

Injured Patients and Families Compensation Fund

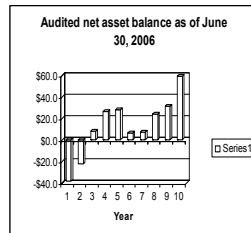
The fund's balance was \$59.8 million on June 30, 2006.

Why does the fund exist?

Physicians and health care providers are insured by the Injured Patients and Families Compensation Fund against medical malpractice claims.

The state of the fund

- The fund has paid more than \$633.6 million in medical malpractice claims since it was created in 1975.
- It has \$734.7 million in cash and investments, but because of potential liabilities, the net asset balance is \$59.8 million.



Potential payouts

Changes to limits on the fund affect its potential losses.

* From 1986 to 1990, pain and suffering damages were capped at \$1 million.

* In 1995, the Legislature initially limited damages to \$350,000, to be raised with inflation.

* In July 2005, the state Supreme Court said the 1995 limits were unconstitutional.

* Under legislation passed last year, pain and suffering damages are now limited to \$750,000.

The proposed fund transfer

- Gov. Jim Doyle has proposed transferring \$175 million from the fund in the next two-year budget to support a new health care quality fund.
- The Legislature should be cautioned that such a transfer could put the fund in a deficit accounting position.
