To: Rae Taylor, Chair, Statistical Information Task Force
From: Brent Kabler
Re: Missouri's Medical Malpractice Data Collection Under HB 1827

As discussed during the last conference call, here is a summary of Missouri's plans to expand the collection of medical malpractice data, pursuant to legislation passed earlier this year.

The Missouri Department of Insurance, Financial Institutions, and Professional Registration (DIFP) has collected open and closed medical malpractice claims since the late 1980's. In 2006, the Missouri legislature passed significant enhancements to the department's authority to collect medical malpractice related data. Though the bill was quite lengthy, the most relevant passages for our purposes are:

383.106. 1. To effectively monitor the insurance marketplace, rates, financial solvency, and affordability and availability of medical malpractice coverage, the director shall establish by rule or order reporting standards for insurers by which the insurers, or an advisory organization designated by the director, shall annually report such Missouri medical malpractice insurance premium, loss, exposure, and other information as the director may require.

383.106.3. The director shall collect the information required in this section and compile it in a manner appropriate for assisting Missouri medical malpractice insurers in developing their future base rates, schedule rating, or individual risk rating factors and other aspects of their rating plans. In compiling the information and making it available to Missouri insurers and the public, the director shall remove any individualized information that identifies a particular insurer as the source of the information. The director may combine such information with similar information obtained through insurer examinations so as to cover periods of more than one year.

The purpose of the new legislation was to remedy significant deficiencies in data consisting solely of claims related information. Claims data by itself, without corresponding premium and exposure data, permitted only a very limited understanding of what was occurring in the market. In addition, it appeared that many companies lacked sufficient experience data to support ratemaking decisions.

Thus, the purpose of the new data, in conjunction with the claims data already collected by DIFP, is essentially threefold:

A. Compile comprehensive statewide data with enough detail for ratemaking purposes, and make these data available to the industry and the public (shorn of any personally identifying information);
B. monitor market trends to rapidly identify significant market dislocations; identify causes of market irregularities;
C. related to (B), be able to effectively analyze public policy issues in response to external queries from legislators and other policy relevant publics.

While the details are not finalized, in broad outline the department will annually collect detailed premium and exposure data designed to be integrated seamlessly with the quarterly claims data. In addition, an annual census of claims is contemplated. Thus, the three elements of the data are:

1. Quarterly open and closed claims (collected since the late 1980s)
2. Detailed annual premium and exposure data
3. An annual census of claims and associated adjudication costs and reserving practices.

The annual reports will be fairly detailed, and will include premium and exposure data for each medical specialty (probably ISO class codes), deductible, policy limits and other policy related information, geographic location of practice, merit rating class (based on claim history), and other risk related categories.

The annual claims census is an listing of each open claim and each claim closed during the reporting period. The primary purpose of this inventory is to track loss reserves over time. Lastly, the quarterly claims data will be enhanced to provide additional information about the causes, substance, and resolution of each claim.

In implementing this broad mandate, the department will adhere to the following principles:

I. Comprehensive in Scope:

A. Quarterly Open and Closed Claims: All claims must be reported on a quarterly basis, whether originating in the licensed, non-admitted, or self-insured market segments. Practitioners without 3rd party coverage are required to report claims on their own initiative.

B. Annual exposure, premium, and loss data. All admitted and non-admitted insurers are expected to submit a full report. Self-insureds will submit detailed capacity and utilization data that is already submitted to Missouri's Dept. of Health, and so will not be subject to new reporting requirements.

II. Where practical, data elements are borrowed from existing data sources to prevent redundancy and duplication of effort. For example, data elements are borrowed from the National Practitioner Databank, to which all entities must report paid claims. Thus, companies will not have to implement new coding. The NPDB captures detailed codes related to the origin of a claim, such as the medical "nature of allegation" codes. Or, as mentioned above, the department will utilize existing capacity data from the Dept. of Health.

III. Flexibility The department has sufficient latitude to alter data formats to conform to national standards, such as any forthcoming guidelines from the Statistical Information Task Force. Many vital analyses will require data pooled across states, which is possible only if the data is collected under compatible parameters.

IV. Comprehensiveness The data is designed to address a broad array of concerns, from ratemaking to public policy questions. Efficiency is gained from the fact that many data elements can serve several purposes simultaneously. For example, geographic data is necessary for rates (as in territory), and also permits an analysis of questions of substate markets that might depart from statewide trends. We believe that the data can address most, if not all, of the foundational questions put together by the SITF to guide the drafting of data guidelines.

V. Consultation With Stakeholders. The department has invited various stakeholders, such as insurers, hospital associations, and self-insured entities to participate in the data design process. The purpose of these meetings is to determine the types of data each type of entity can provide, and avoid future difficulties with data availability after rules have been promulgated.

Attached is the open and closed claims form, which will form one leg of the data collection triad.

STATE OF MISSOURI DEPARTMENT OF INSURANCE

MEDICAL PROFESSIONAL LIABILITY INSURANCE CLAIM REPORT

MAIL TO
STATISTICS SECTION
P. O. BOX 690
JEFFERSON CITY, MO 65102-0690

SEE INSTRUCTIONS ON REVERSE | **PLEASE TYPE OR PRINT**

1A NAME OF INSURER	1B CLAIM FILE IDENTIFICATION	1C NAIC GROUP & COMPANY CODE	
2A DATE OF INJURY	2B DATE REPORTED TO INSURER	2C DATE REOPENED	2D ORIGINAL CLAIM ID NUMBER

3 LICENSE NUMBER	3A INSURED LAST NAME/ HOSPITAL/ OTHER	FIRST NAME	MIDDLE INITIAL	SUFFIX (MO, DO, ETC)
3b AGE	3c CITY	3d STATE		3e ZIP

NAME(S) OF HEALTH PROFESSIONAL INVOLVED IN CLAIM (ATTACH LIST IF MORE THAN ONE)

4 LICENSE NUMBER				
4A NAME OF INDIVIDUAL HEALTH PROFESSIONAL INVOLVED IN CLAIM (LAST NAME)		FIRST NAME	MIDDLE INITIAL	SUFFIX (MO, DO, ETC)
4b STREET	4c CITY	4d STATE	4e ZIP	4f TELEPHONE NUMBER
5A NAME OF PERSON ALLEGED TO HAVE CAUSED CLAIM, IF OTHER THAN THE INSURED (LAST NAME)		FIRST NAME	MIDDLE INITIAL	SUFFIX (MO, DO, ETC)
5B STREET	5C CITY	5D STATE	5E ZIP	5F TELEPHONE NUMBER

6A PROFESSION CODE OF INSURED	6B SPECIALTY CODE	6C TYPE OF PRACTICE CODE	7A PLACE WHERE INJURY OCCURRED CODE	7B CITY	7C STATE	7D ZIP

8A NAME OF INSTITUTION (IF INJURY OCCURRED IN INSTITUTION)	8B LOCATION OF INSTITUTION

9A SOCIAL SECURITY NO.	9B INJURED PERSON'S NAME (LAST)	FIRST NAME	MIDDLE NAME	9C AGE	9D SEX	9E DATE OF BIRTH
9F STREET	9g CITY	9h STATE	9i ZIP	9j TELEPHONE NUMBER		

10A SOCIAL SECURITY NO.	10B PERSON INSTITUTING CLAIM IF INJURED PARTY IS DECEASED OR A MINOR (LAST NAME)	FIRST NAME	MIDDLE NAME	
10C STREET	10d CITY	10e STATE	10f ZIP	10g TELEPHONE NUMBER

11A TOTAL DEFENDANTS INVOLVED IN CLAIM	11B DERIVATIVE CLAIM CODE	12A AMOUNT OF RESERVE FOR INDEMNITY IF OUTSTANDING	12B AMOUNT OF RESERVE FOR EXPENSE IF STILL OUTSTANDING
13A PLAINTIFF ATTORNEY'S NAME	13b CITY	13c STATE	13d ZIP

14 NATURE AND SUBSTANCE OF CLAIM

14a ALLEGATION AND CODE (enter three digit code in appropriate category)

Failure to Take Appropriate Action _____	**Delay in Performance** _____	**Error/improper Performance** _____
Unnecessary/Contraindicated Procedure _____	Communication/Supervision _____	Continuity of Care/Care Management _____
Behavior/Legal _____	Cannot be Determined from Available Records _____	Allegation-Not Otherwise Classified (specify) _____

15. SEVERITY OF INJURY CODE.

16. COMPANION CLAIM FILE IDENTIFICATION 1. 2. 3. 4.

17. DATE OF THIS PAYMENT OR CLOSURE		18. CLAIM DISPOSITION CODE	19. SETTLEMENT CODE	20. COURT CODE
20b. NAME OF COURT	20c. DOCKET NUMBER	20d. DATE SUIT WAS FILED	20e. COUNTY FIPS CODE	20f. DISTRICT COURT CODE

21.Indemnity Paid by You on Behalf of This Defendant	$ _____	25. All Other Allocated Loss Adjustment Expenses Paid by You	$ _____
21a. Economic Damages	$ _____	26. Injured Person's Incurred Medical Expenses	$ _____
21b. Non-Economic Damages	$ _____	27. Injured Person's Anticipated Future Medical Expenses	$ _____
21c. Punitive Damages	$ _____	28. Injured Person's Incurred Wage Loss	$ _____
22.Other Indemnity Paid by or on Behalf of This Defendant	$ _____	29. Injured Person's Other Expenses	$ _____
23. Indemnity Paid by All Parties (for all defendants)	$ _____	30. Injured Person's Other Expenses	$ _____
24. Loss adjustment expense paid to defense counsel	$ _____	31. Total Amount Allocated for Future Periodic Pay (for all defendants)	$ _____

Contact Person	Telephone Number	Address	Person Responsible for This Report

Information about codes used can be found on the department's website at
http://www.insurance.mo.gov/industry/filings/stats/medmalinstr.htm

Additions to the claims data will include policy information, such as deductibles, coverage limits, policy type (claims made, occurrence, excess), location of practice, as well as additional "allegation" and "nature of practice" borrowed from the NPDB.