

FIRST REGULAR SESSION

SENATE BILL NO. 377

92ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR CHILDERS.

Read 1st time January 29, 2003, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

0818S.021

AN ACT

To amend chapter 538, RSMo, by adding thereto one new section relating to medical malpractice prevention tax, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 538, RSMo, is amended by adding thereto one new section, to be known as section 538.211, to read as follows:

538.211. 1. Beginning January 1, 2004, and continuing annually for five years, there shall be levied a tax of two percent on settlements and judicial awards for health care professional liability. All settlements against health care providers licensed by the state through its boards or departments and in which jurisdiction is found to be in state or federal court in the boundaries of the state shall be subject to this tax whether such settlements be as a result of arbitration, mediation, judicial action, or mutual consent. All parties of any action shall report such settlements to the director of the department of insurance which shall then supply the director of the department of revenue with a list of such settlements and their amounts. The director of the department of revenue shall be responsible for the collection of such amounts from the settlement, and this collection shall be due prior to the disbursement of the settlement funds. The moneys from this tax shall be dedicated to an effort to reduce the incidence of health care mishaps and errors that lead to such settlements or judgments. The money shall be deposited in the board of registration for healing arts fund and shall be used by it alone in the first year following establishment of this tax and only for purposes described in this section. In subsequent years moneys shall be utilized by either the board of healing arts, the department of health and senior

services, or the department of insurance, by appropriation, with the same stipulations for use, or to a newly created agency as a result of legislative act dedicated to the same effort.

2. Failure to report such settlements to the department of revenue shall result in a penalty of two hundred fifty dollars or five percent of the settlement, whichever is greater, to be levied pro rata on each offending beneficiary of the settlement. Discovery of such failure shall result in mandated reporting to a regulatory agency or board or professional standard association including the Missouri Bar, department of insurance, hospital licensure division of the department of health and senior services, the Missouri board of nursing, or the Missouri board of healing arts depending on the licensure of the parties involved in the failure to report. Wherever such settlement or judicial reward is a result of judicial action, or has the approval of a court of record, that court shall order the tax withheld from the settlement and paid to the director of the department of revenue prior to the disbursements of settlement moneys. Where such settlements are outside the judicial system, the director of the department of revenue shall be empowered to collect the penalty and tax for failure to report pursuant to the collection method's granted the director pursuant to chapter 143, RSMo.

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