

Senator William Stouffer, Chairman  
Senator Victor Callahan  
Steve Reintjes, MD  
John Stanley, MD  
David Carpenter



Representative Robert Schaaf, MD  
Representative Curt Dougherty  
Lancer Gates, DO  
Gloria Solis, RN, MSN, MBA

## Health Care Stabilization Fund Feasibility Board

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Healthcare Stabilization Fund Feasibility Board  
June 13, 2008

Meeting Minutes

**Call to Order:** The meeting was called to order at approximately 12:35pm.

**Board Members in Attendance:** Senator William Stouffer, Senator Victor Callahan, Rep. Curt Dougherty, Rep. Rob Schaaf, Gloria Solis, RN, Dr. John Stanley, Dr. Lancer Gates.

**Others in Attendance:** Brent Kabler, Unni Mundaya, DIFP;

**Materials:**

**Approval of Minutes:** Motion to approve the minutes was made by Sen. Stouffer and seconded by Rep. Rob Schaaf with all in favor.

**Presentation of 2007 DIFP Medical Malpractice Data** (Brent Kabler, DIFP)

Brent Kabler gave a preview of 2007 Medical Malpractice Claims Report data. As a caveat to the discussion, 2007 data presented for this discussion are a subset of claims that were closed within the year.

*Loss Ratio:* On average, medical malpractice losses had a downward trend. The average loss ratio for Missouri Medical Malpractice Insurance companies was about 14%. This decrease was primarily due to a decline in losses rather than an increase in insurance premiums. In 2007, Missouri is ranked 5<sup>th</sup> in terms among other states in terms of profitability. The Loss Adjustment expenses have also declined dramatically. Return on net worth for 2007 is unprecedented; only 1998 shows a higher net worth.

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*Claims:* The number of closed claims is also showing a downward trend. A caveat to this statement is that the implementation of tort reform is a possible reason for a spike in the claim counts for the last couple of years. There was a dramatic decline in the number of new claims reported. Also, the number of pending claims is at a historical low. The number of paid claims is rising; however, a trend cannot be established until few additional years of data have been analyzed.

*Tort Reform:* Although, it is still a little early to assess the impact of 2005 tort reforms on claim patterns, the preliminary findings were discussed.

*Discussion:* Sen. Stouffer brought up two questions regarding the current medical malpractice premiums.

1. Are doctors getting lower insurance premiums?
2. Is there any change in doctors' behavior?

**Status of Board of Healing Arts Physician Application/Renewal Document changes** (Unni Mundaya, DIFP)

DIFP has been coordinating with the DHSS, OSEDA, and Health Workforce Data Collections (UMC School of Medicine) to come up with a comprehensive list of additional data elements to the Physician application and renewal documents. Additionally, OSEDA has been working on a proposal for an internet-based application process. These additional data elements and the online prototype will be presented to the Board of Healing Arts on July 18, 2008.

**Status of DIFP Online Base Rate Comparison Application** (Unni Mundaya, DIFP)

The Online Base Rate Comparison application is now undergoing a beta testing phase. A test link of the online application is available on the DIFP website. Missouri medical malpractice insurers were asked to test the online rate data for accuracy and completeness. The deadline for submitting changes is July 13, 2008. After the deadline, the online comparison guide will be made public.

The base rate database will be updated as soon as a company submits a base rate filing. This will ensure that base rates available are current and accurate.

### **Legislative Session Wrap-up** (Rep. Rob Schaaf)

Rep. Schaaf stated that there was not enough time left in the legislative calendar for House Bill 2265 after it was introduced. He suggested that the language in the statute be translated into a rule. The rule would allow DIFP to commence the data collection process without further delay. The statute could then be introduced in next year's legislative session.

### **Discussion of input from Drs. statewide on their interest in a HCSF**

The implementation of statewide survey to gather input from doctors regarding their interest in a Healthcare Stabilization Fund was discussed. Dr. Lancer Gates stated that he would look into possible ways of contacting doctors for administering the survey. Brent Kabler said that he could come up with a brief description of a Healthcare Stabilization Fund and its possible benefits to the medical malpractice insurance market. He also will design the survey to be administered to physicians statewide to assess overall interest in a HCSF.

### **Next Meeting**

The next meeting of the Health Care Stabilization Fund Feasibility Board will be on September 12. The group is interested in the following topics for the next meeting:

- Discussion of implementing a statewide survey to gather input from doctors regarding interest in HCSF
- Status on Board of Healing Arts Physician Application/Renewal documents
- Proposed DIFP data collection rule
- Annual Interim Report: What should be included

The meeting adjourned.

FINAL APPROVED