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October 7, 2019

Ms. Anna Krylova, ACAS, MAAA
Chief Actuary
New Mexico Office of Superintendent of Insurance
PERA Building, 4th Floor
1120 Paseo de Peralta
Santa Fe, NM 87501

Re: New Mexico Patient's Compensation Fund – Class Plan and Entity Coverage Review

Dear Anna,

Enclosed are copies of our report detailing the class plan and entity coverage review for the New Mexico Patient's Compensation Fund (PCF). This is an addendum to our report dated July 10, 2019 analyzing a variety of issues related to the New Mexico Patient's Compensation Fund and as such are subject to the same conditions, reliances, and limitations as that report.

I am a member in good standing of the American Academy of Actuaries and meet its qualification standards to produce this report.

Please give me a call so we can discuss this report. We enjoy working with you on this assignment and look forward to presenting the results in Albuquerque.

Sincerely,

A handwritten signature in black ink that reads "Robert J. Walling III". The signature is written in a cursive style.

Robert J. Walling III, FCAS, MAAA, CERA
Principal and Consulting Actuary

Actuarial Report Addendum:
New Mexico Patient's Compensation Fund
Class Plan and Entity Coverage Review

October 2019



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Commitment Beyond Numbers

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New Mexico Patient's Compensation Fund Class Plan and Entity Coverage Review

Purpose and Scope

Pinnacle was requested by the New Mexico Patient Compensation Fund (PCF) to review the current physician and allied health providers class plan as well as current surcharges for entity coverage. Entity coverage provides PCF coverage to a business entity employing one or more physicians. The purpose of this review is to ensure that physicians, allied health providers, and entities are being charged in a manner proportionate to their risk level, i.e. their level of expected losses in the PCF coverage layer.

Using a number of publicly available data sources, Pinnacle has prepared this analysis as an addendum to our report dated July 10, 2019. Relevant background information on Pinnacle and the PCF as well as legal disclosures (including information on distribution, use, reliances, and limitations) can be found in our report dated July 10, 2019.

The Medical Malpractice Act of New Mexico (Chapter 41, Article 5 NMSA 1978) states that health care provider surcharges for the PCF shall be “based on sound actuarial principles, using data obtained from New Mexico experience if available” and “collected on the same basis as premiums”. The PCF currently groups physicians and surgeons into thirteen classes based on their specialty ISO code with three additional classes for physician assistants and one code each for certified registered nurse anesthetists (CRNAs) and chiropractors. In addition, business entities comprised of PCF eligible providers may be covered by the PCF, including physician, podiatrist, and chiropractor practice groups. Pinnacle has reviewed these classes as a whole as well as the groupings of specialties into classes against other patient compensation funds and New Mexico medical professional liability insurers to propose adjustments as appear reasonable.

Data Sources

Our analyses use a number of data sources. The data sources are categorized as follows:

1. PCF Current Class Plan and Exposure Data
2. Industry Rate Filings

A brief description of the data sources utilized in each area along with a description of the key data elements and potential limitations of the data follows for each category.

PCF Current Class Plan and Exposure Data

Pinnacle was provided with the PCF current class plan including base surcharges by class and assignment of Insurance Services Office (ISO) codes to PCF class. This information is publicly available on the PCF's website. A list of the physician ISO codes, their current and selected classes, and the corresponding current and selected relativities are shown in Exhibit 1. Class relativities are the ratio of the surcharge for a given class and a selected base class. They allow for an easier comparison of how different rating plans reflect the risk potential of a given specialty by normalizing for differences in base rates. For the PCF surcharges, Class 2 has been selected as the base class. Classes and relativities for allied health providers (physician assistants, CRNAs, and chiropractors) are shown on Exhibit 4.

In addition, we were provided with the number of health care providers with PCF coverage by ISO specialty (for physicians and surgeons) or class (for allied health providers and business entities). These exposure counts enable us to determine the impact of any changes in classes or relativities on the PCF's surcharge levels. Based on the percentage of providers employed by business entities with PCF corporation coverage, a calculation provided by The Doctors Company, we project that 80% of physicians and surgeons, physician assistants, and CRNAs would practice under the form of an entity. Exposures can be found on Exhibit 2 (for physicians and surgeons), Exhibit 4 Page 2 (for allied health providers), and Exhibit 5 (for business entities).

Industry Rate Filings

The PCF loss data is not yet credible enough to calculate new relativities by ISO class. In order to review these relativities, we compiled data from The Doctors Company (TDC, filing submitted 8/11/2014) and The Medical Protective Company (MedPro, filing submitted 12/21/2010), two of the largest medical professional liability carriers in the state of New Mexico. Since these carrier relativities are based on the underlying coverage required by the PCF (\$200,000 per occurrence, \$600,000 in aggregate occurrence policies), we also compare to the Wisconsin and Indiana patient compensation funds which cover excess layers of medical professional liability similar to the PCF. These relativities are shown on Exhibit 1 and Exhibit 4, Page 1. We also relied on filings by TDC as well as our industry knowledge of medical professional liability coverage in determining the appropriate entity surcharge, shown on Exhibit 5.

Methods and Assumptions

Pinnacle's class plan review was based on two parts: reviewing class assignments by ISO code, and evaluating overall relativities by class. We then calculated the indicated surcharge impact to the PCF based on each suggested change on Exhibit 2.

To review the ISO code class assignments, we compared the current PCF relativities to the other patient compensation fund and primary carrier relativities to determine if any classes appeared to be significantly lower or higher than the industry would indicate and selected new relativities as appropriate. These ISO codes and relativities are found on Exhibit 1, while new class assignments are shown on Exhibit 2.

Based on the class assignment review, we recommend the following adjustments. All ISO codes shown in the following list are for M.D. physicians and surgeons; the same adjustments apply to the corresponding codes for D.O. physicians and surgeons. More detail regarding these numbers is shown in Exhibits 2 and 4.

- Radiation Therapy and Shock Therapy (80163, 80165, and 80431)
Move from class 1 to class 2. There are no PCF-covered providers with this specialty, so there is no impact to the surcharge.
- Otorhinolaryngology – Minor Surgery (80291)
Move from class 2 to class 3. There is one PCF-covered provider with this specialty resulting in an indicated surcharge impact of \$778.
- Gynecology – Minor Surgery (80277)
Move from class 3 to class 4. There are twenty one PCF-covered providers with this specialty resulting in an indicated surcharge impact of \$48,804.
- Intensive Care Medicine (80283)
Move from class 3 to class 4. There are thirty-five PCF-covered providers with this specialty resulting in an indicated surcharge impact of \$81,340.
- Nephrology – No Surgery (80260)
Move from class 3 to class 2. There are thirty three PCF-covered providers with this specialty resulting in an indicated surcharge impact of -\$25,971.
- Podiatrists/Chiropodists – No Surgery (80993-N)
Move from class 5 to class 4. There are three PCF-covered providers with this specialty resulting in an indicated surcharge impact of -\$4,686.
- Cardiac Surgery (80141)
Move from class 6 to class 8. There are two PCF-covered providers with this specialty resulting in an indicated surcharge impact of \$16,902.

- Nephrology – Including Child – Minor Surgery (80288)
Move from class 6 to class 4. There is one PCF-covered provider with this specialty resulting in an indicated surcharge impact of -\$3,122.
- Obstetrics Surgery (c-sections only) (80168)
Move from class 6 to class 8. There are no PCF-covered providers with this specialty, so there is no impact to the surcharge.
- Pediatrics – Minor Surgery (80293)
Move from class 6 to class 4. There are seven PCF-covered providers with this specialty resulting in an indicated surcharge impact of -\$21,854.

Once the class assignments were adjusted, we reviewed the overall weighted relativities by class to determine whether the class relativities remained appropriate. Our analysis resulted in the following recommendations and impacts:

- Class 5A: Increase the relativity from 1.60 to 1.70. This class is composed entirely of physicians with ISO code 80273.
- Class 7: Reduce the relativity from 4.00 to 3.50. Only physicians with ISO code 80993-S are included in this class.
- Class 10: Increase the relativity from 6.25 to 6.50. This class includes physicians with ISO codes 80150, 80152, and 80153.

Further details regarding these recommendations are on Exhibit 3. The total impact of the class assignment changes and class relativity changes on the indicated surcharge is \$180,915. See Exhibit 2 for more detail regarding this impact.

We also compared PCF relativities for the allied provider types to the other patient compensation fund and insurer relativities, resulting in the following recommendation:

- CRNA: Increase relativity from 0.20 to 0.25.

The indicated surcharge impact of this change is \$20,758. More details of this recommendation may be found on Exhibit 4.

The final piece of our analysis was a review of the entity coverage charge for business entities covered by the PCF. The prior entity charge for physician and surgeon entities (including podiatrists/chiropractors) was \$341 for a single physician plus \$86 for each additional physician and \$42 for each additional CRNA or physician assistant. For a chiropractor business entity, the charge was \$234 for a single chiropractor plus \$50 for each additional chiropractor. Based on our review of industry rate filings, we found that a typical entity charge is 10% of the premium for each covered provider in the entity. Because individual analysis of practice groups to calculate an appropriate rate would be inefficient, and because there is no indication that the industry standard is unreasonable, we believe that following the industry practice is appropriate. We therefore propose adjusting the entity charge to 10% of the individual provider surcharges in the entity. The actual surcharge will therefore vary based on the individual provider specialty. In order to estimate the funding impact of this change, we relied on a calculation provided by The Doctors Company, showing that 80% of PCF-covered physicians, surgeons, physician assistants, and CRNAs are employed as providers by a business entity. We also used the weighted average provider surcharges for physicians and CRNAs/physician assistants in order to estimate the surcharge impact of this change. This change results in an estimated surcharge impact of \$1,570,142. More details of this calculation are available in Exhibit 5.

Exhibits and Appendices

- Exhibit 1. Development of Classification Assignments by Specialty – Review of Assigned Factors
- Exhibit 2. Surcharge Impact of Classification Assignments
- Exhibit 3. Review of Classification Factors by Assigned Class
- Exhibit 4. Page 1: Development of Relativities by Allied Class
Page 2: Surcharge Impact of New Relativities by Allied Class
- Exhibit 5. Entity Coverage Evaluation

New Mexico Patient's Compensation Fund

Development of Classification Assignments by Specialty - Review of Assigned Factors

ISO Class Code		Current Class	Proposed Class	Current Rate Factors					Proposed Factor	Indicated Change	
M.D.	D.O. Specialty			Patient Compensation Funds			NM Primary Carriers				
				NM	IN	WI	TDC	MedPro			
80437	84437	Acupuncture - Other than Acupuncture Anesthesia	1	1	0.75	N/A	1.80	N/A	N/A	0.75	0.0%
80230		Aerospace Medicine / Medical Director	1	1	0.75	0.70	1.00	N/A	0.67	0.75	0.0%
80254	84254	Allergy/Immunology - No Surgery	1	1	0.75	0.70	1.00	0.52	0.67	0.75	0.0%
80237		Diabetes - No Surgery	1	1	0.75	1.00	1.00	N/A	1.45	0.75	0.0%
80238	84238	Endocrinology - No Surgery	1	1	0.75	1.00	1.00	0.52	0.85	0.75	0.0%
80239		Family Practitioners - No Ob/ No Surgery	1	1	0.75	1.00	N/A	N/A	1.00	0.75	0.0%
80240	84240	Forensic Medicine / Legal Medicine	1	1	0.75	0.70	1.00	N/A	0.67	0.75	0.0%
80242		General Practitioners - No Ob/ No Major Surgery	1	1	0.75	1.00	N/A	N/A	1.70	0.75	0.0%
80420	84420	General Practitioners or Family Physicians - No Surgery - F	1	1	0.75	1.00	1.00	0.66	1.00	0.75	0.0%
80231		General Preventive Medicine - No Surgery / No Ob	1	1	0.75	0.70	1.00	0.66	0.67	0.75	0.0%
80243	84243	Geriatrics - No Surgery	1	1	0.75	1.00	1.00	N/A	0.85	0.75	0.0%
80244	84244	Gynecology - No Surgery	1	1	0.75	1.00	1.00	N/A	0.85	0.75	0.0%
80245	84245	Hematology - No Surgery	1	1	0.75	1.00	1.00	0.83	1.00	0.75	0.0%
80232		Hypnosis	1	1	0.75	N/A	1.00	N/A	N/A	0.75	0.0%
80246		Infectious Diseases - No Surgery	1	1	0.75	1.00	1.00	0.52	1.45	0.75	0.0%
80258		Laryngology - No Surgery	1	1	0.75	1.00	1.00	N/A	N/A	0.75	0.0%
	84801	Manipulator	1	1	0.75	N/A	1.00	N/A	N/A	0.75	0.0%
80259		Neoplastic Diseases - No Surgery	1	1	0.75	1.00	1.00	N/A	N/A	0.75	0.0%
80262	84262	Nuclear Medicine - Excluding Radiation Therapy	1	1	0.75	1.00	1.00	0.85	0.67	0.75	0.0%
80248		Nutrition	1	1	0.75	0.70	1.00	N/A	0.67	0.75	0.0%
80233		Occupational Medicine	1	1	0.75	0.70	1.00	0.52	0.67	0.75	0.0%
80263	84263	Ophthalmology - No Surgery	1	1	0.75	0.70	1.00	0.52	0.67	0.75	0.0%
80264		Otology - No Surgery	1	1	0.75	1.00	1.00	N/A	N/A	0.75	0.0%
80265	84265	Otorhinolaryngology - No Surgery	1	1	0.75	1.00	1.00	N/A	0.85	0.75	0.0%
80307	84307	Pathology - All Other	1	1	0.75	1.00	1.00	0.83	N/A	0.75	0.0%
80304	84304	Pathology - Blood Banking/Transfusion Medicine - No Sur	1	1	0.75	1.00	1.00	0.83	N/A	0.75	0.0%
80306	84306	Pathology - Cytopathology - No Surgery	1	1	0.75	1.00	1.00	0.83	N/A	0.75	0.0%
80266		Pathology - No Surgery	1	1	0.75	1.00	1.00	0.83	0.95	0.75	0.0%
80234		Pharmacology - Clinical	1	1	0.75	0.70	1.00	N/A	0.85	0.75	0.0%
80209	84209	Physical Medicine and Rehabilitation - All Other	1	1	0.75	N/A	N/A	0.83	N/A	0.75	0.0%
80235		Physical Medicine and Rehabilitation / Physiatry	1	1	0.75	1.00	1.00	1.00	0.67	0.75	0.0%
80133	84133	Preventive Medicine - No Surgery - Aerospace Medicine	1	1	0.75	N/A	N/A	N/A	N/A	0.75	0.0%
80138	84138	Preventive Medicine - No Surgery - Medical Toxicology	1	1	0.75	N/A	N/A	N/A	N/A	0.75	0.0%
80134	84134	Preventive Medicine - No Surgery - Occupational Medicin	1	1	0.75	N/A	N/A	N/A	N/A	0.75	0.0%
80135	84135	Preventive Medicine - No Surgery - Public/General Health	1	1	0.75	N/A	N/A	N/A	N/A	0.75	0.0%
80139	84139	Preventive Medicine - No Surgery - Undersea/Hyperbaric	1	1	0.75	N/A	N/A	N/A	N/A	0.75	0.0%
80224	84224	Psychiatry - Addiction Psychiatry	1	1	0.75	0.70	1.00	0.83	N/A	0.75	0.0%
80229	84229	Psychiatry - All Other	1	1	0.75	0.70	1.00	0.83	0.67	0.75	0.0%
80226	84226	Psychiatry - Child and Adolescent Psychiatry	1	1	0.75	0.70	1.00	0.83	0.67	0.75	0.0%
80227	84227	Psychiatry - Forensic Psychiatry	1	1	0.75	0.70	1.00	0.83	0.67	0.75	0.0%
80228	84228	Psychiatry - Geriatric Psychiatry	1	1	0.75	0.70	1.00	0.83	0.67	0.75	0.0%
80249	84249	Psychiatry - Including Child	1	1	0.75	0.70	1.00	0.83	0.67	0.75	0.0%
80250		Psychoanalysis	1	1	0.75	0.70	1.00	N/A	N/A	0.75	0.0%
80251	84251	Psychosomatic Medicine	1	1	0.75	0.70	1.00	N/A	N/A	0.75	0.0%
80236		Public Health	1	1	0.75	0.70	1.00	N/A	0.67	0.75	0.0%
80163	84163	Radiation Therapy - by Employed Physicians or Surgeons I	1	2	0.75	1.70	4.00	N/A	1.25	1.00	33.3%
80165	84165	Radiation Therapy - by Insured Physicians or Surgeons Inv	1	2	0.75	N/A	1.80	N/A	1.25	1.00	33.3%
80252	84252	Rheumatology - No Surgery	1	1	0.75	1.00	1.00	0.52	0.95	0.75	0.0%
80247		Rhinology - No Surgery	1	1	0.75	1.00	1.00	N/A	0.85	0.75	0.0%
80431	84431	Shock Therapy	1	2	0.75	1.30	1.00	N/A	1.45	1.00	33.3%
80162	84162	Shock Therapy - by Insured Physicians or Surgeons Involv	1	1	0.75	N/A	1.00	N/A	N/A	0.75	0.0%
80161	84161	Shock Therapy - by Employed Physicians or Surgeons Inv	1	1	0.75	N/A	4.00	N/A	N/A	0.75	0.0%
80321		Teaching Physicians - No Surgery	1	1	0.75	N/A	N/A	N/A	N/A	0.75	0.0%
80121	84121	Urology - No Surgery	1	1	0.75	N/A	1.00	1.88	N/A	0.75	0.0%
80182	84182	Anesthesiology - Pain Management	2	2	1.00	N/A	1.80	1.50	1.25	1.00	0.0%
80255	84255	Cardiovascular Disease - No Surgery	2	2	1.00	1.00	1.00	0.83	1.25	1.00	0.0%
80225		Cardiovascular Disease - No Surgery	2	2	1.00	1.00	1.00	0.83	1.25	1.00	0.0%
80256	84256	Dermatology - No Surgery	2	2	1.00	0.70	1.00	0.52	0.67	1.00	0.0%
80428	84428	Discograms / Myleography / Pneumoencephalography	2	2	1.00	N/A	1.80	N/A	N/A	1.00	0.0%
80222	84222	Hospitalism	2	2	1.00	N/A	1.80	1.25	1.00	1.00	0.0%
80257	84257	Internal Medicine - No Surgery	2	2	1.00	1.00	1.00	N/A	1.00	1.00	0.0%
80440	84440	Laparoscopy (Peritonescopy)	2	2	1.00	N/A	1.80	N/A	N/A	1.00	0.0%
80446	84446	Needle Biopsy	2	2	1.00	N/A	1.80	N/A	N/A	1.00	0.0%
80261		Neurology - Including Child - No Surgery	2	2	1.00	1.30	1.00	1.02	1.45	1.00	0.0%
80299	84299	Neurology - Including Child - No Surgery - All Other	2	2	1.00	N/A	N/A	1.02	N/A	1.00	0.0%

New Mexico Patient's Compensation Fund

Development of Classification Assignments by Specialty - Review of Assigned Factors

ISO Class Code		Current Class	Proposed Class	Current Rate Factors						Proposed Factor	Indicated Change
M.D.	D.O.			Patient Compensation Funds			NM Primary Carriers				
	Specialty			NM	IN	WI	TDC	MedPro			
80298	84298	Neurology - Including Child - No Surgery - Pain Managem	2	2	1.00	N/A	1.80	1.02	1.45	1.00	0.0%
80302	84302	Oncology - No Surgery	2	2	1.00	N/A	1.00	0.83	N/A	1.00	0.0%
80289	84289	Ophthalmology - Minor Surgery	2	2	1.00	1.30	1.80	0.83	0.85	1.00	0.0%
80291	84291	Otorhinolaryngology - Minor Surgery	2	3	1.00	1.70	1.80	N/A	1.45	1.20	20.0%
80208	84208	Physical Medicine and Rehabilitation - Pain Management	2	2	1.00	N/A	1.00	1.66	N/A	1.00	0.0%
80269	84269	Pulmonary Diseases - No Surgery	2	2	1.00	1.00	1.00	0.83	1.70	1.00	0.0%
80253	84253	Radiology - Diagnostic - No Surgery	2	2	1.00	1.30	1.00	1.09	1.45	1.00	0.0%
80359	84359	Radiology - Therapeutic - No Surgery	2	2	1.00	N/A	N/A	N/A	N/A	1.00	0.0%
80205	84205	Sports Medicine - No Surgery	2	2	1.00	N/A	N/A	N/A	N/A	1.00	0.0%
80322		Teaching Physicians - Minor Surgery	2	2	1.00	N/A	N/A	N/A	N/A	1.00	0.0%
80101		Broncho-Esophagology	3	3	1.20	2.00	1.80	N/A	N/A	1.20	0.0%
80443	84443	Colonoscopy / Endoscopic Retrograde Cholangiopancreat	3	3	1.20	N/A	1.80	N/A	N/A	1.20	0.0%
80297	84297	Dermatology - All Other	3	3	1.20	N/A	N/A	1.02	0.85	1.20	0.0%
80295	84295	Dermatology - Clinical and Dermatological Immunology	3	3	1.20	N/A	N/A	1.02	0.85	1.20	0.0%
80296	84296	Dermatology - Dermatopathology	3	3	1.20	N/A	1.80	1.02	0.85	1.20	0.0%
80282		Dermatology - including X-Ray Therapy / Radiation Therap	3	3	1.20	1.30	1.80	1.02	0.85	1.20	0.0%
80271		Diabetes - Minor Surgery	3	3	1.20	1.70	1.80	N/A	N/A	1.20	0.0%
80272	84272	Endocrinology - Minor Surgery	3	3	1.20	1.70	1.80	N/A	1.25	1.20	0.0%
80241	84241	Gastroenterology - No Surgery	3	3	1.20	1.00	1.00	1.30	1.45	1.20	0.0%
80421	84421	General Practitioners or Family Physicians - Minor Surger	3	3	1.20	1.70	1.80	1.00	2.21	1.20	0.0%
80276	84276	Geriatrics - Minor Surgery	3	3	1.20	1.70	1.80	N/A	1.45	1.20	0.0%
80277	84277	Gynecology - Minor Surgery (including 1st trimester abort	3	4	1.20	2.00	1.80	2.72	1.45	1.80	50.0%
80278	84278	Hematology - Minor Surgery	3	3	1.20	1.70	1.80	N/A	1.70	1.20	0.0%
80279		Infectious Diseases - Minor Surgery	3	3	1.20	1.70	1.80	1.00	1.70	1.20	0.0%
80283	84283	Intensive Care Medicine	3	4	1.20	1.70	1.80	N/A	2.21	1.80	50.0%
80285		Laryngology - Minor Surgery	3	3	1.20	1.70	1.80	N/A	N/A	1.20	0.0%
80286		Neoplastic Diseases - Minor Surgery	3	3	1.20	1.70	1.80	N/A	N/A	1.20	0.0%
80260		Nephrology - No Surgery	3	2	1.20	1.00	1.00	0.52	0.95	1.00	-16.7%
80114		Ophthalmology Surgery	3	3	1.20	1.70	1.80	1.09	0.91	1.20	0.0%
80290		Otology - Minor Surgery	3	3	1.20	1.70	1.80	N/A	N/A	1.20	0.0%
80303	84303	Pathology - Blood Banking/Transfusion Medicine - Minor	3	3	1.20	N/A	N/A	N/A	1.45	1.20	0.0%
80305	84305	Pathology - Cytopathology - Minor Surgery	3	3	1.20	N/A	N/A	N/A	1.45	1.20	0.0%
80292		Pathology - Minor Surgery	3	3	1.20	1.30	1.80	N/A	1.45	1.20	0.0%
80294		Physicians - Minor Surgery - No Ob	3	3	1.20	1.70	1.80	N/A	1.45	1.20	0.0%
80268	84268	Physicians - No Surgery / No Ob - Urgent Care Only	3	3	1.20	1.00	1.00	N/A	N/A	1.20	0.0%
80270		Rhinology - Minor Surgery	3	3	1.20	1.70	1.80	N/A	N/A	1.20	0.0%
	84802	Sclerotherapy	3	3	1.20	N/A	N/A	N/A	N/A	1.20	0.0%
80120	84120	Urology - Minor Surgery	3	3	1.20	N/A	1.00	1.88	N/A	1.20	0.0%
80422	84422	Angiography / Arteriography / Catheterization	4	4	1.80	1.70	1.80	N/A	N/A	1.80	0.0%
80281	84281	Cardiovascular Disease - Minor Surgery	4	4	1.80	1.70	1.80	N/A	1.70	1.80	0.0%
80429	84429	Cryosurgery	4	4	1.80	N/A	N/A	N/A	N/A	1.80	0.0%
80284	84284	Internal Medicine - Minor Surgery	4	4	1.80	1.70	1.80	1.15	1.70	1.80	0.0%
80287		Nephrology - Minor Surgery	4	4	1.80	1.70	1.80	N/A	1.45	1.80	0.0%
80449	84449	Radiopaque Dye Injections	4	4	1.80	N/A	1.00	N/A	1.95	1.80	0.0%
80102	84102	Emergency Medicine - No Major Surgery	5	5	2.20	2.75	1.80	2.09	2.57	2.20	0.0%
80275		General Practitioners or Family Physicians - Ob but No M:	5	5	2.20	1.70	N/A	1.88	N/A	2.20	0.0%
80804	84804	Neonatal/Perinatal Medicine	5	5	2.20	N/A	N/A	1.30	N/A	2.20	0.0%
80301	84301	Oncology - Minor Surgery	5	5	2.20	N/A	1.80	N/A	N/A	2.20	0.0%
80993-N		Podiatrists/Chiropractists - No Surgery	5	4	2.20	0.93	N/A	0.67	N/A	1.80	-18.2%
80425	84425	Radiation Therapy / Lasers - Used in Therapy	5	5	2.20	1.30	1.80	N/A	N/A	2.20	0.0%
80280	84280	Radiology - Diagnostic - Minor Surgery	5	5	2.20	1.30	1.80	2.00	1.95	2.20	0.0%
80360	84360	Radiology - Interventional	5	5	2.20	N/A	N/A	2.00	N/A	2.20	0.0%
80358	84358	Radiology - Therapeutic - Minor Surgery	5	5	2.20	N/A	N/A	1.45	N/A	2.20	0.0%
80141		Cardiac Surgery	6	8	2.60	6.00	4.00	N/A	N/A	4.75	82.7%
80157	84157	Emergency Medicine - Including Major Surgery	6	6	2.60	4.25	4.00	2.09	2.57	2.60	0.0%
80169		Hand Surgery	6	6	2.60	4.25	4.00	2.63	2.39	2.60	0.0%
80170		Head and Neck Surgery	6	6	2.60	4.25	4.00	N/A	2.39	2.60	0.0%
80106		Laryngology Surgery	6	6	2.60	2.75	4.00	N/A	N/A	2.60	0.0%
80107		Neoplastic Surgery	6	6	2.60	2.75	1.80	N/A	N/A	2.60	0.0%
80288	84288	Nephrology - Including Child - Minor Surgery	6	4	2.60	1.70	1.80	N/A	2.21	1.80	-30.8%
80108		Nephrology Surgery	6	6	2.60	2.00	1.80	N/A	N/A	2.60	0.0%
80168		Obstetrics Surgery (c-sections only)	6	8	2.60	7.50	6.60	4.86	N/A	4.75	82.7%
80158		Otology Surgery	6	6	2.60	2.75	4.00	N/A	N/A	2.60	0.0%
80159		Otorhinolaryngology Surgery	6	6	2.60	2.75	4.00	2.00	1.95	2.60	0.0%
80293	84293	Pediatrics - Minor Surgery	6	4	2.60	1.70	1.80	N/A	1.45	1.80	-30.8%

New Mexico Patient's Compensation Fund

Development of Classification Assignments by Specialty - Review of Assigned Factors

ISO Class Code			Current Class	Proposed Class	Current Rate Factors					Proposed Factor	Indicated Change
M.D.	D.O.	Specialty			Patient Compensation Funds			NM Primary Carriers			
					NM	IN	WI	TDC	MedPro		
80160		Rhinology Surgery	6	6	2.60	2.75	4.00	N/A	N/A	2.60	0.0%
80145	84145	Urological Surgery	6	6	2.60	2.00	1.80	N/A	1.70	2.60	0.0%
80993-S		Podiatrists - Surgery	7	7	4.00	1.45	4.25	2.05	N/A	3.50	-12.5%
80167	84167	Gynecology Surgery	8	8	4.75	6.00	4.00	1.39	2.39	4.75	0.0%
80164	84164	Oncology Surgery	8	8	4.75	N/A	N/A	N/A	N/A	4.75	0.0%
80180	84180	Pediatric Surgery	8	8	4.75	N/A	4.00	N/A	6.22	4.75	0.0%
80156	84156	Plastic Surgery	8	8	4.75	4.25	4.00	2.72	2.21	4.75	0.0%
80155	84155	Plastic-otorhino-laryngology Surgery	8	8	4.75	2.75	4.00	2.72	2.21	4.75	0.0%
80166		Abdominal Surgery	9	9	5.75	4.25	4.00	N/A	4.00	5.75	0.0%
80115		Colon and Rectal Surgery	9	9	5.75	2.00	1.80	1.88	2.21	5.75	0.0%
80103		Endocrinology Surgery	9	9	5.75	2.75	1.80	N/A	N/A	5.75	0.0%
80104		Gastroenterology Surgery	9	9	5.75	2.75	1.80	N/A	2.21	5.75	0.0%
80117		General Practice or Family Practice Surgery	9	9	5.75	2.00	1.80	1.30	2.21	5.75	0.0%
80143	84143	General Surgery	9	9	5.75	4.25	4.00	4.10	3.81	5.75	0.0%
80105		Geriatrics Surgery	9	9	5.75	2.75	1.80	N/A	2.39	5.75	0.0%
80154	84154	Orthopedic Surgery	9	9	5.75	6.00	4.00	2.96	3.00	5.75	0.0%
80144	84144	Thoracic Surgery	9	9	5.75	6.00	4.00	4.10	3.48	5.75	0.0%
80171		Traumatic Surgery	9	9	5.75	6.00	4.00	N/A	4.58	5.75	0.0%
80146		Vascular Surgery	9	9	5.75	6.00	4.00	N/A	3.48	5.75	0.0%
80150	84150	Cardiovascular Disease Surgery	10	10	6.25	6.00	4.00	1.09	3.48	6.50	4.0%
80152	84152	Neurology Surgery - Including Child	10	10	6.25	N/A	6.60	5.82	6.22	6.50	4.0%
80153	84153	Obstetrics Surgery / Gynecology Surgery	10	10	6.25	7.50	6.60	4.13	4.00	6.50	4.0%
80274	84274	Gastroenterology - Minor Surgery	4A	4A	1.50	1.70	1.80	N/A	1.70	1.50	0.0%
80434	84434	Lymphangiography / Phlebography	4A	4A	1.50	N/A	1.80	N/A	1.45	1.50	0.0%
80267	84267	Pediatrics - No Surgery	4A	4A	1.50	1.00	1.00	1.02	0.91	1.50	0.0%
80204	84204	Sports Medicine - Minor Surgery	4A	4A	1.50	N/A	N/A	N/A	N/A	1.50	0.0%
80273		General Practitioners or Family Physicians - Ob but No M:	5A	5A	1.60	1.70	N/A	N/A	N/A	1.70	6.3%
80151	84151	Anesthesiology	7A	7A	3.00	1.70	1.80	1.50	1.25	3.00	0.0%
80183	84183	Anesthesiology - All Other	7A	7A	3.00	1.70	1.80	1.50	N/A	3.00	0.0%
80181	84181	Anesthesiology - Critical Care Medicine	7A	7A	3.00	1.70	1.80	1.50	N/A	3.00	0.0%
80323		Teaching Physicians or Surgeons - Major Surgery	7A	7A	3.00	N/A	N/A	N/A	N/A	3.00	0.0%
80324		Teaching Physicians or Surgeons - Major Surgery	7A	7A	3.00	N/A	N/A	N/A	N/A	3.00	0.0%
80325		Teaching Physicians or Surgeons - Major Surgery	7A	7A	3.00	N/A	N/A	N/A	N/A	3.00	0.0%
80326		Teaching Physicians or Surgeons - Major Surgery	7A	7A	3.00	N/A	N/A	N/A	N/A	3.00	0.0%
80327		Teaching Physicians or Surgeons - Major Surgery	7A	7A	3.00	N/A	N/A	N/A	N/A	3.00	0.0%

New Mexico Patient's Compensation Fund

Surcharge Impact of Classification Assignments

ISO Class Code		Current	Proposed		Current	Proposed	Proposed	Indicated	% of
<u>M.D.</u>	<u>D.O.</u>	<u>Class</u>	<u>Class</u>	<u>Exposures</u>	<u>Rate</u>	<u>Rate</u>	<u>Factor</u>	<u>Surcharge Impact</u>	<u>Surcharge Impact</u>
80437	84437	1	1	2	\$2,920	\$2,917	0.75	-\$6	-0.1%
80230		1	1	0	2,920	2,917	0.75	0	0.0%
80254	84254	1	1	15	2,920	2,917	0.75	-45	-0.1%
80237		1	1	0	2,920	2,917	0.75	0	0.0%
80238	84238	1	1	14	2,920	2,917	0.75	-42	-0.1%
80239		1	1	131	2,920	2,917	0.75	-393	-0.1%
80240	84240	1	1	0	2,920	2,917	0.75	0	0.0%
80242		1	1	3	2,920	2,917	0.75	-9	-0.1%
80420	84420	1	1	328	2,920	2,917	0.75	-984	-0.1%
80231		1	1	0	2,920	2,917	0.75	0	0.0%
80243	84243	1	1	2	2,920	2,917	0.75	-6	-0.1%
80244	84244	1	1	3	2,920	2,917	0.75	-9	-0.1%
80245	84245	1	1	3	2,920	2,917	0.75	-9	-0.1%
80232		1	1	0	2,920	2,917	0.75	0	0.0%
80246		1	1	12	2,920	2,917	0.75	-36	-0.1%
80258		1	1	0	2,920	2,917	0.75	0	0.0%
	84801	1	1	0	2,920	2,917	0.75	0	0.0%
80259		1	1	0	2,920	2,917	0.75	0	0.0%
80262	84262	1	1	0	2,920	2,917	0.75	0	0.0%
80248		1	1	0	2,920	2,917	0.75	0	0.0%
80233		1	1	1	2,920	2,917	0.75	-3	-0.1%
80263	84263	1	1	11	2,920	2,917	0.75	-33	-0.1%
80264		1	1	0	2,920	2,917	0.75	0	0.0%
80265	84265	1	1	3	2,920	2,917	0.75	-9	-0.1%
80307	84307	1	1	44	2,920	2,917	0.75	-132	-0.1%
80304	84304	1	1	0	2,920	2,917	0.75	0	0.0%
80306	84306	1	1	0	2,920	2,917	0.75	0	0.0%
80266		1	1	6	2,920	2,917	0.75	-18	-0.1%
80234		1	1	0	2,920	2,917	0.75	0	0.0%
80209	84209	1	1	15	2,920	2,917	0.75	-45	-0.1%
80235		1	1	6	2,920	2,917	0.75	-18	-0.1%
80133	84133	1	1	0	2,920	2,917	0.75	0	0.0%
80138	84138	1	1	0	2,920	2,917	0.75	0	0.0%
80134	84134	1	1	7	2,920	2,917	0.75	-21	-0.1%
80135	84135	1	1	2	2,920	2,917	0.75	-6	-0.1%
80139	84139	1	1	0	2,920	2,917	0.75	0	0.0%
80224	84224	1	1	0	2,920	2,917	0.75	0	0.0%
80229	84229	1	1	20	2,920	2,917	0.75	-60	-0.1%
80226	84226	1	1	1	2,920	2,917	0.75	-3	-0.1%
80227	84227	1	1	0	2,920	2,917	0.75	0	0.0%
80228	84228	1	1	0	2,920	2,917	0.75	0	0.0%
80249	84249	1	1	53	2,920	2,917	0.75	-159	-0.1%
80250		1	1	0	2,920	2,917	0.75	0	0.0%
80251	84251	1	1	0	2,920	2,917	0.75	0	0.0%
80236		1	1	0	2,920	2,917	0.75	0	0.0%
80163	84163	1	2	0	2,920	3,889	1.00	0	0.0%
80165	84165	1	2	0	2,920	3,889	1.00	0	0.0%
80252	84252	1	1	27	2,920	2,917	0.75	-81	-0.1%
80247		1	1	0	2,920	2,917	0.75	0	0.0%
80431	84431	1	2	0	2,920	3,889	1.00	0	0.0%
80162	84162	1	1	0	2,920	2,917	0.75	0	0.0%
80161	84161	1	1	0	2,920	2,917	0.75	0	0.0%
80321		1	1	2	2,920	2,917	0.75	-6	-0.1%
80121	84121	1	1	0	2,920	2,917	0.75	0	0.0%
80182	84182	2	2	23	3,889	3,889	1.00	0	0.0%
80255	84255	2	2	24	3,889	3,889	1.00	0	0.0%
80225		2	2	1	3,889	3,889	1.00	0	0.0%
80256	84256	2	2	36	3,889	3,889	1.00	0	0.0%
80428	84428	2	2	0	3,889	3,889	1.00	0	0.0%
80222	84222	2	2	121	3,889	3,889	1.00	0	0.0%
80257	84257	2	2	244	3,889	3,889	1.00	0	0.0%
80440	84440	2	2	0	3,889	3,889	1.00	0	0.0%
80446	84446	2	2	0	3,889	3,889	1.00	0	0.0%
80261		2	2	12	3,889	3,889	1.00	0	0.0%
80299	84299	2	2	17	3,889	3,889	1.00	0	0.0%

New Mexico Patient's Compensation Fund

Surcharge Impact of Classification Assignments

ISO Class Code	Current	Proposed	Current	Proposed	Proposed	Indicated	% of			
M.D.	Class	Class	Rate	Rate	Factor	Surcharge	Surcharge			
D.O.	Specialty	Exposures	Rate	Rate	Factor	Impact	Impact			
80298	84298	Neurology - Including Child - No Surgery - Pain Managem	2	2	25	3,889	3,889	1.00	0	0.0%
80302	84302	Oncology - No Surgery	2	2	42	3,889	3,889	1.00	0	0.0%
80289	84289	Ophthalmology - Minor Surgery	2	2	1	3,889	3,889	1.00	0	0.0%
80291	84291	Otorhinolaryngology - Minor Surgery	2	3	1	3,889	4,667	1.20	778	20.0%
80208	84208	Physical Medicine and Rehabilitation - Pain Management	2	2	2	3,889	3,889	1.00	0	0.0%
80269	84269	Pulmonary Diseases - No Surgery	2	2	25	3,889	3,889	1.00	0	0.0%
80253	84253	Radiology - Diagnostic - No Surgery	2	2	135	3,889	3,889	1.00	0	0.0%
80359	84359	Radiology - Therapeutic - No Surgery	2	2	3	3,889	3,889	1.00	0	0.0%
80205	84205	Sports Medicine - No Surgery	2	2	2	3,889	3,889	1.00	0	0.0%
80322		Teaching Physicians - Minor Surgery	2	2	0	3,889	3,889	1.00	0	0.0%
80101		Broncho-Esophagology	3	3	0	4,676	4,667	1.20	0	0.0%
80443	84443	Colonoscopy / Endoscopic Retrograde Cholangiopancreat	3	3	1	4,676	4,667	1.20	-9	-0.2%
80297	84297	Dermatology - All Other	3	3	12	4,676	4,667	1.20	-108	-0.2%
80295	84295	Dermatology - Clinical and Dermatological Immunology	3	3	0	4,676	4,667	1.20	0	0.0%
80296	84296	Dermatology - Dermatopathology	3	3	0	4,676	4,667	1.20	0	0.0%
80282		Dermatology - including X-Ray Therapy / Radiation Therap	3	3	0	4,676	4,667	1.20	0	0.0%
80271		Diabetes - Minor Surgery	3	3	0	4,676	4,667	1.20	0	0.0%
80272	84272	Endocrinology - Minor Surgery	3	3	13	4,676	4,667	1.20	-117	-0.2%
80241	84241	Gastroenterology - No Surgery	3	3	3	4,676	4,667	1.20	-27	-0.2%
80421	84421	General Practitioners or Family Physicians - Minor Surgen	3	3	26	4,676	4,667	1.20	-234	-0.2%
80276	84276	Geriatrics - Minor Surgery	3	3	0	4,676	4,667	1.20	0	0.0%
80277	84277	Gynecology - Minor Surgery (including 1st trimester abort	3	4	21	4,676	7,000	1.80	48,804	49.7%
80278	84278	Hematology - Minor Surgery	3	3	9	4,676	4,667	1.20	-81	-0.2%
80279		Infectious Diseases - Minor Surgery	3	3	1	4,676	4,667	1.20	-9	-0.2%
80283	84283	Intensive Care Medicine	3	4	35	4,676	7,000	1.80	81,340	49.7%
80285		Laryngology - Minor Surgery	3	3	0	4,676	4,667	1.20	0	0.0%
80286		Neoplastic Diseases - Minor Surgery	3	3	0	4,676	4,667	1.20	0	0.0%
80260		Nephrology - No Surgery	3	2	33	4,676	3,889	1.00	-25,971	-16.8%
80114		Ophthalmology Surgery	3	3	65	4,676	4,667	1.20	-585	-0.2%
80290		Otology - Minor Surgery	3	3	0	4,676	4,667	1.20	0	0.0%
80303	84303	Pathology - Blood Banking/Transfusion Medicine - Minor	3	3	0	4,676	4,667	1.20	0	0.0%
80305	84305	Pathology - Cytopathology - Minor Surgery	3	3	0	4,676	4,667	1.20	0	0.0%
80292		Pathology - Minor Surgery	3	3	0	4,676	4,667	1.20	0	0.0%
80294		Physicians - Minor Surgery - No Ob	3	3	10	4,676	4,667	1.20	-90	-0.2%
80268	84268	Physicians - No Surgery / No Ob - Urgent Care Only	3	3	38	4,676	4,667	1.20	-342	-0.2%
80270		Rhinology - Minor Surgery	3	3	0	4,676	4,667	1.20	0	0.0%
	84802	Sclerotherapy	3	3	0	4,676	4,667	1.20	0	0.0%
80120	84120	Urology - Minor Surgery	3	3	3	4,676	4,667	1.20	-27	-0.2%
80422	84422	Angiography / Arteriography / Catheterization	4	4	1	7,008	7,000	1.80	-8	-0.1%
80281	84281	Cardiovascular Disease - Minor Surgery	4	4	65	7,008	7,000	1.80	-520	-0.1%
80429	84429	Cryosurgery	4	4	0	7,008	7,000	1.80	0	0.0%
80284	84284	Internal Medicine - Minor Surgery	4	4	18	7,008	7,000	1.80	-144	-0.1%
80287		Nephrology - Minor Surgery	4	4	5	7,008	7,000	1.80	-40	-0.1%
80449	84449	Radiopaque Dye Injections	4	4	2	7,008	7,000	1.80	-16	-0.1%
80102	84102	Emergency Medicine - No Major Surgery	5	5	238	8,562	8,556	2.20	-1,428	-0.1%
80275		General Practitioners or Family Physicians - Ob but No Me	5	5	11	8,562	8,556	2.20	-66	-0.1%
80804	84804	Neonatal/Perinatal Medicine	5	5	18	8,562	8,556	2.20	-108	-0.1%
80301	84301	Oncology - Minor Surgery	5	5	6	8,562	8,556	2.20	-36	-0.1%
80993-N		Podiatrists/Chiropodists - No Surgery	5	4	3	8,562	7,000	1.80	-4,686	-18.2%
80425	84425	Radiation Therapy / Lasers - Used in Therapy	5	5	3	8,562	8,556	2.20	-18	-0.1%
80280	84280	Radiology - Diagnostic - Minor Surgery	5	5	44	8,562	8,556	2.20	-264	-0.1%
80360	84360	Radiology - Interventional	5	5	1	8,562	8,556	2.20	-6	-0.1%
80358	84358	Radiology - Therapeutic - Minor Surgery	5	5	0	8,562	8,556	2.20	0	0.0%
80141		Cardiac Surgery	6	8	2	10,122	18,473	4.75	16,702	82.5%
80157	84157	Emergency Medicine - Including Major Surgery	6	6	0	10,122	10,111	2.60	0	0.0%
80169		Hand Surgery	6	6	6	10,122	10,111	2.60	-66	-0.1%
80170		Head and Neck Surgery	6	6	1	10,122	10,111	2.60	-11	-0.1%
80106		Laryngology Surgery	6	6	0	10,122	10,111	2.60	0	0.0%
80107		Neoplastic Surgery	6	6	0	10,122	10,111	2.60	0	0.0%
80288	84288	Nephrology - Including Child - Minor Surgery	6	4	1	10,122	7,000	1.80	-3,122	-30.8%
80108		Nephrology Surgery	6	6	1	10,122	10,111	2.60	-11	-0.1%
80168		Obstetrics Surgery (c-sections only)	6	8	0	10,122	18,473	4.75	0	0.0%
80158		Otology Surgery	6	6	0	10,122	10,111	2.60	0	0.0%
80159		Otorhinolaryngology Surgery	6	6	23	10,122	10,111	2.60	-253	-0.1%
80293	84293	Pediatrics - Minor Surgery	6	4	7	10,122	7,000	1.80	-21,854	-30.8%

New Mexico Patient's Compensation Fund

Surcharge Impact of Classification Assignments

ISO Class Code		Current	Proposed		Current	Proposed	Proposed	Indicated	% of
<u>M.D.</u>	<u>D.O.</u>	<u>Class</u>	<u>Class</u>	<u>Exposures</u>	<u>Rate</u>	<u>Rate</u>	<u>Factor</u>	<u>Surcharge Impact</u>	<u>Surcharge Impact</u>
80160				0	10,122	10,111	2.60	0	0.0%
80145	84145			24	10,122	10,111	2.60	-264	-0.1%
80993-S				18	15,569	13,612	3.50	-35,226	-12.6%
80167	84167			19	18,494	18,473	4.75	-399	-0.1%
80164	84164			7	18,494	18,473	4.75	-147	-0.1%
80180	84180			5	18,494	18,473	4.75	-105	-0.1%
80156	84156			13	18,494	18,473	4.75	-273	-0.1%
80155	84155			3	18,494	18,473	4.75	-63	-0.1%
80166				0	22,384	22,362	5.75	0	0.0%
80115				4	22,384	22,362	5.75	-88	-0.1%
80103				1	22,384	22,362	5.75	-22	-0.1%
80104				27	22,384	22,362	5.75	-594	-0.1%
80117				2	22,384	22,362	5.75	-44	-0.1%
80143	84143			90	22,384	22,362	5.75	-1,980	-0.1%
80105				0	22,384	22,362	5.75	0	0.0%
80154	84154			99	22,384	22,362	5.75	-2,178	-0.1%
80144	84144			8	22,384	22,362	5.75	-176	-0.1%
80171				3	22,384	22,362	5.75	-66	-0.1%
80146				12	22,384	22,362	5.75	-264	-0.1%
80150	84150			9	24,334	25,279	6.50	8,505	3.9%
80152	84152			9	24,334	25,279	6.50	8,505	3.9%
80153	84153			123	24,334	25,279	6.50	116,235	3.9%
80274	84274			27	5,843	5,834	1.50	-243	-0.2%
80434	84434			0	5,843	5,834	1.50	0	0.0%
80267	84267			201	5,843	5,834	1.50	-1,809	-0.2%
80204	84204			0	5,843	5,834	1.50	0	0.0%
80273				19	6,214	6,611	1.70	7,543	6.4%
80151	84151			31	11,678	11,667	3.00	-341	-0.1%
80183	84183			75	11,678	11,667	3.00	-825	-0.1%
80181	84181			0	11,678	11,667	3.00	0	0.0%
80323				0	11,678	11,667	3.00	0	0.0%
80324				0	11,678	11,667	3.00	0	0.0%
80325				0	11,678	11,667	3.00	0	0.0%
80326				0	11,678	11,667	3.00	0	0.0%
80327				0	11,678	11,667	3.00	0	0.0%
Total Surcharge Impact								180,915	

New Mexico Patient's Compensation Fund

Review of Classification Factors by Assigned Class

Class	Current Factor	Current Rate Factors Evaluated Over Proposed Class*					Proposed Factor
		Patient Compensation Funds			NM Primary Carriers		
		NM	IN	WI	TDC	MedPro	
1	0.75	0.75	0.87	1.09	0.79	0.85	0.75
2	1.00	0.98	1.15	1.47	0.98	1.22	1.00
3	1.20	1.19	1.59	1.69	1.15	1.33	1.20
4A	1.50	1.50	1.35	1.53	1.02	1.36	1.50
4	1.80	1.87	1.65	1.71	1.51	1.77	1.80
5A	1.60	1.60	1.70				1.70
5	2.20	2.20	1.76	1.80	1.79	2.26	2.20
6	2.60	2.60	3.05	3.34	2.24	2.20	2.60
7A	3.00	3.00	1.70	1.80	1.50	1.25	3.00
7	4.00	4.00	1.45	4.25	2.05		3.50
8	4.75	4.14	5.30	4.43	2.92	3.26	4.75
9	5.75	5.75	4.07	3.00	2.87	3.14	5.75
10	6.25	6.25	6.75	5.73	3.68	4.57	6.50

*Incorporates impact of changes in classification for physician classes

New Mexico Patient's Compensation Fund

Development of Relativities by Allied Class

NM Class Code			Relativity to Internal Medicine						Proposed	Indicated
			No Surgery - 80257							
			Class	Patient Compensation Funds			NM Primary Carrier			
M.D.	D.O.	Description		NM	IN	WI	TDC	MedPro		
80410		Chiropractors	99	0.60	N/A	0.40	0.85	N/A	0.60	0.0%
		Nurse Anesthetists	CRNA	0.20	0.45	0.25	0.60	N/A	0.25	25.0%
		Physicians Assistants - Supervised by Non-Invasive Specialists	PA-1	0.34	0.35	0.20	0.25	N/A	0.34	0.0%
80116	84116	Physicians Assistants - Supervised by Specialists Performing Minor Surgery	PA-2	0.45	0.35	0.20	0.25	N/A	0.45	0.0%
		Physicians Assistants - Supervised by Specialists Performing Major Surgery	PA-3	0.54	0.35	0.20	0.25	N/A	0.54	0.0%

New Mexico Patient's Compensation Fund

Surcharge Impact of New Relativities by Allied Class

NM Class Code				Current	Proposed	Current	Proposed	Indicated	% of
<u>M.D.</u>	<u>D.O.</u>	<u>Description</u>	<u>Class</u>	<u>Exposures</u>	<u>Factor</u>	<u>Rate</u>	<u>Rate</u>	<u>Surcharge Impact</u>	<u>Surcharge Impact</u>
80410		Chiropractors	99	3	0.60	2,333	2,333	0	0.0%
		Nurse Anesthetists	CRNA	107	0.20	778	972	20,758	24.9%
		Physicians Assistants - Supervised by Non-Invasive Specialists	PA-1	312	0.34	1,322	1,322	0	0.0%
80116	84116	Physicians Assistants - Supervised by Specialists Performing Minor Surgery	PA-2	59	0.45	1,750	1,750	0	0.0%
		Physicians Assistants - Supervised by Specialists Performing Major Surgery	PA-3	73	0.54	2,100	2,100	0	0.0%
							Total	20,758	

New Mexico Patient's Compensation Fund

Entity Coverage Evaluation

NM Class Code				Current Rate	Current	Proposed	Weighted	Estimated Rate	Estimated	Estimated	% of	
<u>M.D.</u>	<u>D.O.</u>	<u>Description</u>	<u>Class</u>	<u>Per Provider</u>	<u>Surcharge</u>	<u>Rate per Provider</u>	<u>Provider</u>	<u>Per Provider</u>	<u>Surcharge</u>	<u>Impact</u>	<u>Surcharge</u>	
				(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
				(1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
80999	84999	Physicians and Surgeons - Corporate or Partnership Liability	51									
		<i>Single doctor</i>		503	\$341	\$171,523	10% of provider surcharge	\$7,766	\$777	\$390,605	\$219,082	127.7%
		<i>Each additional doctor</i>		1,882	86	161,835	10% of provider surcharge	7,766	777	1,461,313	1,299,478	803.0%
		<i>Each additional CRNA or PA</i>		441	42	18,514	10% of provider surcharge	1,403	140	61,841	43,328	234.0%
80943		Podiatrists/Chiropodists - Corporate or Partnership Liability	52									
		<i>Single doctor</i>		23	\$341	\$7,843	10% of provider surcharge	\$7,000	\$700	\$16,100	\$8,257	105.3%
		<i>Each additional doctor</i>		0	86	0	10% of provider surcharge	7,000	700	0	0	
		<i>Each additional CRNA or PA</i>		0	42	0	10% of provider surcharge	1,403	140	0	0	
80412		Chiropractors - Corporate or Partnership Liability	53									
		<i>Single chiropractor</i>		3	\$234	\$702	10% of provider surcharge	\$2,333	\$233	\$700	-\$2	-0.3%
		<i>Each additional chiropractor</i>		0	54	0	10% of provider surcharge	2,333	233	0	0	
					Total	\$360,416				Total	\$1,570,142	335.6%

Notes

- (1),(2) Provided by New Mexico PCF; estimating 80% of physicians, physician assistants and CRNAs belong to a corporate entity
- (3) Col (1) x Col (2)
- (5) Weighted average of exposures and proposed rate on Exhibit 2 for physicians, Exhibit 4 Page 2 for CRNAs and physician assistants For podiatrists/chiropodists and chiropractors, using actual Proposed rate
- (6) Col (5) x 10% (note that actual rate will differ based on individual provider specialty)
- (7) Col (1) x Col (6)
- (8) Col (7) - Col (3)
- (9) Col (8) / Col (3)