



Kansas Health Care Stabilization Fund

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FISCAL YEAR 2018 ANNUAL REPORT
Prepared by C. Wheelen, Executive Director
Accepted by the Board of Governors September 13, 2018

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 \$27,708,987.
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. If the same Kansas neurosurgeon obtained his or her basic professional liability insurance via the Kansas Health Care Provider Insurance Availability Plan, the surcharge would have been \$25,615 and if he or she was also licensed to practice in Missouri, the surcharge would have been \$33,299.
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 19 health care providers that went to jury trials. Nine of those cases resulted in defense verdicts and three trials resulted in verdicts for the plaintiff. Health Care Stabilization Fund obligations resulting from plaintiff verdicts amounted to \$980,370.
5. During the past fiscal year, 578 open claims were closed. Of those claims, only 76 (13%) resulted in Fund obligations. Fifty-eight cases involving 73 claims were settled, which resulted in Health Care Stabilization Fund obligations amounting to \$24,238,950. The average Stabilization Fund compensation per claim was \$332,040. These amounts are in addition to compensation paid by primary insurers, typically \$200,000 per claim.
6. Because of periodic payment of compensation and other cash-flow characteristics, the amount reported above in item five was not the same as actual expenditures during FY2018. Total claims expenditures during the fiscal year amounted to \$27,385,897.
7. The balance sheet as of June 30, 2018 indicates total assets amounting to \$290,884,992 and total liabilities amounting to \$246,840,942.

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