

**RATE MANUAL  
EFFECTIVE JANUARY 1, 2009  
LOUISIANA PATIENT'S COMPENSATION FUND**

**I. LPCF 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 LPCF effective **date** will be the date the insurance company/agent **received** the payment on behalf of the LPCF. Proof of provider's payment may be requested.

*Self Insured's:* The effective date of coverage is the **date of receipt** by the LPCF 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:* The effective date of coverage is the date the LPCF has **received** the completed application, appropriate surcharge payment and renewal information for the security. Payments need to be sent on or before the date of renewal.

**Tail Coverage:** Must be purchased from primary within **45** days of termination of policy.

**\*\*\*\*LATE PAYMENT BY THE HEALTHCARE PROVIDER WILL RESULT IN A GAP IN COVERAGE.\*\* and COULD RESULT IN DENIAL OF COVERAGE BY THE LPCF.\*\*\*\*\***

**RESPONSIBILITY OF THE INSURANCE COMPANY/AGENT**

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

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. Appropriate surcharge payment. If other than what is found on the LPCF rate sheet, an explanation is needed as to how it was calculated, such as part-time.

The insurance company/agent has **45** days from the date they receive the payment from a HCP to remit it to the LPCF. If remitted past the 45 day period, an insurance company /agent will be charged a **5% penalty + accrued legal interest** from the 46<sup>th</sup> 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. LPCF 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.

LPCF 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 LPCF.

### 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.
  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.
- 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

- 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)
- E. **Locum Tenens Coverage:** The LPCF requires a surcharge for Locum Tenens. The surcharge is prorated based on the class and specialty of the physician who is utilizing the Locum Tenens and the number of days worked. The LPCF provides for a minimum of \$250.00 or whichever is higher. When a physician completes the indicated period of time listed on the certificate of insurance, and he elects to return 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 LPCF 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.
- G. **Corporate Coverage:** For Corporate coverage, a certificate of insurance and LPCF corporate application, which is on our web site, is **required**. If self-insured, only the LPCF 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 LPCF surcharge is owed) that make up the Corporation or Partnership, or work for the corporation or partnership. Coverage of employees must be verified to determine if any additional surcharge is due. 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 licensed or approved as such by the State and utilized for patients requiring either skilled nursing care or the

supervision of skilled nursing care on a continuous and extended basis. *Intermediate* care requires lower degree of semi-skilled care/supervision due to less severe illnesses or conditions. The LPCF *Other* class requires minimal nursing care and includes assisted living.

- 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 LPCF rate manual should use the “other” classification. The LPCF surcharge is 91% 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 LPCF 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 LPCF specialty codes can be found on the web site. First year discounts by primary insurers do not apply to the LPCF rate calculations.
  
- K. There is a **\$250 minimum** charge that is a POLICY-WRITING MINIMUM for the LPCF, and may not be pro-rated. Refunds will not be issued that do not allow for the minimum amount to be retained by the LPCF.
  
- 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 for an insured that begins a policy mid-term, that when the policy comes up for its annual PCF renewal if the pro-rated time period was **less than 8 months**, the insured can remain 1<sup>st</sup> year claims made for the PCF renewal. If the pro-rated time period has been **8 months or more** then the insured must use 2<sup>nd</sup> year claims made for the PCF renewal.

### III. PHYSICIANS AND SURGEONS CLASSIFICATIONS

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

	<b>Number</b>	<b>Class</b>
<b>General Preventative Medicine</b> - no surgery.....	80231*#	1A
<b>Geriatrics – (including institutional)</b> minor surgery.....	80276*#	2
<b>Geriatrics</b> - no surgery.....	80243*#	1A
<b>Gynecology</b> - minor surgery.....	80277*	2
<b>Gynecology</b> - no surgery.....	80244*#	1A
<b>Hematology</b> - minor surgery.....	80278*	2
<b>Hematology</b> - no surgery.....	80245*#	1
<b>Hospitalist</b> .....	80330	2
<b>Hypnosis</b> .....	80232	1
<b>Infectious Disease</b> - minor surgery.....	80279*	2
<b>Infectious Disease</b> - no surgery.....	80246*#	2A
<b>Intensive Care Medicine.</b> ....	80339	3
(This classification applies to any general practitioner or specialist employed in an intensive care hospital unit)		
<b>Internal Medicine-</b> minor surgery.....	80284*	2
<b>Internal Medicine</b> - no surgery.....	80257*#	2A
<b>Laryngology</b> - minor surgery.....	80285*	2
<b>Laryngology</b> - no surgery.....	80258*#	1
<b>Neonatology</b> - intensive care medicine.....	80283	2
<b>Neoplastic Dis./Oncology</b> - minor surgery.....	80286*	2
<b>Neoplastic Dis./Oncology</b> - no surgery.....	80259*#	1
<b>Nephrology</b> - minor surgery.....	80287*	2
<b>Nephrology</b> - no surgery.....	80260*#	1
<b>Neurology</b> -including child-minor surgery.....	80288*	2
<b>Neurology</b> -including child-no surgery.....	80261*#	2A
<b>Nuclear Medicine</b> .....	80262*#	1
<b>Nutrition</b> .....	80248*#	1
<b>Occupational Medicine</b> .....	80233*#	1A
<b>Orthopedic</b> – no surgery/procedures.....	80401	1
<b>Orthopedic</b> – Minor surgery/procedures.....	80402	3
<b>Ophthalmology</b> - minor surgery.....	80289*	2
<b>Ophthalmology</b> - no surgery.....	80263*#	1A
<b>Otology</b> – minor surgery.....	80290*#	2
<b>Otology</b> – no surgery.....	80264*#	1
<b>Otorhinolaryngology</b> - minor surgery.....	80291*	2
<b>Otorhinolaryngology</b> - no surgery.....	80265*#	1A
<b>Pain Management</b> – Specialist.....	80325	3
<b>Pathology</b> - minor surgery.....	80292*	2
(Coverage is included for pathological laboratories)		
<b>Pathology</b> - no surgery.....	80266*#	1
(Coverage is included for pathological laboratories)		
<b>Pediatrics</b> - minor surgery.....	80293*	2
<b>Pediatrics</b> - no surgery.....	80267*#	1
<b>Pharmacology</b> - clinical.....	80234*#	1A
<b>Physiatry</b> ..(no surgery/ no pain management).....	80235*#	1A
<b>Physicians</b> - minor surgery.....	80294*	2
(This is an N.O.C. classification)		

	<u>Number</u>	<u>Class</u>
<b>Physicians</b> - 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:		
<b>Acupuncture</b> - other than acupuncture anesthesia		
<b>Cryosurgery</b> - other than use on benign or pre-malignant dermatological lesions		
<b>Lasers</b> - used in therapy		
<b>Shock therapy</b>		
<b>Skin flaps</b> with arterial blood supply other than cancer therapy		
<b>Liposuction</b> and/or any dermatological procedure done under general anesthesia		
<b>Epidural injections</b> - for pain management		
<b>Physicians</b> - 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		
<b>(NOT APPLICABLE TO RADIOLOGISTS, CODE 80280*)</b>		
<b>Physicians</b> - N.O.C. (No procedures) .....	80236	1A
<b>Physicians</b> - no surgery.....	80268*	1
(This is an N.O.C. classification)		
<b>Podiatry</b> .....	80003	2
<b>Psychiatry</b> - including children.....	80249*#	1A
<b>Psychoanalysis</b> .....	80250#	1
<b>Psychosomatic Medicine</b> .....	80251*#	1
<b>Pulmonary Disease</b> .....	80269*#	1
<b>Radiology -diagnostic</b> - minor surgery.....	80280*#	2
(Including radiopaque dye injections into blood vessels, lymphatics, sinus tracts or fistulae. Coverage is included for X-Ray Laboratories)		
<b>Radiology-diagnostic</b> - no surgery.....	80253*#	2A
(Coverage is included for X-Ray Laboratories)		

	<b>Number</b>	<b>Class</b>
<b>Radiology</b> -major invasive procedures..... (This classification applies to any radiologist performing angiographies, arteriographies, discograms, lymphangiographies, myelographies, phlebographies, pneumoencephalographies, and/or radiation therapy)	80536	3
<b>Rheumatology</b> - no surgery.....	80252*#	1
<b>Rhinology</b> - minor surgery.....	80270*	2
<b>Rhinology</b> - no surgery.....	80247*#	1
<b>Surgery</b> – abdominal.....	80166	5
<b>Surgery</b> –cardiac.....	80141	7
<b>Surgery</b> –cardiovascular disease.....	80150	8A
<b>Surgery</b> –colon and rectal.....	80115	3
<b>Surgery</b> –endocrinology.....	80103	5
<b>Surgery</b> –gastroenterology.....	80104	5
<b>Surgery</b> –general..... (This is an N.O.C. classification. This classification does apply to any general practitioner or specialist who occasionally performs major surgery)	80143	6
<b>Surgery</b> – general practitioner or family practitioner, not primarily Engaged in major surgery but including routine obstetrical Procedures, no C-sections nor laparoscopic procedures	80117	3
<b>Surgery</b> – general practitioner or family practitioner, engaging in major Surgery (NOT GENERAL SURGEON)	80142	5
<b>Surgery</b> – geriatrics.....	80105	5
<b>Surgery</b> – gynecology.....	80167	5
<b>Surgery</b> – hand.....	80169	3
<b>Surgery</b> – head and neck.....	80170	7
<b>Surgery</b> – laryngology.....	80106	5
<b>Surgery</b> – neoplastic.....	80107	5
<b>Surgery</b> – nephrology.....	80108	5
<b>Surgery</b> – neurology – including children.....	80152	8
<b>Surgery</b> – obstetrics.....	80168	7
<b>Surgery</b> – obstetrics/gynecology.....	80153	7
<b>Surgery</b> – ophthalmology.....	80114	2
<b>Surgery</b> – orthopedic.....	80154	6
<b>Surgery</b> – orthopedic – spinal surgery..... ("Spinal surgery" includes any open procedure on the spine, except myelograms, epidural steroid injections, and diagnostic procedures)	80172	8
<b>Surgery</b> – otology..... (This classification does not apply to general practitioners or specialists performing plastic surgery)	80158	5



	<u>Number</u>	<u>Class</u>
<b>Surgery</b> – otorhinolaryngology..... (This classification does not apply to general practitioners or specialists performing plastic surgery)	80159	4
<b>Surgery</b> – plastic..... (This is an N.O.C. classification)	80156	5
<b>Surgery</b> – plastic – otorhinolaryngology.....	80155	5
<b>Surgery</b> – rhinology.....	80160	5
<b>Surgery</b> – thoracic.....	80144	6
<b>Surgery</b> – traumatic.....	80171	6
<b>Surgery</b> – urological.....	80145	3
<b>Surgery</b> – vascular.....	80146	6
<b>Urology/gynecology</b> .....	80181	5

**Blood Bank** (rates per draw) – See rate table

**\*\*\*\* See list on PCF web site 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 (2)(3)(4):

<b>Corporate Liability</b>	80313	20% of each individual class rate (1)
<b>Partnership Liability</b>	80314	20% of each individual class rate (1)

#### ADVANCED PRACTICE NURSES

<b>Physicians' Assistants</b>	80310	See rate table
<b>Surgeon's Assistants</b>	80323	See rate table
<b>Clinical Nurse Specialist</b>	80358	See rate table
<b>Nurse Practitioner</b>	80324	See rate table
<b>Nurse Midwives</b>	80357	See rate table
<b>Nurse Anesthetist</b>	80004	See rate table
<b>Locum Tenen Physician Liab.</b>	80177	100% of stated surcharge prorated for period worked (minimum \$250)
<b>Chiropractors</b>	80049	91% of primary/\$250 min.
<b>Home Health</b>	80100	91% of primary/\$250 min
<b>Hospice</b>	80499	91% of primary/\$250 min
<b>Management Companies</b>	80326	91% of primary/\$250 min
<b>Optometrists</b>	80027	91% of primary/\$250 min.
<b>Psychologists</b>	80047	91% of primary/\$250 min.
<b>Pharmacists</b>	80005	91% of primary/\$250 min.
<b>Ambulance Service*</b>	80014	.015 x PH1 rate x FTEs (Paramedics, EMTs, Nurses)

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

**NOTES:**

(1) No surcharge will be made to cover such entity if all shareholders/partners and professional employees are enrolled and qualified with the LPCF. Otherwise a charge of 20% of each class rate will be made for any eligible shareholders/partners and employees not enrolled in the LPCF (this will only cover the corporation, not the non-enrolled individuals). A **separate Certificate of Insurance and the LPCF corporate application** that lists all enrolled health care providers in the Corporation/Partnership **is required** .

(2) These rates apply not only to employees of individual providers, but also to employees or partnerships, corporations or professional associations practicing medicine. They apply per employee regardless of the number of partners.

(3) Any of the above special surcharge classes must be paid in addition to surcharges applicable for employing provider.

(4) The **\$250 minimum** charge is a POLICY-WRITING MINIMUM for the LALPCF, and may not be pro-rated. Refunds will not be issued that do not allow for the minimum amount to be retained by the LPCF.

**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 LPCF.

**C. PART-TIME DISCOUNTS:** A physician or surgeon who is employed full-time by a hospital or clinic and has paid a full surcharge for his classification, and who is in addition in private practice 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*

At the discretion of the Fund, these percentage credits may also be applied to physicians practicing on a part-time basis.

**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 LPCF 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	LPCF 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 LPCF 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 LPCF 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 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:

<b>CLASS</b>	<b>CLAIMS MADE MATURITY YEAR</b>					<b>OCC</b>
<b>Regular Coverage:</b>						
	<u><b>1</b></u>	<u><b>2</b></u>	<u><b>3</b></u>	<u><b>4</b></u>	<u><b>5</b></u>	
<b>4</b>	1.59	2.63	3.13	3.31	3.54	3.84
<b>5</b>	1.50	2.47	2.93	3.13	3.32	3.59
<b>"Tail" Coverage:</b>						
<b>4</b>	2.81	4.02	4.48	4.63	4.65	
<b>5</b>	2.69	3.82	4.21	4.40	4.40	

#### **IV. SUPPLEMENTAL NOTES AND CHARGES**

##### **LA PATIENT'S COMPENSATION FUND RATE PAGES**

##### **SUPPLEMENT: EXPERIENCE RATING**

#### **1. General:**

Effective 7-1-93, the LA LPCF initiated an experience-rating program. The intent of the plan is to apportion a greater percentage of needed premium increases to those providers who are 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:

- A.** 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.
- B.** Losses subject to inclusion are as follows:
  - 1. Any closed, paid loss with a report date of 5 years prior to the renewal date; AND
  - 2. Any open, reserved loss, regardless of original report date
  - 3. The "All Other" class will be experience rated under PH1 unless the providers included are classified at a higher level.
- C.** 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.
- D.** 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.
- E.** Penalties are required in addition to the indicated surcharge increase shown in the attached rating pages.

## 2. Physician Class Program Specifics:

- A.** The physician-class modifiers rely on specific ranges of losses. These vary by PH-class. 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 will come in and out of the program as loss results change.
- D.** The maximum penalty to any provider is 50%.
- E.** Indicated modifiers and loss limitations by class:

<b>PH1A, 1 &amp; OTHERS</b>		<b>PH2A &amp; 2</b>		<b>PH3</b>	
%	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
<b>PH4</b>		<b>PH5</b>		<b>PH6</b>	
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
<b>PH7</b>		<b>PH8A &amp; 8</b>			
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		

### **3. Hospital Program Specifics**

- A.** Hospital 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 hospitals who 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.