

# State of Wisconsin

SENATE CHAIR  
**Alberta Darling**

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## Joint Committee on Finance

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative John Nygren

Date: April 2, 2018

Re: 14-Day Passive Review Approval – OCI

Pursuant to s. 655.27(3)(bt), Stats., attached is a 14-day passive review request from the Office of the Commissioner of Insurance, received on April 2, 2018.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Thursday, April 19, 2018**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:JN:jm



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Chris Nygren

Scott Walker, Governor  
Theodore K. Nickel, Commissioner

Wisconsin.gov

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March 30, 2018

THE HONORABLE ALBERTA DARLING  
THE STATE SENATE  
CO-CHAIR, JOINT COMMITTEE ON FINANCE  
317 E STATE CAPITOL  
MADISON, WI 53707-7882

APR 02 2018

J. Finance

THE HONORABLE JOHN NYGREN  
THE STATE ASSEMBLY  
CO-CHAIR, JOINT COMMITTEE ON FINANCE  
309 E STATE CAPITOL  
MADISON, WI 53708

Re: Report of the Injured Patients and Families Compensation Fund Annual Fund Fee and Medical Mediation Panel Fee Changes for Fiscal Year 2019 Beginning July 1, 2018.

Dear Senator Darling and Representative Nygren:

Please allow this letter to serve as the Office of the Commissioner of Insurance (Office) report to the Joint Committee on Finance regarding the Office's request for a change in the Injured Patients and Families Compensation Fund (Fund) annual Fund fees and medical mediation panel (Panel) fees in accordance with Wis. Stat. § 655.27 (3) (bt).

The Fund was established by, and is operated under Wis. Stat. Ch. 655. Pursuant to Wis. Stat. § 655.27 (3) (b), the Commissioner, after approval by the Fund Board of Governors, shall set the Fund fees annually and by Wis. Stat. § 655.61, shall set the Panel fees at a level sufficient to provide the necessary revenue to fund the medical mediation panels. The fees become effective following submission to and review by the Joint Committee on Finance and in accordance with 2015 Wis. Act 90.

**Fund Fees**

For the fiscal year 2019 beginning July 1, 2018 the Commissioner is requesting to set Fund fees that participating health care providers must pay to the Fund

Senator Darling  
Representative Nygren  
Co-Chairs, Joint Committee on Finance  
March 30, 2018  
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at a rate representing a 10% decrease from fees paid for the 2018 fiscal year. The Board approved these fees at its meeting on March 21, 2018, based upon the recommendation of the Board's actuarial and underwriting committee and reports of the Fund's actuaries. The actual Fund fees for 2019 fiscal year reflecting the 10% decrease are contained in Attachment 1 and delineate the fees by class for physicians and fees for delineated employed health care professionals.

### **Mediation Panel Fees**

The Board is required to set the annual fees for the operation of the medical mediation panel and submit the fees to the Joint Committee on Finance in accordance with Wis. Stat. § 655.27 (3) (bt), based on the recommendation of the Director of State Courts. The Director of State Courts submitted its fiscal year 2019 request on January 9, 2018 requesting \$279,200 to fund the mediation system. The Board's actuarial and underwriting committee met on January 24, 2018 and, based on the request from the Director of State Courts, recommended the Panel fees at \$28.25 for physicians and \$6.25 per occupied bed for hospitals. The Commissioner is setting the 2019 fiscal year Panel fees in accordance with the Board authorization of these Panel Fees received at the March 21, 2018 meeting. These Panel fees represent an increase of \$15.50 per physician and an increase of \$3.75 per occupied bed for hospitals from the 2018 fiscal year Panel fees.

The Fund and Panel fees, once reviewed by the Joint Committee on Finance, will be published to the Office's and Fund's website in accordance with Wis. Stat. § 655.27 (3) (bt), and will request the Director of State Courts to also post the rates on its website.

Please do not hesitate to contact our Office if you have further questions or need additional information.

Sincerely,



Zachary Bemis  
Chief Legal Counsel

cc: Terri Carlson, Fund Director

## ATTACHMENT 1

1. Medical Mediation Panel Fee Schedule: The following fee schedule shall be effective July 1, 2018:

(a) For physicians-- \$28.25

(b) For hospitals, per occupied bed-- \$6.25

2. Fund Fee Schedule: The following fee schedule is in effect from July 1, 2018 to June 30, 2019:

(a) Except as provided in INS 17.28 (6) (b) to (f) and sub. (6e), for a physician for whom this state is a principal place of practice:

Class 1.... \$382	Class 3.... \$1528
Class 2.... \$688	Class 4.... \$2,521

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

Class 1.... \$191	Class 3.... \$764
Class 2.... \$344	Class 4.... \$1,261

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

All classes..... \$229

(d) For a Medical College of Wisconsin, Inc., full-time faculty member:

Class 1.... \$152	Class 3.... \$608
Class 2.... \$274	Class 4.... \$1,003

(e) For physicians who practice part-time:

1. 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:..... \$95

2. For a physician who practices 1,040 hours or less during the fiscal year, including those who practice fewer than 500 hours during the fiscal year whose practice is not limited to office practice, nursing homes or house calls or who do practice obstetrics, surgery or assist in surgical procedures:

Class 1.... \$229	Class 3.... \$916
Class 2.... \$412	Class 4.... \$1,511

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

Class 1.... \$191	Class 3.... \$764
Class 2.... \$344	Class 4.... \$1,261

(g) For a nurse anesthetist for whom this state is a principal place of practice: \$94

(h) For a nurse anesthetist for whom this state is not a principal place of practice \$48

(i) For a hospital, all of the following fees:

- 1. Per occupied bed..... \$22.50
- 2. Per 100 outpatient visits during the last calendar year for which totals are available: \$1.15

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

Per occupied bed..... \$4.50

(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..... \$14
- b. If the total number of partners and employed physicians and nurse anesthetists is from 11 to 100..... \$131
- c. If the total number of partners and employed physicians and nurse anesthetists exceeds 100..... \$329

2. The following fee for each full-time equivalent allied health care professional employed by the partnership as of the most recent completed survey submitted:

<u>Employed Health Care Professionals</u>	<u>Fund Fee</u>
Nurse Practitioners.....	\$ 95
Advanced Nurse Practitioners.....	133
Nurse Midwives.....	839
Advanced Nurse Midwives.....	878
Advanced Practice Nurse Prescribers.....	133
Chiropractors	152
Dentists	77
Oral Surgeons.....	572
Podiatrists-Surgical.....	1,623
Optometrists	77
Physician Assistants	77

(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 from 2 to 10..... \$14

b. If the total number of shareholders and employed physicians and nurse anesthetists from 11 to 100..... \$131

c. If the total number of shareholders and employed physicians or nurse anesthetists exceeds 100..... \$329

2. The following fee for each full-time equivalent allied health care professional employed by the corporation as of the most recent completed survey submitted:

<u>Employed Health Care Professionals</u>	<u>Fund Fee</u>
Nurse Practitioners	\$ 95
Advanced Nurse Practitioners	133
Nurse Midwives	839
Advanced Nurse Midwives	878
Advanced Practice Nurse Prescribers	133
Chiropractors	152
Dentists	77
Oral Surgeons	572
Podiatrists-Surgical	1,623
Optometrists	77
Physician Assistants	77

(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: \$14

b. If the total number of employed physicians and nurse anesthetists is from 11 to 100: \$131

c. If the total number of employed physicians or nurse anesthetists exceeds 100: \$329

2. The following fee for each full-time equivalent allied health care professional employed by the corporation as of the most recent completed survey submitted:

<u>Employed Health Care Professionals</u>	<u>Fund Fee</u>
Nurse Practitioners	\$ 95
Advanced Nurse Practitioners	133
Nurse Midwives	839
Advanced Nurse Midwives	878
Advanced Practice Nurse Prescribers	133
Chiropractors	152
Dentists	77
Oral Surgeons	572
Podiatrists-Surgical	1,623
Optometrists	77
Physician Assistants	77

(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 \$0.05
2. 2.5% of the total annual fees assessed against all of the employed physicians.
3. The following fee for each full-time equivalent allied health care professional employed by the operational cooperative sickness plan as of the most recent completed survey submitted:

<u>Employed Health Care Professionals</u>	<u>Fund Fee</u>
Nurse Practitioners	\$ 95
Advanced Nurse Practitioners	133
Nurse Midwives	839
Advanced Nurse Midwives	878
Advanced Practice Nurse Prescribers	133
Chiropractors	152
Dentists	77
Oral Surgeons	572
Podiatrists-Surgical	1,623
Optometrists	77
Physician Assistants	77

(o) For a freestanding ambulatory surgery center, as defined in DHS 120.03 (13), per 100 outpatient visits during the last calendar year for which totals are available \$5.94

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

1. 7.0% of the amount the entity pays as premium for its primary health care liability insurance, if it has occurrence coverage.
2. 10.0% of the amount the entity pays as premium for its primary health care liability insurance, if it has claims-made coverage.

(q) For an organization or enterprise not specified as a partnership or corporation that is organized and operated in this state 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: \$14
- b. If the total number of employed physicians and nurse anesthetists is from 11 to 100: \$131
- c. If the total number of employed physicians or nurse anesthetists exceeds 100: \$329

2. The following for each full-time equivalent allied health care professional employed by the organization or enterprise not specified as a partnership, corporation, or an operational cooperative health care plan as of the most recent completed survey submitted:

Employed Health Care Professionals

	<u>Fund Fee</u>
Nurse Practitioners	\$ 95
Advanced Nurse Practitioners	133
Nurse Midwives	839
Advanced Nurse Midwives	878
Advanced Practice Nurse Prescribers	133
Chiropractors	152
Dentists	77
Oral Surgeons	572
Podiatrists-Surgical	1,623
Optometrists	77
Physician Assistants	77