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Bulletin 2019-1

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

FROM: Clark Shultz, Executive Director, Health Care Stabilization Fund

DATE: June 12, 2019

SUBJECT: Calendar Year 2020 HCSF Surcharge Rates and Related Information

The Board of Governors of the Health Care Stabilization Fund is charged by state law to study and evaluate the operation of the Fund. To ensure the viability of the Fund, the Board has approved revisions to the surcharge rates for all categories of health care providers effective January 1, 2020. Please review the following important information.

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 – 6 of the notice of basic coverage 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 HCSF classification group for all categories of defined health care providers are listed 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, 2020.

C. 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.

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.

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Health Care Stabilization Fund Surcharge Rates (Effective January 1, 2020 - December 31, 2020)

OPTION 1, per Kansas Statutes Annotated 40-3404

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

Fund Class Group	General Description	2020	2020	2020
		1st Year of Fund Compliance	2nd Year of Fund Compliance	>2 Years of Fund Compliance
1	Physicians	\$ 166	\$ 298	\$ 331
2	Physicians	\$ 374	\$ 672	\$ 747
3	Physicians	\$ 488	\$ 878	\$ 975
4	Physicians	\$ 575	\$ 1,034	\$ 1,149
5	Physicians	\$ 629	\$ 1,131	\$ 1,257
6	Physicians	\$ 785	\$ 1,412	\$ 1,569
7	Physicians	\$ 586	\$ 1,055	\$ 1,172
8	Physicians	\$ 1,328	\$ 2,390	\$ 2,656
9	Physicians	\$ 1,434	\$ 2,581	\$ 2,868
10	Physicians	\$ 1,955	\$ 3,518	\$ 3,909
11	Physicians	\$ 4,177	\$ 7,518	\$ 8,353
12	Chiropractors	\$ 101	\$ 181	\$ 201
13	Nurse Anesthetists	\$ 174	\$ 312	\$ 347
14	Podiatrists	\$ 382	\$ 687	\$ 763
15	Availability Plan Insureds	27%	27%	27%
16	Business Entities	22%	22%	22%
17	Medical Care Facilities	22%	22%	22%
18	Community Mental Health Centers	22%	22%	22%
19	Psychiatric Hospital	22%	22%	22%
20	Residents in Training	22%	22%	22%
21	Physician Assistants	22%	22%	22%
22	Nurse-Midwives	23%	23%	23%
23	Assisted Living & Residential Health Care Facilities	22%	22%	22%
24	Nursing Facilities	22%	22%	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, 2020 - December 31, 2020)

OPTION 2, per Kansas Statutes Annotated 40-3404

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

Fund Class Group	General Description	2020	2020	2020
		1st Year of Fund Compliance	2nd Year of Fund Compliance	>2 Years of Fund Compliance
1	Physicians	\$ 290	\$ 522	\$ 580
2	Physicians	\$ 654	\$ 1,177	\$ 1,308
3	Physicians	\$ 854	\$ 1,537	\$ 1,708
4	Physicians	\$ 1,004	\$ 1,807	\$ 2,008
5	Physicians	\$ 1,100	\$ 1,980	\$ 2,200
6	Physicians	\$ 1,372	\$ 2,469	\$ 2,743
7	Physicians	\$ 1,026	\$ 1,847	\$ 2,052
8	Physicians	\$ 2,326	\$ 4,187	\$ 4,652
9	Physicians	\$ 2,509	\$ 4,516	\$ 5,018
10	Physicians	\$ 3,420	\$ 6,155	\$ 6,839
11	Physicians	\$ 7,310	\$ 13,158	\$ 14,620
12	Chiropractors	\$ 176	\$ 317	\$ 352
13	Nurse Anesthetists	\$ 302	\$ 544	\$ 604
14	Podiatrists	\$ 669	\$ 1,203	\$ 1,337
15	Availability Plan Insureds	41%	41%	41%
16	Business Entities	33%	33%	33%
17	Medical Care Facilities	33%	33%	33%
18	Community Mental Health Centers	33%	33%	33%
19	Psychiatric Hospital	33%	33%	33%
20	Residents in Training	33%	33%	33%
21	Physician Assistants	33%	33%	33%
22	Nurse-Midwives	35%	35%	35%
23	Assisted Living & Residential Health Care Facilities	33%	33%	33%
24	Nursing Facilities	33%	33%	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, 2020 - December 31, 2020)

OPTION 3, per Kansas Statutes Annotated 40-3404

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

<u>Fund Class Group</u>	<u>General Description</u>	<u>2020 1st Year of Fund Compliance</u>	<u>2020 2nd Year of Fund Compliance</u>	<u>2020 >2 Years of Fund Compliance</u>
1	Physicians	\$ 364	\$ 654	\$ 727
2	Physicians	\$ 821	\$ 1,477	\$ 1,641
3	Physicians	\$ 1,072	\$ 1,930	\$ 2,144
4	Physicians	\$ 1,264	\$ 2,274	\$ 2,527
5	Physicians	\$ 1,382	\$ 2,488	\$ 2,764
6	Physicians	\$ 1,726	\$ 3,106	\$ 3,451
7	Physicians	\$ 1,289	\$ 2,320	\$ 2,578
8	Physicians	\$ 2,924	\$ 5,262	\$ 5,847
9	Physicians	\$ 3,154	\$ 5,677	\$ 6,308
10	Physicians	\$ 4,299	\$ 7,738	\$ 8,598
11	Physicians	\$ 9,188	\$ 16,538	\$ 18,376
12	Chiropractors	\$ 221	\$ 397	\$ 441
13	Nurse Anesthetists	\$ 379	\$ 682	\$ 758
14	Podiatrists	\$ 841	\$ 1,513	\$ 1,681
15	Availability Plan Insureds	47%	47%	47%
16	Business Entities	38%	38%	38%
17	Medical Care Facilities	38%	38%	38%
18	Community Mental Health Centers	38%	38%	38%
19	Psychiatric Hospital	38%	38%	38%
20	Residents in Training	38%	38%	38%
21	Physician Assistants	38%	38%	38%
22	Nurse-midwives	40%	40%	40%
23	Assisted Living & Residential Health Care Facilities	38%	38%	38%
24	Nursing Facilities	38%	38%	38%

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