

Existing law (Const. Art. XII, §16) authorizes the establishment of the Patient's Compensation Fund to hold private monies in trust for the use, benefit, and protection of medical malpractice claimants and private health care provider members.

Existing law establishes the Patient's Compensation Fund Oversight Board to manage, administer, operate, and defend the Patient's Compensation Fund.

Prior law authorized the board to invest private monies making up the body of the fund if the private monies are not needed to pay one and one-half times the amount of budgeted expenditures for that fiscal year.

New law changes prior law by deleting the limitation that the board may only invest the private monies that exceed the amount of one and one-half times the budgeted expenditures.

New law authorizes the board to invest any portion of private monies making up the body of the fund as long as the board is able to maintain timely payment of claims, future medical care and related benefits, and other expenses.

Existing law creates the Residual Malpractice Insurance Authority to make available medical malpractice insurance to health care providers who have been refused coverage by private insurers and establishes rules for administration of the authority. Further directs the authority to place the surplus of premiums over losses and expenses into a segregated fund.

Prior law directed the risk manager, with concurrence by the Patient's Compensation Oversight Board, to invest and reinvest those funds.

New law changes prior law by deleting the risk manager's authority to invest surplus funds and by authorizing the board to invest and reinvest the surplus funds.

Existing law provides that neither the Patient's Compensation Fund nor the Patient's Compensation Oversight Board shall be a budget unit of the state. Qualifies the fund and any income of the fund as private monies. Further provides that the funds and income earned from investing the private monies comprising the corpus of this fund shall be subject to use and disposition only as provided by existing law.

New law requires any remaining balance of the fund, upon dissolution of the fund and after all amounts due have been paid, to be paid over to the state general fund or deposited into the state treasury. Further adds that new law shall be given retroactive application.

Effective August 1, 2013.

(Amends R.S. 40:1299.44(A)(1)(b) and 1299.46(H); Adds R.S. 40:1299.44(A)(1)(f))