

HB 925 -- LONG-TERM CARE FACILITIES' MEDICAL MALPRACTICE
INSURANCE

SPONSOR: Salva

COMMITTEE ACTION: Voted "do pass" by the Committee on Insurance
Policy by a vote of 8 to 4.

This bill requires, beginning January 1, 2005, that any long-term care facility licensed under Chapter 198, RSMo, provide at least annually to the Department of Health and Senior Services satisfactory evidence of a medical malpractice insurance policy of at least \$500,000. This provision does not apply to facilities owned by a not-for-profit organization or a public nursing home district or to facilities with 30 or fewer beds.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$41,472 in FY 2006, \$41,516 in FY 2007, and \$42,574 in FY 2008. No impact on Other State Funds in FY 2006, FY 2007, and FY 2008.

PROPONENTS: Supporters say that the bill was introduced because the provision was stripped out of HB 394 in the House of Representatives. Nursing homes need to have medical malpractice insurance; and since the tort reform bill passed, the rates will be more affordable.

Testifying for the bill was Representative Salva.

OPPONENTS: Those who oppose the bill say that there is no need to mandate this coverage. Because the tort reform bill passed, rates will come down; and the market will provide more policies. Incentives are better than mandates. Nursing homes want to have this coverage, but they have not carried it because of the high price and would rather use the money to hire quality employees.

Testifying against the bill was Harvey Tettlebaum.

Marc Webb, Legislative Analyst