Guide to Terms

Class 1 Physician	Physician Specialty Class 1, found in Rule 60
HCP	Health Care Provider
IAP	Independent Ancillary Provider
IDOI	Indiana Department of Insurance
Med Mal Act	Indiana's Medical Malpractice Act, IC 34-18
PA	Physician Assistant
PCF	Patient's Compensation Fund
Rule 21	760 IAC 1-21
Rule 60	760 IAC 1-60

Why are the new rules/surcharges being introduced?

A: The PCF is always looking to implement rules that assess surcharges upon the entity that brings risk to the PCF. These changes have been in the works for a couple of years, and our next step is to provide better clarification of physician specialty codes, in Rule 60. There has been a recent change to reduce rates for nursing homes.

Why was a clinical nurse specialist added to the list of IAPs?

A: Professional licensing defines three types of Advanced Practice Nurses: nurse practitioners, certified nurse midwives, and clinical nurse specialists. It makes no sense to require two of the three to individually qualify, but not the third.

Will the current Certificate of Insurance *(Pac-3/State Form 2713R5 Revised 7/1/07* be provided to insurer/brokers? Will we be receiving an editable PDF format of the certificate?

A: The correct forms, both .PDF and editable form, with revised date are on the website now at http://www.in.gov/idoi/2607.htm.

	ISO Codes:
Podiatrist – No Surgery	80621
Podiatrist – Surgery	80620
Dentist- Oral Surgery	80210
Dentist	80211
Clinical Nurse Specialist	80965
Physician Assistant/Surgeon Assistant	80116

Are Surgeon Assistants IAPs?

A: In Indiana, someone who graduated from a surgeon assistant program accredited by an accrediting agency is licensed as a Physician Assistant. Regardless of what a person is called, if a health care provider is licensed as a physician assistant, he or she is an IAP.

When should carriers select including/excluding employees on the PCF certificate?

A: An individual physician or IAP cannot include employees in his or her qualification.

If a carrier is canceling a policy mid-term, should the pro-rated box be checked?

A: No. The cancellation box should be marked and the return should be indicated by either using a minus sign –, *or* by using parenthesis ( ) around the return amount.

We currently calculate the annual PCF surcharge for our insured orthodontists at 110% of our annual premium. Should it now be calculated at 120%?

A: No. **IAPs are now calculated as a percentage of the Class 1 physician rate**. The Class 1 physician rate may vary from year to year. Please check IDOI's website for Bulletins updating the rates. .

When I calculate a percentage of the Class 1 physician surcharge, it comes out to a figure with cents. Can I round to the nearest dollar?

A: Yes. Please round all surcharge calculations to the nearest whole dollar. For fifty cents and over, please round up.

How do we handle part-time credits for IAPs?

A: If a health care provider pays surcharge based on a percentage of premium, no part time credit can be claimed. If the health care provider is a physician or IAP who pays a surcharge calculated on full time equivalents, then they may claim a part time credit.

Only part-time credits are mentioned in Rule 21 for IAPs. Rule 60 also mentions a new-to-practice credit and other credits. Can we apply these to IAPs?

A: No. Only the credit mentioned in Rule 21 can be applied to an IAP.

What is the meaning of "functions in an advanced role at a specialized level through the application of advanced knowledge and skills in the provision of health care" so we know whether a provider qualifies as an ancillary provider or an independent ancillary provider?

There are nine types of providers listed under the definition of independent ancillary provider; however the definition states that independent ancillary provider "is not limited to" the nine providers listed. What other types of providers would qualify as an independent ancillary provider?

Could another type of provider not specifically listed on the attached document deemed to "function in an advanced role at a specialized level" be excluded from sharing fund coverage with the entity?

A: If a health care provider's license type is listed in the definition of IAP found in Rule 21, the provider is an IAP; if not, the provider is considered an ancillary provider. IF we were to decide a different practice should be included, we would notify everyone either by changing the rule, or issuing a bulletin.

If a corporation provides financial responsibility for itself and all employees, including independent ancillary providers, will the corporation have to prove the IAP's own financial responsibility even if the IAP is an employee?

A: Yes. At renewal the IAP will have to be qualified separately in the PCF. The IAP and the corporation can share a primary policy as long as they have separate limits of liability as provided in the Med Mal Act

Is a group of independent ancillary providers charged the appropriate percentage regardless of their business types?

A: Yes. The individuals each pay a separate IAP rate, but the business will have to be separately qualified.

Can a sole practitioner cover employees?

A: No. Individuals cannot include employees in their PCF qualification. The sole practitioner physician could organize or register an entity under state law and enroll the entity into the PCF to get coverage for employees.

Should carriers issuing a certificate for an independent ancillary provider always mark "excluding employees" on the PCF certificate?

A: Yes.

If a health care provider is not an IAP and wants to participate in the PCF, must the health care provider qualify separately?

A: No. An individual ancillary provider can share in limits of a corporation or other entity organized or registered under state law.

Do the surcharges for IAPs listed in Rule 21 apply to IAPs who are hospital-employed?

A: The surcharges do not apply to hospital-employed IAPs, because the bed rate developed for hospitals already contemplates services provided by IAPs.

Some of our accounts already have been sent renewal information where the account renews after June 21, 2011. For example, we have sent renewal information on accounts that will renew on June 23, 2011, June 28, 2011, and July 1, 2011. Based upon the announcement, is it necessary to re-issue these renewal accounts?

We provide advance notice of renewal offers and June renewals have been sent out which we can address quickly; however, the internal IT system changes that will be required cannot be implemented as quickly. Is the IDOI also proposing or allowing a different implementation effective date to provide insurers the necessary time to implement?

A: For policies with effective dates on or after June 21, 2011, you MUST use the new PCF Certificate of Insurance and the new rules.

Or, in the alternative, would the interpretation by the IDOI permit June 21, 2011, to be utilized with respect to accounts quoted as of June 21, 2011, and thereafter, for use of the new rates and Certificate of Insurance?

A: No. As indicated above, all policies with an effective date of June 21, 2011 or thereafter (and not the quoted by date), must use the new PCF Certificate of Insurance and the new rules.

Our July 1, 2011 renewal should be completed by June 21, 2011. Does the grace period until June 21, 2011, extend to providing all of our renewals on the old certificate format and using the old surcharge calculation as long as it is turned into the PCF before June 21, 2011? If we can complete the renewal on the old certificate and using the old calculations, does that also mean we do NOT have to cover physician assistants and clinical nurse specialists with individual limits?

A: No. Any policy with an effective date of June 21, 2011 or after and those electing to use the new Rule 21 rates prior to June 21, 2011 MUST use the new PCF certificate.

Do physician assistants who shared in an entity's limits before the rule changes need to be insured upon the entity's renewal, commencing May 17, 2011?

A: Yes.

An individual who renewed on January 1, 2011, may change to part-time effective July 1,2011. While the January renewal was filed under the old rule 21 and certificate, the change effective July 1, 2011 needs to be on the new certificate and abide by the new rule 21. Is this correct?

A: No. Any filing made after June 21, 2011, needs to be on the *new* certificate. However, the effective date of the policy controls which rules apply.

Does the IDOI have a stated position on Cancel/Rewrites to gain the benefit of the new rule?

A: A carrier should not cancel a policy and rewrite it to gain the benefit of the new surcharge. To do so would place an administrative burden on the IDOI and could be considered an improper business practice.

For those that have a renewal date after May 17, 2011, but before June 21, 2011, may a qualified Insured (who previously provided coverage for his employees on a shared basis under his individual policy) renewing May 17, 2011, wait until May 17, 2012, to incorporate and purchase separate entity coverage? Or must he comply by June 21, 2011?

A: He may wait until May 17, 2012. BUT the question makes an incorrect assumption. The new Rule 21 does not require health care providers to incorporate to qualify. An entity, including partnerships, sole proprietorships, etc., "organized or registered under state law" may qualify and include employees at 100% of underlying premium, subject to the statutory minimum surcharge of $100.

For those that have a renewal date after June 21, 2011, are insureds allowed to make these changes to their policy as they renew, or do all insureds have to comply by May 17, 2011/June 21, 2011?

A: The important date is the policy date. No one will have to amend a policy simply because the rule changed. The new rule applies at renewal.

What happens in the case of a medical group which has a January 1, 2011, renewal but adds a physician assistant after May 17, 2011? Does the new physician assistant have to have a separate qualification, or can they wait to be added to the entity's qualification until the January 1, 2012, renewal?

A: The entity's qualification will cover the PA until the next renewal.

Reporting Endorsement (tail) surcharge for nurse practitioners used to be 110% of the underlying premium. Is this changing due to Rule 21? Does the new language under 760 IAC 1-21-8 (3) also apply to tail surcharge?
How would the reporting endorsement be handled on a dentist or podiatrist who cancels their policy mid-term (prior to being renewed under the new rules and forms)? Is the tail surcharge computed using 110% of the tail premium charged by the company or would the new rules apply, whereby the reporting endorsement certificate and the $100 PCF filing fee would be remitted?

A: We will issue a bulletin regarding tail surcharge for IAPs at a later date. In the meantime, please contact Nancy Wilkins with questions.

If an entity is in the middle of a policy period and a new provider comes into the group, does the new provider fall under the new rate or previous rate?

A: Whichever rate was in effect at the policy effective date controls.

The new certificate form has added a checkbox for pro-rated, second policy, and locum.

a) Should the pro-rated box be checked for all providers (regardless of whether LIP, physician and mid-level) any time the policy is less than a full year? If not, when should it be checked?

b) If the insurer is issuing a second policy for a provider who has more than one policy, is the effective date used to decide which carrier checks the second policy box? Or should both carriers check the second policy box?

A: (a) Yes. Whenever a policy is less than a full year, please check the pro-rated box.

(b) Whichever is *reported* second is considered the second policy for PCF purposes. The policy considered to be second continues to be second for renewals until the first policy drops off.

Do all dentists and dentists–oral surgery fall under the definition of independent ancillary provider, or will some fall under the definition of ancillary provider?

A: All are IAPs.

For the contact email address, we are currently using the email address for the policy administrator that issued the certificate. Our company has more than one policy administrator, and we use the email address for the person whose name appears. Is it ok to use more than one name per company, or would you prefer a single address?

A: This is a decision to be made by the company. The person whose name appears in the contact field will be the one with whom the IDOI staff communicates if there are any questions about or problems with the filing, so the contact person should have knowledge about the filing.

How does a filer determine whether a podiatrist is "no surgery" or "surgery"? Should specific questions be asked, or is there a rule of thumb that if a podiatrist performs any types of procedures other than non-surgical then they are considered podiatrist-surgery?

A: The definitions of "no surgery" and "surgery" are in the definitions in the rule. We do not instruct a health care provider, broker, or insurer how to qualify a provider. We rely on the parties to work together to determine the most appropriate classification.

Is a podiatrist's assumed business name (d/b/a) required to be included on a shared limit basis?

A: No. An individual cannot qualify a d/b/a; see Rule 21 section 10(e).

How do we now process a podiatrist's corporation? We have always required separate entity limits. The premium calculation has always been 110% of the carrier's calculated separate entity limit premium. Please confirm what percentage we now would use to calculate separate entity limits.

A: The corporation still needs separate entity limits. The new percentage for the corporation is 100% of the underlying premium (subject, as always, to the statutory $100 minimum surcharge). The podiatrist must have a separate liability limit and qualify separately.

Are chiropractors considered "ancillary providers" not "independent ancillary providers?" Is their surcharge under the new rule 100% of premium instead of 110%?

A: Yes. Chiropractors are not listed in the definition of IAP in Rule 21, and so a chiropractor is an ancillary provider and should calculate surcharge as 100% of underlying premium, with a $100 minimum.

Is the difference between an ancillary provider and an IAP strictly their advanced role, rather than their employment status?

A: Correct. For example, if a nurse is licensed as a nurse practitioner but works in a position that does not require the advanced licensure, he or she is nevertheless considered an IAP.

Under the section for "Limits of Liability" should the carrier show the state minimum limits of $250,000/$750,000 even if the insured carries higher limits like $1,000,000/$3,000,000?

A: The carrier should show the limits carried by the health care provider for Indiana exposure.

Under the "IN P/L Premium Only" should we show the insurance premium for the state minimum limits of $250,000/$750,000 or for the actual limits carried?

A: The carrier should show premium for Indiana exposure.

In the past for renewals, we have left the surcharge received date box blank since we are submitting them within the 30 days of the effective date. Is that still allowable?

A: Yes.

Is an additional surcharge always required for the d/b/a if it brings an additional risk to the coverage? Is there a flat $100 additional premium charge for the d/b/a if it does bring additional risk? How should it be included on the certificate (example - include in the IN PCF premium)?

A: For a d/b/a, no additional surcharge is owed if the d/b/a is reported with PCF certificate of insurance for the primary name. If a filing is amended to add a d/b/a and the entity brings no extra risk to the PCF, then the appropriate surcharge is $100.

If a separate limit is written for an IAP, will all others share the fund limit with the entity? Our concern is related to the new addition of a clinical nurse specialist being specifically listed in the new statute, although it is not currently on the attached list.

A: No. See Rule 21 section 10(e). IAPs cannot include employees in their qualification.

Per the certificate, a section has been added for "Email Address to send PCF Enrollment Confirmation". Is this the insured's email address? What if we don't have it?

A: We are asking for the insured's email address in that field. Please make every attempt to obtain an email address for any health care provider you are qualifying into the PCF. However, we understand that sometimes an email address for a provider is unattainable. In that case, please fill in the field with "Not Available". Do not leave the field empty, or it will cause increased time to process that certificate.

Please confirm where a Chiropractic Program would be categorized? Are they considered an ancillary provider who is not an independent ancillary provider with a surcharge of 100%?

A: Any corporation is an ancillary provider and should remit surcharge at 100% of the underlying premium, or the minimum $100 surcharge as provided by statute.

Does Indiana have a requirement that the PCF coverage dates must match the dates of the primary policy?

A: Yes. If a provider's current PCF coverage dates do not match the dates of the underlying policy, renewal policies must show the correction.

IAP is a subset of ancillary provider, and ancillary provider is a subset of "all HCPs as defined in IC 34-18-2-14," yet the list of IAPs include nurse practitioners, CRNAs, and clinical nurse specialists, but these are not included in IC 34-18-2-14.

A: Since nurses are listed in the definition of health care provider, it seems logical to the PCF that advanced practice nurses also be considered health care providers.

Can you expand on what you mean by separate qualification?

A: "Qualified" is a term used in the Med Mal Act to mean a health care provider who has complied with the terms of the Med Mal Act to be a part of the PCF by maintaining financial responsibility and paying appropriate surcharge to the PCF. To "separately qualify" means to maintain separate financial responsibility and pay separate surcharge.

Where can I find information about surcharge for a physician who is retiring?

A: More information is available in Rule 60.

What are the ISO Codes and surcharge amount for each Independent Ancillary Provider?

Surcharge for Independent Ancillary Providers (Calculated at percentage of Class 1 Physician, currently at $2648)			
80116	Physician Assistant	($927.00)	35%
80210	Dentist - Oral Surgery	($3,442.00)	130%
80211	Dentist	($530.00)	20%
80616	Nurse Practitioner	($927.00)	35%
80620	Podiatrist – Surgery	($3,840.00)	145%
80621	Podiatrist - No Surgery	($2,449.00)	92.5%
80912	Psychologist	($331.00)	12.5%
80960	Nurse Anesthetist	($1,192.00)	45%
80962	Nurse Midwife	($3,972.00)	150%
80965	Clinical Nurse Specialist	($927.00)	35%
80994	Optometrist	($331.00)	12.5%

For all additional inquiries or answers to questions not listed here, please contact:
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