



Wisconsin Medical Society

Your Doctor. Your Health.

TO: Office of the Commissioner of Insurance

FROM: Mark Grapentine, JD – Senior Vice President, Government Relations

DATE: March 2, 2009

RE: Proposed Injured Patients and Families Compensation Fund Fee Increase

On behalf of more than 12,500 members statewide, the Wisconsin Medical Society thanks you for this opportunity to provide our opinion on the proposed Fiscal Year 2010 Injured Patients and Families Compensation Fund (Fund) fee increase. The Society opposes any increases to Fund fees at this time. The proposed Fund fee increase follows the State's transfer of \$200 million from the Fund, which occurred in two installments in October 2007 and July 2008. The money in the Fund along with accrued interest was held in trust to pay the claims of injured patients and their families. Because the State transferred the money to fill a budget deficit rather than pay the claims of injured patients, the Society filed a lawsuit in *Wisconsin Medical Society v. Michael Morgan*, case number 07-CV-4035, to restore the \$200 million transferred by the State from the Fund, protect the integrity of the Fund for injured patients and their families and preserve the stability of Fund fees so that Wisconsin remains an attractive place for Wisconsin physicians to practice medicine.

The Society's lawsuit, which could ultimately improve the financial integrity of the Fund and thereby obviate the need for the proposed fee increase, is still pending before the courts. We urge the Fund Board of Governors to withdraw the pending rule and preserve the status quo while the courts resolve the pending legal issues.

Wisconsin consistently ranks high in providing top quality health care to patients, in large part because of its ability to attract some of the best and brightest physicians to this state. Reasonable medical liability rates and a stable medical liability environment are key factors in the recruitment and retention of Wisconsin physicians. Raising Fund fees before the courts have exhausted their review of the State's transfer of funds is premature and could erode physicians' confidence in the stability of the Fund and the fairness of those entrusted to administer it.

During these tough economic times, physicians are facing declining reimbursements and increased practice costs. Under these circumstances, the proposed Fund fee increase could have a significant impact on physicians, particularly on those in solo and small practices. We believe that the restoration of \$200 million to the Fund could prevent or significantly reduce the amount of a fee increase. Therefore, withdrawing the proposed increase until the resolution of the Society's lawsuit is vital to physicians as well as to the patients who rely on the availability of high quality physicians to provide the treatment that they need.

Thank you for your attention to this information. If you have any questions or need additional information, please feel free to contact me at mark.grapentine@wismed.org or 608.442.3800.