



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB3653

Introduced 2/28/2007, by Rep. Esther Golar

#### SYNOPSIS AS INTRODUCED:

New Act  
30 ILCS 105/5.675 new

Creates the Medical Malpractice Liability Insurance Premium Assistance Fund Act. Provides that the moneys in the Medical Malpractice Liability Insurance Premium Assistance Fund, which is created as a special fund in the State treasury, shall be used by the Division of Insurance within the Department of Financial and Professional Regulation to provide assistance for the payment of medical malpractice liability insurance premiums to physicians in the State who maintain their practice in low-income areas (areas or neighborhoods where a majority of the residents are at or below 300% of the federal poverty level). Sets forth conditions for physicians to receive assistance. Requires the physician to submit documentation to the Division of Insurance showing compliance with the terms of the contract. Sets out the formula to be used for calculating the amount of assistance provided. Provides that, if funding available from the Fund is insufficient, the Division of Insurance may reduce the payments to each eligible physician a pro rata amount basis to maximize the number of physicians who may receive assistance. Provides that the payment amounts and the names of physicians receiving payments shall be public record, but that certain other information used by the Division of Insurance shall not. Amends the State Finance Act to create the Medical Malpractice Liability Insurance Premium Assistance Fund.

LRB095 09959 KBJ 30171 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Medical Malpractice Liability Insurance Premium Assistance  
6 Fund Act.

7 Section 5. Definitions. As used in this Act:

8 "Division of Insurance" means the Division of Insurance  
9 within the Department of Financial and Professional  
10 Regulation.

11 "Low-income area" means an area or neighborhood where a  
12 majority of residents are at or below 300% of the federal  
13 poverty level.

14 Section 10. Medical Malpractice Liability Insurance  
15 Premium Assistance Fund

16 (a) The moneys in the Medical Malpractice Liability  
17 Insurance Premium Assistance Fund, which is created as a  
18 special find in the State treasury, shall be used by the  
19 Division of Insurance to provides assistance for the payment of  
20 medical malpractice liability insurance premiums to physicians  
21 in the State who maintain their practice in low-income areas.

22 (b) The Division of Insurance must:

1           (1) develop and make available application forms for  
2 assistance under this Act;

3           (2) develop and enter into contracts with physicians as  
4 provided in this Act;

5           (3) administer the Fund; and

6           (4) exercise all powers necessary to implement this  
7 Act, including adopting rules.

8           (c) Any physician who is licensed and practicing in a  
9 low-income area in this State may apply to the Division of  
10 Insurance for assistance in paying a portion of the physician's  
11 medical malpractice insurance premiums as provided in this Act.  
12 Upon approval of the application for assistance, the physician  
13 shall enter into a contract with the State, wherein the  
14 physician shall agree to do all of the following:

15           (1) practice in the low-income area for the entire  
16 period of the contract for which malpractice insurance  
17 premium assistance is to be provided under this Act;

18           (2) provide medical care for the entire period of the  
19 contract to Illinois residents;

20           (3) submit documentation to establish that the  
21 physician has complied with the terms of the contract and  
22 to determine the amount of assistance to be provided; and

23           (4) repay all funds distributed to the physician  
24 pursuant to this Act, together with attorney fees and costs  
25 incurred in collection, for any contract period in which  
26 the physician is in breach of the contract.

1 (d) At the times specified in the contract, but in no event  
2 less than once per year, the physician must submit  
3 documentation to the Division of Insurance showing compliance  
4 with the terms of the contract. The Division of Insurance must  
5 examine the documentation provided by the physician and  
6 calculate the amount of assistance if any to be provided. The  
7 amount of assistance to be provided shall be calculated by:

8 (1) determining the amount of medical malpractice  
9 insurance premiums paid by the physician;

10 (2) determining the percentage of the physician's  
11 practice dedicated to providing the care to persons at or  
12 below 300% of the federal poverty level. This determination  
13 shall be based upon the dollar amount of billings made;

14 (3) multiplying the percentage determined under  
15 paragraph (2) of this subsection by the amount determined  
16 under paragraph (1) of this subsection; and

17 (4) multiplying the product obtained in paragraph (3)  
18 of this subsection by 50%.

19 (e) If funding available from the account is insufficient  
20 to pay assistance for all physicians who apply for assistance  
21 under this Act, the Division of Insurance may, at its  
22 discretion, reduce the payments to pay each eligible physician  
23 a pro rata amount in a manner designed to maximize the number  
24 of physicians who may receive assistance under this Act.

25 (f) In addition to any other civil or criminal penalties  
26 that may be imposed by law, any physician who fails or refuses

1 to fulfill the terms of the contract required under subsection  
2 (c) of this Section is in breach of the contract. The Division  
3 of Insurance may obtain the assistance of the Attorney General  
4 to recoup the amount of assistance provided under the contract  
5 together with attorney fees and other costs of collection.

6 (g) The payment amounts and the name of a physician  
7 receiving payments under this Act are a public record. Any  
8 other information used by the Division of Insurance in  
9 determining the amount of payment to physicians, including all  
10 information submitted to the Division of Insurance by a  
11 physician under this Act, that is not already a matter of  
12 public record is confidential and is not a public record under  
13 the Illinois Freedom of Information Act.

14 Section 15. The State Finance Act is amended by adding  
15 Section 5.675 as follows:

16 (30 ILCS 105/5.675 new)

17 Sec. 5.675. The Medical Malpractice Liability Insurance  
18 Premium Assistance Fund.