

Kansas Health Care Stabilization Fund

FISCAL YEAR 2010

GENERAL INFORMATION AND GUIDELINES FOR NON-RESIDENT HEALTH CARE PROVIDERS
LICENSED TO PRACTICE IN KANSAS

Kansas law requires that non-resident health care providers who render professional services in Kansas comply with the basic professional liability insurance requirement and participate in the Health Care Stabilization Fund. These health care providers are Medical Doctors, Doctors of Osteopathic Medicine, Chiropractors, Nurse Anesthetists and Podiatrists who are licensed or otherwise authorized to render professional services in Kansas.

Non-resident health care providers who obtain their required basic coverage from the Kansas Health Care Provider Insurance Availability Plan (the Plan), instead of a commercial insurance company, may not need to comply with the instructions in this brochure. Contact the Plan to assure that your surcharge has been paid and you are already in compliance with Kansas law.

Most non-resident health care providers who render professional services in Kansas will already have adequate professional liability insurance coverage to comply with the minimum required by Kansas law. It will then be necessary to complete the Health Care Provider Insurance Availability Act Non-resident Health Care Provider Certification Form. The completed form will then need to be submitted along with the surcharge payment to the Kansas Health Care Stabilization Fund.

The remainder of this brochure is intended to provide general information that may be helpful to non-resident health care providers.

The Kansas Health Care Stabilization Fund requirements first became effective on July 1, 1976 pursuant to the Kansas Health Care Provider Insurance Availability Act. This 1976 law included the following major provisions:

- mandated a basic professional liability insurance requirement for resident and non-resident health care providers;
- established an Availability Plan to provide the required basic professional liability insurance for those resident and non-resident health care providers who could not obtain the coverage from commercial insurers; and
- created the Health Care Stabilization Fund to provide excess professional liability coverage for all health care providers who practice in Kansas.

The following are some guidelines which should be of assistance to non-resident health care providers who will be completing the Kansas Health Care Provider Insurance Availability Act Non-Resident Health Care Provider Certification Form (see page 6 for a blank copy of this form).

1. It is the responsibility of the non-resident health care provider to comply with the Kansas law. If you have been a resident health care provider, and you are now a non-resident health care provider, the compliance requirements will no longer be handled by your commercial insurance company.
2. **A Certificate of Insurance from the basic professional liability carrier is required for each Fund submission.** Section 3 of the certification form requires the name of the insurance company and certain policy information. The insurance company listed in this section must be authorized (admitted) to do business in Kansas. If it is not an authorized (admitted) Kansas insurance company, then a non-admitted insurance company may be used if that non-admitted insurer has filed a Declaration of Compliance Form with the Kansas Health Care Stabilization Fund. The insurance agent or company representative should be able to assist in making these determinations, but if there is a question about the status of the basic coverage insurer in Kansas, you may wish to contact our office for assistance.
3. You should furnish your basic coverage insurance company with information regarding prior Kansas practice periods along with your current plans to practice in Kansas as a non-resident health care provider.
4. Basic professional liability insurance being provided to non-resident health care providers by a self-insurer will not meet the basic coverage requirements of the Kansas Health Care Providers Insurance Availability Act. It will be necessary to purchase basic coverage for the Kansas practice and pay the applicable surcharge to the Health Care Stabilization Fund.
5. Each health care provider is required to pay a minimum compliance surcharge of \$50.00 per policy period. (See example III on page 3).

Instructions and surcharge rate calculation worksheet for non-resident health care providers who are or will be rendering professional services in Kansas

If you need additional assistance in completing the non-resident Kansas Health Care Stabilization Fund compliance form or calculating the Fund annual surcharge payment, please contact one of the following individuals:

Lorie Anderson (785) 291-3475

Laura Ray (785) 291-3593

Jurina Watts (785) 291-3411

This form is for calculation purposes only and is not to be returned to the Health Care Stabilization Fund. Please keep this form for your records.

INSTRUCTIONS:

- A. Return the completed form to: Kansas Health Care Stabilization Fund
300 S.W. 8th Avenue, 2nd Floor
Topeka, Kansas 66603-3912
- B. If you will be actively rendering professional services in Kansas, the Non-Resident Health Care Provider Certification Form (page 6) should be completed and returned to this office with the applicable Fund surcharge payment.
- C. For purposes of verifying residency, **your home address information must be provided** on the right side of the form. This form is designed to allow you to provide a separate mailing address, if desired. If you prefer that all correspondence be sent to your place of business, please mark the appropriate box and complete the address section on the left side of the form.
- D. The maximum compliance period allowed is one annual period. **A \$50.00 minimum surcharge is required per compliance period.**
- E. A copy of the current Certificate of Insurance for the basic professional liability insurance is required with each submission.

Use the following worksheet to compute the Fund surcharge owed:

- Step 1. On page 4 of these instructions find the Fund Class Group which best describes your Kansas professional services. Write that Fund Class Group here: _____
- Step 2. Determine the number of years you have been paying surcharges to the Kansas Health Care Stabilization Fund. Write that number here: _____
- Step 3. Determine what Health Care Stabilization Fund coverage limits are desired and enter the Table Number from page 5 of these instructions here: _____ **(Once you have selected a Fund coverage limit, you may not increase that Fund coverage limit unless you apply for and receive approval from the Board of Governors.)**
- Step 4. From the rate tables on page 5 find the Health Care Stabilization Fund annual surcharge amount based on your Fund Class Group and the number of years that you have been participating in the Fund. Write that amount on the line below:

\$ _____ Annual Surcharge for provider Fund Class Group, years of Fund compliance and selected Health Care Stabilization Fund coverage limit. (Please see enclosed rate table).

x _____ % Ratio of your Kansas practice as a percent of your total professional practice (not less than 1%).

\$ _____ HCSF Surcharge Amount Due **(Minimum surcharge payment per compliance period is \$50.00).**

- Step 5. Complete the Kansas Health Care Provider Insurance Availability Act Non-Resident Health Care Provider Certification Form. Mail the completed form and a copy of your current Certificate of Insurance for your basic professional liability insurance along with your HCSF surcharge amount owed to the Health Care Stabilization Fund, 300 SW 8th Avenue, 2nd Floor, Topeka, Kansas 66603-3912.

**HEALTH CARE STABILIZATION FUND SURCHARGE RATING CLASSIFICATION SYSTEM PROCEDURES
For Non-Resident Health Care Providers Rendering Professional Services In Kansas
FISCAL YEAR 2010**

Non-resident health care providers who are not obtaining the required basic professional liability coverage from the Kansas Health Care Provider Insurance Availability Plan are to review HCSF CLASS GROUPS 1 through 14, selecting the Fund Class Group which best describes their Kansas professional services. Only individual non-resident health care providers (no out-of-state professional associations, hospitals, clinics or other entities) are required to comply with the Kansas Health Care Providers Insurance Availability Act.

Procedure	Instructions
1.	Determine the Number of HCSF Compliance Years (for Fund Class Groups 1 through 14): Find the number of years the health care provider has been rendering professional services in Kansas and complying with the Health Care Stabilization Fund (not including time spent in postgraduate training programs).
2.	Select Fund Coverage Limits: Initial selection of one of the Fund coverage limits or subsequent selection of lower Fund coverage limit <i>requires</i> the signature of the health care provider on the Fund Nonresident Certification form. Fund coverage limit selections <i>may be increased only by submitting</i> a signed Request For Increased Coverage Limits Form to the Health Care Stabilization Fund Board of Governors.
3.	Modification of the Annual Dollar Surcharge Rates is permitted for the following purposes only: (a) Non-resident time spent in Kansas practice. The annual dollar surcharge rates shown in the tables may be reduced based on the pro-rated amount of time or professional services that are rendered in Kansas. Minimum surcharge for a compliance period is \$50.00. Other than being reasonable, there are no specific guidelines to be followed to determine the percentage of time or what pro-rated amount of professional services you may assign to your Kansas practice. The Kansas pro-rata percentage that you determine to be applicable to your professional practice is to be entered into the second space under Step 4 of the worksheet on page 2. Note that the minimum you may enter is 1%. (b) Pro-rata basis for policy periods of less than one year. Pro-rata adjustment will be based on an annual period of 365 days—do not make any adjustments for policy periods which include the leap-year day of February 29.
4.	Rounding Rule For All Surcharge Payments: All surcharge payments shall be rounded to the nearest whole dollar amount. Amounts of <i>49 cents</i> or less shall be rounded down to the next lowest whole dollar. Amounts of <i>50 cents</i> or more shall be rounded up to the next highest whole dollar.
5.	A Minimum \$50.00 Fund Surcharge Payment Per Compliance Period Required.

**Examples Of How The Surcharge Rating System Procedures Will Be Applied
For Fund Compliance Periods Beginning On Or After July 1, 2009**

Example I – A General Surgeon, with \$800,000/\$2,400,000 Fund Coverage Limits and practicing 10% of their time in Kansas: The Fund Class Code 8 would be applicable to this doctor. From the Surcharge Payment Table III (the Fund’s highest coverage limits) the correct Fund payment amount can be located on the line titled **Fund Class Group 8**. In this example the doctor has been complying with the Fund since January 1, 1982 and the full annual Fund surcharge amount will be in the “Five or More Years of Fund Compliance” column (\$7,459) for this doctor’s January 1, 2010 to January 1, 2011 non-resident compliance period. The Kansas surcharge amount owed will be \$746.00 ($\$7,459 \times 10\% = \745.90)

Example II - A Family Practice Doctor, No Surgery, with \$300,000/\$900,000 Fund Coverage Limits and practicing 50% of their time in Kansas: The Fund Class Code 2 would be applicable to this doctor. From the Surcharge Payment Table II (the Fund’s middle coverage limits) the correct Fund payment amount can be located on the line titled **Fund Class Group 2**. In this example the doctor has been complying with the Fund since July 1, 2007 and the full annual Fund surcharge amount will be in the “Third Year Of Fund Compliance” column (\$1,213) for the doctor’s July 1, 2009 to July 1, 2010 non-resident compliance period. The Kansas surcharge amount owed will be \$607 ($\$1,213 \times 50\% = \606.50).

Example III – A Registered Nurse Anesthetist, with \$800,000/\$2,400,000 Fund Coverage Limits with multiple assignments in one annual period: The Fund Class Code 13 would be applicable to this provider. From the Surcharge Payment Table III (the Fund’s highest coverage limits) the correct Fund payment amount can be located on the line titled **Fund Class Group 13**. In this example the provider will have multiple assignments with the Fund and will be complying with the Fund for the first time for the period of August 1, 2009 to August 15, 2009. The surcharge amount will be in the “First Year Of Fund Compliance” column (\$217.00) for the CRNA’s August 1, 2009 to August 15, 2009 non-resident compliance period. The Kansas surcharge amount owed will be \$50.00 ($\$217.00 \times .038 = \8.25 , but there is a minimum surcharge amount of \$50.00). The surcharge amount for the provider’s next assignment for the period of October 17, 2009 to November 5, 2009 would be \$11.28 ($\$217 \times .052 = \11.28), but again the minimum surcharge is \$50.00 for any compliance period.

How To Find Your Fund Surcharge Rate: From the table on this page, find which Fund Class Group best describes your professional services. **The HCSF CLASS GROUP surcharge rates can be found in the applicable Fund coverage level tables located on page 5 of this newsletter.**

HEALTH CARE STABILIZATION FUND SURCHARGE RATING CLASSIFICATION SYSTEM	
HCSF CLASS GROUPS	CLASS GROUP DESCRIPTIONS – Important Note: Non-resident health care providers insured by the Kansas Health Care Provider Insurance Availability Plan (Plan) will be placed into compliance by the Plan. Please refer to the table at the bottom of this page for additional information.
PHYSICIANS AND SURGEONS (M.D. & D.O.)	
1	Physicians-No Surgery, includes: Allergy, Dermatology, Forensic Medicine, Legal Medicine, Pathology, Psychiatry (including child), Psychoanalysis, Psychosomatic Medicine, Public Health.
2	Physicians-No Surgery, includes: Aerospace Medicine, Cardiovascular Disease, Diabetes, Endocrinology, Family Practice, Gastroenterology, General Practice, General Preventive Medicine, Geriatrics, Gynecology, Hematology, Hypnosis, Infectious Diseases, Internal Medicine, Laryngology, Neoplastic Diseases, Nephrology, Neurology (including child), Nuclear Medicine, Nutrition, Occupational Medicine, Ophthalmology, Otology, Otorhinolaryngology, Pediatrics, Pharmacology, Physiatry, Physical Medicine & Rehabilitation, Pulmonary Diseases, Radiology, Rheumatology, Rhinology, Urgent Care Physicians and other Physicians who are not performing surgery and are not otherwise classified.
3	Physicians-Performing Minor Surgery or Assisting in Surgery, includes: Cardiovascular Disease, Dermatology, Diabetes, Endocrinology, Family Practice (no OB procedures), Gastroenterology, General Practice, Geriatrics, Gynecology, Hematology, Infectious Diseases, Internal Medicine, Intensive Care Medicine, Invasive Procedures (as defined and classified by the basic coverage insurer), Laryngology, Neoplastic Diseases, Nephrology, Neurology (including child), Ophthalmology (including minor and major surgery), Otology, Otorhinolaryngology, Pathology, Pediatrics, Radiology, Rhinology, Shock Therapy and other Physicians who are performing minor surgery and are not otherwise classified.
4	Family Physicians or General Practitioners-Performing Minor Surgery or Assisting in Surgery, includes obstetrical procedures, but not Cesarean Sections.
5	Surgical Specialists, Includes: Broncho-Esophagology, Colon and Rectal, Endocrinology, Gastroenterology, Geriatrics, Neoplastic, Nephrology, Urological, Family Physicians or General Practitioners – performing Major Surgery.
6	Surgical Specialists, Includes: Emergency Medicine (no major surgery), Laryngology, Otology, Otorhinolaryngology, Rhinology.
7	Specialists In Anesthesiology (Includes DDS certified to administer anesthetics)
8	Surgical Specialists, Includes: Emergency Medicine (including major surgery), Abdominal, Bariatric, Gynecology, Hand, Head and Neck, Plastic (Otorhinolaryngology), Plastic (Not Otherwise Classified), General (This classification does not apply to any family or general practitioner or to any specialist who occasionally performs major surgery).
9	Surgical Specialists, Includes: Cardiac, Cardiovascular Disease, Orthopedic, Thoracic, Traumatic, Vascular.
10	Surgical Specialists, Includes: Obstetrics, Obstetrics & Gynecology, Perinatology.
11	Surgical Specialists, Includes: Neurology (including child).
CHIROPRACTORS	
12	All Chiropractors
REGISTERED NURSE ANESTHETISTS	
13	All Registered Nurse Anesthetists
PODIATRISTS	
14	All Podiatrists

NON-RESIDENT HEALTH CARE PROVIDERS OBTAINING THE REQUIRED KANSAS BASIC PROFESSIONAL LIABILITY INSURANCE COVERAGE FROM THE HEALTH CARE PROVIDERS INSURANCE AVAILABILITY PLAN	
The following percentage surcharge rates are applicable to the premium charged by the Health Care Provider Insurance Availability Plan for the required basic professional liability coverage:	
For Fund Coverage	The Fund Surcharge
Limit Of:	Rate Is:
\$100,000/\$300,000	23%
\$300,000/ \$900,000	35%
\$800,000/\$2,400,000	40%
NOTE: Non-resident health care providers insured by the Health Care Providers Insurance Availability Plan will pay the Health Care Stabilization Fund surcharge in accordance with the information provided by the Plan. The Plan will provide the Fund with the necessary Fund compliance documentation and surcharge payment. The minimum \$50.00 surcharge would be applicable.	

FY 2010 Health Care Stabilization Fund Surcharge Rate Tables on or after July 1, 2009

TABLE I - Health Care Stabilization Fund Surcharge Rates For \$100,000/\$300,000 Coverage Limits

Fund Class Group	1 First Year Of Fund Compliance	2 Second Year Of Fund Compliance	3 Third Year Of Fund Compliance	4 Fourth Year Of Fund Compliance	5 Five Or More Years Of Fund Compliance
1	\$94	\$245	\$385	\$426	\$476
2	170	441	692	764	857
3	223	575	906	1,001	1,119
4	250	645	1,013	1,117	1,252
5	285	742	1,167	1,290	1,442
6	352	909	1,430	1,580	1,767
7	293	758	1,195	1,319	1,476
8	673	1,742	2,747	3,031	3,390
9	678	1,749	2,757	3,040	3,403
10	990	2,563	4,040	4,457	4,988
11	1,498	3,868	6,095	6,726	7,524
12	50	131	209	229	256
13	98	253	396	438	494
14	230	595	937	1,034	1,156

TABLE II - Health Care Stabilization Fund Surcharge Rates For \$300,000/\$900,000 Coverage Limits

Fund Class Group	1 First Year Of Fund Compliance	2 Second Year Of Fund Compliance	3 Third Year Of Fund Compliance	4 Fourth Year Of Fund Compliance	5 Five Or More Years Of Fund Compliance
1	\$165	\$428	\$674	\$745	\$833
2	296	767	1,213	1,339	1,500
3	387	1,007	1,587	1,751	1,960
4	439	1,126	1,776	1,958	2,189
5	504	1,296	2,043	2,255	2,522
6	616	1,589	2,505	2,763	3,089
7	514	1,325	2,092	2,307	2,581
8	1,181	3,049	4,805	5,305	5,934
9	1,185	3,060	4,823	5,323	5,953
10	1,737	4,483	7,066	7,801	8,725
11	2,622	6,766	10,666	11,769	13,167
12	89	230	364	402	449
13	169	441	696	767	861
14	403	1,040	1,639	1,811	2,024

TABLE III - Health Care Stabilization Fund Surcharge Rates For \$800,000/\$2,400,000 Coverage Limits

Fund Class Group	1 First Year Of Fund Compliance	2 Second Year Of Fund Compliance	3 Third Year Of Fund Compliance	4 Fourth Year Of Fund Compliance	5 Five Or More Years Of Fund Compliance
1	\$209	\$538	\$847	\$936	\$1,045
2	377	967	1,524	1,686	1,882
3	489	1,265	1,995	2,203	2,462
4	546	1,413	2,229	2,462	2,754
5	632	1,629	2,568	2,835	3,170
6	774	1,997	3,147	3,472	3,886
7	647	1,668	2,630	2,901	3,245
8	1,485	3,834	6,042	6,666	7,459
9	1,492	3,847	6,062	6,691	7,484
10	2,186	5,638	8,884	9,809	10,970
11	3,293	8,509	13,406	14,798	16,552
12	111	288	455	502	562
13	217	553	877	967	1,081
14	506	1,307	2,062	2,275	2,546

**Kansas Health Care Provider Insurance Availability Act
Non-Resident Health Care Provider Certification Form**

CERTIFICATE OF INSURANCE REQUIRED

Section 1 – Health Care Provider Information

Full Name _____ Daytime Phone Number _____
Legal Residence (cannot be Kansas): Street Address _____
City _____ State _____ Zip Code _____
Mailing Address (if different from residence): Street Address _____
City _____ State _____ Zip Code _____

Section 2 – Health Care Provider Certification

A. Health Care Stabilization Fund Coverage:
Year of HCSF Compliance (select one) ___1st yr ___2nd yr ___3rd yr ___4th yr ___5th yr
HCSF Coverage Limits (select one) ___\$100,000/\$300,000 ___\$300,000/\$900,000 ___\$800,000/\$2,400,000

B. Statutory Credentials: Professional Category (e.g. MD, CRNA) _____
Kansas Licensing Agency _____ License# _____
Specialty _____ HCSF Group# _____
(or registration/cert. #)

Section 3 – Insurance Policy and HCSF Surcharge Information (*Certificate of Insurance Required - Each Submission*)

Insurance Company Name _____
Insurance Company Address: Street Address _____
City _____ State _____ Zip Code _____
Policy Number _____ Type Coverage ___Claims Made ___Occurrence
Renewal or Effective Date _____ Expiration Date _____
Percent of Professional Practice in Kansas _____% (This ratio may be based on number of patients, hours per week, or days per year as long as it measures the professional’s allocation of Kansas practice compared to his or her total professional practice. The percent should be rounded to the nearest whole number and may not be less than one percent.)
HCSF Premium Surcharge Payable \$ _____ (Minimum surcharge per compliance period is \$50.00)

I hereby certify that I am maintaining a policy of professional liability insurance with limits of not less than \$200,000 per claim and \$600,000 annual aggregate coverage. Pursuant to the Kansas Health Care Provider Insurance Availability Act, I hereby represent the above information to be true to the best of my knowledge. I agree to notify the HCSF in the event of any changes in my professional liability insurance. I am not aware of any professional liability claims or lawsuits made against me based on my Kansas practice.

Date Signed _____ Signature _____

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