November 22, 2010

Bulletin 182

PATIENT'S COMPENSATION FUND –
SURCHARGE RATES FOR HOSPITALS AND PHYSICIANS

This bulletin is directed to all health care providers electing to be qualified under Indiana's Medical Malpractice Act (IC 34-18-1-1 *et seq.*) and to insurers that provide coverage to those health care providers.

Pursuant to IC 34-18-5-2, the Commissioner of the Department of Insurance in his capacity as administrator of the Patient's Compensation Fund ("PCF") hereby notifies physicians and hospitals of the following surcharge for qualification under the Medical Malpractice Act. The rates are effective for coverage beginning **March 1, 2011**.

PHYSICIANS

The surcharge for physicians remains at the same rate as the surcharge for 2010. A complete list of physician specialty class codes is published at 760 IAC 1-60-3.

CLASS	ANNUAL RATE
0	$1,986
1	$2,648
2	$3,707
3	$4,766
4	$5,958
5	$7,944
6	$11,916
7	$18,536
8	$22,508

HOSPITALS

The surcharge for a hospital is calculated using the attached worksheet. The completed worksheet shall be submitted to the Department along with the surcharge payment. The attached worksheet reflects an overall 3.8% increase in surcharge for hospitals.

INDIANA DEPARTMENT OF INSURANCE

Stephen W Robertson

Stephen W. Robertson, Commissioner

HOSPITAL EXPOSURE WORKSHEET FOR SURCHARGE CALCULATION

Name of Hospital: _____

License No: _____

Attach a list of the following:

(1) All facilities and/or services operated under the hospital license, as identified on the Department of Health Application for License to Operate a Hospital;
(2) All assumed business names used by the hospital;
(3) All employed physicians included in this coverage along with their specialty class code and surcharge computation;

Any entity, person or activity not identified in this surcharge worksheet may not be included in the hospital's coverage with the PCF.

CATEGORY	EXPOSURE	MANUAL	TOTAL
Provide # of Beds			Category x Manual=Total
	Hospital (Acute care and Intensive Care)	$599	
	Mental Health/Rehabilitation	$300	
	Extended Care/Intermediate Care/Residential	$30	
	Nursing Home/Critical Extended Care	$300	
	Health Institution/Assisted Living/Other	$120	
	Bassinets	$599	
# of Visits (in 100s)			
	Emergency Room	$59.90	
	Clinics/Others	$29.95	
	Mental Health/Rehabilitation	$14.98	
	Health Institution	$11.98	
	Home Health Care	$29.95	

Provide # of Surgeries/Births (in 100s)			
	Births	$2,396	
	Outpatient Surgeries	$59.90	
	Inpatient Surgeries	$1,198	
Employed* Physicians Sharing Limits	100% of Specialty Code		
		SUB-TOTAL	
	Lack of Risk Management Program	10% Penalty x sub-total	
	Hospital with > 500 beds	3% multiplier of subtotal	
		TOTAL DUE	

Definitions:

Hospital bed - licensed hospital beds usually on a short term basis for patients who need acute medical treatment and skilled nursing care 24 hours a day (intensive diagnostic and invasive treatment for acute illness).

Mental Health/Mental and Physical Acute Rehab bed - Care, diagnosis, and treatment for acute psychiatric, emotionally challenged, and physically handicapped patients needing 24 hour supervision, assistance and treatment.

Extended Care/Intermediate/Residential bed - non-acute occasional incidental medical and emergency assistance to residents living independently in retirement apartments and communities. Facilities provided with security and emergency call boxes. Some contact services are available to residents.

Nursing Home/Critical Extended Care bed - A step-down from acute medical care for patients still needing 24 hour nursing care usually for an extended or long term basis. Skilled care services needed, such as medication administration, tube feeding, injections, catheterizations, and other procedures ordered by a physician.

Health Institution/Assisted Living/Other bed - Sub-acute minor health care and related personal services to assist residents on an ongoing and regular basis. Minor nursing care and assistance in such activities as laundry, meal preparation, bathing, and social functions.

* Employed physician - A physician is considered an employee for PCF purposes if the hospital withholds and pays Social Security and Medicare taxes and pays unemployment tax on wages paid to the employee. If a physician is treated as an independent contractor for tax purposes then he/she cannot be considered an employee for PCF purposes.