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| PREVAILED | Roll Call No. _____ |
| FAILED | Ayes _____ |
| WITHDRAWN | Noes _____ |
| RULED OUT OF ORDER | |

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 2043 be amended to read as follows:

- 1 Page 3, between lines 17 and 18, begin a new paragraph and insert:
- 2 "SECTION 5. IC 34-18-5-2 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) As used in this
- 4 section, "actuarial program" means a program used or created by the
- 5 department to determine the actuarial risk posed to the patient
- 6 compensation fund under IC 34-18-6 (or IC 27-12-6 before its repeal)
- 7 by a hospital. The program must be:
- 8 (1) developed to calculate actuarial risk posed by a hospital,
- 9 taking into consideration risk management programs used by the
- 10 hospital;
- 11 (2) an efficient and accurate means of calculating a hospital's
- 12 malpractice actuarial risk;
- 13 (3) publicly identified by the department by July 1 of each year;
- 14 and
- 15 (4) made available to a hospital's malpractice insurance carrier for
- 16 purposes of calculating the hospital's surcharge under subsection
- 17 (g).
- 18 (b) Beginning July 1, 1999, the amount of the annual surcharge shall
- 19 be one hundred percent (100%) of the cost to each health care provider
- 20 for maintenance of financial responsibility. Beginning July 1, 2001, the
- 21 annual surcharge shall be set by a rule adopted by the commissioner
- 22 under IC 4-22-2.
- 23 (c) The amount of the surcharge shall be determined based upon
- 24 actuarial principles and actuarial studies and must be adequate for the

1 payment of claims and expenses from the patient's compensation fund.

2 (d) The surcharge **for qualified providers other than:**

3 **(1) physicians licensed under IC 25-22.5; and**

4 **(2) hospitals licensed under IC 16-21;**

5 may not exceed the actuarial risk posed to the patient's compensation
6 fund under IC 34-18 (or IC 27-12 before its repeal) by qualified
7 providers **other than physicians licensed under IC 25-22.5 and**
8 **hospitals licensed under IC 16-21.**

9 (e) There is imposed a minimum annual surcharge of one hundred
10 dollars (\$100).

11 (f) Notwithstanding subsections (b), (c), and (e), beginning July 1,
12 1999, the surcharge for a qualified provider who is licensed under
13 IC 25-22.5 is calculated as follows:

14 (1) The commissioner shall contract with an actuary that has
15 experience in calculating the actuarial risks posed by physicians.
16 Not later than July 1 of each year, the actuary shall calculate the
17 median of the premiums paid for malpractice liability policies to
18 the three (3) malpractice insurance carriers in the state that have
19 underwritten the most malpractice insurance policies for all
20 physicians practicing in the same specialty class in Indiana during
21 the previous twelve (12) month period. In calculating the median,
22 the actuary shall consider the:

23 (A) manual rates of the three (3) leading malpractice insurance
24 carriers in the state; and

25 (B) aggregate credits or debits to the manual rates given
26 during the previous twelve (12) month period.

27 (2) After making the calculation described in subdivision (1), the
28 actuary shall establish a uniform surcharge for all licensed
29 physicians practicing in the same specialty class. This surcharge
30 must be based on a percentage of the median calculated in
31 subdivision (1) for all licensed physicians practicing in the same
32 specialty class under rules adopted by the commissioner under
33 IC 4-22-2. The surcharge:

34 (A) must be sufficient to cover; and

35 (B) may not exceed;

36 the actuarial risk posed to the patient compensation fund under
37 IC 34-18-6 (or IC 27-12-6 before its repeal) by physicians
38 practicing in the specialty class.

39 (g) Beginning July 1, 1999, the surcharge for a hospital licensed
40 under IC 16-21 that establishes financial responsibility under
41 IC 34-18-4 after June 30, 1999, is established by the department
42 through the use of an actuarial program. At the time financial
43 responsibility is established for the hospital, the hospital shall pay the
44 surcharge amount established for the hospital under this section. The
45 surcharge:

46 (1) must be sufficient to cover; and

- 1 (2) may not exceed;
- 2 the actuarial risk posed to the patient compensation fund under
- 3 IC 34-18-6 by the hospital.
- 4 (h) An actuarial program used or developed under subsection (a)
- 5 shall be treated as a public record under IC 5-14-3."
- 6 Renumber all SECTIONS consecutively.
 (Reference is to HB 2043 as printed February 25, 1999.)

Representative Fry