



Kansas Health Care Stabilization Fund

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Bulletin 2016-1

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: June 1, 2016

SUBJECT: Calendar Year 2017 HCSF Surcharge Rates and Related Information

The Health Care Stabilization Fund Board of Governors has decided to revise HCSF surcharge rates effective January 1, 2017. Because of favorable loss ratios, surcharge rates for several classification groups will be lower in 2017. The only classification group that will pay a higher surcharge rate in 2017 is those health care providers who obtain their basic coverage via the Health Care Provider Insurance Availability Plan. 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, 2017.

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.

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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 2017 HCSF surcharge rates may be sent to hcsf@ks.gov.

Health Care Stabilization Fund Surcharge Rates (Effective January 1, 2017 - December 31, 2017)

OPTION 1*

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

Fund Class Group	General Description	2017	2017	2017	2017
		1st Year of Fund Compliance	2nd Year of Fund Compliance	3rd Year of Fund Compliance	4th Year of Fund Compliance
1	physicians	\$ 100	\$ 191	\$ 286	\$ 318
2	physicians	\$ 216	\$ 431	\$ 647	\$ 719
3	physicians	\$ 297	\$ 593	\$ 890	\$ 989
4	physicians	\$ 332	\$ 663	\$ 995	\$ 1,106
5	physicians	\$ 363	\$ 726	\$ 1,089	\$ 1,210
6	physicians	\$ 453	\$ 906	\$ 1,359	\$ 1,510
7	physicians	\$ 339	\$ 677	\$ 1,016	\$ 1,129
8	physicians	\$ 809	\$ 1,617	\$ 2,426	\$ 2,695
9	physicians	\$ 812	\$ 1,624	\$ 2,436	\$ 2,706
10	physicians	\$ 1,190	\$ 2,380	\$ 3,570	\$ 3,966
11	physicians	\$ 2,252	\$ 4,503	\$ 6,755	\$ 7,505
12	chiropractors	\$ 100	\$ 122	\$ 183	\$ 204
13	nurse anesthetists	\$ 105	\$ 211	\$ 316	\$ 352
14	podiatrists	\$ 232	\$ 464	\$ 696	\$ 774
15	Availability Plan insureds	24%	24%	24%	24%
16	business entities	22%	22%	22%	22%
17	medical care facilities	22%	22%	22%	22%
18	community mental health centers	22%	22%	22%	22%
19	psychiatric hospital	22%	22%	22%	22%
20	residents in training	22%	22%	22%	22%
21	physician assistants	22%	22%	22%	22%
22	nurse-midwives	22%	22%	22%	22%
23	assisted living & residential health care facilities	22%	22%	22%	22%
24	nursing facilities	22%	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, 2017 - December 31, 2017)

OPTION 2*

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

Fund Class Group	General Description	2017	2017	2017	2017
		1st Year of Fund Compliance	2nd Year of Fund Compliance	3rd Year of Fund Compliance	4th Year of Fund Compliance
1	physicians	\$ 167	\$ 335	\$ 502	\$ 558
2	physicians	\$ 378	\$ 756	\$ 1,133	\$ 1,259
3	physicians	\$ 519	\$ 1,039	\$ 1,558	\$ 1,732
4	physicians	\$ 580	\$ 1,160	\$ 1,740	\$ 1,933
5	physicians	\$ 635	\$ 1,270	\$ 1,905	\$ 2,117
6	physicians	\$ 792	\$ 1,585	\$ 2,377	\$ 2,641
7	physicians	\$ 593	\$ 1,185	\$ 1,778	\$ 1,975
8	physicians	\$ 1,416	\$ 2,831	\$ 4,247	\$ 4,719
9	physicians	\$ 1,420	\$ 2,840	\$ 4,260	\$ 4,734
10	physicians	\$ 2,081	\$ 4,163	\$ 6,244	\$ 6,938
11	physicians	\$ 3,940	\$ 7,880	\$ 11,821	\$ 13,134
12	chiropractors	\$ 107	\$ 214	\$ 321	\$ 357
13	nurse anesthetists	\$ 184	\$ 368	\$ 552	\$ 613
14	podiatrists	\$ 407	\$ 814	\$ 1,220	\$ 1,356
15	Availability Plan insureds	37%	37%	37%	37%
16	business entities	33%	33%	33%	33%
17	medical care facilities	33%	33%	33%	33%
18	community mental health centers	33%	33%	33%	33%
19	psychiatric hospital	33%	33%	33%	33%
20	residents in training	33%	33%	33%	33%
21	physician assistants	33%	33%	33%	33%
22	nurse-midwives	33%	33%	33%	33%
23	assisted living & residential health care facilities	33%	33%	33%	33%
24	nursing facilities	33%	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, 2017 - December 31, 2017)

OPTION 3*

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

Fund Class Group	General Description	2017	2017	2017	2017
		1st Year of Fund Compliance	2nd Year of Fund Compliance	3rd Year of Fund Compliance	4th Year of Fund Compliance
1	physicians	\$ 210	\$ 420	\$ 630	\$ 700
2	physicians	\$ 474	\$ 948	\$ 1,422	\$ 1,580
3	physicians	\$ 653	\$ 1,305	\$ 1,958	\$ 2,175
4	physicians	\$ 730	\$ 1,460	\$ 2,190	\$ 2,433
5	physicians	\$ 798	\$ 1,596	\$ 2,395	\$ 2,661
6	physicians	\$ 997	\$ 1,993	\$ 2,990	\$ 3,322
7	physicians	\$ 745	\$ 1,489	\$ 2,234	\$ 2,482
8	physicians	\$ 1,779	\$ 3,558	\$ 5,338	\$ 5,931
9	physicians	\$ 1,785	\$ 3,571	\$ 5,356	\$ 5,951
10	physicians	\$ 2,617	\$ 5,233	\$ 7,850	\$ 8,722
11	physicians	\$ 4,953	\$ 9,906	\$ 14,859	\$ 16,510
12	chiropractors	\$ 134	\$ 268	\$ 403	\$ 447
13	nurse anesthetists	\$ 231	\$ 461	\$ 692	\$ 769
14	podiatrists	\$ 511	\$ 1,023	\$ 1,534	\$ 1,705
15	Availability Plan insureds	42%	42%	42%	42%
16	business entities	38%	38%	38%	38%
17	medical care facilities	38%	38%	38%	38%
18	community mental health centers	38%	38%	38%	38%
19	psychiatric hospital	38%	38%	38%	38%
20	residents in training	38%	38%	38%	38%
21	physician assistants	38%	38%	38%	38%
22	nurse-midwives	38%	38%	38%	38%
23	assisted living & residential health care facilities	38%	38%	38%	38%
24	nursing facilities	38%	38%	38%	38%

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