surgery center, as defined in s. Ins 120.03 (10):

Per 100 outpatient visits during the last calendar year for which totals are available \$40

(p) For an entity affiliated with a hospital, the greater of \$100 or whichever of the following applies:

1. 7% of the amount the entity pays as premium for its primary health care liability insurance, if it has occurrence coverage.

2. 10% of the amount the entity pays as premium for its primary health care liability insurance, if it has claims-made coverage.

SECTION 5. Ins 17.35 (2b) (title) is amended to read:

Ins 17.35 (2b) (title) AGGREGATE LIMITS; UNLIMITED EXTENDED REPORTING ENDORSEMENTS.

SECTION 6. Ins 17.35 (2b) (b) is repealed and recreated to read:

Ins 17.35 (2b) (b) Highest aggregate limit applies. 1. 'Claims-made coverage' The aggregate limit applicable to all claims reported during a reporting year of a claims-made policy shall be the highest limit specified in s. 655.23 (4) (b), Stats., that applies during the reporting year.

2. 'Occurrence coverage.' The limit applicable to all occurrences during an occurrence year of an occurrence policy shall be the highest limit specified in s. 655.23 (4), Stats., that applies during the occurrence year.

SECTION 7. Ins 17.35 (2b) (c) is created to read:

Ins 17.35 (2b) (c) Unlimited extended reporting endorsements issued before January 1, 1999. Before January 1, 1999, the aggregate limit applicable to an unlimited extended reporting endorsement shall be one of the following:

1. The total amount of the annual aggregate limit specified in s. 655.23 (4), Stats., as it applied on the date of the occurrence, shall be available for each occurrence year, less amounts previously paid under any policy for that occurrence year.

2. The following minimum percentage of the annual aggregate limit specified in s. 655.23 (4), Stats., as it applied to the last reporting year of the canceled or nonrenewed claims-made policy shall be available for all claims reported under the extended reporting endorsement: 100% when the policy was in effect for 1 year or less, including any retroactive coverage period; 130% when the policy was in effect for more than 1 year, but less than or equal to 2 years, including any retroactive coverage period; 150% when the policy was in effect for more than 2 years, but less than or equal to 3 years,

including any retroactive coverage period; 160% when the policy was in effect for more than 3 years, including any retroactive coverage period.


SECTION 8. Ins 17.35 (2b) (d) is created to read:

Ins 17.3 (2b) (d) Unlimited extended reporting endorsements issued on and after January 1, 1999. On and after January 1, 1999 the minimum aggregate limit applicable to an unlimited extended reporting endorsement shall be that specified in subd. (c) 2.

SECTION 9. INITIAL APPLICABILITY. This rule first applies on July 1, 1998.

SECTION 10. EFFECTIVE DATE. This rule will take effect on the first day of the first month after publication, as provided in s. 227.22 (2) (intro), Stats.

Dated at Madison, Wisconsin, this 18th day of May 1998.



Randy Blumer
Commissioner of Insurance (Acting)

SCAL ESTIMATE WORKSHEET

1995 Session

Revised Estimate of Annual Fiscal Effect
 SA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No. Amendment No.
 Ins 17.01, 17.28

Subject

Relating to annual Patients Compensation Fund fees for fiscal year 1998-1999

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:		Annualized Fiscal impact on State funds from:	
State Costs by Category		Increased Costs	Decreased Costs
State Operations - Salaries and Fringes		\$	\$ -
(FTE Position Changes)		(FTE)	(- FTE)
State Operations - Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$	\$ -
State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
TOTAL State Revenues		\$ -0-	\$ - -0-

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

CHANGE IN COSTS \$ _____ \$ _____
 CHANGE IN REVENUES \$ _____ \$ _____

Prepared by: (Name & Phone No.)

CF/Theresa Wedekind 608-266-0953

Authorized Signature/Telephone No.

Randy Blumer
 Randy Blumer, Commissioner

Date

3/12/98

FISCAL ESTIMATE
DOA-2048 N(R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
17.01, 17.28
Amendment No. if Applicable

Subject

Relating to annual Patients Compensation Fund fees for fiscal year 1998-1999

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- | | |
|--|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing Revenues |
| <input type="checkbox"/> Create New Appropriation | |

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Decrease Costs

Local: No local government costs

- | | |
|--|---|
| 1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |
| 2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |

5. Types of Local Governmental Units Affected:

- Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The Patients Compensation Fund (Fund) is a segregated fund. Annual Fund fees are established to become effective each July 1, based on actuarial estimates of the Fund's needs for payment of medical malpractice claims. The proposed fees were approved by the Fund's Board at its February 25, 1998, meeting.

There is no effect on GPR.

Estimated revenue for fiscal year 1998-1999 is approximately \$50.6 million, which represents a zero percent increase to fiscal year 1997-1998 revenues.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

PCF/Theresa Wedekind 608-266-0958

Authorized Signature/Telephone No.

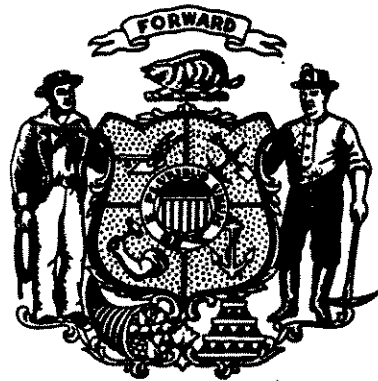
Randy Blumer

Randy Blumer, Commissioner

Date

3/12/98

END



END



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE



Tommy G. Thompson
Governor

Randy Blumer
Commissioner (Acting)

June 12, 1998

121 East Wilson Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935

E-Mail: ocioci@mail.state.wi.us
http://badger.state.wi.us/agencies/oci/oci_home.htm

HONORABLE ROBERT WELCH
SENATE CO-CHAIRPERSON
JOINT COMM FOR REVIEW OF ADM RULES
1 EAST MAIN ST RM 201
MADISON WI 53702

412

Re: Emergency Rule, Section Ins 17.01(3)(intro.), (a) and (b), Wis. Adm. Code,
relating to annual patients compensation fund and mediation fund fees for
the fiscal year beginning July 1, 1998

Dear Senator Welch:

I will be promulgating an emergency rule. Attached is a draft of the rule for your review. The reasons for proceeding with an emergency rule are given in the Finding of Emergency in the rule. It will be published in the official State newspaper in about a week.

If you have any questions, please contact Alice M. Shuman at 266-9892 or e-mail at ashuman@mail.state.wi.us.

Best regards,

Randy Blumer
Commissioner of Insurance

RB:AS
Attachment: 1 copy draft rule



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE



Tommy G. Thompson
Governor

Randy Blumer
Commissioner (Acting)

June 12, 1998

121 East Wilson Street • P.O. Box 7873
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STATE OF WISCONSIN

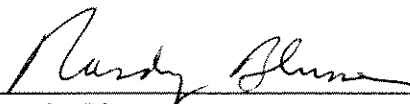
OFFICE OF THE COMMISSIONER OF INSURANCE

SS

I, Randy Blumer, Commissioner of Insurance and custodian of the official records, certify that the annexed emergency rule affecting Section Ins 17.01(3)(intro.), (a) and (b), Wis. Adm. Code, relating to annual patients compensation fund and mediation fund fees for the fiscal year beginning July 1, 1998, is duly approved and adopted by this Office on June 12, 1998.

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 original, and the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 121 East Wilson Street, Madison, Wisconsin, on June 12, 1998.



Randy Blumer
Commissioner of Insurance

ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE
AND THE BOARD OF GOVERNORS OF THE PATIENTS COMPENSATION FUND
AMENDING AND REPEALING AND RECREATING A RULE

The office of the commissioner of insurance and the board of governors of the patients compensation fund propose an order to amend ss. Ins 17.01 (3) (intro.), (a) and (b), relating to annual patients compensation fund and mediation fund fees for the fiscal year beginning July 1, 1998.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3), 655.004, 655.23 (4), 655.27 (3) (b) and 655.61, Stats.

Statutes interpreted: ss. 655.27 (3) and 655.23 (4), Stats.

The commissioner of insurance, with the approval of the board of governors (board) of the patients compensation fund (fund), is required to promulgate by rule the annual fees for the operation of the patients compensation fund mediation system, based upon the recommendation of the director of state courts. This rule implements the director's funding level recommendation by establishing mediation panel fees for the 1998-99 fiscal year at \$16.00 for physicians and \$1.00 per occupied bed for hospitals, representing a 50% decrease from 1997-98 fiscal year fees. The fees established by this rule are effective for the fiscal year beginning July 1, 1998.

FINDING OF EMERGENCY

The commissioner of insurance (commissioner) finds that an emergency exists and that promulgation of this emergency rule is necessary for the preservation of the public peace, health, safety or welfare. The facts constituting the emergency are as follows:

This emergency rule relating to mediation fees corresponds to the emergency rule relating to fund fees published in the Wisconsin State Journal on May 28, 1998. As the permanent rulemaking process takes a minimum of nine months to complete, and the fund's actuaries' recommendations are made in February each year, the commissioner was unable to promulgate the permanent rule, clearinghouse rule no. 98-048, in time for the patients compensation fund (fund) to notify and bill health care providers in a timely manner for fees applicable to the fiscal year beginning July 1, 1998.

This emergency rule is necessary to establish mediation fees applicable to the fiscal year 1998-99 in a timely manner. A germane amendment to the permanent rule was made on June 12, 1998 to include the reduced mediation fees. The commissioner expects that the permanent rule will be filed with the secretary of state in time to take effect September 1, 1998. Because the provisions of this rule first apply on July 1, 1998, it is necessary to promulgate the rule on an emergency basis. A hearing on the permanent rule, pursuant to published notice thereof, was held on May 8, 1998.

SECTION 1. Ins 17.01 (3)(intro), (a) and (b) are amended to read:

Ins 17.01 (3) FEE SCHEDULE. (intro.) The following fee schedule shall be effective July 1, ~~1997~~ 1998:

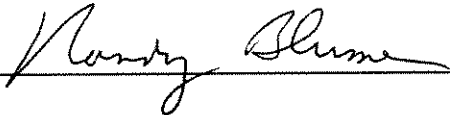
(a) For physicians—~~\$38.00~~ \$16.00

(b) For hospitals, per occupied bed—~~\$3.00~~ \$1.00

SECTION 2. INITIAL APPLICABILITY. This rule first applies on July 1, 1998.

SECTION 3. EFFECTIVE DATE. This rule will take effect upon publication, as provided in s. 227.24, Stats.

Dated at Madison, Wisconsin, this 12th day of June 1998.



Randy Blumer

Commissioner of Insurance

FISCAL ESTIMATE WORKSHEET

1995 Session

Detailed Estimate of Annual Fiscal Effect
XOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
Ins 17.01, 17.28

Amendment No.

subject:

Relating to annual Patients Compensation Fund fees for fiscal year 1998-1999

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
State Costs by Category		
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED	-	-
PRO/PRS		-
SEG/SEG-S		-
I. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$ -0-	\$ - -0-

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS \$ _____ \$ _____

NET CHANGE IN REVENUES \$ _____ \$ _____

Agency/Prepared by: (Name & Phone No.)

PCF/Theresa Wedekind 608-266-0953

Authorized Signature/Telephone No.

Randy Blumer
Randy Blumer, Commissioner

Date

3/12/98

FISCAL ESTIMATE
OOA-2048 N(R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
Ins 17.01, 17.28
Amendment No. if Applicable

Subject

Relating to annual Patients Compensation Fund fees for fiscal year 1998-1999

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs

Permissive Mandatory

3. Increase Revenues

Permissive Mandatory

5. Types of Local Governmental Units Affected:

Towns Villages Cities

2. Decrease Costs

Permissive Mandatory

4. Decrease Revenues

Permissive Mandatory

Counties Others _____

School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The Patients Compensation Fund (Fund) is a segregated fund. Annual Fund fees are established to become effective each July 1, based on actuarial estimates of the Fund's needs for payment of medical malpractice claims. The proposed fees were approved by the Fund's Board at its February 25, 1998, meeting.

There is no effect on GPR.

Estimated revenue for fiscal year 1998-1999 is approximately \$50.6 million, which represents a zero percent increase to fiscal year 1997-1998 revenues.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

PCF/Theresa Wedekind 608-266-0958

Authorized Signature/Telephone No.

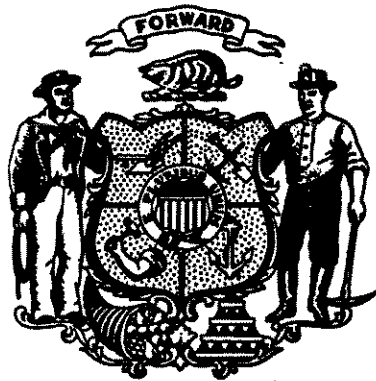
Randy E. Turner

Randy E. Turner, Commissioner

Date

3/12/98

END



END



716
State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE



Tommy G. Thompson
Governor

Randy Blumer
Commissioner (Acting)

June 17, 1998

121 East Wilson Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: ocioci@mail.state.wi.us
http://badger.state.wi.us/agencies/oci/oci_home.htm

Members of the Legislature

Re: Emergency Rule, Section Ins 17.01(3)(intro.), (a) and (b), Wis. Adm. Code,
relating to annual patients compensation fund and mediation fund fees for
the fiscal year beginning July 1, 1998

Dear Senator or Representative to the Assembly:

I have promulgated the attached rule as an emergency rule. The rule will be published
in the official State newspaper on June 19, 1998.

The attached copy of the rule includes the Finding of Emergency which required
promulgation of the rule.

If you have any questions, please contact Alice M. Shuman at 266-9892 or e-mail at
ashuman@mail.state.wi.us.

Best regards,

Randy Blumer
Commissioner of Insurance

RB:AS
Attachment: 1 copy rule



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE



Tommy G. Thompson
Governor

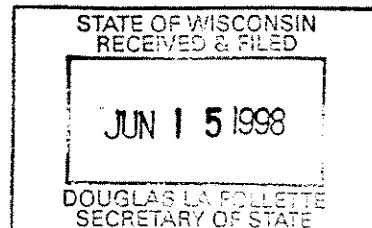
Randy Blumer
Commissioner (Acting)

June 12, 1998

121 East Wilson Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
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http://badger.state.wi.us/agencies/oci/oci_home.htm

STATE OF WISCONSIN
OFFICE OF THE COMMISSIONER OF INSURANCE

SS

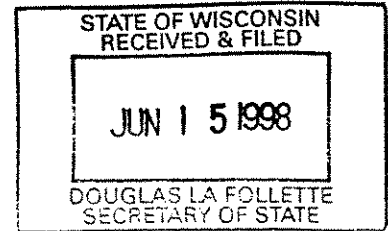


I, Randy Blumer, Commissioner of Insurance and custodian of the official records, certify that the annexed emergency rule affecting Section Ins 17.01(3)(intro.), (a) and (b), Wis. Adm. Code, relating to annual patients compensation fund and mediation fund fees for the fiscal year beginning July 1, 1998, is duly approved and adopted by this Office on June 12, 1998.

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 original, and the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 121 East Wilson Street, Madison, Wisconsin, on June 12, 1998.

Randy Blumer
Commissioner of Insurance



ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE
AND THE BOARD OF GOVERNORS OF THE PATIENTS COMPENSATION FUND
AMENDING AND REPEALING AND RECREATING A RULE

The office of the commissioner of insurance and the board of governors of the patients compensation fund propose an order to amend ss. Ins 17.01 (3) (intro.), (a) and (b), relating to annual patients compensation fund and mediation fund fees for the fiscal year beginning July 1, 1998.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3), 655.004, 655.23 (4), 655.27 (3) (b) and 655.61, Stats.

Statutes interpreted: ss. 655.27 (3) and 655.23 (4), Stats.

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Ins 17.01 (3) FEE SCHEDULE. (intro.) The following fee schedule shall be effective July 1, ~~1997~~ 1998:


(a) For physicians—~~\$38.00~~ \$16.00

(b) For hospitals, per occupied bed—~~\$3.00~~ \$1.00

SECTION 2. INITIAL APPLICABILITY. This rule first applies on July 1, 1998.

SECTION 3. EFFECTIVE DATE. This rule will take effect upon publication, as provided in s. 227.24, Stats.

Dated at Madison, Wisconsin, this 12th day of June 1998.



Randy Blumer

Commissioner of Insurance

SCAL ESTIMATE WORKSHEET

1995 Session

Dated Estimate of Annual Fiscal Effect
A-1047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
Ins 17.01, 17.28

Amendment No.

Subject:

Relating to annual Patients Compensation Fund fees for fiscal year 1998-1999

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
State Costs by Category		
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
State Costs by Source of Funds		
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$ -0-	\$ - -0-

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
CHANGE IN COSTS	\$ _____	\$ _____
CHANGE IN REVENUES	\$ _____	\$ _____

Prepared by: (Name & Phone No.)

CE/Theresa Wedekind 608-266-0953

Authorized Signature/Telephone No.

Randy Blumer
Randy Blumer, Commissioner

Date

3/16/98

FISCAL ESTIMATE
OOA-2048 N(R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
Inz 17.01, 17.28
Amendment No. if Applicable

Subject

Relating to annual Patients Compensation Fund fees for fiscal year 1998-1999

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:

Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The Patients Compensation Fund (Fund) is a segregated fund. Annual Fund fees are established to become effective each July 1, based on actuarial estimates of the Fund's needs for payment of medical malpractice claims. The proposed fees were approved by the Fund's Board at its February 25, 1998, meeting.

There is no effect on GPR.

Estimated revenue for fiscal year 1998-1999 is approximately \$50.6 million, which represents a zero percent increase to fiscal year 1997-1998 revenues.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

PCF/Theresa Wedekind 608-266-0958

Authorized Signature/Telephone No.

Randy Bumer

Date

3/12/98

Randy Bumer, Commissioner