

RATE MANUAL
EFFECTIVE September 2, 2011
LOUISIANA PATIENT'S COMPENSATION FUND

****REVISED**

Please check for the PCF website for PCF applications as more have been added and others revised.

I. PCF PAYMENT SCHEDULE

New Enrollees:

Providers with Primary Insurance: Payment must be made on or before the effective date of coverage. If payment is made after the effective date of the primary policy, the PCF effective **date** will be the date the insurance company/agent **received** the payment on behalf of the PCF. Proof of provider's payment may be requested.

Self Insured's: The effective date of coverage is the **date of receipt** by the PCF of the completed application, the appropriate surcharge payment and the security in the amount of \$125,000.00.

Renewals:

Providers with Primary Insurance: Payment must be made to the insurance company or agent NO LATER than **30** days after the expiration of the policy.

Self Insured's: Payment must be made to the PCF NO LATER than **30** days after the expiration of the self insured/PCF coverage. However, the completed application, and renewal information for the security must be furnished before a COE will be issued.

Tail Coverage: Must be purchased from primary within **45** days of termination of policy. **There are options/exceptions (i.e. retirement, moving from insurance to self-insurance) for the payment of the PCF tail surcharge and if you feel you may qualify for such you must contact the PCF.**

*******LATE PAYMENT BY THE HEALTHCARE PROVIDER WILL RESULT IN A GAP IN COVERAGE and COULD RESULT IN DENIAL OF COVERAGE ON A CLAIM BY THE PCF.*******

RESPONSIBILITY OF THE INSURANCE COMPANY/AGENT

Once payment is received by the insurance company/agent, the following is remitted to the PCF:

1. A certificate of insurance that includes the complete name and address of the HCP, specialty, license number, date of birth, dates of coverage, policy type, retro date (if applicable) and primary premium.
2. **Documentation of any specific exclusions or exceptions to the provider's practice that are not standard to the insurer's policies. Examples would be exclusion of**

- work done at prisons, nursing homes or serving as medical directors, and out of state practices.
3. Appropriate surcharge payment. If different from the PCF rate charts or in the manual, an explanation of the calculation is needed, such as part-time percentage or pro-rated due to length of enrollment.
 4. If using the ER per visit rate, you must include a list of locations served and the providers at each location.
 5. If using the FTE (full time equivalency or slot) method of calculating the PCF surcharge, you must attach a list of employees included in the count.
 6. In lieu of a COI, a copy of the Declaration Page of the Policy can be sent. If the Declaration Page does not contain all necessary information, such as the provider's date of birth if an individual, the license number, the premium amount if using the "other" percentage rate and the specialty code, such must be provided in a supplemental memo or cover letter.
 7. Should any delay be anticipated in remittal of any of the required documents or payment, the insurer should immediately contact the PCF to determine the best way to prevent a gap or lapse in PCF coverage.
 8. Failure to provide mandatory documents after the time allowed in a notice from the PCF may result in return of payment and refusal of coverage.

The insurance company/agent has **45** days from the date they receive the payment from a HCP to remit it to the PCF. If remitted past the 45 day period, an insurance company /agent will be charged a **5% penalty + accrued legal interest** from the 46th day until paid. Proof of the primary payment will be requested if a payment is remitted beyond time allowed.

CANCELLATIONS

Notices of **cancellations** must be received within **30** days of effective date for full refund back to date of cancellation. PCF will determine amount of refund if notice is received more than the 30 days from the effective date. Written justification may be required for full refunds if notice of cancellation is received over **60** days from effective date.

PCF does not accept cancellations directly from finance companies – notice must be from the insurance agent or company. **Refunds** will be made for the current policy only. Refunds will be made where cancellation is for non-renewed policy which terminated within 60 days of request for refund. Refunds are paid to the person or entity that paid the surcharge to the PCF. The PCF reserves the right to request a copy of the Cancellation notice to the provider to ensure compliance with La. R.S. 40:1299.45 D(2) which **requires** a **30 day** written notice to the insured.

II. CLASSIFICATION PROCEDURE:

A. For classification assignment purposes, the following phraseology is defined:

1. The term "**no surgery**" applies to general practitioners and specialists who do not perform obstetrical procedures or surgery (other than incision of boils and superficial abscesses or suturing of skin and superficial fascia) and who do not ordinarily assist in surgical procedures.

2. The term "**minor surgery**" applies to general practitioners and specialists who perform minor surgery generally use local anesthesia, but not general anesthesia. **additional form required – see applications – surgical questionnaire.*
 3. The term "**major surgery**" applies to general practitioners and specialists who perform major surgery or who assist in major surgery on their own or on other than their own patients in which local or general anesthesia is used. Tonsillectomies, adenoidectomies, abortions, dilation and curettement, laparoscopic procedures, normal obstetrical procedures and cesarean sections shall be considered major surgery. **additional form required – see applications – surgical questionnaire.*
- B.** When two or more classes are applicable to a general practitioner or specialist, the rate for the **highest** paid class shall apply.
- C.** Any general practitioner or specialist who would normally be assigned to a class having a code number followed by an asterisk (*) shall be classified and rated as "**Physicians--no major surgery**", code 80534, if any of the following medical techniques or procedures are performed:
- a. **Acupuncture**--other than acupuncture anesthesia
 - b. **Cryosurgery** -- other than use on benign or pre-malignant dermatological lesions
 - c. **Lasers** -- used in therapy
 - d. **Shock therapy**
 - e. **Liposuction**
 - f. **Skin flaps with arterial blood supply** other than cancer therapy
 - g. **Any dermatological procedure done under general anesthesia**
 - h. **Epidural injections** – for pain management
- *additional form required – see applications – surgical applications.*
- D.** Any general practitioner or specialist who would normally be assigned to a classification having a code number followed by a cross-hatch (#) shall be classified and rated as "**Physicians –no major surgery**", code 80533, if such general practitioner or specialist performs any of the following medical techniques or procedures:
- a. **Catheterization** -- arterial, cardiac, central venous, or diagnostic, intraluminal angioplasty, occasional insertion of pulmonary wedge, recording catheters or temporary pace- makers, and umbilical cord catheterization for diagnostic purposes or for monitoring blood gases in newborns receiving oxygen.
 - b. **Needle biopsy** -- including lung, liver, kidney, and prostate.
 - c. **Radiopaque Dye Injections** into blood vessels, lymphatics, sinus tracts or fistulae (not applicable to Radiologist, Code 80280*)
 - d. **Pneumatic and mechanical esophageal dilation** (not with bougie or olive)
- *additional form required – see applications – surgical applications.*
- E. Locum Tenens Coverage:** The PCF requires a surcharge for Locum Tenens. The surcharge is prorated based on the class and specialty of the physician who is utilizing the Locum Tenen, or the actual specialty of the Locum Tenen is an employee of a staffing company. The surcharge is then calculated based on the number of days worked; however, the PCF requires a minimum surcharge of \$250.00. When a physician completes the indicated period of time listed on the

certificate of insurance, and returns at a later point, he will be required to pay an additional surcharge based on the number of days worked. However, an individual MD will not be required to pay more than the amount charged for the full-time annual PCF surcharge rate for the highest class used for locum tenens coverage for any 1 year period, commencing from the first date enrolled as a locum tenens.

- F. **Orthopedic Minor Surgery** includes outpatient procedures such as toe surgery, arthroscopic procedures, closed reductions, percutaneous pinning and other percutaneous procedures. However, if general anesthesia is used for any of these procedures, Major Surgery classification is necessary.
- G. **Corporate Coverage:** The PCF provides coverage for legal corporations and partnerships based on information obtained from the Secretary of State's website. A trade name is not a corporation and will not be covered as such, **but the PCF should be made aware that such exists**. The appropriate corporate designation is required – LLC, Inc, APMC, APDC, etc. For Corporate coverage, a certificate of insurance and PCF corporate application, which is on our website, is **required**. If self-insured, only the PCF corporate application is required. It must contain the names of the providers eligible for enrollment (HCP specialties listed in our rate manual for which a PCF surcharge is owed) that make up the Corporation or Partnership, or are employees of the corporation or partnership. Coverage of employees must be verified by the PCF to determine if the corporation qualifies for coverage without any additional surcharge or if a surcharge is due in accordance with the statutes. No certificate of enrollment will be issued if there is a failure to comply with this provision. Coverage will not be established within this office or for any claim filed against a corporation that has not complied with these provisions.
- H. **Nursing Home** applies **only** to a **licensed** "home" as defined in R.S. 40:2009.2. A nursing home may include both skilled nursing beds as well as other beds, in which case the number of each type of bed must be included on the application and the appropriate surcharge remitted. A *Skilled* nursing facility bed includes beds in which patients receive skilled level of care, where Medicare is the primary payer source, highly intensive levels of care such as ventilator dependency and/or NRTP (closed head brain injury) or the supervision of skilled nursing care on a continuous and extended basis. *Intermediate* would be all other nursing home beds where daily care requires lower degree of semi-skilled care/supervision due to less severe illnesses or conditions. The PCF *Other* class has now been changed to **Assisted living only** and cannot be used for nursing home beds. **Nursing home bed rates cannot be used for hospital beds.**
- I. **Oral Surgeons:** past calculations for maximum increases/decreases in rates for the years 2006 and 2007 no longer apply. This provision ended with 2008 enrollments and renewals and the rates as set forth on the rate pages apply.
- J. **Other Class:** Those providers that are **not** specifically listed in the PCF rate manual should use the "other" classification. The PCF surcharge is 93% of the undiscounted underlying premium for \$100,000/\$300,000 coverage (although the provider may have higher limits). The amount of the underlying premium **MUST** be provided with the PCF surcharge and application or certificate of

insurance. Failure to provide this information will delay issuance of a certificate of enrollment until the information is provided. Additional classifications and PCF specialty codes can be found on the website. First year discounts by primary insurers do not apply to the PCF rate calculations.

- K. There is a **\$250 minimum** charge that is a POLICY-WRITING MINIMUM for the PCF, and may not be pro-rated. Refunds will not be issued that do not allow for the minimum amount to be retained by the PCF.
- L. The use of “**split maturity**” or “**blended rates**” for calculating the PCF surcharge will **not** be allowed. When an insured joins a policy mid-term, at the time of the annual PCF renewal, that insured’s PCF surcharge cannot be calculated using two maturity levels. However, the PCF will allow an insured that begins a policy mid-term to remain 1st year claims made for the PCF if the initial time period was less **than 8 months** at the time of renewal. If the enrollment period was **8 months or more**, the insured must use 2nd year claims made for the PCF renewals.
- M. **Exclusions to coverage**- PCF reserves the right to deny coverage for criminal acts, including but not limited to sexual abuse or molestation, battery or fraud and illegal abortions, whether committed by the insured or any person for whom the insured is legally responsible. **The PCF does not provide coverage for third party claims.**
- N. **Pharmacists** that are employed by a hospital or other institution in which prescriptions are not dispensed to non-patients, including those that have been discharged from the hospital, will not be required to pay a separate PCF surcharge. Any hospital that dispenses prescriptions to non-patients, including patients discharged from the hospital, employees or others, shall be required to pay a PCF surcharge. The rate tables only apply to pharmacists that were not enrolled in the PCF prior to 9/2/10.
- O. **Ambulance services** that are owned by a hospital must pay the appropriate PCF surcharge for EMTs, regardless of whether or not the service is provided exclusively for the hospital’s patients or patients may be taken to other locations.
- P. **Management companies** were added to the definition of health care providers and thus they are considered an eligible provider and must pay the appropriate PCF surcharge for enrollment. Generally, this is the minimum of \$250, but this should be confirmed with the PCF surcharge department as there may be other information that might require additional amounts.
- Q. **Medical Directors** employed or working at a facility such as a hospital or nursing home may need individual coverage to be considered qualified. PCF surcharge section should be contacted to determine the surcharge amount. The determination will be based on patient contact, interaction and responsibility for decisions involving patient care.
- R. **Dentist or Orthodontist who perform cosmetic injections, such as Botox and dermal fillers, must report such on their PCF application and must use code 70002. The rates are the same as code 80002.**

III. PHYSICIANS AND SURGEONS CLASSIFICATIONS

	<u>Number</u>	<u>Class</u>
Administrative Medicine	80025	1A
Aerospace Medicine	80230*#	1A
Allergy	80254*#	1A
Anesthesiology	80151	3
(This classification applies to all general practitioners or specialists who perform general anesthesia or acupuncture anesthesia)		
Bariatric Medicine	80229	1
Bariatric Surgery	80180	6
Broncho-Esophagology	80101	3
Cardiovascular Disease – major invasive.....	80109	3
(This classification applies to any cardiologist performing any of the following procedures: Angiography, Intraluminal Angioplasty, Myelography)		
Cardiovascular Disease – minor surgery	80281*	3
Cardiovascular Disease – no surgery	80255*#	2A
Dermatology – minor surgery.....	80282*	1A
Dermatology – no surgery.....	80256*#	1A
Diabetes - minor surgery	80271*	2
Diabetes - no surgery	80237*#	1
Emergency Medicine - including major surgery	80157	5
(This classification applies to any general practitioner or specialist regularly engaged in emergency practice at a clinic, hospital or rescue facility who performs major surgery)		
SEE NOTES FOR OPTIONAL PER PATIENT VISIT RATING BASIS		
Emergency Medicine - no major surgery	80102	4
(This classification applies to any general practitioner or specialist regularly engaged in emergency practice at a clinic, hospital or rescue facility who does not perform major surgery)		
SEE NOTES FOR OPTIONAL PER PATIENT VISIT RATING BASIS		
Endocrinology - no surgery.....	80238*#	1
Family Practice - minor surgery.....	80273*	2
Family Practice - no surgery.....	80239*#	2A
Family Practice , not primarily engaged in major surgery	80117	3
but including routine obstetrical procedures, no C-sections nor laparoscopic procedures		
Family Practice - primarily engaged in major surgery.....	80142	5
Forensic Medicine	80240*#	1A
Gastroenterology - minor surgery.....	80274*	2
Gastroenterology - no surgery.....	80241*#	1
Gastroenterology -major invasive procedures.....	80535	3
(This classification applies to any gastroenterologist performing colonoscopies, endoscopic retrograde cholangiopancreatographies and/or peritoneoscopies)		
General Practice - minor surgery.....	80275*	2
General Practice - no surgery.....	80242*#	1
General Preventative Medicine - no surgery.....	80231*#	1A

Geriatrics – (including institutional) minor surgery	80276*#	2
Geriatrics - no surgery	80243*#	1A
Gynecology - minor surgery	80277*	2
Gynecology - no surgery	80244*#	1A
Hematology - minor surgery	80278*	2
Hematology - no surgery	80245*#	1
Hospitalist	80330	2
Hypnosis	80232	1
Infectious Disease - minor surgery	80279*	2
Infectious Disease - no surgery	80246*#	2A
Intensive Care Medicine.	80339	3
(This classification applies to any general practitioner or specialist employed in an intensive care hospital unit)		
Internal Medicine- minor surgery	80284*	2
Internal Medicine - no surgery	80257*#	2A
Laryngology - minor surgery	80285*	2
Laryngology - no surgery	80258*#	1
Neonatology - intensive care medicine	80283	2
Neoplastic Dis./Oncology - minor surgery	80286*	2
Neoplastic Dis./Oncology - no surgery	80259*#	1
Nephrology - minor surgery	80287*	2
Nephrology - no surgery	80260*#	1
Neurology -including child-minor surgery	80288*	2
Neurology-including child-no surgery	80261*#	2A
Nuclear Medicine	80262*#	1
Nutrition	80248*#	1
Occupational Medicine	80233*#	1A
Orthopedic – no surgery/procedures	80401	1
Orthopedic – Minor surgery/procedures	80402	3
Ophthalmology - minor surgery	80289*	2
Ophthalmology - no surgery	80263*#	1A
Otology – minor surgery	80290*#	2
Otology – no surgery	80264*#	1
Otorhinolaryngology - minor surgery	80291*	2
Otorhinolaryngology - no surgery	80265*#	1A
Pain Management – Specialist	80325	3
Pathology - minor surgery	80292*	2
(Coverage is included for pathological laboratories)		
Pathology - no surgery	80266*#	1
(Coverage is included for pathological laboratories)		
Pediatrics - minor surgery	80293*	2
Pediatrics - no surgery	80267*#	1
Pharmacology - clinical	80234*#	1A
Physiatry ..(no surgery/ no pain management)	80235*#	1A
Physicians - minor surgery	80294*	2
(This is an N.O.C. classification)		

Physicians - no major surgery.....	80534	3
(This classification applies to all general practitioners or specialists except those performing major surgery, anesthesiology or acupuncture anesthesiology, who perform any of the following procedures:		
Acupuncture - other than acupuncture anesthesia		
Cryosurgery - other than use on benign or pre-malignant dermatological lesions		
Lasers - used in therapy		
Shock therapy		
Skin flaps with arterial blood supply other than cancer therapy		
Liposuction and/or any dermatological procedure done under general anesthesia		
Epidural injections - for pain management		
Physicians - no major surgery.....	80533	2
(This classification applies to all general practitioners or specialists except those performing major surgery, anesthesiology or acupuncture anesthesiology, who perform any of the following medical techniques or procedures:		
<u>Catheterization</u> - arterial, cardiac, central venous, or Diagnostic, occasional insertion of pulmonary wedge, Recording catheters or temporary pacemakers, and Umbilical cord catheterization for diagnostic purposes or for Monitoring blood gases in newborns receiving oxygen.		
<u>Needle Biopsy</u> including lung, liver, kidney and prostate		
<u>Radiopaque Dye Injections</u> into blood vessels, lymphatics, Sinus tracts and fistulae		
(NOT APPLICABLE TO RADIOLOGISTS, CODE 80280*)		
Physicians - N.O.C. (No procedures)	80236	1A
Physicians - no surgery.....	80268*	1
(This is an N.O.C. classification)		
Podiatry	80003	2
Psychiatry - including children.....	80249*#	1A
Psychoanalysis	80250#	1
Psychosomatic Medicine	80251*#	1
Pulmonary Disease	80269*#	1
Radiology -diagnostic - minor surgery.....	80280*#	2
(Including radiopaque dye injections into blood vessels, lymphatics, sinus tracts or fistulae. Coverage is included for X-Ray Laboratories)		
Radiology-diagnostic - no surgery.....	80253*#	2A
(Coverage is included for X-Ray Laboratories)		
Radiology -major invasive procedures.....	80536	3
(This classification applies to any radiologist performing angiographies, arteriographies, discograms, lymphangiographies, myelographies, phlebographies, pneuencephalographies, and/or radiation therapy)		
Rheumatology - no surgery.....	80252*#	1
Rhinology - minor surgery.....	80270*	2

Rhinology - no surgery.....	80247*#	1
Sports Medicine – no surgery.....	80205	1
Sports Medicine – minor surgery.....	80204	3
Surgery – abdominal.....	80166	5
Surgery –cardiac.....	80141	7
Surgery –cardiovascular disease.....	80150	7
Surgery –colon and rectal.....	80115	3
Surgery –endocrinology.....	80103	5
Surgery –gastroenterology.....	80104	5
Surgery –general.....	80143	6
(This is an N.O.C. classification. This classification does apply to any general practitioner or specialist who occasionally performs major surgery)		
Surgery – general practitioner or family practitioner, not primarily Engaged in major surgery but including routine obstetrical Procedures, no C-sections nor laparoscopic procedures	80117	3
Surgery – general practitioner or family practitioner, engaging in major Surgery (NOT GENERAL SURGEON)	80142	5
Surgery – geriatrics.....	80105	5
Surgery – gynecology.....	80167	5
Surgery – hand.....	80169	3
Surgery – head and neck.....	80170	7
Surgery – laryngology.....	80106	5
Surgery – neoplastic.....	80107	5
Surgery – nephrology.....	80108	5
Surgery – neurology – including children.....	80152	8
Surgery – obstetrics.....	80168	7
Surgery – obstetrics/gynecology.....	80153	7
Surgery – ophthalmology.....	80114	2
Surgery – orthopedic.....	80154	6
Surgery – orthopedic – spinal surgery.....	80172	8
("Spinal surgery" includes any open procedure on the spine, except myelograms, epidural steroid injections, and diagnostic procedures)		
Surgery – otology.....	80158	5
(This classification does not apply to general practitioners or specialists performing plastic surgery)		
Surgery – otorhinolaryngology.....	80159	4
(This classification does not apply to general practitioners or specialists performing plastic surgery)		
Surgery – plastic.....	80156	5
(This is an N.O.C. classification)		
Surgery – plastic – otorhinolaryngology.....	80155	5
Surgery – rhinology.....	80160	5
Surgery – thoracic.....	80144	6
Surgery – traumatic.....	80171	6
Surgery – urological.....	80145	3
Surgery – vascular.....	80146	6
Urology/gynecology	80181	5

****** See list on PCF website for additional codes, classes & specialist if not found in this manual ******

III. SUPPLEMENTAL NOTES AND CHARGES

- A.** The following additional charges shall apply for ALL indicated classifications, including such practitioners employed by others and must be paid in addition to surcharges applicable for employing provider.

ADVANCED PRACTICE NURSES

Physicians' Assistants	80310	See rate table
Surgeon's Assistants	80323	See rate table
Clinical Nurse Specialist	80358	See rate table
Nurse Practitioner	80324	See rate table
Nurse Midwives	80357	See rate table
Nurse Anesthetist	80004	See rate table
Locum Tenen Physician Liab.	80177	Class/specialty prorated for period worked (minimum \$250)
Chiropractors	80049	See rate tables
Home Health	80100	93% of primary/\$250 min
Hospice	80499	93% of primary/\$250 min
Management Companies	80326	93% of primary/\$250 min
Optometrists	80027	See rate tables
Psychologists	80047	93% of primary/\$250 min.
Pharmacists	80005	See rate table
Ambulance Service*	80014	.015 x PH1 rate x FTEs (Paramedics, EMTs, Nurses)
Blood Bank		(rates per draw) – See rate table

****Other** class percentage is based on undiscounted primary premium for \$100,000/\$300,000 coverage.**

Corporate Liability	80313	20% of each individual class rate (**)
Partnership Liability	80314	20% of each individual class rate (**)

** No surcharge will be owed to the PCF to cover such entity if all shareholders/partners and professional employees are enrolled and qualified with the PCF. Otherwise a charge of 20% of each class rate will be made for any eligible shareholders/partners and employee not enrolled in the PCF (this will only cover the corporation, not the non-enrolled individuals). A **separate Certificate of Insurance showing the corporation as an insured and the PCF corporate application** that lists all employed health care providers **is required**. Regular nursing staff and other ancillary staff do not have to be listed if not listed in this rate manual and not the sole type of employees. **Lists can be attached in lieu of inserting names on the form.** Any questions should be directed to the PCF surcharge department.

- B. DROP DOWN CHARGE:** A physician or surgeon reducing classification will pay a **one-time** additional surcharge equal to the difference between the "tail" (reporting endorsement) charge for the higher classification and the tail charge for the lower classification. It will be based on the provider's maturity year at the time of the change. This additional surcharge may be waived if the provider has 10 or more consecutive years with the PCF.
- C. PART-TIME DISCOUNTS:** A health care provider who is employed full-time by a hospital or clinic which has paid a full surcharge for his classification, and the health care provider is also in private practice OR a health care provider practicing on a part-time basis, may be eligible for a rate credit on the surcharge for his private practice, as follows:

35 hrs. practice/month or less	75% Credit
65 hrs. practice/month or less	50% Credit
85 hrs. practice/month or less	25% Credit
More than 85 hrs./month	No Credit

** Based on 40 Hr work week*

Part Time reduction charge:

There will be a **one-time** additional surcharge for a health care provider with Claims Made coverage that is going from full-time to part-time practice. The charge will be based on the PCF tail surcharge for the provider's class less the full time renewal rate for that class. This amount will be added to the part-time renewal amount. This additional surcharge may be waived if the

provider has 10 or more consecutive years with the PCF. ***additional form required – see applications.**

As an example, a provider going from full-time Class 1 to part-time with a 50% credit using the rates effective 9/2/10 would pay the following:

Class 1– tail	\$8,571	*cannot be pro-rated/discounted
Renewal -	\$6,487	*cannot be pro-rated/discounted
difference	\$2,084	
50% discount	\$3,243	*can be pro-rated for length of policy
Total PCF surcharge	\$5,327	

****Part time discounts are being reviewed for possible changes in 2012.**

D. A physician or surgeon with a rate class in their primary insurance company that is different from the rate class shown in these pages for the Patients' Compensation Fund will in all instances pay the surcharge based on the PCF rate classes.

E. Intern and Resident Rating Procedures:

General Medicine	Rate Class 3
General Surgery	Rate Class 5
Transitional (Med/Surg)	Rate Class 4
Pediatrics	Rate Class 1
Psychiatry	Rate Class 1
Other	PCF Rate class applicable to specialty

Interns: 33% of indicated surcharge for applicable class

Residents: 66% of indicated surcharge for applicable class

F. Retiring, Deceased or Disabled Physicians: "Tail" coverage (Extended Reporting Endorsement) surcharges for these classes shall be considered as "included" in their last surcharge payment, and no additional charge shall be required for this coverage if they have been in the PCF for **10** consecutive years. However, a disabled physician who subsequently returns to practice must pay all applicable surcharges, just as any other active physician. This waiver also applies to the "step down" charge used for physicians who reduce their PCF classification, if such reduction is the result of a permanent disability or illness which allows the provider to continue to practice medicine, but requires a reduction in the specialty class (for example, dropping to a "no surgery" classification after previously qualifying as a surgeon or surgical assistant), the "step down" charge shall be considered "included" in the last surcharge paid at the higher classification.

G. Non listed classes – classes/specialties which do not fall within the range of providers listed on these pages or in the complete list on the PCF website shall be rated at the discretion of the Fund. In most cases, such rates will follow the Insurance Service Office procedures.

H. ALTERNATE EMERGENCY PHYSICIAN RATING BASIS:

This rating basis is an option available to any group or individual Emergency Medicine practice whose underlying coverage is rated on a "per patient visit" basis (or, for self-insureds, those whose hospital contracts are maintained on a "per patient visit" basis). To qualify for this basis, providers must be able to supply the Fund with the means of verifying the number of patient visits recorded at year end. Such verification can take the form of premium audits from underlying policies, copies of verifications for hospital contracts, or any other form of verification acceptable to the Fund. Surcharges paid to the Fund will be adjusted at the end of each policy year based on verified numbers submitted. (PLEASE NOTE: This rating basis is the only alternative available to rating Emergency Medicine on a per-physician basis. Under no circumstances will any ER group or practice be rated as per the "All Other" rating procedures.)

Rates per patient visit are as follows:

CLASS	CLAIMS MADE MATURITY YEAR					OCC & SI
Regular Coverage:						
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	
4	1.33	2.20	2.61	2.77	2.96	3.21
5	1.22	2.01	2.39	2.56	2.71	2.93
“Tail” Coverage:						
4	2.34	3.36	3.74	3.87	3.89	
5	2.19	3.11	3.44	3.69	3.59	

EXPERIENCE RATING

1. General:

Effective 7-1-93, the PCF initiated an experience-rating program. The intent of the plan is to apportion a greater percentage of needed increases to those providers who generated a greater-than-expected number of losses. This provision applies to all providers. The maximum increase for any provider is 50% of the annual surcharge.

While the provisions for application to the physician and hospital classes are slightly different, both operate under the following general parameters:

- Only those providers with two or more eligible losses in the five-year rating period, either paid or reserved, will be affected. Not every provider meeting the criteria for rating shall earn a debit: a number of providers whose total losses fall below the indicated thresholds will simply pay manual premiums, like any other provider.
 1. Any closed claim for which a loss payment was made with a report date of 5 years prior to the renewal date
 2. Any open reserved or paid loss, regardless of original report date
- Losses used in the rating plan will be valued as of 90 days prior to the expiration of the provider's coverage. Any changes in loss value after that date will be included in the next year's evaluation.
- Most providers in the "Other" class will be experience rated under PH1. Some providers that are in the "Other" classification, such as institutions, entities or non-individual HCPs, will be experienced using the hospital/non-individual worksheet.
- The Fund (rather than the providers and primary carriers), will calculate all modifiers and send appropriate notice to the providers and carriers prior to renewal. Each affected provider will be given a copy of the worksheet used in the calculation, so that they may review the loss data for accuracy.
- Penalties are required in addition to the indicated surcharge increase shown in the attached rating pages.

2. Physician, RN, DDS, Oral Surgeons, Chiropractors Classes (Individual HCPs) Experience Rating Specifics:

- A.** The individual provider class modifiers rely on specific ranges of losses. These vary by class. For physicians, it is the PH class number. For the remainder individual providers, the PH 1 class is used. Those eligible providers with total limited losses in the five-year period which fall within the stated ranges shown below will earn the indicated debit modifier.
- B.** Modifiers are to be applied to the indicated renewal surcharge. (For example, a provider paying \$10,000 in normal surcharges who earns a 20% penalty will pay a total of \$12,000—i.e., \$10,000 x 1.20.)
- C.** The indicated modifier shall be re-evaluated at each subsequent renewal. It is anticipated that providers may be experience rated or not each year depending on the loss results at the time of each renewal.
- D.** The maximum penalty to any provider is 50% in a policy year.
- E.** Indicated modifiers and loss limitations by class:

PH1A, 1 & OTHERS		PH2A & 2		PH3	
%	LOSS RANGE	%	LOSS RANGE	%	LOSS RANGE
Debit		Debit		Debit	
0	Up to \$15,866	0	Up to \$26,184	0	Up to \$38,897
10	\$15,867 to \$47,049	10	\$26,185 to \$60,301	10	\$38,898 to \$83,993
20	\$47,050 to \$92,849	20	\$60,302 to \$118,115	20	\$83,994 to \$148,956
30	\$92,850 to \$153,010	30	\$118,116 to \$185,168	30	\$148,957 to \$224,299
40	\$153,011 to \$222,785	40	\$185,169 to \$273,491	40	\$224,300 to \$335,628
50	\$222,786 or more	50	\$273,492 or more	50	\$335,629 or more
PH4		PH5		PH6	
0	Up to \$47,598	0	Up to \$57,284	0	Up to \$71,227
10	\$47,599 to \$88,159	10	\$57,285 to \$108,547	10	\$71,228 to \$118,825
20	\$88,160 to \$156,893	20	\$108,548 to \$182,394	20	\$118,826 to \$199,484
30	\$156,894 to \$236,611	30	\$182,395 to \$279,669	30	\$199,485 to \$293,033
40	\$236,612 to \$341,618	40	\$279,670 to \$394,599	40	\$293,034 to \$416,258
50	\$341,619 or more	50	\$394,600 or more	50	\$416,259 or more
PH7		PH8			
0	Up to \$109,452	0	Up to \$131,664		
10	\$109,453 to \$178,112	10	\$131,665 to \$209,925		
20	\$178,113 to \$277,021	20	\$209,926 to \$307,642		
30	\$277,022 to \$423,171	30	\$307,643 to \$435,997		
40	\$412,172 to \$599,077	40	\$435,998 to \$605,070		
50	\$599,078 or more	50	\$605,071 or more		

C. Hospital, Nursing Home, Centers Program Specifics

- A.** Institutional modifiers are individually calculated based upon the provider's 5-year loss ratio with the Fund: that is, the relationship of surcharges paid in to losses paid out and reserved within the same five-year period. The losses shall be subject to the limitations shown below. The indicated modifier shall be the debit (if any) indicated by the loss ratio (i.e., any portion over 100%), subject to the maximum penalty of 50%.
- B. MAXIMUM SINGLE LOSS PROVISIONS:** Those entities that have paid a cumulative total of less than \$300,000 into the Fund in the past five policy years shall have each individual loss limited to \$300,000 for experience rating. Those hospitals which have paid in a cumulative total of \$300,000 or more over the past five policy years shall have each individual loss limited to \$500,000 for experience rating.
- C.** No provider shall pay more than 50% in penalty.
- D.** As in the physician classes, losses shall be valued as of 90 days prior to renewal of coverage. Any changes in value after that date shall be considered in the following years' rating.
- E.** Each provider shall be supplied with a copy of their worksheet, so that they may review losses and surcharge records for accuracy.
- F.** In the event of a complete change of corporate ownership, the Fund may, at its discretion, amend the experience rating basis of the new entity to identify pending development of data by the new entity. Each such entity desiring such a change must make individual submission to the Fund. The new entities shall begin new experience ratings after completing one policy year under the new ownership.
- G.** Example of worksheet attached.

LA PATIENTS COMPENSATION FUND

EXPERIENCE RATING WORKSHEET:

INSTITUTIONAL

(NOTE: ONLY THOSE PROVIDERS WITH TWO OR MORE LOSSES MEETING THE REQUIREMENTS SHOWN BELOW ARE SUBJECT TO THIS RATING PROGRAM)

INSURED NAME:

PROV. #:

RENEWAL EFFECTIVE DATE:

SELF INSURED

SURCHARGES PAID	CLAIM	AMT OF PAYMENT OR RESERVE	PAYMENT OR RESERVE	AMOUNT CHARGED
1 ST PREVIOUS				
2 ND PREVIOUS				
3 RD PREVIOUS				
4 TH PREVIOUS				
5 TH PREVIOUS				
TOTAL*	\$		TOTAL (LTD)	\$

***IF TOTAL SURCHARGES ARE \$300,000 OR LESS, INDIVIDUAL LOSSES SHALL BE LIMITED TO \$250,000 EACH FOR EXPERIENCE RATING. IF TOTAL SURCHARGES ARE \$300,001 OR MORE, INDIVIDUAL LOSSES SHALL BE LIMITED TO \$500,000 EACH FOR EXPERIENCE RATING PURPOSES.**

****LIMIT LOSSES INDIVIDUALLY AS INDICATED BY SURCHARGE TOTALS**

LOSS RATIO = LIMITED LOSSES/SURCHARGES

LOSSES = \$ LOSS RATIO =

SURCHARGE = \$

EXPERIENCE DEBIT = LOSS RATIO MINUS 1.00***

TOTAL INDICATED DEBIT: 0%

PCF SURCHARGE DUE = RENEWAL RATE X 1.

*****MAXIMUM DEBIT PERCENTAGE 50%**

Losses subject to rating:

1. Any paid, closed loss originating with five calendar years of renewal date; AND
2. Any open loss valued at \$2 or more (regardless of report year)