

Clark Shultz, Executive Director
300 S.W. 8th Avenue, Second Floor
Topeka, Kansas 66603-3912



Telephone: 785-291-3777
Fax: 785-291-3550
Web Site: <http://www.hcsf.ks.gov/>

FISCAL YEAR 2019 ANNUAL REPORT
Prepared by Clark Shultz, Executive Director
October 1, 2019

The following information is reported on behalf of the Health Care Stabilization Fund Board of Governors in accordance with K.S.A. 40-3403(b)(1)(C).

1. Net premium surcharge collections amounted to \$28,896,286.
2. The highest surcharge rate for a health care professional was \$17,336 for a neurosurgeon with three or more years of Health Care Stabilization Fund liability exposure who selected the highest coverage option (\$800,000 per claim subject to \$2.4 million annual aggregate limit). If a Kansas resident neurosurgeon was also licensed to practice in Missouri, the 30% Missouri modification factor would result in a total premium surcharge of \$22,537.
3. The lowest surcharge rate for a health care provider was \$100 for a first year provider selecting the lowest HCSF coverage option (\$100,000 per claim subject to \$300,000 annual aggregate limit).
4. There were 10 medical professional liability cases involving 14 health care providers that went to jury trials. Nine of those cases resulted in defense verdicts and one case resulted in mistrial.
5. During the past fiscal year, 549 open claims were closed. Of those claims, only 74 (13.5%) resulted in Fund obligations. Sixty-one cases involving 74 claims were settled, which resulted in Health Care Stabilization Fund obligations amounting to \$23,407,875. The average Stabilization Fund compensation per claim was \$316,323. These amounts are in addition to compensation paid by primary insurers, typically \$200,000 per claim.
6. Because of periodic payment of settlements and judgments and other cash-flow characteristics, the amount reported above in item five was not the same as actual expenditures during FY2019. Total claim payments during the fiscal year amounted to \$28,918,065.
7. The balance sheet as of June 30, 2019 accepted by the HCSF Board of Governors indicates total assets of \$294,148,935 and total liabilities of \$254,631,909.

BOARD OF GOVERNORS

Jimmie A. Gleason, M.D., Chairman
Harold M. Chalker, D.C.
Joel M. Feder, D.O.
Kiley A. Floyd

Jeffery W. Glasgow, C.R.N.A.
Donald W. Hatton, M.D.
John W. Mize, J.D.

Kevin D. McFarland, Vice-Chairman
Steven R. Short, D.O.
Travis W. Stembidge, M.D.
Robert N. Wright, M.B.A., C.P.A.