



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Assembly Bill 259

**Assembly Substitute
Amendment 2**

Memo published: May 25, 2005

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Under *current law*, certain health care providers are required to carry medical malpractice coverage with certain liability limits and to pay assessments into the Injured Patients and Families Compensation Fund (IPFCF), which then pays eligible claims that exceed those limits. Health care providers subject to these requirements are: physicians; nurse anesthetists; partnerships composed of physicians or nurse anesthetists; professional service corporations that operate for the primary purpose of providing the medical services of physicians or nurse anesthetists; cooperative sickness care associations; ambulatory surgery centers; hospitals; entities that operate as an affiliate of a hospital and provide diagnosis, treatment, or care for the hospital patients; and nursing homes whose operations are combined as a single entity with a hospital. (Exceptions apply to certain public employees, facilities, and volunteers and to certain physicians and nurse anesthetists depending on how many hours they practice each year.)

2005 Assembly Bill 259 does the following:

1. Adds another health care provider that is subject to these provisions and coverage by the IPFCF, namely, ***any organization or enterprise operated For Profit*** (other than a partnership or professional service corporation, which are already covered under current law) ***that is organized and operated in Wisconsin for the primary purpose of providing the medical services of physicians and nurse anesthetists***. The cross-referenced definition specifies that it includes, but is not limited to, a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation, limited liability company, or association.
2. Becomes effective on the first day of the seventh month beginning after the act's publication.
3. Specifies that the act's provisions apply to: (a) policies issued or renewed on or after the effective date; and (b) claims made under policies issued or renewed on or after the effective date.

Assembly Substitute Amendment 2 to the bill does the following:

1. Adds another health care provider that is subject to these provisions and coverage by the IPFCP, namely, ***any organization or enterprise*** (other than a partnership or professional service corporation, which are already covered under current law) ***that is organized and operated in Wisconsin for the primary purpose of providing the medical services of physicians and nurse anesthetists***. (Unlike the bill, this provision is not limited to for profit organizations and enterprises.)
2. Becomes effective on the day after the act's publication. (Unlike the bill, there is no delayed effective date.)
3. Specifies that the act's provisions apply to: (a) policies issued or renewed on or after the effective date; (b) policies that are in effect on the effective date that comply with ch. 655, Stats. (relating to health care liability and the IPFCF), as affected by the act, that cover organizations or enterprises that comply with ch. 655, as affected by the act; (c) claims made under policies issued or renewed on or after the effective date; and (d) claims made under policies that are in effect on the effective date that comply with ch. 655, as affected by the act, that cover organizations or enterprises that comply with ch. 655, as affected by the act. (Unlike the bill, items (b) and (d) are added to apply to certain policies that have been issued before the effective date and are in effect on that date and to claims made under such policies.)

Legislative History

Assembly Substitute Amendment 2 to the bill was offered by Representative Gielow. The Assembly Committee on Insurance recommended adoption of that amendment on a vote of Ayes, 13; Noes, 0; and Absent, 2. The committee then recommended passage of the bill, as amended, on a vote of Ayes, 13; Noes, 0; and Absent, 2.

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