

Regular Session, 2013

HOUSE BILL NO. 216

BY REPRESENTATIVE SHADOIN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

MALPRACTICE/MEDICAL: Provides relative to the ability of the Patient's Compensation Fund Oversight Board to invest certain funds

1 AN ACT

2 To amend and reenact R.S. 40:1299.44(A)(1)(b) and 1299.46(H), relative to the Patient's
3 Compensation Fund Oversight Board; to provide for the authority of the Patient's
4 Compensation Fund Board to invest private monies and segregated funds in certain
5 circumstances; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 40:1299.44(A)(1)(b) and 1299.46(H) are hereby amended and
8 reenacted to read as follows:

9 §1299.44. Patient's Compensation Fund

10 A.(1)

11 * * *

12 (b) The Patient's Compensation Fund Oversight Board may invest, in
13 accordance with R.S. 40:1299.44.1, any portion of the private monies comprising the
14 corpus of the fund, as determined by the board, ~~which are not required for the~~
15 ~~payment of one and one-half times the current fiscal year of budgeted expenditures.~~
16 while maintaining its ability to timely pay claims, future medical care and related
17 benefits, and other current expenses under this Part. The board may enter into a
18 cooperative endeavor agreement whereby the state treasurer may be authorized to
19 invest, in accordance with R.S. 40:1299.44.1, a portion of the private monies
20 comprising the corpus of the fund, as determined by the board.

21 * * *

1 §1299.46. Risk management; authority

2 * * *

3 H. The surplus of premiums over losses and expenses received by the
4 authority shall be placed in a segregated fund and shall be invested and reinvested
5 by ~~the risk manager with the concurrence~~ of the board in accordance with the
6 ~~insurance code of the state of Louisiana~~ Insurance Code and investment income
7 generated shall remain in the fund. These funds shall not be considered public or
8 state funds.

9 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Shadoin

HB No. 216

Abstract: Authorizes the Patient's Compensation Fund Oversight Board to invest any portion of private monies of the Patient's Compensation Fund while maintaining timely payment of expenses and to invest the segregated fund of the Residual Malpractice Insurance Authority.

Present law (Const. Art. XII, §16) authorizes the establishment of the Patient's Compensation Fund to hold private monies in trust for the use, benefit, and protection of medical malpractice claimants and private health care provider members.

Present law establishes the Patient's Compensation Fund Oversight Board to manage, administer, operate, and defend the Patient's Compensation Fund.

Present law authorizes the board to invest private monies making up the body of the fund if the private monies are not needed to pay one and one-half times the amount of budgeted expenditures for that fiscal year.

Proposed law changes present law by deleting the limitation that the board may only invest the private monies that exceed the amount of one and one-half times the budgeted expenditures. Proposed law authorizes the board to invest any portion of private monies making up the body of the fund as long as the board is able to maintain timely payment of claims, future medical care and related benefits, and other expenses.

Present law creates the Residual Malpractice Insurance Authority to make available medical malpractice insurance to health care providers who have been refused coverage by private insurers and establishes rules for administration of the authority.

Present law directs the authority to place the surplus of premiums over losses and expenses into a segregated fund and directs the risk manager, with concurrence by the Patient's Compensation Oversight Board, to invest and reinvest those funds.

Proposed law changes present law by authorizing the board to invest and reinvest those funds.

(Amends R.S. 40:1299.44(A)(1)(b) and 1299.46(H))