

Clearinghouse Rule 11-015

NOTICE IS HEREBY GIVEN that pursuant to the authority granted under s. 601.41(3), Stats., and the procedures set forth in under s. 227.18, Stats., OCI will hold a public hearing to consider the adoption of the attached proposed rulemaking order affecting Section Ins 17.01(3), 17.28 (3)(c), and 17.28 (6), Wis. Adm. Code, relating to annual injured patients and families compensation fund fees, mediation panel fees, and provider classifications.

HEARING INFORMATION

Date: April 13, 2011
Time: 10:00 a.m., or as soon thereafter as the matter may be reached
Place: OCI, Room 227, 125 South Webster St 2nd Floor, Madison, WI

Written comments can be mailed to:

Theresa L. Wedekind
Legal Unit - OCI Rule Comment for Rule Ins 1701
Office of the Commissioner of Insurance
PO Box 7873
Madison WI 53707-7873

Written comments can be hand delivered to:

Theresa L. Wedekind
Legal Unit - OCI Rule Comment for Rule Ins 1701
Office of the Commissioner of Insurance
125 South Webster St – 2nd Floor
Madison WI 53703-3474

Comments can be emailed to:

Theresa L. Wedekind
theresa.wedekind@wisconsin.gov

Comments submitted through the Wisconsin Administrative Rule Web site at: <http://adminrules.wisconsin.gov> on the proposed rule will be considered.

The deadline for submitting comments is 4:00 p.m. on the 7th day after the date for the hearing stated in this Notice of Hearing.

SUMMARY OF PROPOSED RULE & FISCAL ESTIMATE

For a summary of the rule see the analysis contained in the attached proposed rulemaking order. There will be no state or local government fiscal effect. The full text of the proposed changes, a summary of the changes and the fiscal estimate are attached to this Notice of Hearing.

OCI SMALL BUSINESS REGULATORY COORDINATOR

The OCI small business coordinator is Eileen Mallow and may be reached at phone number (608) 266-7843 or at email address eileen.mallow@wisconsin.gov

CONTACT PERSON

A copy of the full text of the proposed rule changes, analysis and fiscal estimate may be obtained from the OCI internet Web site at <http://oci.wi.gov/ocirules.htm> or by contacting Inger Williams, Public Information and Communications, OCI, at: inger.williams@wisconsin.gov, (608) 264-8110, 125 South Webster Street – 2nd Floor, Madison WI or PO Box 7873, Madison WI 53707-7873.

PROPOSED ORDER OF THE OFFICE OF THE COMMISSIONER OF INSURANCE
REPEALING, RENUMBERING, RENUMBERING AND AMENDING, AMENDING,
REPEALING AND CREATING AND CREATING A RULE

To amend s. Ins 17.01 (3), and 17.28 (3) (c), Wis. Adm. Code, and to repeal and recreate s. Ins 17.28 (6), Wis. Adm. Code, relating to annual injured patients and families compensation fund fees, mediation panel fees, and provider classifications.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE (OCI)

1. Statutes interpreted:

ss. 655.27 (3), and 655.61, Wis. Stats.

2. Statutory authority:

ss. 601.41 (3), 655.004, 655.27 (3) (b), and 655.61, Wis Stats.

3. Explanation of OCI's authority to promulgate the proposed rule under these statutes:

The commissioner of insurance, with the approval of the board of governors (board) of the injured patients and families compensation fund (fund), is required to establish by administrative rule the annual fees which participating health care providers must pay to the fund and the annual fee due for the operation of the medical mediation panel.

4. Related statutes or rules:

None

5. The plain language analysis and summary of the proposed rule:

This rule establishes the fees that participating health care providers must pay to the fund for the fiscal year beginning July 1, 2011. These fees represent a 8.5% increase from fees paid for the 2010-11 fiscal year. The board approved these fees at its meeting on February 16, 2011, based on the recommendation of the board's actuarial and underwriting committee and reports of the fund's actuaries.

This rule includes additions to the Insurance Services Office (ISO) code listing to address new classification specialties. ISO codes are the numerical designation for a health care provider's specialty and are used to classify the provider for assessment purposes.

The board is also required to promulgate by rule the annual fees for the operation of the injured patients and families compensation mediation system, based on the recommendation of the director of state courts. The recommendation of the director of state courts was reviewed by the board's actuarial and underwriting committee. This rule implements the funding level approved by the board by establishing mediation panel fees for the next fiscal year at \$25.00 for physicians and \$5.00 per occupied bed for

hospitals, representing a decrease of \$3.00 per physician and a decrease of \$1.00 per occupied bed for hospitals from 2010-11 fiscal year mediation panel fees.

6. Summary of and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:

To the fund board's and OCI's knowledge there is no existing or proposed federal regulation that is intended to address patient compensation fund rates, administration or activities.

7. Comparison of similar rules in adjacent states as found by OCI:

To the fund board's and OCI's knowledge there are no similar rules in the adjacent states to compare this rule to as none of adjacent states have a patients compensation fund created by statute where rates are directed to be established yearly by rule as is true in Wisconsin.

8. A summary of the factual data and analytical methodologies that OCI used in support of the proposed rule and how any related findings support the regulatory approach chosen for the proposed rule:

None. This rule establishes annual fund fees pursuant to the requirements of the above-noted Wisconsin statutes.

9. Any analysis and supporting documentation that OCI used in support of OCI's determination of the rule's effect on small businesses under s. 227.114:

This increase in fund fees will have an effect on some small businesses in Wisconsin, particularly those that employ physicians and other health care professionals. The mediation panel fee is assessed only on physicians and hospitals, not on corporations or other health care entities. The fund fee increases will affect only those small businesses that pay the fund fees and mediation panel fees on behalf of their employed physicians. However, the fund fee increase will not have a significant effect nor should it negatively affect the small business's ability to compete with other providers.

10. See the attached Private Sector Fiscal Analysis.

The increase in fees promulgated by this rule does not result in a significant fiscal effect on the private sector. Although a health care provider may pass this increase on to its patients, there will not be a significant fiscal effect on the private sector as a result of this proposed rule.

11. A description of the Effect on Small Business:

This rule will have little or no effect on small businesses. The increase contained in the proposed rule will require providers to pay an increased fund fee which will increase the operational expenses for the providers. However, this increase is not considered to be significant and will have no effect on the provider's competitive abilities.

12. Agency contact person:

A copy of the full text of the proposed rule changes, analysis and fiscal estimate may be obtained from the Web site at:

<http://oci.wi.gov/ocirules.htm>

or by contacting Inger Williams, OCI Services Section, at:

Phone: (608) 264-8110
Email: inger.williams@wisconsin.gov
Address: 125 South Webster St – 2nd Floor, Madison WI 53703-3474
Mail: PO Box 7873, Madison, WI 53707-7873

13. Place where comments are to be submitted and deadline for submission:

The deadline for submitting comments is 4:00 p.m. on the 14th day after the date for the hearing stated in the Notice of Hearing.

Mailing address:

Theresa L. Wedekind
Legal Unit - OCI Rule Comment for Rule Ins 1701
Office of the Commissioner of Insurance
PO Box 7873
Madison WI 53707-7873

Street address:

Theresa L. Wedekind
Legal Unit - OCI Rule Comment for Rule Ins 1701
Office of the Commissioner of Insurance
125 South Webster St – 2nd Floor
Madison WI 53703-3474

Email address:

Theresa L. Wedekind
theresa.wedekind@wisconsin.gov

Web site: <http://oci.wi.gov/ocirules.htm>

The proposed rule changes are:

SECTION 1. Ins 17.01 (3) is amended to read:

Ins 17.01 (3) FEE SCHEDULE. The following fee schedule shall be effective July 1, ~~2010~~ 2011:

(a) For physicians-- ~~\$28.00~~ 25.00

(b) For hospitals, per occupied bed-- ~~\$6.00~~ 5.00

SECTION 2. Ins 17.28 (3)(c) is amended to read:

(c) “Class” means a group of physicians whose specialties or types of practice are similar in their degree of exposure to loss. The specialties and types of practice and the applicable Insurance Services Office, Inc., codes included in each fund class are the following:

1. Class 1:

| | |
|---|--------------|
| <u>Administrative Medicine</u> | 80120 |
| Aerospace Medicine | 80230 |
| Allergy | 80254 |
| Allergy (D.O.) | 84254 |
| Cardiovascular Disease—no surgery or catheterization | 80255 |
| Cardiovascular Disease—no surgery or catheterization (D.O.) | 84255 |
| Dermatology—no surgery | 80256 |
| Dermatology—no surgery (D.O.) | 84256 |
| Diabetes—no surgery | 80237 |
| Endocrinology—no surgery | 80238 |
| Endocrinology—no surgery (D.O.) | 84238 |
| Family or General Practice—no surgery | 80420 |
| Family or General Practice—no surgery (D.O.) | 84420 |
| Forensic Medicine—Legal Medicine | 80240 |
| Forensic Medicine—Legal Medicine (D.O.) | 84240 |
| Gastroenterology—no surgery | 80241 |
| Gastroenterology—no surgery (D.O.) | 84241 |
| General Preventive Medicine—no surgery | 80231 |
| General Preventive Medicine—no surgery (D.O.) | 84231 |
| Geriatrics—no surgery | 80243 |
| Geriatrics—no surgery (D.O.) | 84243 |
| Gynecology—no surgery | 80244 |
| Gynecology—no surgery (D.O.) | 84244 |
| Hematology—no surgery | 80245 |
| Hematology—no surgery (D.O.) | 84245 |
| Hypnosis | 80232 |
| Infectious Diseases—no surgery | 80246 |
| Infectious Diseases—no surgery (D.O.) | 84246 |
| Internal Medicine—no surgery | 80257 |
| Internal Medicine—no surgery (D.O.) | 84257 |
| Laryngology—no surgery | 80258 |
| Manipulator (D.O.) | 84801 |
| Neoplastic Disease—no surgery | 80259 |
| Nephrology—no surgery | 80260 |
| Nephrology - no surgery (D.O.) | 84260 |
| Neurology—no surgery | 80261 |
| Neurology—no surgery (D.O.) | 84261 |
| Nuclear Medicine | 80262 |
| Nuclear Medicine (D.O.) | 84262 |
| Nutrition | 80248 |
| Occupation Medicine | 80233 |
| Occupation Medicine (D.O.) | 84233 |
| Oncology - no surgery | 80302 |
| Oncology - no surgery (D.O.) | 84302 |
| Ophthalmology—no surgery | 80263 |
| Ophthalmology—no surgery (D.O.) | 84263 |
| Osteopathy—manipulation only | 84801 |
| Otology - no surgery | 80247 |
| Otorhinolaryngology—no surgery | 80265 |
| Otorhinolaryngology—no surgery (D.O.) | 84265 |
| <u>Pain Management - no surgery</u> | <u>80208</u> |

| | |
|---|-------|
| <u>Pain Management – no surgery (D.O.)</u> | 84208 |
| Pathology—no surgery | 80266 |
| Pathology—no surgery (D.O.) | 84266 |
| Pediatrics—no surgery | 80267 |
| Pediatrics—no surgery (D.O.) | 84267 |
| Pharmacology—Clinical | 80234 |
| Physiatry—Physical Medicine (D.O.) | 84235 |
| Physiatry—Physical Medicine & Rehabilitation | 80235 |
| Physicians—no surgery | 80268 |
| Physicians—no surgery (D.O.) | 84268 |
| Psychiatry | 80249 |
| Psychiatry—(D.O.) | 84249 |
| Psychoanalysis | 80250 |
| Psychosomatic Medicine | 80251 |
| Psychosomatic Medicine (D.O.) | 84251 |
| Public Health | 80236 |
| Pulmonary Disease—no surgery | 80269 |
| Pulmonary Disease—no surgery (D.O.) | 84269 |
| Radiology—diagnostic | 80253 |
| Radiology—diagnostic (D.O.) | 84253 |
| Radiopaque dye | 80449 |
| Radiopaque dye (D.O.) | 84449 |
| Rheumatology—no surgery | 80252 |
| Rheumatology—no surgery (D.O.) | 84252 |
| Rhinology – no surgery | 80264 |
| Shock Therapy | 80431 |
| Shock Therapy (D.O.) | 84431 |
| Shock Therapy—insured | 80162 |
| Urgent Care—Walk-in or After Hours | 80424 |
| Urgent Care—Walk-in or After Hours (D.O.) | 84424 |
| Urology | 80121 |

2. Class 2:

| | |
|---|-------|
| Acupuncture | 80437 |
| Acupuncture (D.O.) | 84437 |
| Anesthesiology | 80151 |
| Anesthesiology (D.O.) | 84151 |
| Angiography-Arteriography—catheterization | 80422 |
| Angiography-Arteriography—catheterization (D.O.) | 84422 |
| Broncho-Esophagology | 80101 |
| Cardiovascular Disease—minor surgery | 80281 |
| Cardiovascular Disease—minor surgery (D.O.) | 84281 |
| Colonoscopy-ERCP-Pneu or mech esoph dil (D.O.) | 84443 |
| Colonoscopy-ERCP-pneu. or mech. | 80443 |
| Dermatology—minor surgery | 80282 |
| Dermatology – minor surgery (D.O.) | 84282 |
| Diabetes – minor surgery | 80271 |
| Dermatology—minor surgery (D.O.) | 84282 |
| Emergency Medicine—No Major Surgery | 80102 |
| Emergency Medicine—No Major Surgery | 84102 |

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| (DO) | |
| Employed Physician or Surgeon | 80177 |
| Employed Physician or Surgeon (D.O.) | 84177 |
| Endocrinology—minor surgery | 80272 |
| Endocrinology—minor surgery (D.O.) | 84272 |
| Family Practice—and general practice minor surgery—No OB | 80423 |
| Family Practice—and general practice minor surgery—No OB (D.O.) | 84423 |
| Family or General Practice—including OB (D.O.) | 84421 |
| Family or General Practice—including OB | 80421 |
| Family or General Practice – including OB (D.O.) | 84421 |
| Gastroenterology—minor surgery | 80274 |
| Gastroenterology—minor surgery (D.O.) | 84274 |
| Geriatrics—minor surgery | 80276 |
| Geriatrics—minor surgery (D.O.) | 84276 |
| Gynecology—minor surgery | 80277 |
| Gynecology—minor surgery (D.O.) | 84277 |
| Hematology—minor surgery | 80278 |
| Hematology—minor surgery (D.O.) | 84278 |
| Hospitalist | 80296 |
| Hospitalist (D.O.) | 84296 |
| Infectious Diseases—minor surgery | 80279 |
| Intensive Care Medicine | 80283 |
| Intensive Care Medicine (D.O.) | 84283 |
| Internal Medicine—minor surgery | 80284 |
| Internal Medicine—minor surgery (D.O.) | 84284 |
| Laparoscopy | 80440 |
| Laparoscopy (D.O.) | 84440 |
| Laryngology—minor surgery | 80285 |
| Myelography - Discogram- Pneumoencephalo | 80428 |
| Myelography-Discogram-Pneumoencephalo (D.O.) | 84428 |
| Needle Biopsy | 80446 |
| Needle Biopsy (D.O.) | 84446 |
| Nephrology—minor surgery | 80287 |
| <u>Neonatology</u> | <u>80298</u> |
| <u>Neonatology (D.O.)</u> | <u>84298</u> |
| Neoplastic Disease—minor surgery | 80286 |
| Neurology—minor surgery | 80288 |
| Neurology—minor surgery (D.O.) | 84288 |
| <u>Oncology - minor surgery</u> | <u>80301</u> |
| <u>Oncology - minor surgery (D.O.)</u> | <u>84301</u> |
| Ophthalmology—minor surgery | 80289 |
| Ophthalmology—minor surgery (D.O.) | 84289 |
| Otology - minor surgery | 80290 |
| Otorhinolaryngology—minor surgery | 80291 |
| Otorhinolaryngology—minor surgery (D.O.) | 84291 |
| <u>Pain Management - Basic procedures</u> | <u>80182</u> |
| <u>Pain Management - Basic procedures (D.O.)</u> | <u>84182</u> |
| Pathology—minor surgery | 80292 |
| Pathology—minor surgery (D.O.) | 84292 |

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|---|--------------|
| Pediatrics—minor surgery | 80293 |
| Pediatrics—minor surgery (D.O.) | 84293 |
| Phlebography-Lymphangeography | 80434 |
| Phlebography-Lymphangeography (D.O.) | 84434 |
| Physicians—minor surgery | 80294 |
| Physicians - minor surgery (D.O.) | 84294 |
| Radiation Therapy—lasers | 80425 |
| Radiation Therapy—lasers (D.O.) | 84425 |
| Radiation Therapy - other than lasers | 80165 |
| Radiology—diagnostic-interventional procedures | 80280 |
| Radiology—diagnostic-interventional procedures (D.O.) | 84280 |
| Rhinology - minor surgery | 80270 |
| Surgery—Colon & Rectal | 80115 |
| Surgery —Endocrinology | 80103 |
| Surgery—Gastroenterology | 80104 |
| <u>Surgery - Gastroenterology (D.O.)</u> | <u>84104</u> |
| Surgery—General Practice or Family Practice | 80117 |
| Surgery—General Practice or Family Practice (D.O.) | 84117 |
| Surgery—Geriatrics | 80105 |
| Surgery—Neoplastic | 80107 |
| Surgery—Nephrology | 80108 |
| Surgery—Ophthalmology | 80114 |
| Surgery—Urological | 80145 |
| Surgery—Urological (D.O.) | 84145 |

3. Class 3:

| | |
|--|--------------|
| Emergency Medicine—includes major surgery | 80157 |
| Emergency Medicine—includes major surgery (D.O.) | 84157 |
| Otology—surgery | 80158 |
| Radiation Therapy - employed physician | 80163 |
| Radiation Therapy - employed physician (D.O.) | 84163 |
| Shock Therapy - employed physician | 80161 |
| Shock Therapy - employed physician (D.O.) | 84161 |
| Surgery—Abdominal | 80166 |
| <u>Surgery - Bariatrics</u> | <u>80476</u> |
| <u>Surgery - Bariatrics (D.O.)</u> | <u>84476</u> |
| Surgery—Cardiac | 80141 |
| Surgery—Cardiovascular Disease | 80150 |
| Surgery—Cardiovascular Disease (D.O.) | 84150 |
| Surgery—General | 80143 |
| Surgery—General (D.O.) | 84143 |
| Surgery—Gynecology | 80167 |
| Surgery—Gynecology (D.O.) | 84167 |
| Surgery—Hand | 80169 |
| Surgery—Head & Neck | 80170 |
| Surgery - Laryngology | 80106 |
| Surgery—Orthopedic | 80154 |

| | |
|--|--------------|
| Surgery—Orthopedic (D.O.) | 84154 |
| Surgery—Otorhinolaryngology-no plastic surgery | 80159 |
| Surgery—Plastic | 80156 |
| Surgery—Plastic (D.O.) | 84156 |
| Surgery—Plastic-Otorhinolaryngology | 80155 |
| Surgery—Plastic-Otorhinolaryngology (D.O.) | 84155 |
| Surgery—Rhinology | 80160 |
| Surgery—Thoracic | 80144 |
| Surgery—Thoracic (D.O.) | 84144 |
| Surgery—Traumatic | 80171 |
| Surgery—Vascular | 80146 |
| <u>Surgery - Vascular (D.O.)</u> | <u>84146</u> |
| Weight Control—Bariatrics | 80180 |

4. Class 4:

| | |
|--------------------------|-------|
| Surgery—Neurology | 80152 |
| Surgery—Neurology (D.O.) | 84152 |
| Surgery—Obstetrics | 80168 |
| Surgery—OB/GYN | 80153 |
| Surgery—OB/GYN (D.O.) | 84153 |

Section 3. Ins 17.28 (6) is repealed and recreated to read:

(6) FEE SCHEDULE. The following fee schedule is in effect from July 1, 2011 to June 30, 2012:

(a) Except as provided in pars. (b) to (f) and sub. (6e), for a physician for whom this state is a principal place of practice:

| | |
|-----------------|-----------------|
| Class 1 \$1,461 | Class 3 \$5,844 |
| Class 2 \$2,629 | Class 4 \$9,643 |

(b) For a resident acting within the scope of a residency or fellowship program:

| | |
|-----------------|-----------------|
| Class 1 \$ 731 | Class 3 \$2,922 |
| Class 2 \$1,314 | Class 4 \$4,822 |

(c) For a resident practicing part-time outside the scope of a residency or fellowship program:

| | |
|-------------|-------|
| All classes | \$877 |
|-------------|-------|

(d) For a Medical College of Wisconsin, Inc., full-time faculty member:

| | |
|----------------|-----------------|
| Class 1 \$ 588 | Class 3 \$2,352 |
|----------------|-----------------|

Class 2 \$1,051 Class 4 \$3,881

(e) For physicians who practice part-time:

1. For a physician who practices fewer than 500 hours during the fiscal year, limited to office practice and nursing home and house calls, and who does not practice obstetrics or surgery or assist in surgical procedures: \$ 365

2. For a physician who practices 1040 hours or less during the fiscal year, including those who practice fewer than 500 hours during the fiscal year whose practice is not limited to office practice, nursing homes or house calls or who do practice obstetrics, surgery or assist in surgical procedures:

Class 1 \$ 877 Class 3 ... \$3,507

Class 2 \$1,579 Class 4 ... \$5,786

(f) For a physician for whom this state is not a principal place of practice:

Class 1 \$ 731 Class 3 ... \$2,922

Class 2 \$1,314 Class 4 ... \$4,822

(g) For a nurse anesthetist for whom this state is a principal place of practice:

\$ 358

(h) For a nurse anesthetist for whom this state is not a principal place of practice: \$ 179

(i) For a hospital, all of the following fees:

1. Per occupied bed \$ 88

2. Per 100 outpatient visits during the last calendar year for which totals are available: \$ 4.41

(j) For a nursing home, as described under s. 655.002 (1) (j), Stats., that is wholly owned and operated by a hospital and that has health care liability insurance separate from that of the hospital by which it is owned and operated:

Per occupied bed \$ 18

(k) For a partnership comprised of physicians or nurse anesthetists, organized for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of partners and employed physicians and nurse anesthetists is from 2 to 10 \$ 51
- b. If the total number of partners and employed physicians and nurse anesthetists is from 11 to 100 \$ 504
- c. If the total number of partners and employed physicians and nurse anesthetists exceeds 100 \$1,255
2. The following fee for each full-time equivalent allied health care professional employed by the partnership as of the most recent completed survey submitted:

| <u>Employed Health Care Professionals</u> | <u>Fund Fee</u> |
|---|-----------------|
| Nurse Practitioners | \$ 365 |
| Advanced Nurse Practitioners | 511 |
| Nurse Midwives | 3,214 |
| Advanced Nurse Midwives | 3,359 |
| Advanced Practice Nurse Prescribers | 511 |
| Chiropractors | 584 |
| Dentists | 292 |
| Oral Surgeons | 2,192 |
| Podiatrists-Surgical | 6,209 |
| Optometrists | 292 |
| Physician Assistants | 292 |

(L) For a corporation, including a service corporation, with more than one shareholder organized under ch. 180, Stats., for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of shareholders and employed physicians and nurse anesthetists is from 2 to 10 \$ 51
- b. If the total number of shareholders and employed physicians and nurse anesthetists is from 11 to 100 \$ 504
- c. If the total number of shareholders and employed physicians or nurse anesthetists exceeds 100 \$1,255

2. The following fee for each full-time equivalent allied health care professional employed by the corporation as of the most recent completed survey submitted:

| <u>Employed Health Care Professionals</u> | <u>Fund Fee</u> |
|---|-----------------|
| Nurse Practitioners | \$ 365 |
| Advanced Nurse Practitioners | 511 |
| Nurse Midwives | 3,214 |
| Advanced Nurse Midwives | 3,359 |
| Advanced Practice Nurse Prescribers | 511 |
| Chiropractors | 584 |
| Dentists | 292 |
| Oral Surgeons | 2,192 |
| Podiatrists-Surgical | 6,209 |
| Optometrists | 292 |
| Physician Assistants | 292 |

(m) For a corporation organized under ch. 181, Stats., for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of employed physicians and nurse anesthetists is from 1 to 10 \$ 51

b. If the total number of employed physicians and nurse anesthetists is from 11 to 100 \$ 504

c. If the total number of employed physicians or nurse anesthetists exceeds 100 \$1,255

2. The following fee for each full-time equivalent allied health care professional employed by the corporation as of the most recent completed survey submitted:

| <u>Employed Health Care Professionals</u> | <u>Fund Fee</u> |
|---|-----------------|
| Nurse Practitioners | \$ 365 |
| Advanced Nurse Practitioners | 511 |
| Nurse Midwives | 3,214 |
| Advanced Nurse Midwives | 3,359 |
| Advanced Practice Nurse Prescribers | 511 |
| Chiropractors | 584 |
| Dentists | 292 |
| Oral Surgeons | 2,192 |
| Podiatrists-Surgical | 6,209 |
| Optometrists | 292 |
| Physician Assistants | 292 |

(n) For an operational cooperative sickness care plan as described under s. 655.002 (1) (f), Stats., all of the following fees:

1. Per 100 outpatient visits during the last calendar year for which totals are available \$0.11

2. 3.24% of the total annual fees assessed against all of the employed physicians.

3. The following fee for each full-time equivalent allied health care professional employed by the operational cooperative sickness plan as of the most recent completed survey submitted:

| <u>Employed Health Care Professionals</u> | <u>Fund Fee</u> |
|---|-----------------|
|---|-----------------|

| | |
|-------------------------------------|--------|
| Nurse Practitioners | \$ 365 |
| Advanced Nurse Practitioners | 504 |
| Nurse Midwives | 3,214 |
| Advanced Nurse Midwives | 3,359 |
| Advanced Practice Nurse Prescribers | 511 |
| Chiropractors | 584 |
| Dentists | 292 |
| Oral Surgeons | 2,192 |
| Podiatrists-Surgical | 6,209 |
| Optometrists | 292 |
| Physician Assistants | 292 |

(o) For a freestanding ambulatory surgery center, as defined in s. DHS 120.03 (13), per 100 outpatient visits during the last calendar year for which totals are available: \$ 22.79

(p) For an entity affiliated with a hospital, the greater of \$100 or whichever of the following applies:

1. 7.5% of the amount the entity pays as premium for its primary health care liability insurance, if it has occurrence coverage.

2. 11% of the amount the entity pays as premium for its primary health care liability insurance, if it has claims-made coverage.

(q) For an organization or enterprise not specified as a partnership or corporation that is organized and operated in this state for the primary purpose of providing the medical services of physicians or nurse anesthetists, all of the following fees:

1. a. If the total number of employed physicians and nurse anesthetists is from 1 to 10 \$ 51

b. If the total number of employed physicians and nurse anesthetists is from 11 to 100 \$ 504

c. If the total number of employed physicians or nurse anesthetists exceeds 100

\$1,255

2. The following for each full-time equivalent allied health care professional employed by the organization or enterprise not specified as a partnership, corporation, or an operational cooperative health care plan as of the most recent completed survey submitted:

| <u>Employed Health Care Professionals</u> | <u>Fund Fee</u> |
|---|-----------------|
| Nurse Practitioners | \$ 365 |
| Advanced Nurse Practitioners | 511 |
| Nurse Midwives | 3,214 |
| Advanced Nurse Midwives | 3,359 |
| Advanced Practice Nurse Prescribers | 511 |
| Chiropractors | 584 |
| Dentists | 292 |
| Oral Surgeons | 2,192 |
| Podiatrists-Surgical | 6,209 |
| Optometrists | 292 |
| Physician Assistants | 292 |

Section 4. These changes will take effect on the first day of the month after publication, as provided in s. 227.22(2)(intro.), Stats.

Dated at Madison, Wisconsin, this _____ day of _____, 2011.

Theodore K. Nickel
Commissioner of Insurance

Office of the Commissioner of Insurance
Private Sector Fiscal Analysis

for Section Ins 17.01(3), 17.28 (3)(c), and 17.28 (6) relating to annual
injured patients and families compensation fund fees, mediation
panel fees, and provider classifications

This rule change will have no significant effect on the private sector regulated by OCI.

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

| | |
|-------------|---|
| LRB Number | Amendment No. if Applicable |
| Bill Number | Administrative Rule Number INS 1701 |

Subject
annual injured patients and families compensation fund fees, mediation panel fees, and provider classifications

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
None

| Annualized Costs: | Annualized Fiscal impact on State funds from: | |
|---|---|-----------------------|
| | Increased Costs | Decreased Costs |
| A. State Costs by Category | | |
| State Operations - Salaries and Fringes | \$ 0 | \$ -0 |
| (FTE Position Changes) | (0 FTE) | (-0 FTE) |
| State Operations - Other Costs | 0 | -0 |
| Local Assistance | 0 | -0 |
| Aids to Individuals or Organizations | 0 | -0 |
| TOTAL State Costs by Category | \$ 0 | \$ -0 |
| B. State Costs by Source of Funds | | |
| GPR | \$ 0 | \$ -0 |
| FED | 0 | -0 |
| PRO/PRS | 0 | -0 |
| SEG/SEG-S | 0 | -0 |
| C. State Revenues <small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small> | Increased Rev. | Decreased Rev. |
| GPR Taxes | \$ 0 | \$ -0 |
| GPR Earned | 0 | -0 |
| FED | 0 | -0 |
| PRO/PRS | 0 | -0 |
| SEG/SEG-S | 0 | -0 |
| TOTAL State Revenues | \$ 0 None | \$ -0 None |

NET ANNUALIZED FISCAL IMPACT

| | | |
|------------------------|------------------|------------------|
| | <u>STATE</u> | <u>LOCAL</u> |
| NET CHANGE IN COSTS | \$ <u>None 0</u> | \$ <u>None 0</u> |
| NET CHANGE IN REVENUES | \$ <u>None 0</u> | \$ <u>None 0</u> |

| | | |
|--|--|----------------------------|
| Prepared by: Theresa L. Wedekind | Telephone No. (608) 266-0953 | Agency Insurance |
| Authorized Signature: | Telephone No. | Date (mm/dd/ccyy) |

FISCAL ESTIMATE

- ORIGINAL UPDATED

 CORRECTED SUPPLEMENTAL

| | |
|-------------|---|
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Subject
annual injured patients and families compensation fund fees, mediation panel fees, and provider classifications

Fiscal Effect
State: No State Fiscal Effect
Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

| | | |
|--|---|---|
| <input type="checkbox"/> Increase Existing Appropriation | <input type="checkbox"/> Increase Existing Revenues | <input type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing Revenues | |
| <input type="checkbox"/> Create New Appropriation | <input type="checkbox"/> Decrease Costs | |

Local: No local government costs

| | | |
|--|---|--|
| 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |

| | |
|--|---|
| Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS x <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S | Affected Chapter 20 Appropriations |
|--|---|

Assumptions Used in Arriving at Fiscal Estimate

The Injured Patients and Families Compensation Fund (IPFCF or Fund) is a segregated fund. Annual Fund fees are established to become effective each July 1 based the Fund's needs for payment of medical malpractice claims. The proposed fees were approved by the Fund's Board of Governors at its February 16, 2011, meeting and represent an increase of 8.5% over fiscal year 2011 fund fees.

The Fund is a unique fund; there are no other funds like it in the country. The Fund provides unlimited liability coverage and participation is mandatory. These two features make this Fund unique compared to funds in other states. The only persons who will be affected by this rule change are the Fund participants themselves as the IPFCF is fully funded through assessments paid by Fund participants.

There is no effect on GPR.

Long-Range Fiscal Implications

None

| | | |
|--|--|-------------------------|
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| Authorized Signature: | Telephone No. | Date (mm/dd/cyy) |