

## EXISTING ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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1. Type of Estimate and Analysis

Repeal     Modification

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2. Administrative Rule Chapter, Title and Number

Ins 17.28 (3) (c) and (4) (f), Wis. Adm. Code

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3. Date Rule promulgated and/or revised; Date of most recent Evaluation

June 2014

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4. Plain Language Analysis of the Rule, its Impact on the Policy Problem that Justified its Creation and Changes in Technology, Economic Conditions or Other Factors Since Promulgation that alter the need for or effectiveness of the Rule.

The proposed rule includes changes to the Insurance Services Office (ISO) code listing to address corrections to several classification specialties as well as new classification specialties. ISO codes are the numerical designation for a health care provider's medical specialty and are used to classify the provider for assessment purposes. Errors identified in the ISO codes or specialty narratives for several specialties have been corrected. The Doctor of Osteopathy designated ISO codes have been added for two specialties previously listed only under the Doctor of Medicine ISO codes. The rule additionally modifies the refund procedures of the fund by no longer requiring the fund to refund, with interest, the \$3.00 convenience administrative fee charged for providers choosing to pay the annual assessments in quarterly installments.

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5. Describe the Rule's Enforcement Provisions and Mechanisms

Generally provisions of the insurance code are enforced by the commissioner of insurance under the authority granted in ss. 601.41 and 601.64 (3), Wis. Stats. Additionally, participants in the injured patients and families compensation fund may appeal to the board of governors to challenge a classification code under s. Ins 17.24, Wis. Adm. Code.

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6. Repealing or Modifying the Rule Will Impact the Following  
(Check All That Apply)

State's Economy

Local Government Units

Specific Businesses/Sectors

Public Utility Rate Payers

Small Businesses

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7. Summary of the Impacts, including Compliance Costs, identifying any Unnecessary Burdens the Rule places on the ability of Small Business to conduct their Affairs.

Updating the ISO codes will improve accuracy in assessing providers an accurate fees based upon the specific type of practice in which physicians are engaged. The ISO codes are the same codes used by licensed insurers that issue underlying medical malpractice insurance coverage to the same providers. The proposed rule may alter the classification of a provider but will do so with increased accuracy resulting in overall fair and accurate assessments for providers. The change in reimbursement of a convenience fee will slightly affect the providers who avail themselves of the quarterly billing option but will balance the cost to the fund administrative time to track down quarterly payments and calculate interest on a de minimus fee.

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8. List of Small Businesses, Organizations and Members of the Public that commented on the Rule and its Enforcement and a Summary of their Comments.

Although the proposed rule draft was provided to all interested parties including medical and hospital state organizations, the Office of the Commissioner of Insurance did not receive any comments on this rule or its potential economic impact.

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9. Did the Agency consider any of the following Rule Modifications to reduce the Impact of the Rule on Small Businesses in lieu of repeal?

Less Stringent Compliance or Reporting Requirements

Less Stringent Schedules or Deadlines for Compliance or Reporting

Consolidation or Simplification of Reporting Requirements

Establishment of performance standards in lieu of Design or Operational Standards

Exemption of Small Businesses from some or all requirements

Other, describe: The office balanced the need to better define classification codes and the potential realignment of some providers into different fee assessment classifications and determined the accurate classification was a necessary

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change. Additionally, the de minimus amount of the convenience fee for utilizing quarterly billing was outweighed by the amount of fund staff time that is required to identify and compute a refund with interest.

<p>10. Fund Sources Affected <input type="checkbox"/> GPR   <input type="checkbox"/> FED   <input type="checkbox"/> PRO   <input type="checkbox"/> PRS   <input type="checkbox"/> SEG   <input type="checkbox"/> SEG-S</p>	<p>11. Chapter 20, Stats. Appropriations Affected None</p>
<p>12. Fiscal Effect of Repealing or Modifying the Rule <input checked="" type="checkbox"/> No Fiscal Effect      <input type="checkbox"/> Increase Existing Revenues      <input type="checkbox"/> Increase Costs <input type="checkbox"/> Indeterminate      <input type="checkbox"/> Decrease Existing Revenues      <input type="checkbox"/> Could Absorb Within Agency's Budget <input type="checkbox"/> Decrease Cost</p>	
<p>13. Summary of Costs and Benefits of Repealing or Modifying the Rule The costs to providers for both the adjusted ISO codes and change to the refund of a de minimus convenience fee was determined by be offset by increased accuracy of the assessment fee for the specific practice code utilized currently by the insurance industry writing the underlying coverage and use of staff time.</p>	
<p>14. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form) <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p>	
<p>15. Long Range Implications of Repealing or Modifying the Rule The long range implication is improved assessment allocations and use of fund staff time.</p>	
<p>16. Compare With Approaches Being Used by Federal Government The fund and the office are unaware of any federal regulation or approaches used that are similar to how the fund operates.</p>	
<p>17. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota) No neighboring states have a fund similar to the injured patients and families compensation fund therefore, no comparison can be made. ISO codes are standardized codes used by medical malpractice insurers throughout the U.S.</p>	
<p>18. Contact Name Julie Walsh</p>	<p>19. Contact Phone Number (608) 264-8101</p>

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