



Kansas Health Care Stabilization Fund

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Bulletin 2015-2

TO: Companies Authorized by the Commissioner of Insurance to Offer Professional Liability Insurance to Kansas Health Care Providers

FROM: Charles L. Wheelen, Executive Director, Health Care Stabilization Fund

DATE: September 23, 2015

SUBJECT: Calendar Year 2016 HCSF Surcharge Rates and Related Information

The Health Care Stabilization Fund Board of Governors has decided to revise HCSF surcharge rates effective January 1, 2016. There will be a modest increase for physicians in classification group eleven attributable to loss experience. There will also be rate increases for those health care providers in compliance years one through four. The relative rates for those compliance years are increased somewhat because of the significant improvements in HCSF tail coverage resulting from statutory amendments enacted during the 2014 Session of the Legislature. The Board also established a minimum surcharge of \$100.00 for any health care provider for any period of compliance. The following information remains important for successful completion of pertinent documents.

A. HCSF Class Groups for Chiropractors, Nurse Anesthetists, Physicians, and Podiatrists: Insurers are to identify the HCSF rate classification number for each health care provider based on his or her profession and medical specialty as described on pages 4 – 5 of the instructions. The classification number of the individual health care provider will determine the corresponding HCSF classification group. There are detailed instructions on pages 6 – 7 for health care providers who are in HCSF classification group 3. General descriptions of each group can be found on page 8 of the instructions.

B. Annual Surcharge Rate Tables for Fund Class Groups 1 through 24: Insurers must utilize the HCSF surcharge rate tables appended to this bulletin for purposes of determining the surcharge payment for health care providers issued basic professional liability insurance policies with effective dates on or after January 1, 2016.

(Continued on page 2)

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C. Missouri Modification Factor: All Kansas resident health care providers who have an active license to practice in Missouri must pay an additional **30%** surcharge. If a health care provider is no longer practicing in Missouri, the Missouri license can be converted to inactive until such time the licensee wishes to resume his or her Missouri practice. The additional surcharge is not required if the license is inactive.

D. Notice of Termination: The provisions of K.S.A. 40-3402(a)(2) require that notice of termination be provided to the HCSF Board of Governors 30 days prior to the cancellation date if the termination is initiated by the insurer. If instead the cancellation is initiated by the insured health care provider, the notice of termination must be provided to the HCSF Board of Governors within ten days after termination of coverage.

For a number of reasons, there are occasions when a health care provider requests cancellation of an insurance policy and immediately purchases another policy. A typical example is when a health care provider changes employers and the new employer agrees to make payment for professional liability insurance. Because K.S.A. 40-3402(a)(1) allows a 30 day period for submission of the notice of basic coverage, there is often a period of about 20 days when it appears that a health care provider is not in compliance with K.S.A. 40-3402. This invokes the provisions of K.S.A. 40-3416 which require the HCSF Board of Governors to make a report to the state agency that licenses the health care provider and also requires the licensing agency to investigate. The HCSF staff endeavors to avoid reports to the licensing agencies whenever possible.

If it is known that a health care provider will be purchasing another professional liability insurance policy upon cancellation of existing coverage, please inform the HCSF Board of Governors in the notice of cancellation. Your assistance will be appreciated.

Any questions regarding the 2016 HCSF surcharge rates may be sent to hcsf@hcsf.org.

Health Care Stabilization Fund Surcharge Rates (Effective January 1, 2016 - December 31, 2016)

OPTION 1*

[\$100,000 per claim subject to \$300,000 annual aggregate limit]

Fund Class Group	General Description	1st Year of Fund Compliance	2nd Year of Fund Compliance	3rd Year of Fund Compliance	4th Year of Fund Compliance	5th Year of Fund Compliance
1	physicians	\$ 100	\$ 188	\$ 291	\$ 325	\$ 342
2	physicians	\$ 193	\$ 425	\$ 657	\$ 734	\$ 773
3	physicians	\$ 266	\$ 585	\$ 904	\$ 1,010	\$ 1,063
4	physicians	\$ 297	\$ 654	\$ 1,011	\$ 1,130	\$ 1,189
5	physicians	\$ 325	\$ 716	\$ 1,106	\$ 1,236	\$ 1,301
6	physicians	\$ 378	\$ 831	\$ 1,284	\$ 1,435	\$ 1,510
7	physicians	\$ 282	\$ 621	\$ 960	\$ 1,073	\$ 1,129
8	physicians	\$ 725	\$ 1,594	\$ 2,463	\$ 2,753	\$ 2,898
9	physicians	\$ 728	\$ 1,601	\$ 2,474	\$ 2,765	\$ 2,910
10	physicians	\$ 1,066	\$ 2,346	\$ 3,625	\$ 4,052	\$ 4,265
11	physicians	\$ 1,876	\$ 4,128	\$ 6,379	\$ 7,130	\$ 7,505
12	chiropractors	\$ 100	\$ 120	\$ 186	\$ 208	\$ 219
13	nurse anesthetists	\$ 100	\$ 208	\$ 321	\$ 359	\$ 378
14	podiatrists	\$ 208	\$ 458	\$ 707	\$ 790	\$ 832
15	Availability Plan	24%	24%	24%	24%	23%
16	business entities	23%	23%	23%	23%	22%
17	hospitals & A.S.C.s	23%	23%	23%	23%	22%
18	C.M.H.C.s	23%	23%	23%	23%	22%
19	psychiatric hospital	23%	23%	23%	23%	22%
20	residents in training	23%	23%	23%	23%	22%
21	physician assistants	23%	23%	23%	23%	22%
22	nurse-midwives	23%	23%	23%	23%	22%
23	assisted living and residential health care facilities	23%	23%	23%	23%	22%
24	nursing facilities	23%	23%	23%	23%	22%

* The additional surcharge for Kansas resident health care providers with an active Missouri license is 30%.

* The minimum surcharge for any category of health care provider for any period of compliance is \$100.

Health Care Stabilization Fund Surcharge Rates (Effective January 1, 2016 - December 31, 2016)

OPTION 2*

[\$300,000 per claim subject to \$900,000 annual aggregate limit]

Fund Class Group	General Description	1st Year of Fund Compliance	2nd Year of Fund Compliance	3rd Year of Fund Compliance	4th Year of Fund Compliance	5th Year of Fund Compliance
1	physicians	\$ 150	\$ 330	\$ 510	\$ 570	\$ 600
2	physicians	\$ 339	\$ 745	\$ 1,151	\$ 1,286	\$ 1,354
3	physicians	\$ 466	\$ 1,024	\$ 1,583	\$ 1,769	\$ 1,862
4	physicians	\$ 520	\$ 1,143	\$ 1,767	\$ 1,975	\$ 2,079
5	physicians	\$ 569	\$ 1,252	\$ 1,935	\$ 2,162	\$ 2,276
6	physicians	\$ 660	\$ 1,453	\$ 2,245	\$ 2,509	\$ 2,641
7	physicians	\$ 494	\$ 1,086	\$ 1,679	\$ 1,876	\$ 1,975
8	physicians	\$ 1,269	\$ 2,791	\$ 4,313	\$ 4,820	\$ 5,074
9	physicians	\$ 1,273	\$ 2,800	\$ 4,327	\$ 4,836	\$ 5,090
10	physicians	\$ 1,865	\$ 4,103	\$ 6,341	\$ 7,087	\$ 7,460
11	physicians	\$ 3,284	\$ 7,224	\$ 11,164	\$ 12,477	\$ 13,134
12	chiropractors	\$ 100	\$ 211	\$ 326	\$ 365	\$ 384
13	nurse anesthetists	\$ 165	\$ 362	\$ 560	\$ 626	\$ 659
14	podiatrists	\$ 365	\$ 802	\$ 1,239	\$ 1,385	\$ 1,458
15	Availability Plan	37%	37%	37%	37%	35%
16	business entities	35%	35%	35%	35%	33%
17	hospitals & A.S.C.s	35%	35%	35%	35%	33%
18	C.M.H.C.s	35%	35%	35%	35%	33%
19	psychiatric hospital	35%	35%	35%	35%	33%
20	residents in training	35%	35%	35%	35%	33%
21	physician assistants	35%	35%	35%	35%	33%
22	nurse-midwives	35%	35%	35%	35%	33%
23	assisted living and residential health care facilities	35%	35%	35%	35%	33%
24	nursing facilities	35%	35%	35%	35%	33%

* The additional surcharge for Kansas resident health care providers with an active Missouri license is 30%.

* The minimum surcharge for any category of health care provider for any period of compliance is \$100.

Health Care Stabilization Fund Surcharge Rates (Effective January 1, 2016 - December 31, 2016)

OPTION 3*

[\$800,000 per claim subject to \$2,400,000 annual aggregate limit]

Fund Class Group	General Description	1st Year of Fund Compliance	2nd Year of Fund Compliance	3rd Year of Fund Compliance	4th Year of Fund Compliance	5th Year of Fund Compliance
1	physicians	\$ 188	\$ 414	\$ 640	\$ 715	\$ 753
2	physicians	\$ 425	\$ 934	\$ 1,444	\$ 1,614	\$ 1,699
3	physicians	\$ 585	\$ 1,286	\$ 1,988	\$ 2,222	\$ 2,339
4	physicians	\$ 654	\$ 1,439	\$ 2,224	\$ 2,485	\$ 2,616
5	physicians	\$ 715	\$ 1,574	\$ 2,432	\$ 2,718	\$ 2,861
6	physicians	\$ 831	\$ 1,827	\$ 2,824	\$ 3,156	\$ 3,322
7	physicians	\$ 621	\$ 1,365	\$ 2,110	\$ 2,358	\$ 2,482
8	physicians	\$ 1,594	\$ 3,507	\$ 5,420	\$ 6,058	\$ 6,377
9	physicians	\$ 1,600	\$ 3,519	\$ 5,439	\$ 6,079	\$ 6,399
10	physicians	\$ 2,345	\$ 5,158	\$ 7,972	\$ 8,910	\$ 9,379
11	physicians	\$ 4,128	\$ 9,081	\$ 14,034	\$ 15,685	\$ 16,510
12	chiropractors	\$ 120	\$ 265	\$ 409	\$ 457	\$ 481
13	nurse anesthetists	\$ 207	\$ 455	\$ 703	\$ 786	\$ 827
14	podiatrists	\$ 458	\$ 1,008	\$ 1,558	\$ 1,741	\$ 1,833
15	Availability Plan	42%	42%	42%	42%	40%
16	business entities	40%	40%	40%	40%	38%
17	hospitals & A.S.C.s	40%	40%	40%	40%	38%
18	C.M.H.C.s	40%	40%	40%	40%	38%
19	psychiatric hospital	40%	40%	40%	40%	38%
20	residents in training	40%	40%	40%	40%	38%
21	physician assistants	40%	40%	40%	40%	38%
22	nurse-midwives	40%	40%	40%	40%	38%
23	assisted living and residential health care facilities	40%	40%	40%	40%	38%
24	nursing facilities	40%	40%	40%	40%	38%

* The additional surcharge for Kansas resident health care providers with an active Missouri license is 30%.

* The minimum surcharge for any category of health care provider for any period of compliance is \$100.