

2007 DRAFTING REQUEST

Bill

Received: **02/23/2007**

Received By: **pkahler**

Wanted: **As time permits**

Identical to LRB:

For: **Steve Wieckert (608) 266-3070**

By/Representing: **himself**

This file may be shown to any legislator: **NO**

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Insurance - miscellaneous**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Wieckert@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Prohibiting use of moneys in patients compensation fund for other purposes

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 02/23/2007	jdye 03/05/2007		_____			
/1			nmatzke 03/05/2007	_____	lparisi 03/05/2007	sbasford 03/23/2007	

FE Sent For:

<END>

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/?	pkahler	1 ³ / ₅ jld	nwm 3/5	nwm 3/5			

FE Sent For:

<END>

for Rep Weeckert

wants bill similar to OSAB 294
re. patients comp fund

wants to prohibit transfers of \$ for purpose
other than intended purpose
of fund - before Jan 1, 2020



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-2062/

PJK:.....

JG

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

gen cat

1 AN ACT *x*; relating to: prohibiting the transfer of moneys from the injured
2 patients and families compensation fund for unintended purposes. ✓

Analysis by the Legislative Reference Bureau

The health care liability provisions of the statutes require certain health care providers to carry health care liability (medical malpractice) insurance with liability limits of at least \$1,000,000 for each occurrence and at least \$3,000,000 for all occurrences in a policy year. Any portion of a medical malpractice claim that exceeds the policy limits is paid by the injured patients and families compensation fund (fund) for health care providers that are subject to the health care liability provisions. Money for the fund comes from annual fees paid by those health care providers.

Current law provides that the fund is established to curb the rising costs of health care by financing part of the liability incurred by health care providers, that the fund is held in irrevocable trust for the sole benefit of health care providers and proper claimants, and that the fund may not be used for any other purpose of the state. This bill provides that, before January 1, 2020, moneys in the fund may not be transferred from the fund to be used for any purpose not specifically stated under current law as a use for moneys in the fund. ✓ → e

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

1

SECTION 1. 655.27 (6) of the statutes is amended to read:

2

655.27 (6) PURPOSE AND INTEGRITY OF FUND. The fund is established to curb the

3

rising costs of health care by financing part of the liability incurred by health care

4

providers as a result of medical malpractice claims and to ensure that proper claims

5

are satisfied. The fund, including any net worth of the fund, is held in irrevocable

6

trust for the sole benefit of health care providers participating in the fund and proper

7

claimants. Moneys in the fund may not be used for any other purpose of the state.

8

Before January 1, 2020, moneys may not be transferred from the fund to be used for

9

any purpose not specified in this chapter or s. 20.145 (2).

History: 1975 c. 37, 79, 199; 1977 c. 29, 131; 1979 c. 34, 194; 1981 c. 20; 1983 a. 27, 158; 1985 a. 340; 1987 a. 27, 186, 247, 399; 1989 a. 102, 187, 332; 1991 a. 214, 315; 1993 a. 473; 1995 a. 10; 2001 a. 65; 2003 a. 111; 2005 a. 36, 410.

10

(END)

as a use for moneys in
the fund

Basford, Sarah

From: Becher, Scott
Sent: Friday, March 23, 2007 12:06 PM
To: LRB.Legal
Subject: FW: Co-sponsorship – Reducing the Cost of Health Care: Protecting the Patient Compensation Fund – LRB 2062

Attachments: 07-20621.pdf

I am looking for this bill to be jacketed..

From: Rep.Wieckert
Sent: Friday, March 23, 2007 12:05 PM
To: *Legislative Assembly Republicans; *Legislative Assembly Democrats; *Legislative Senate Republicans; *Legislative Senate Democrats
Subject: Co-sponsorship – Reducing the Cost of Health Care: Protecting the Patient Compensation Fund – LRB 2062

TO: All Legislators
FROM: Rep. Steve Wieckert
DATE: March 23, 2007
RE: Co-sponsorship – Reducing the Cost of Health Care: Protecting the Patient Compensation Fund – LRB 2062

I am proposing legislation, which would protect the Patient Compensation Fund by prohibiting any withdrawals from the funds money other than for fund's stated purpose.

The PCF has been significantly valuable in moderating medical malpractice insurance costs, which in turn helps keep the cost of health insurance and health care in general lower than it would have been without it. This has been extremely helpful for Wisconsin. Doctors and medical professionals from other states actually move to Wisconsin to take advantage of this program creating a win-win situation for the doctors and for the cost of health care for citizens of Wisconsin. Therefore the fund should be protected.

Yesterday, the nonpartisan Legislation Audit Bureau (March 2007 – 07-3) issued its report on this important fund. It stated about the attempts to remove \$175 million from this fund, as is being proposed:

“We caution that such a transfer would place the fund in a deficit accounting position and may result in future increases in assessed provider rates.”

This inappropriate transfer of funds could result in significant increases in doctor insurance premiums and add to the already excessively high cost of medical care. That is clearly the wrong way to go.

Last session, I introduced similar legislation, AB 294, which received bipartisan support in both the Assembly and Senate.

In addition, the fund does not contain taxpayer dollars. The PCF is funded through assessments on

doctors and other medical professionals. Therefore this fund should clearly not be used for GPR purposes or in any other way except as the fund is designed for.

The Wisconsin Medical Society, the Wisconsin Academy of Family Physicians, and the Wisconsin Association of Health Underwriters have supported this legislation in the past.

This bill may not be the final solution, but it is a step in the right direction. We need to be active in finding ways to preserve and protect the Patient Compensation Fund to help reduce the pressures that cause health care costs to increase.

If you would like to co-sponsor this bill please call my office at 266-3070 by April 14, 2007.

Analysis by the Legislative Reference Bureau

The health care liability provisions of the statutes require certain health care providers to carry health care liability (medical malpractice) insurance with liability limits of at least \$1,000,000 for each occurrence and at least \$3,000,000 for all occurrences in a policy year. Any portion of a medical malpractice claim that exceeds the policy limits is paid by the injured patients and families compensation fund (fund) for health care providers that are subject to the health care liability provisions. Money for the fund comes from annual fees paid by those health care providers.

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07-20621.pdf (14
KB)