LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 287** HLS 11RS 837
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 20, 2011 8:04 AM
Author: HAZEL
Dept./Agy.:
Subject: Patient's Compensation Fund
Analyst: Travis McIlwain

MALPRACTICE/MEDICAL OR NO IMPACT See Note
Provides for the classification of monies in the Patient's Compensation Fund

Proposed legislation provides that the assets of the Patient's Compensation Fund shall not be state property and shall not be subject to appropriation by the legislature. In addition, this bill provides for the Patient's Compensation Fund shall not join or contribute financially to or be entitled to the protection of any plan, pool, association or guaranty fund or insolvency fund. Proposed legislation also provides that the fund shall not be entitled to an appropriation of state general funds without a specific appropriation approved by the legislature.

EXPENDITURES	**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	$0	$0	$0	$0	$0	**$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	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXPENDITURE EXPLANATION
There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION
There is no anticipated direct material effect on governmental revenues as a result of this measure. The proposed legislation explicitly clarifies that the assets of the Patient's Compensation Fund are not state property and are not subject to appropriation by the legislature. The bill further provides that these funds are private monies to be utilized for medical malpractice insurance for health care providers in the state and to ensure compensation is available to those injured as a result of medical malpractice. In addition, the bill also specifies that the state is not liable for the fund's legal obligations.

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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