

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 341** HLS 11RS 836
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 20, 2011 8:03 AM	Author: HAZEL
Dept./Agy.:	Analyst: Travis McIlwain
Subject: Patient's Compensation Fund	

FUNDS/FUNDING OR NO IMPACT See Note Page 1 of 1
 (Constitutional Amendment) Provides for assets and property of the Patient's Compensation Fund

Proposed constitutional amendment constitutionally authorizes the legislature to establish the Patient's Compensation Fund as a private custodial fund in which any income from it is not public money, is not state property and not be subject to appropriation. Proposed constitutional amendment provides that the Patient's Compensation Fund be exempt from participation in any guaranty fund or insolvency fund. Proposed constitutional amendment provides that the Patient's Compensation Fund shall not rely on the full faith and credit to the state for the payment of legal obligations. Proposed legislation provides for the proposed amendment be submitted to the electors of Louisiana at the statewide election to be held October 22, 2011.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed constitutional amendment will be considered by voters at the statewide election to be held on October 22, 2011. The Secretary of State may incur minimal ballot printing costs associated with this measure. However, as a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments for the fall statewide elections. To the extent this constitutional amendment is the 11th amendment on the ballot, the Secretary of State may incur additional costs.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The proposed constitutional amendment places the Patient's Compensation Fund into Article XII, Section 16 of the Constitution and further states that the Patient's Compensation Fund assets are not state property and not subject to appropriation by the legislature. The proposed constitutional amendment further provides that the monies within the fund are private and are to be used to ensure available medical malpractice insurance for Louisiana health care providers.

The purpose of the Patient's Compensation Fund Oversight Board (PCF) is to guarantee that affordable, medical malpractice coverage is available to all private healthcare providers and to provide a certain, stable source of compensation for legitimate injured parties of medical malpractice. The PCF provides medical malpractice coverage to qualified health care providers and currently covers approximately 17,000 providers. The current PCF fund balance is approximately \$680 M. The PCF pays approximately \$130 M annually in claims and collects approximately \$165 M annually in premiums.

NOTE: Act 411 of the 2010 Regular Legislative Session, effective July 1, 2010, removed the Patient's Compensation Fund from the appropriations process and is now an off-budget entity. The Patient's Compensation Fund was previously a state agency within the ancillary appropriations bill.

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

House

6.8(F) >= \$100,000 Annual SGF Cost

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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