

EXISTING ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Repeal Modification

2. Administrative Rule Chapter, Title and Number

Agency 145 Ch. Ins 17 Health Care Liability Insurance Patients Compensation Fund ss. 17.01 (3), and 17.28 (6), Wis. Adm. Code.

3. Date Rule promulgated and/or revised; Date of most recent Evaluation

The Fund fee rule is reviewed annually as required by s. 655.27 (3) (b) 1., Stats. The mediation panel fees are reviewed annually in accordance with s. 655.61, Stats. The director of state courts must annually provide the board of governors of the injured patients and families compensation fund information on the mediation panel fees by February 1st of each year.

4. Plain Language Analysis of the Rule, its Impact on the Policy Problem that Justified its Creation and Changes in Technology, Economic Conditions or Other Factors Since Promulgation that alter the need for or effectiveness of the Rule.

To establish the annual fees that participating health care providers must pay to the Injured Patients and Families Compensation Fund ("Fund") as required by s. 655.27 (3), Stats., for the fiscal year beginning July 1, 2015. The proposed rule will also establish the mediation panel fees for fiscal year 2016 commencing on July 1, 2015. This rule provides the Fund with appropriate and adequate funding and solvency for future years. This is the main vehicle for achieving and maintaining the Fund's solvency.

5. Describe the Rule's Enforcement Provisions and Mechanisms

All participating providers as defined by s. 655.002, Stats., are required to pay annual Fund and mediation panel fees as provided by s. 655.23 and 655.27, Stats., in order to use their health care provider's license.

6. Repealing or Modifying the Rule Will Impact the Following
(Check All That Apply)

<input type="checkbox"/> State's Economy	<input type="checkbox"/> Specific Businesses/Sectors
<input type="checkbox"/> Local Government Units	<input type="checkbox"/> Public Utility Rate Payers
	<input checked="" type="checkbox"/> Small Businesses

7. Summary of the Impacts, including Compliance Costs, identifying any Unnecessary Burdens the Rule places on the ability of Small Business to conduct their Affairs.

All health care provider participants in the Fund as set forth in s. 655.002 (1), Stats., will be required to pay a 34% reduced assessment for their medical malpractice coverage under Ch. 655, Stats. The impact is considered to be minimal and in fact is a positive impact to the participants. In addition there is a slight increased fee this fiscal year for mediation panel fees. The increase is \$5.75 per physician and an increase of \$1.25 per occupied bed for hospitals from the prior year's rates.

8. List of Small Businesses, Organizations and Members of the Public that commented on the Rule and its Enforcement and a Summary of their Comments.

OCI solicited comments generally through publication requesting comments from the public utilizing the OCI website. Additionally OCI solicited comments from businesses, individuals, and local government units related to the implementation and compliance costs. Solicitations were sent to health insurance members of OCI's Health and Life Insurance Advisory Council and interested parties. Members included health insurance companies, health insurance agent representatives, consumer representatives, provider representatives and representatives of small business.

No comments were received.

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9. Did the Agency consider any of the following Rule Modifications to reduce the Impact of the Rule on Small Businesses in lieu of repeal?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe: The Fund is reducing the annual fees by 34%

10. Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

11. Chapter 20, Stats. Appropriations Affected

None

12. Fiscal Effect of Repealing or Modifying the Rule

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> No Fiscal Effect | <input type="checkbox"/> Increase Existing Revenues | <input type="checkbox"/> Increase Costs |
| <input type="checkbox"/> Indeterminate | <input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Could Absorb Within Agency's Budget |
| | | <input type="checkbox"/> Decrease Cost |

13. Summary of Costs and Benefits of Repealing or Modifying the Rule

The proposed rule will benefit Fund participants by ensuring that fee revenue is adequate to cover anticipated administrative, operating and claims payments costs. The alternatives to this rule would be to establish a Fund fee increase, to maintain current fee amounts or to assess fees lower than the proposed 34% reduction in Fund fees. A greater reduction in fees would leave the Fund with inadequate funding to cover actuarially-based projected costs, while a fee increase or static fee level would present an unnecessary cost to Fund participants. The proposed rule does not significantly impact Wisconsin's economy, productivity, jobs or the overall economic competitiveness of Wisconsin. Wisconsin's health care marketplace is strengthened with an affordable layer of medical malpractice coverage. The Fund has existed in Wisconsin since 1975. Fund participants will benefit from a stable and solvent fund. Additionally, Fund participants should not experience increased compliance costs with the reduction of fund fees even with the inclusion of this year's increased mediation panel fees.

14. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No

15. Long Range Implications of Repealing or Modifying the Rule

The long-range implication of the rule as proposed will be an adequately funded and solvent Fund.

16. Compare With Approaches Being Used by Federal Government

Federal government does not address this subject matter.

17. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

None of the neighboring states have a patient compensation fund or a general program of state-sponsored liability insurance for physicians.

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19. Contact Phone Number

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