

Functioning of the Florida Birth-Related Neurological Injury Compensation Association (NICA)

Common Good
June 3, 2008

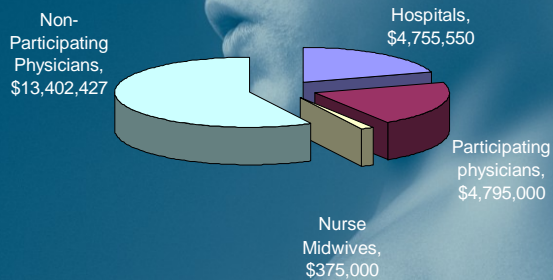


NICA FUNDING

- Initial capitalization from State Funds \$20m and additional \$20m if actuarially unsound
- \$5000 per participating obstetrician
- \$250 from all other licensed physicians – Limited exceptions (VA, Military, Retired, Volunteers)
- \$50/birth from every hospital
- “Backstop funding” from professional liability insurance (up to 0.25%)

NICA FUNDING

Assessments Fiscal Year
Ending June 30, 2007



NICA FUNDING

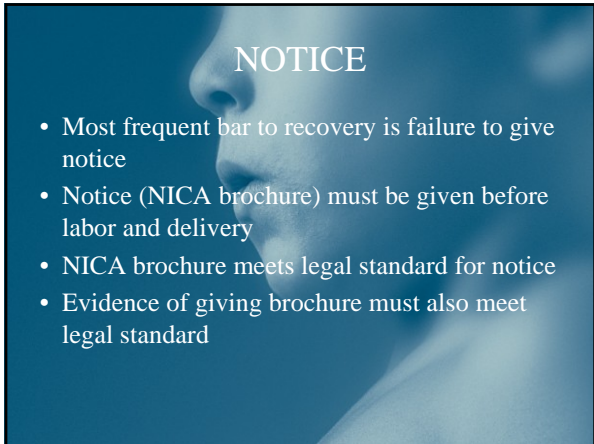
- Reinsurance
- Investment Income

NICA – Eligibility Criteria

- Live Birth
- Birth Weight
 - >2500 grams singleton
 - >2000 grams multiple birth
- Oxygen Deprivation or Mechanical Injury
- Occurring During
 - Course of Labor
 - Delivery
 - Resuscitation Immediately after Delivery
- Resulting in Permanent and Substantial Mental AND Physical Impairment
- Excludes Genetic & Congenital Anomalies

Entry Process

- Petition filed with the Division of Administrative Hearings
- Reviewed by NICA, Maternal-Fetal Specialist and IME by Pediatric Neurologist
- Response filed, discovery and hearing if disputed
- Administrative Law Judge determines compensability



NOTICE

- Most frequent bar to recovery is failure to give notice
- Notice (NICA brochure) must be given before labor and delivery
- NICA brochure meets legal standard for notice
- Evidence of giving brochure must also meet legal standard

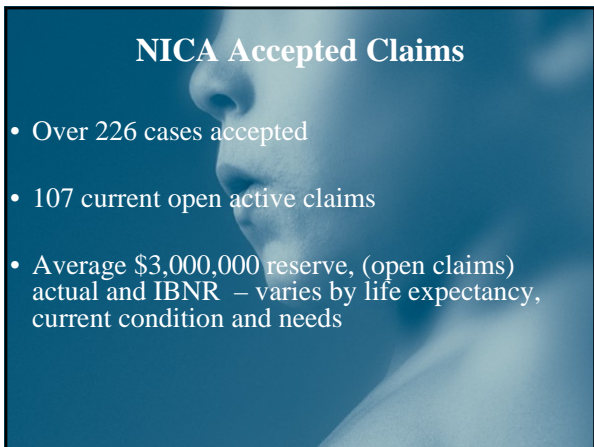


NICA MISSION

To encourage physicians to make OB services available to patients

To stabilize and help make professional liability available to all physicians

To provide needed care to children injured in the birthing process



NICA Accepted Claims

- Over 226 cases accepted
- 107 current open active claims
- Average \$3,000,000 reserve, (open claims) actual and IBNR – varies by life expectancy, current condition and needs

Savings for Obstetricians

- Average \$44 million to \$76 million per year out of the tort system

Rapid Claim Resolution

- NICA (Paid Claims) 148 days (5 months)
- Comparable Tort Cases 591 days (20 months)

Patient Care

- Lifetime care
- No cap
- Medically necessary and reasonable
- Services and equipment not covered by insurance or Medicaid
- Life expectancy

Family Care

- Parental award
- Support services
- “Family residential care”
- Lifetime security

Benefits

Nursing Care and Family Residential Care
Equipment
Therapies
Van with Lift
Prescriptions
Other supplies
Co-Pays

Participating Physicians by Year

