

WiscRisk

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Injured Patients & Families Compensation Fund



WISCONSIN INJURED PATIENTS AND FAMILIES COMPENSATION FUND 101

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The Wisconsin Injured Patients and Families Compensation Fund (Fund) was created by Chapter 655 of the Wisconsin Statutes as a trust to provide excess medical malpractice insurance for health care providers in Wisconsin and to assure that adequate funds are available for patients who are negligently injured. The Fund is governed by a 13-member Board of Governors (Board) which consists of 3 insurance industry representatives, a member named by the Wisconsin Association for Justice, a member named by the State Bar of Wisconsin, 2 members named by the Wisconsin Medical Society, a member named by the Wisconsin Hospital Association, 4 public members appointed by the Governor, and the Commissioner of Insurance, who serves as the chair.

The Board is assisted by five standing committees which meet to review items prior to the quarterly Board meetings.

These committees review materials relating to claims handling, investment and audit policy and procedures, risk management for members, legal review of retroactive coverage requests and compliance coverage gaps and underwriting and annual rate setting based on actuarial studies.

Each committee is chaired by a member of the Board of Governors and generally meets at least quarterly.

Participation in the Fund is required by statute; qualified participants are assessed an annual fee to cover claims and administrative expenses. The fees are actuarially determined, based on claim payment history, claim adjusting expenses and Fund administration cost. The payment of claims and attorney fees impacts the amount of future fees paid by all Fund participants, including MDs, DOs, CRNAs, hospitals, and other corporations or organizations providing medical services.

Fund policies are established to protect the integrity of the Fund, and to ensure that all Fund participants have unlimited liability protection at the lowest possible cost. These policies have generally resulted in an effective collaborative approach to defending claims by the Fund, the primary insurance carrier and the provider during the Fund's almost 40 year history.

The amount of coverage provided by the primary insurance carrier is the first \$1,000,000 per occurrence and \$3,000,000 aggregate per year. This exposure for primary carriers was sought by and supported by the carriers through a statutory change in 1997. All covered providers must submit evidence of primary coverage (a certificate of coverage) from the primary carrier in order to be in compliance with Fund state statutes. Additionally, any financial gaps or coverage gaps providers may have are recorded by the fund and need to be rectified prior to the renewal of any professional licenses by the Wisconsin Department of Safety and Professional Services (DSPS). If a provider practicing in Wisconsin is not in compliance with the Fund, they will be unable to renew their license with DSPS.

The fund's goal is to ensure that all health care providers in Wisconsin benefit from the unlimited protection of the Fund, and the costs of this coverage remain as reasonable as possible. The Fund enjoys full cooperation from primary insurers in providing a united defense for providers who may have a claim filed against them.

As of December 31, 2014, there were a total of 15,807 Fund participants comprised of 121 hospitals with 18 affiliated nursing homes, 13,672 physicians, 713 nurse anesthetists, 19 hospital-owned or controlled entities, 68 ambulatory surgery centers, 1 cooperative, 22 partnerships, and 1,173 corporations actively participating in the Fund. Physicians comprised 86% of the Fund participants, and corporations made up 7%. All other participants made up the remaining 7%.

From July 1, 1975, through December 31, 2014, 6,005 claims had been filed in which the Fund was named. During this period, the Fund's total number of paid claims was 666, totaling \$852,952,198. Of the total number of claims in which the Fund has been named, 5,201 claims have been closed with no indemnity payment.

The Fund continues to develop a number of enhancements to the Web-based interface of the Fund systems to provide improved communication and customer service. Providers and staff are able to view provider information online relating to coverage through either the public access site at <https://ociaccess.oci.wi.gov/ipfcf-public/provider>, or via the Employers Providers sites at <http://oci.wi.gov/ipfcf/sysaccess.htm>. In the near future most employers will be receiving their annual billing electronically through the Fund system access site, further eliminating paper and keeping records electronically with each employer and/or provider file in the system. Please take time to look at the Fund site and review the information available to you. Our Web address is <http://oci.wi.gov/pcf.htm>. We hope you will find the materials on our Web site informative and helpful.



About WiscRisk

WiscRisk is published quarterly and circulated to more than 15,000 healthcare providers statewide. Designed to keep readers informed of trends in liability claims and loss prevention, this publication is prepared by the Risk Management Steering Committee for the Injured Patients & Families Compensation Fund.

Articles published in WiscRisk contain the expressed opinions and experiences of the authors and do not necessarily represent the position of the Injured Patients and Families Compensation Fund. Authors are required to make disclosure of any relevant financial relations, which may be related to the subject matter discussed. Authors have made proper disclosure and have no relevant financial relationships that exist now or in the past 12 months.



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