

IC 34-18-4

Chapter 4. Establishment of Financial Responsibility

IC 34-18-4-1

Establishment of financial responsibility

Sec. 1. Financial responsibility of a health care provider and the provider's officers, agents, and employees while acting in the course and scope of their employment with the health care provider may be established under subdivision (1), (2), or (3):

(1) By the health care provider's insurance carrier filing with the commissioner proof that the health care provider is insured by a policy of malpractice liability insurance in the amount of at least two hundred fifty thousand dollars (\$250,000) per occurrence and seven hundred fifty thousand dollars (\$750,000) in the annual aggregate, except for the following:

(A) If the health care provider is a hospital, as defined in this article, the minimum annual aggregate insurance amount is as follows:

(i) For hospitals of not more than one hundred (100) beds, five million dollars (\$5,000,000).

(ii) For hospitals of more than one hundred (100) beds, seven million five hundred thousand dollars (\$7,500,000).

(B) If the health care provider is a health maintenance organization (as defined in IC 27-13-1-19) or a limited service health maintenance organization (as defined in IC 27-13-34-4), the minimum annual aggregate insurance amount is one million seven hundred fifty thousand dollars (\$1,750,000).

(C) If the health care provider is a health facility, the minimum annual aggregate insurance amount is as follows:

(i) For health facilities with not more than one hundred (100) beds, seven hundred fifty thousand dollars (\$750,000).

(ii) For health facilities with more than one hundred (100) beds, one million two hundred fifty thousand dollars (\$1,250,000).

(2) By filing and maintaining with the commissioner cash or surety bond approved by the commissioner in the amounts set forth in subdivision (1).

(3) If the health care provider is a hospital or a psychiatric hospital, by submitting annually a verified financial statement that, in the discretion of the commissioner, adequately demonstrates that the current and future financial responsibility of the health care provider is sufficient to satisfy all potential malpractice claims incurred by the provider or the provider's officers, agents, and employees while acting in the course and scope of their employment up to a total of two hundred fifty thousand dollars (\$250,000) per occurrence and annual

aggregates as follows:

(A) For hospitals of not more than one hundred (100) beds, five million dollars (\$5,000,000).

(B) For hospitals of more than one hundred (100) beds, seven million five hundred thousand dollars (\$7,500,000).

The commissioner may require the deposit of security to assure continued financial responsibility.

As added by P.L.1-1998, SEC.13. Amended by P.L.111-1998, SEC.6.

IC 34-18-4-2

Security; manner of holding; withdrawal

Sec. 2. Security provided under section 1(2) of this chapter may be held in any manner mutually agreeable to the commissioner and the health care provider. The agreement must provide that the principal may not be withdrawn before receiving the written permission of the commissioner. However, any interest earned may be withdrawn at any time by the health care provider.

As added by P.L.1-1998, SEC.13.

IC 34-18-4-3

Hospital bed size determined by health department

Sec. 3. For the purposes of section 1 of this chapter, the bed size of a hospital shall be considered to be the bed size published annually by the state department of health.

As added by P.L.1-1998, SEC.13.

IC 34-18-4-4

Partners and members of professional corporations

Sec. 4. To establish financial responsibility under this chapter, each individual who is a member of a partnership or professional corporation must establish financial responsibility separate from the partnership or professional corporation, as well as pay the surcharge required under IC 34-18-5. However, this section does not require a health care provider to qualify under this article.

As added by P.L.1-1998, SEC.13.