

FISCAL YEAR 2020 ANNUAL REPORT
Prepared by Clark Shultz, Executive Director
September 10, 2020

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 \$28,705,874.
2. The highest surcharge rate for a health care professional was \$18,376 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 \$23,889.
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 12 medical professional liability cases involving 18 health care providers that went to jury trials. Eleven resulted in complete defense verdicts. One case resulted in a verdict for the plaintiff.
5. During the past fiscal year 524 open claims were closed. Of those claims, only 13.9% resulted in Fund obligations. Sixty-nine cases involving 73 claims were settled, which resulted in Health Care Stabilization Fund obligations amounting to \$27,121,225. The average Stabilization Fund compensation per claim was \$371,524. 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 FY2020. Total claim payments during the fiscal year amounted to \$27,651,536.
7. The balance sheet as of June 30, 2020 accepted by the HCSF Board of Governors indicates total assets of \$299,601,265 and total liabilities of \$271,785,592.

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