

Original sponsors: Colletta, Kerttula, Rodey  
and Huber by request

Offered: 5/9/78  
Referred: Judiciary

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2

HOUSE CS FOR CS FOR SENATE BILL NO. 326

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to medical malpractice insurance  
7 coverage; and providing for an effective date."

7

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

\* Section 1. PURPOSE. The purpose of this Act is to insure that no  
10 person suffers denial or revocation of licensure for failure to procure  
11 insurance from the Medical Indemnity Corporation of Alaska as required by ch.  
12 102 SLA 1976. This Act is for the further purpose of insuring that the  
13 coverage of occurrence policies issued by the Medical Indemnity Corporation  
14 of Alaska before the effective date of this Act continues to extend to claims  
15 arising out of occurrences covered by policies issued before the effective  
16 date of this Act, but that (1) the Medical Indemnity Corporation of Alaska  
17 need not be liable on an occurrence basis for any claims arising under poli-  
18 cies newly issued or renewed after the effective date of this Act; (2) per-  
19 sons who procured coverage from the Medical Indemnity Corporation of Alaska  
20 before the effective date of this Act neither be allowed to cancel the  
21 coverage procured nor evade the requirement of payment of premiums for that  
22 coverage; and (3) persons who did not procure retroactive coverage from the  
23 Medical Indemnity Corporation of Alaska by January 1, 1977 are not entitled  
24 to, nor may the Medical Indemnity Corporation of Alaska issue, that coverage.  
25 This Act is for the further purpose of assuring that the Medical Indemnity  
26 Corporation of Alaska remains a viable and competitive market for malpractice  
27 insurance.

28

\* Sec. 2. AS 21.78.050 is amended by adding a new paragraph to read:

29

(3) is the Medical Indemnity Corporation of Alaska, and the

1 director has ordered termination of the business of the corporation in  
2 accordance with AS 21.88.055.

3 \* Sec. 3. AS 21.78.100(b) is amended to read:

4 (b) The director may apply for and secure an order dissolving the  
5 corporate existence of a domestic insurer, except the Medical Indemnity  
6 Corporation of Alaska, upon his application for an order of liquidation  
7 of the insurer or at any time after the order has been granted.

8 \* Sec. 4. AS 21.88.030(a)(1) is repealed and re-enacted to read:

9 (1) four physicians licensed in the state and engaged in  
10 private practice in the state; no more than two of the physicians shall  
11 practice or live in a municipality having a population of more than  
12 100,000, and two of the physicians must be indemnified against loss by  
13 reason of liability for an act or omission in the delivery of profes-  
14 sional health care by the Medical Indemnity Corporation of Alaska;

15 \* Sec. 5. AS 21.88.030 is amended by adding a new subsection to read:

16 (f) No governor, officer, or employee or former governor, officer,  
17 or employee of the corporation is liable for damages or other relief in  
18 any action by reason of his actions or inactions as a governor, officer,  
19 or employee of the corporation, or by reason of the actions or inactions  
20 of the corporation, its board of governors, officers or employees unless  
21 the person acts with actual knowledge that he was acting outside the  
22 scope of his authority, or unless at the time he was acting for a pur-  
23 pose which he knew was not in the best interests of the corporation, or  
24 with respect to any criminal action he had actual knowledge or should  
25 have known his action was unlawful. If a claim or action is brought  
26 against a person entitled to the protection of this subsection, the  
27 claim or action shall be defended by the state. If it is established  
28 that the person was acting with actual knowledge that he was acting  
29 outside the scope of his authority, or at the time was acting for a

1 purpose which he knew was not in the best interests of the corporation,  
2 or with respect to any criminal action he had actual knowledge or should  
3 have known his action was unlawful, then he shall reimburse the state  
4 for the cost to the state of his defense.

5 \* Sec. 6. AS 21.88.050(a)(1) is amended to read:

6 (1) in the form approved by the director, issue to all physi-  
7 cians and hospitals who are found to be acceptable risks under standards  
8 developed under (8) of this subsection, and who pay the premiums for it  
9 a contract or contracts indemnifying physicians and hospitals and their  
10 employees who are health care providers against loss by reason of  
11 liability for covered claims for an act or omission in the delivery of  
12 professional health care in this state [PROFESSIONAL SERVICES RENDERED  
13 IN THE STATE ON AN OCCURRENCE BASIS], and agreeing to tender on behalf  
14 of the physicians and hospitals and their employees who are health care  
15 providers a defense to [IN] a covered claim in a proceeding brought  
16 under AS 09.55.530 - 09.55.560; the minimum limit of liability issued to  
17 physicians shall be \$200,000 per occurrence and \$600,000 aggregate  
18 liability per year, and the minimum limit of liability provided in  
19 contracts issued to hospitals shall be \$200,000 per occurrence and an  
20 annual aggregate liability of \$1,000,000 minimum plus an additional  
21 \$20,000 per bed for each occupied bed over 50 [SHALL BE NO LESS THAN THE  
22 MINIMUM LIABILITY COVERAGE REQUIREMENTS TO BE MAINTAINED UNDER AS 08.64.-  
23 215 AND AS 18.20.045]; the contract shall cover the defense against but  
24 need not indemnify liability [A CLAIM] for punitive damages arising  
25 from a covered claim; at the option of the physician or hospital and for  
26 an additional premium the contract may cover claims against the physician  
27 or hospital that arise out of professional services performed by the  
28 physician or hospital for any period after December 31, 1974 if the  
29 coverage is issued before January 1, 1977 except that coverage will not

1 be provided for a claim already filed or of which the physician or  
2 hospital had or reasonably should have had notice at the time the retro-  
3 active insurance was purchased;

4 \* Sec. 7. AS 21.88.050(a) is amended by adding a new paragraph to read:

5 (8) establish standards for the acceptability of risks; in  
6 establishing these standards the corporation may consider individual  
7 risk selection factors, but may not exclude a physician based only on  
8 the classification of the physician.

9 \* Sec. 8. AS 21.88.050(b)(2) is repealed and re-enacted to read:

10 (2) negotiate for and procure reinsurance from private casu-  
11 alty insurers or reinsurers for any and all liability incurred by con-  
12 tracts issued by it;

13 \* Sec. 9. AS 21.88.050(b) is amended by adding new paragraphs to read:

14 (10) for an additional premium provide coverage to physicians  
15 and hospitals for liability in excess of the minimum limits of liability  
16 coverage required to be maintained under (a)(1) of this section, but  
17 limited to \$1,000,000 for physicians and \$5,000,000 for hospitals.

18 (11) in a form approved by the director and for an additional  
19 premium determined under sec. 80 of this chapter, issue endorsements  
20 which provide indemnity for claims not yet reported which arise out of  
21 professional services rendered during a period of continuous coverage  
22 under the originally issued contract, to physicians and hospitals who  
23 pay the premium for it and who are terminating their original covered  
24 claims contract with the corporation for a period of not less than one  
25 year;

26 \* Sec. 10. AS 21.88.050(b) is amended by adding a new paragraph to read:

27 (12) subject to specific approval by the director, extend  
28 coverage to corporate entities which

29 (A) own an establishment licensed as a hospital and in-

1           sured by the corporation;

2                   (B) provide health care through physicians who are the  
3           corporation's sole stockholders, and all of whom are insured by the  
4           corporation; or

5                   (C) are nonprofit organizations formed principally for  
6           the purpose of providing health care under the direct supervision  
7           of employed physicians, provided all the physicians are insured by  
8           the corporation.

9   \* Sec. 11. AS 21.88 is amended by adding a new section to read:

10           Sec. 21.88.055. TERMINATION. (a) If at any time the corporation  
11           posts written premiums for two consecutive years of less than 35 per  
12           cent of all premiums written in Alaska for physicians' medical mal-  
13           practice insurance or posts written premiums for one calendar year of  
14           less than 20 per cent of all premiums written in Alaska for physicians'  
15           medical malpractice, the director may hold a public hearing in accor-  
16           dance with AS 21.06.180 - 21.06.230 to determine whether the business of  
17           the corporation should be terminated.

18                   (b) Upon the effective date of an order of termination issued by  
19           the director under (a) and (d) of this section, the terms of the  
20           governors appointed under sec. 30 of this chapter expire, and the cor-  
21           poration, its governors, officers and employees are relieved of all  
22           further liabilities for all their obligations to the creditors and  
23           policyholders of the corporation, and the business of the corporation  
24           shall be liquidated according to ch. 78 of this title.

25                   (c) At any time after termination of the corporation by the  
26           director, the director may, after public hearing held in accordance with  
27           AS 21.06.180 - 21.06.230 and (d) of this section, order reactivation of  
28           the corporation if the director finds that malpractice insurance is  
29           unavailable for physicians and hospitals on the voluntary market. The

1 business of the corporation shall commence operation upon appointment by  
2 the governor of new governors to the board.

3 (d) In determining whether to terminate or reactivate the  
4 business of the corporation the director shall consider the following:

5 (1) the level of expected premiums and losses for continued  
6 operation;

7 (2) the requirement for state funds to support continued  
8 operation;

9 (3) the availability of alternative markets for coverage to a  
10 substantial majority of physicians and hospitals in the state;

11 (4) the costs of continued operation of the corporation;

12 (5) the impact that the continued operation of the corpora-  
13 tion will have on rates charged for coverage by the corporation or by  
14 alternative markets; or

15 (6) the expected number of physicians or hospitals who would  
16 participate if the operations were continued.

17 (e) If after public hearing held in accordance with (a) and (c) of  
18 this section the director determines that continuing the business of the  
19 corporation would result in substantial underwriting loss unless ex-  
20 cessive premiums are charged to participating physicians and hospitals,  
21 the director may order termination of the corporation.

22 \* Sec. 12. AS 21.88.060 is amended by adding a new subsection to read:

23 (b) The corporation is exempt from taxation under this section for  
24 a period of five years starting from July 1, 1978.

25 \* Sec. 13. AS 21.88.080(4) and (5) are amended to read:

26 (4) rates may not be excessive; rates are excessive if, after  
27 a period of time and with respect to an amount of gross premium which is  
28 [ARE] actuarially credible, the premiums exceed losses incurred by the  
29 corporation, including losses paid, reserves for covered claims reported

1 and unpaid, reserves for covered claims incurred during the policy  
2 period and not reported, [PROVIDED THAT RESERVES FOR CLAIMS INCURRED  
3 DURING THE POLICY PERIOD AND REASONABLY EXPECTED TO BE REPORTED AFTER  
4 THREE YEARS AFTER THE INCIDENT MAY BE INCLUDED ON A DIFFERENT BASIS DUE  
5 TO THE ADDITIONAL FINANCIAL FLEXIBILITY PROVIDED BY THE CORPORATION,]  
6 and reasonable expenses for the operation of the corporation;

7 (5) rates shall not be inadequate; rates are inadequate if,  
8 based on available actuarial data, the premiums to be paid by the health  
9 care providers are or may reasonably be expected to be insufficient to  
10 pay for losses incurred by the corporation, including covered claims  
11 paid, reserves for covered claims reported and unpaid, reserves for  
12 covered claims incurred during the policy period and not reported,  
13 [PROVIDED THAT RESERVES FOR CLAIMS INCURRED DURING THE POLICY PERIOD AND  
14 REASONABLY EXPECTED TO BE REPORTED AFTER THREE YEARS AFTER THE INCIDENT  
15 MAY BE INCLUDED ON A DIFFERENT BASIS DUE TO THE ADDITIONAL FINANCIAL  
16 FLEXIBILITY PROVIDED BY THE CORPORATION,] and reasonable expenses for  
17 the operation of the corporation;

18 \* Sec. 14. AS 21.88.070 is amended to read:

19 Sec. 21.88.070. STATISTICS. The corporation shall collect, main-  
20 tain and report information concerning claims against health care pro-  
21 viders which it insures. The information shall be on forms prescribed  
22 by the director, and shall be sufficient to enable a proper determina-  
23 tion of losses for rate making and to identify causes and sources of  
24 loss for loss control. At least annually the corporation shall report  
25 to the director the number and amount of claims filed, reserved, paid,  
26 settled and adjudicated during the year, the premiums paid to and the  
27 expenses incurred by the corporation during the year. This report shall  
28 be available to the public. The director may require that supplemental  
29 reports include the names of insured health care providers and the

1 claimants; however, no reports which become available to the public may  
2 include the names of health care providers or claimants or information  
3 that will permit by inference the identity of specific health care  
4 providers or claimants. All statistics including the supplemental re-  
5 ports shall be made available to the State Medical Board [APPROPRIATE  
6 LICENSING BOARD OR AGENCY].

7 \* Sec. 15. AS 21.88.080 is amended by adding new paragraphs to read:

8 (15) if the collected premiums of the corporation for any  
9 given year are less than the incurred claims, claim expense, under-  
10 writing expense, reserves for that year and provision for repayment of  
11 any loans, the corporation may, subject to the prior approval of the  
12 director, levy an assessment upon the insureds who held policies during  
13 that year; the assessment, which may be made in periodic installments,  
14 shall be made within three years and may not exceed 150 per cent of the  
15 physician's premium for that year; the termination of any policy does  
16 not relieve the insured of contingent liability for his proportionate  
17 share of the obligations to the corporation which accrued while the  
18 policy was in force;

19 (16) if the collected premiums of the corporation for any  
20 given year exceed its incurred claim expense, underwriting expense,  
21 reserves for that year and provision for repayment of any loan, the  
22 corporation may, subject to the prior approval of the director, appor-  
23 tion and pay or credit its insureds who held policies during that year;  
24 a payment or credit shall be proportionate to the insured's earned  
25 premium for that year.

26 (17) if the corporation develops a surplus of assets over all  
27 liabilities, including the repayment of any loan provision, which is at  
28 least equal to the minimum capital stock required of a domestic stock  
29 insurer authorized to transact like kinds of insurance, upon applica-

1 tion, the director shall issue his certificate authorizing the corpora-  
2 tion to extinguish the assessment provision under (15) of this section  
3 to all insured with policies then in force, and to omit provisions  
4 imposing the assessment under (15) of this section in all policies  
5 delivered or issued for delivery for as long as all the surplus remains  
6 unimpaired; upon impairment of the surplus, the director shall immedi-  
7 ately revoke the certificate; however, a policy then in force, and for  
8 the remainder of the period for which the premium has been paid, is not  
9 subject to the revocation of the assessment provision under (15) of this  
10 section, but after revocation no policy may be issued or renewed without  
11 providing for an assessment of the insured under (15) of this section.

12 \* Sec. 16. AS 21.88 is amended by adding a new section to read:

13 Sec. 21.88.095. TRANSFER OF CORPORATE ASSETS AND LIABILITIES. (a)  
14 The corporation may, subject to the prior approval of the director,  
15 transfer its assets and liabilities to a company which meets all of the  
16 following conditions:

17 (1) the company possesses a valid certificate of authority to  
18 transact casualty insurance business in the state; in evaluating the  
19 capital and surplus of the company for qualification for a certificate  
20 of authority, the value of the assets and liabilities transferred by the  
21 corporation may not be considered;

22 (2) the company pays to the corporation the full value of any  
23 surplus in the corporation not represented by any unrepaid proceeds of  
24 loans by the loan fund to the corporation;

25 (3) the company executes a complete reinsurance and hold  
26 harmless agreement in a form approved by the director covering all of  
27 the obligations of the corporation to its creditors and policyholders;  
28 and

29 (4) the company executes modifications of loan agreements

1 with the loan fund by which the company agrees

2 (A) to assume the obligations;

3 (B) that, if at any time the company writes less than  
4 the premium levels provided in 55(a) of this chapter, the director  
5 may determine that the loan provisions shall be modified to provide  
6 a scheduled amortization repayment of the principal over a period  
7 not to exceed 10 years and at an interest rate of four points above  
8 the federal discount rate, as that rate is adjusted from time to  
9 time; and

10 (C) that the provision for repayment provided in sec.  
11 210(b)(1) of this chapter shall be modified to provide for annual  
12 installments of at least 25 per cent of the excess of premium and  
13 investment income collected over the total of claims, reserves and  
14 expenses on the Alaska medical malpractice book of business or 25  
15 per cent of the excess of premiums and investment income collected  
16 over the total of claims, reserves and expenses on the corpora-  
17 tion's total book of business, whichever is greater;

18 (5) the company meets such other requirements as the director  
19 may reasonably require to protect the interests of the state, the health  
20 care provider insureds, the involved company, and the public;

21 (6) the company provides the board of governors with a writ-  
22 ten statement from the director that the company qualifies under (1) -  
23 (5) of this subsection.

24 (b) If and while the company to which the assets and liabilities  
25 of the corporation are transferred in the manner provided in (a) of this  
26 section continues to write premiums in excess of the levels provided in  
27 sec. 55 of this chapter, it shall enjoy the benefit of the following  
28 provisions:

29 (1) the company is entitled to carry forward and offset

1 against its premium tax obligation to the state the amount by which the  
2 aggregate claims paid on reinsurance assumed under (a)(3) of this sec-  
3 tion exceeds aggregate reserves on the same business established at the  
4 date of the reinsurance agreement; and

5 (2) the obligation to repay to the loan fund loans assumed by  
6 the company at the time of transfer of the assets and liabilities of the  
7 corporation need not be shown as a liability on the books of the cor-  
8 poration.

9 \* Sec. 17. AS 21.88.210(b)(1) is amended to read:

10 (1) to provide surplus in respect to policyholders which may  
11 not exceed a total of \$3,000,000 outstanding at any time; these obliga-  
12 tions shall be subordinated to all other obligations of the corporation;  
13 loans made under this paragraph shall be repaid to the fund in annual  
14 installments of at least 25 per cent of the excess of premiums collected  
15 over the total of claims, reserves, expenses, and assessments made by  
16 the association, if any; interest shall be paid on the outstanding  
17 balance at a rate equal to seven per cent a year [FOUR PERCENTAGE POINTS  
18 ABOVE THE ANNUAL RATE CHARGED MEMBER BANKS FOR ADVANCES BY THE 12TH  
19 FEDERAL RESERVE DISTRICT];

20 \* Sec. 18. AS 21.88.210(b)(2) is amended to read:

21 (2) if the director determines that the corporation is unable  
22 to procure reinsurance from a private casualty insurer or reinsurer for  
23 any liability incurred by contracts issued by it [ADOPTS THE APPROACH OF  
24 SEC. 50(a)(3)(A) OF THIS CHAPTER], additional loans up to an aggregate  
25 of \$6,000,000 when taken together with loans made under (1) of this  
26 subsection to compensate for fluctuations in loss experience; loans made  
27 under this paragraph shall be in parity with all other obligations of  
28 the corporation except that they shall be subordinated to obligations of  
29 policyholders and claimants for indemnity of loss; these loans shall be

1 repaid within five years at an annual interest rate of six per cent.

2 \* Sec. 19. AS 21.88.900(4) is repealed and re-enacted to read:

3 (4) "health care provider" means a chiropractor licensed  
4 under AS 08.20; a dental hygienist licensed under AS 08.32; a dentist  
5 licensed under AS 08.36; a nurse licensed under AS 08.68; a dispensing  
6 optician licensed under AS 08.71; an optometrist licensed under AS  
7 08.72; a pharmacist licensed under AS 08.80; a physical therapist li-  
8 censed under AS 08.84; a physician licensed under AS 08.64; a podia-  
9 trist; a psychologist and a psychological associate licensed under AS  
10 08.86; and a hospital as defined in AS 18.20.130, including a govern-  
11 mentally owned or operated hospital; a corporate entity covered under AS  
12 21.88.050(b)(12); and an employee of a health care provider acting  
13 within the course and scope of his employment;

14 \* Sec. 20. AS 21.88.900 is amended by adding new paragraphs to read:

15 (16) "continuous coverage" means one or more successive policy  
16 periods which is uninterrupted by cancellation or failure to renew for  
17 any reason;

18 (17) "covered claim" means

19 (A) a claim by an injured patient reported to the cor-  
20 poration during the period of continuous coverage by the corpora-  
21 tion of the insured health care provider for an act or omission in  
22 the delivery of health care services during the same period of  
23 continuous coverage; and

24 (B) additional claims as defined in the policy, with the  
25 prior approval of the director, and which are reported within  
26 specified periods after the expiration of the policy.

27 \* Sec. 21. (a) The coverage obligations and duties of the insured under  
28 policies issued by the Medical Indemnity Corporation of Alaska before the  
29 effective date of this Act may not be breached without the consent of the

1 Medical Indemnity Corporation of Alaska and the director of the division of  
2 insurance.

3 (b) All policies issued by the Medical Indemnity Corporation of Alaska  
4 and in force on the effective date of this Act are terminated as of the first  
5 annual renewal of the in-force policy after the effective date of this Act.  
6 A person purchasing a policy for any term beginning after the effective date  
7 of this Act shall be issued a policy to cover only "covered claims" as de-  
8 fined in AS 21.88.900(17), added in sec. 19 of this Act, which occur after  
9 the effective date of this Act.

10 \* Sec. 22. AS 08.64.380(3)(A) is amended to read:

11 (A) a violation of the provisions of AS 11.15.060 [OR  
12 REGULATIONS LAWFULLY ADOPTED BY THE STATE MEDICAL BOARD CONCERNING  
13 ABORTION PROCEDURES AND PRACTICE];

14 \* Sec. 23. AS 08.64.380(3)(G) is amended to read:

15 (G) violating any code of ethics adopted by regulation  
16 by the State Medical Board [THE PRINCIPLES OF MEDICAL ETHICS OF THE  
17 AMERICAN MEDICAL ASSOCIATION AND OF THE ALASKA STATE MEDICAL ASSO-  
18 CIATION];

19 \* Sec. 24. AS 09.55.536(a) is amended to read:

20 (a) In an action for damages due to personal injury or death based  
21 upon the provision of professional services by a health care provider  
22 when the parties have not agreed to arbitration of the claim under sec.  
23 535 of this chapter, the court shall appoint within 20 days after filing  
24 of answer to a summons and complaint a three-person expert advisory  
25 panel [UNLESS THE COURT DECIDES THAT AN EXPERT ADVISORY OPINION IS NOT  
26 NECESSARY FOR A DECISION IN THE CASE]. When the action is filed the  
27 court shall, by order, determine the professions or specialties to be  
28 represented on the expert advisory panel, giving the parties the oppor-  
29 tunity to object or make suggestions.

1 \* Sec. 25. AS 09.55.560(1) is amended to read:

2 (1) "health care provider" means a chiropractor licensed  
3 under AS 08.20; a dental hygienist licensed under AS 08.32; a dentist  
4 licensed under AS 08.36; a nurse licensed under AS 08.68; a dispensing  
5 optician licensed under AS 08.71; an optometrist licensed under AS  
6 08.72; a pharmacist licensed under AS 08.80; a physical therapist li-  
7 censed under AS 08.84; a physician licensed under AS 08.64; a podia-  
8 trist; a psychologist and a psychological associate licensed under AS  
9 08.86; and a hospital as defined in AS 18.20.130, including a govern-  
10 mentally owned or operated hospital; a corporate entity covered under AS  
11 21.88.050(b)(12); and an employee of a health care provider acting  
12 within the course and scope of his employment;

13 \* Sec. 26. AS 18.23 is amended by adding a new section to read:

14 Sec. 18.23.065. PATIENT ACCESS TO RECORDS. Notwithstanding the  
15 provisions of this chapter or any other law, a patient is entitled to  
16 inspect any records developed or maintained by a health care provider or  
17 other person pertaining to the health care rendered to a patient.

18 \* Sec. 27. AS 18.23.070(3) is amended to read:

19 (3) "health care provider" means a chiropractor licensed  
20 under AS 08.20; a dental hygienist licensed under AS 08.32; a dentist  
21 licensed under AS 08.36; a nurse licensed under AS 08.68; a dispensing  
22 optician licensed under AS 08.71; an optometrist licensed under AS  
23 08.72; a pharmacist licensed under AS 08.80; a physical therapist regis-  
24 tered under AS 08.84; a physician licensed under AS 08.64; a podiatrist;  
25 a psychologist and a psychological associate licensed under AS 08.86;  
26 and a hospital as defined in AS 18.20.130, including a governmentally  
27 owned or operated hospital; a corporate entity covered under AS 21.88.-  
28 050(b)(12); and an employee of a health care provider acting within the  
29 course and scope of his employment;

1 \* Sec. 28. AS 18.23.070(5) is amended to read:

2 (5) "review organization" means the State Medical Board  
3 established by AS 08.64.010 and a hospital governing body or a committee  
4 whose membership is limited to health care providers and administrative  
5 staff, except where otherwise provided for by state or federal law, and  
6 which is established by a hospital, by a clinic, by one or more state or  
7 local associations of health care providers, by an organization of  
8 health care providers from a particular area or medical institution, or  
9 by a professional standards review organization established under 42  
10 U.S.C., sec. 1320c-1 et seq., to gather and review information relating  
11 to the care and treatment of patients for the purposes of

12 (A) evaluating and improving the quality of health care  
13 rendered in the area or medical institution;

14 (B) reducing morbidity or mortality;

15 (C) obtaining and disseminating statistics and informa-  
16 tion relative to the treatment and prevention of diseases, illness  
17 and injuries;

18 (D) developing and publishing guidelines showing the  
19 norms of health care in the area or medical institution;

20 (E) developing and publishing guidelines designed to  
21 keep the cost of health care within reasonable bounds;

22 (F) reviewing the quality or cost of health care ser-  
23 vices provided to enrollees of health maintenance organizations;

24 (G) acting as a professional standards review organiza-  
25 tion under 42 U.S.C., sec. 1320c-1 et seq.;

26 (H) reviewing, ruling on, or advising on controversies,  
27 disputes or questions between

28 (i) a health insurance carrier or health mainte-  
29 nance organization and one or more of its insured or enrol-

1           lees;

2                   (ii) a professional licensing board, acting under  
3 its powers of discipline or license revocation or suspension,  
4 and a health care provider licensed by it when the matter is  
5 referred to a review organization by the professional li-  
6 censing board;

7                   (iii) a health care provider and his patients con-  
8 cerning diagnosis, treatment or care, or a charge or fee;

9                   (iv) a health care provider and a health insurance  
10 carrier or health maintenance organization concerning a charge  
11 or fee for health care services provided to an insured or  
12 enrollee; or

13                   (v) a health care provider or his patients and the  
14 federal or a state or local government, or an agency of the  
15 federal or a state or local government;

16                   (I) acting on the recommendation of a credential review  
17 committee or a grievance committee.

18 \* Sec. 29. AS 21.39 is amended by adding a new section to read:

19           Sec. 21.39.175. STATISTICS. Any insurer providing malpractice  
20 coverage for health care providers shall collect, maintain and report  
21 information concerning claims against health care providers which it  
22 insures. The information shall be on forms prescribed by the director,  
23 and shall be sufficient to enable a proper determination of losses for  
24 rate making and to identify causes and sources of loss for loss control.  
25 At least annually the insurer shall report to the director the number  
26 and amount of claims filed, reserved, paid, settled and adjudicated  
27 during the year, the premiums paid to and the expenses incurred by the  
28 corporation during the year. This report shall be available to the  
29 public. The director may require that supplemental reports include the

1 names of insured health care providers and the claimants; however, no  
2 reports which become available to the public may include the names of  
3 health care providers or claimants or information that will permit by  
4 inference the identity of specific health care providers or claimants.  
5 All statistics, including the supplemental reports, shall be made avail-  
6 able to the State Medical Board.

7 \* Sec. 30. The following laws are repealed: AS 08.20.115; AS 08.32.015;  
8 AS 08.36.115; AS 08.64.215; AS 08.68.165; AS 08.71.085; AS 08.72.115; AS  
9 08.80.115; AS 08.84.035; AS 08.86.125; AS 18.20.045; AS 21.18.090(5) and (6);  
10 AS 21.88.050(a)(2), (3) and (7), 21.88.080(1), (2) and (14), 21.88.110 -  
11 21.88.180, and 21.88.900(1) are repealed.

12 \* Sec. 31. AS 08.64.380(3)(D) is repealed.

13 \* Sec. 32. Sections 5, 10, 19, 25, 27 and 30 of this Act are retroactive  
14 to June 28, 1976.

15 \* Sec. 33. Sections 2, 3, 4, 6, 7, 8, 9, 11, 13, 14, 15, 16, 18, 20 and  
16 21 of this Act take effect July 1, 1978.

17 \* Sec. 34. Sections 1, 12, 17, 22, 23, 24, 26, 28, 29, and 32 of this  
18 Act take effect immediately in accordance with AS 01.10.070(c).

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