VOLUME: I
PAGES: 1-69

STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT
INS NO. 14-034-IN

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HEARING RE:)
NEW HAMPSHIRE MEDICAL MALPRACTICE)
JOINT UNDERWRITING ASSOCIATION)

****

BEFORE:

ROGER SEVIGNY, Commissioner
ALEX FELDVEBEL, Deputy Commissioner
CHIARA DOLCINO, General Counsel
CHRISTIAN CITARELLA, Assistant Actuary
JAMES FOX, NHID Attorney

Public Utilities Commission
21 South Fruit Street
Concord, NH
Thursday, 4 December, 2014
10:03 a.m.

DUFFY & McKENNA COURT REPORTERS
P.O. Box 1658
Dover, NH 03821-1658
(603) 743-4949

P R O C E E D I N G S

COMMISSIONER SEVIGNY: Good morning, everyone. My name is Roger Sevigny. I'm the Insurance Commissioner in New Hampshire. With me is our Deputy Commissioner, Alex Feldvebel, and our General Counsel, Chiara Dolcino.

Welcome, and thanks to everybody for taking the time in your day to come to the Insurance Department and share your thoughts with us.

As I think you know, the Insurance Department has been asked to conduct a public hearing in order to determine whether there is a need for a risk-sharing plan to provide guaranteed issue medical malpractice insurance in New Hampshire; and if so, what is the most appropriate form it should take?

Now, we look forward to hearing from you today. The Insurance Department's role is to inform the legislature; and we want to make sure that all voices are heard. Let me take just a moment to describe the bigger picture.

The New Hampshire Medical Malpractice

Joint Underwriting Association -- or JUA -- is our state's risk-sharing plan for medical malpractice insurance.

It was established by the New Hampshire Insurance Commissioner in 1976 by administrative rule. It was established to make medical malpractice insurance available so that New Hampshire residents can have access to needed care.

The JUA is not a corporation. It's not a private insurance company. It is a government-created entity; and it exists only by virtue of the administrative rule that created it -- INS 1700.

This administrative rule will expire in January of 2017. In the coming year, the legislature will determine the future of the JUA. The department's role is to inform the legislature, which will ultimately make the final decisions regarding the future of the JUA.

The legislative commission established to study the JUA this past year has issued a report, which is available to you as a handout.

If you need copies of any of the handouts -- they were available as you came in -- please raise your hand, and we'll see that you get them if anybody didn't get any of the handouts that we have this morning.

In that report, the commission requested that I conduct a hearing to gather evidence and testimony in order to determine whether there is still a need for a medical malpractice risk-sharing plan; and if so, what form it should take.

I'm here to listen and to include all of your comments in a report that I will submit for the legislative leadership.

This report also will contain my recommendations. These recommendations are going to be based on your testimony and other evidence or data that's available to help inform the legislature on these important issues.

To be clear, I'm tasked with asking two questions today.

The first: Is there a need for a risk-sharing plan to provide guaranteed issue

medical malpractice insurance in New Hampshire?

The second: If the answer is yes; if so, what form should it take?

I would ask that you focus your testimony on these two questions. You have them laid out for you in the public notice of the -- of this hearing and in the commission report -- again, both available as handouts.

For those of you who are medical providers, I ask you that you include in your testimony responses to some survey questions if you've not already responded.

Those survey questions also are available as one of the handouts; and I would ask that you keep your testimony to the issues at hand; and, again, be respectful of everyone's time here this morning.

You'll also see that we're having a transcript of this hearing prepared; and that transcript is going to be posted on the department's website just as soon as it is available. We will also post testimony received. A handout with contact information provides you

with links to where this information can be found, including where you can find the administrative rule, INS 1700.

I'll be happy to accept any additional -- and we've already received some -- written testimony -- any additional written testimony you may wish to submit after today's hearing.

Because it is critical that the legislature act in this upcoming 2015 legislative session, I have less than a month to prepare my report and deliver it before the session starts.

Therefore, I'm going to need the additional written testimony submitted no later than next Thursday, December 11th. Addresses for submission of written testimony can be found on the contacts.

Now, please remember: There's going to be plenty of opportunity for you to testify at additional hearings before the legislature on any proposal that our state House or Senate may ultimately decide to put forward. I remind you that this is only the beginning of the process.

With that, we want to hear from you; and

we are here to listen. I have a list of those that have signed up to provide oral testimony this morning; and I will take it right from the list that you signed up on.

The first is Henry D. Lipman -- last name L-i-p-m-a-n.

MR. LIPMAN: Can I speak from here?

COMMISSIONER SEVIGNY: If you have a mic -- there's no need to come forward if you've got a mic available to you.

MR. LIPMAN: For the record, my name is Henry D. Lipman from LRG Healthcare, which is located in Laconia, New Hampshire, and operates two hospitals: Franklin Regional Hospital and Lakes Region General Hospital -- also has a large medical community.

In terms of the two questions that we're asked to address in terms of the ready -- readily-available commercial market, you know, I think that the purpose of creating the JUA to begin with is when the market failed. And at the moment, the market isn't in a failure position. It's in a pretty good position, from what I can

size up as a -- as a provider.

And from my perspective, I think it's in the best interests of the state and -- and the policyholders that potentially might have to come back to the JUA not to -- to wind down its operations in the event that the market hardens and -- and fails again. I mean, the consequences of having to recapitalize something and start from scratch in a crisis situation, I think, is something that I think the legislature and department need to consider.

And on the other hand, if the interest is to unwind it despite that caution, I think that the interests of the policyholders who built up any excess surplus also have to be considered in the unwinding process.

I do think that it would also be important for the department to not just look at the current market conditions, but to -- to model out our stress test, as they have done in -- kind of -- the banking sector, where they do a stress-test type of situation: What -- what happens to access to medical care for our state if

we have that kind of crisis occur?

Thank you.

COMMISSIONER SEVIGNY: Good. Thank you very much, Henry. We really appreciate your testimony this morning.

And if I -- just to make sure that I have captured it in my mind, you -- you believe that there should be a continuation of some form of risk-sharing mechanism that the JUA -- in its current form is the one that we have now; and if -- if there's any thought of doing anything different that you would look to some kind of stress test; and you indicated like what the bank -- what banking did.

And I can relate to that. Back in 2009, at the National Association of Insurance Commissioners, we did significant stress-testing with the life companies at that time. So I know what you're talking about. And thank you for your testimony.

Next on the list to testify is Dr. Georgia Tuttle.

DOCTOR TUTTLE: Thank you. I had hoped

to speak later and listen, but I'll go now. My name is Georgia Tuttle. I'm a solo private practicing dermatologist. I'm also a member of the AMA Board of Trustees, where I work on national issues of medical liability reform; and so some of my remarks will be directed there as well.

And for full disclosure, I am the "Tuttle" of Tuttle versus the New Hampshire Medical Malpractice JUA case that was settled in the Supreme Court in 2010.

So my concerns are, I think this discussion is premature. We have a national crisis in medical liability that the -- our congress and our state legislatures have not yet managed to resolve. With the ACA in place, I don't know that we know where medicine is going to go.

We have physicians moving from private practice into -- into other types of practice -- employed practice; and we may swing the other way. Right now I think the healthcare system is in such flux, it's very hard to predict where any

physician will be -- or any healthcare provider covered under JUA policies will be five or 10 years from today.

So I think we need a lot more information before trying to make a decision in this situation. Perhaps the JUA should be closed; and perhaps it shouldn't. But I don't think there -- we'll have any -- enough information within the next month to instruct the legislature for long-term planning. So I hope that we will proceed slowly, and carefully, and cautiously in this arena.

Speaking as an individual who has had occurrence insurance with the JUA for 29 and a half years, I paid up front for my policy, and can lock my office door any day I wish, walk away, protected forever from malpractice claims that may be made against me.

If the JUA is closed, physicians like me who are late in our practice will have to go find other insurance. I have called other companies, and small individual practices and solo physicians like myself cannot get insurance -- we will have

to practice five years to have our tail covered.

And so one of my concerns is, if you close the JUA in 2017, you're taking physicians who are near retirement and are a vital part of the healthcare system, and you are -- sort of -- forcing them to either make the choice to retire, or to work beyond the years that they had planned to. 55 percent of physicians in this country are over 55 and looking to retire; and I think this could push many over the edge.

So, again, I hope that -- you know, we could lose good physicians, because they don't want to work five years to have their tail covered under an any carrier.

So if you do decide to wind down the JUA, I think you have to make some concessions to those physicians who -- who may have to go to another company, might want to work three years or four years, and have some of the reserves of the JUA cover their tail so that they're not having to put 60, 70, $80,000 in cash out of their pocket just to continue to provide care to New Hampshire physicians [verbatim].

And then I -- I do want to raise the issue that was settled in the -- in the Tuttle case: As I understand it, the legislature cannot take the money -- the excess surplus reserve from the JUA.

That money is now designated for another purpose. And so I want to -- I hope that any decisions along this route are not being made by the legislature with the incorrect assumption that they can take this money and put it into the general fund. I think there's still some confusion about what that money represents and who it belongs to; and it does not belong to State of New Hampshire.

And so I want to be very clear that, if that's the purpose of a legislator bringing forward this -- this idea that perhaps this can be closed and that money can be transferred, they'll need to look at that final court decision and -- and take that into consideration.

Thank you.

COMMISSIONER SEVIGNY: We thank you very much, Doctor Tuttle, for providing us with your

thoughts and testimony this morning.

Next on the list is Autumn Vergo, V-e-r-g-o.

MS. VERGO: Good morning. I'm Autumn Vergo from the New Hampshire Midwives Association. I'm representing the state licensed midwives in New Hampshire.

We are a unique group, because there -- about half of our membership is insured through the JUA right now; and there is not really another option for us. We have looked on the federal market, and several of our members have been provided quotes in the research phase leading up to this meeting; and those quotes represent about a 400 percent increase in cost for us, compared to what we're paying now.

So this -- this has impact in several areas that I hope everyone will consider in making decisions: One is that New Hampshire midwives are the owners of all four of the free-standing birth centers in New Hampshire; and if we can't find affordable coverage, we won't be able to operate those birth centers.

Right now we're required -- anyone who works in a birth center or who has women in their care who are funded by Medicaid needs to have professional liability insurance; and so if we're not able to have that, then that population of women no longer has birth center services; and Medicaid-dependent women don't have midwifery services in their community.

It's, I think, interesting to note that about 2.8 percent of the births in New Hampshire occur in birth centers or at home, which is higher than the rate -- the national average. And so this affects hundreds of women annually and has the potential to increase costs overall.

When women give birth in birth centers or at home, for everyone who does so, there is about a $4,000 savings to the healthcare system; and so removing that option, it has some implications for cost.

So we hope that you consider our options -- women's access to care, and a potential increase in cost of healthcare -- as you make your decisions. Thank you.

COMMISSIONER SEVIGNY: Good. Thank you, Autumn.

So if -- again, just to make sure that I understand you, coverage could be available, but it could -- it is not -- what is available, in your view, is not affordable.

MS. VERGO: Right. What is available -- there are two programs we were able to find that might have coverage available: The one that was able to give us quotes was so prohibitively expensive that it's not really an option.

The second said maybe they could put something together, but they've gone to their underwriters, and we don't have anything solid from them.

So right now we don't have another viable option.

COMMISSIONER SEVIGNY: So what -- what you're asking -- what you would be asking the legislature to consider is what -- what happens with regard to the fact that coverage in your specialty would -- might be available, but would likely not be affordable.

MS. VERGO: That's right.
COMMISSIONER SEVIGNY: Good. Thank you.
Next I'd like to invite Bob Nash to come and provide us with testimony.
MR. NASH: Thank you, Commissioner; appreciate the opportunity to speak.
For the record, I'm Bob Nash. I'm the president of the New Hampshire Association of Insurance Agents. At the request of the Department of Insurance, we have surveyed our members over the course of the past two to three weeks. I requested information on any of those agencies that may be involved in medical malpractice insurance.
Looking at the statistics, Commissioner, that we see of JUA currently is fourth in market share in the State of New Hampshire, with approximately 7.2 percent at about $3 million of direct written premium.
The members that we have surveyed account for over 2 million of that 2.9 direct written premium that are members of our association.

The results came in twofold: No. 1, there is no question that our members who deal directly with the insureds think that it is necessary that some form of a JUA continue in existence. We're certainly not hung up on the JUA as it's currently structured, taking in mind it was structured in 1976; and there is certainly no reason to think that there may not be a better way of doing things in this day and age.

At the same time, we want to stress and support Doctor Tuttle's comments to suggest to you that the state of healthcare in New Hampshire and this country is in such flux that to take any steps whatsoever that may endanger medical malpractice insurance for our doctors would be folly -- at best -- at this stage of the game.

We're taking a look at the concentration level here in New Hampshire. And without the JUA, you are in a highly concentrated area for medical malpractice. With the JUA, it lessens it slightly. As you continue to go down the track, you never get to the point where there is anything but moderate to high concentration in New

Hampshire at the moment for medical malpractice insurance.

But with the JUA in that formula, you do, indeed, reduce that concentration substantially.

We're going to suggest to you that -- I think Doctor Tuttle's comment about treading slowly, taking a good look at this, and dealing with our legislative committees in the next two years bodes well to developing a process that's going to ensure guaranteed issue, not mettle with medical malpractice, which is absolutely essential to make sure that we maintain a strong medical community, but at the same time, to keep in mind that, with the high concentration currently in New Hampshire, the fact that we have midwifery, radiologists, and dentists -- particularly -- taking advantage of the JUA option, we think it's essential that this type of process continue.

We would certainly want to work with the department and the legislature in that vein, but we strongly feel, Commissioner, that there should be some form of JUA mechanism in New Hampshire.

COMMISSIONER SEVIGNY: Good. Thank you very much, Bob.

The -- the crux of the recommendation then is that some form of risk-sharing mechanism be maintained in the State of New Hampshire; that the JUA in its currents form is not necessarily the magical answer, but that there be something that provides for a guaranteed issue to those that have difficulty with finding coverage.

MR. NASH: Yes, sir.

COMMISSIONER SEVIGNY: Next I'd like to invite -- I can't tell if it's a yes or no.

David Johnson, was that a yes or a no?

MR. JOHNSON: No. I submitted written testimony.

COMMISSIONER SEVIGNY: Okay. Thank you very much.

MR. JOHNSON: No problem.

COMMISSIONER SEVIGNY: Next is Brad -- I hope I'm pronouncing it right -- Lachut?

MR. LACHUT: Lachut. You're close. That's good. I've been called worse.

COMMISSIONER SEVIGNY: L-a-c-h-u-t.

Yes. I know. Do you see my last name?

MR. LACHUT: Good morning. My name is Brad Lachut. I am counsel for Professional Insurance Agents of New Hampshire -- association of independent insurance agents in the state and their employees.

To answer the two questions presented to us, the PIA believes that JUA is a necessary entity in the state currently still; and -- but it should be in a different form than it is now.

When the JUA was created in the '70s, there was obviously a need in the marketplace; and there was a dearth of available medical malpractice; and it was established as a residual market.

PIA now believes that the JUA is perhaps not the residual market it was intended to be; that -- that the coverages and rates may be too competitive with the voluntary market.

The coverage has certainly improved -- our coverage options have certainly improved since the '70s, and insureds should be directed towards those voluntary markets and not to the JUA; and if

the coverage and affordability of the JUA is so good, there's no incentive for them to go to voluntary market.

So you're essentially -- you're creating a safe haven for those you want to kind of send out into the world, so-to-speak.

You know, it -- again, the JUA is necessary; and it is a valuable medical source of insurance for many healthcare professionals that may be high risk and may not be able to find coverage elsewhere. But to be in the JUA, they should feel a little bit of pain -- for lack of a better term -- to improve the risk; you know, to lower their -- their hazard, if you will; to try to find coverage in a more, you know, conventional market.

And that is the belief of the PIA. Again, necessary? Without a doubt. But certain modifications should be taken into consideration in going forward.

COMMISSIONER SEVIGNY: Great. Thank you very much, Brad.

Your comments indicated that, in your

view -- or your association's view, rates are more competitive than PIA believes they should be; and that has an impact or an effect on the market itself; that there is need for some risk-sharing mechanism to be continued; and if that is to be the case, then defining participation or -- needs to be explored carefully.

MR. LACHUT: Yes. Correct.

COMMISSIONER SEVIGNY: Thank you.

MR. LACHUT: Thank you.

COMMISSIONER SEVIGNY: Next up is Joel Whitcraft, W-h-i-t-c-r-a-f-t.

MR. WHITCRAFT: Good morning. My name's Joel Whitcraft. I'm vice president and actuary for the Medical Protective Company; and I appreciate the opportunity to share our thoughts with you this morning.

I'm not going to touch on everything that we're going to provide to you in written form, but just hit a few highlights of our comments -- and specifically to the two questions that you posed this morning.

We have provided information in a

written document -- or we will -- that address the questions that the Insurance Department has posed to us. So we'll address all of those.

I would point out that Medical Protective is a national carrier; and we write in virtually every state in the country. We have been actively writing in New Hampshire for a number of years.

We've seen our market share and policyholder distribution grow over the last few years; and we write across a broad spectrum of the healthcare provider segments -- physicians and surgeons, dentists, other healthcare providers, hospitals, other facilities; and we have policyholders in all of those segments.

In regards to the question as to whether we believe that a JUA or some kind of a residual market mechanism is necessary, as a -- as a company that believes in an open, competitive market, we believe that in a competitive marketplace the commercial carriers can address the needs of the market, but we also recognize and concede that there are unique situations that can

arise that will give need to some kind of a residual mechanism that might need to meet unique circumstances.

And so we would recommend that there would be some type of residual market mechanism that would serve those situations that might arise.

Often carriers will view a marketplace from the respect that -- what type of provider segments they're interested in writing. Some of that may be influenced by the particular laws that affect those types of providers -- if there's any particular unique characteristics to the laws.

For example, some states have enacted unique standards of care for such things as emergency medicine and raising the -- the bar for what represents negligence, because of the unique characteristics of patients coming into an ER situation.

So those types of things are additional considerations around the whole idea of whether the commercial market can respond to the needs of all of the healthcare providers in a given

jurisdiction.

There are examples of different types of mechanisms that -- that have been used in different states and that are actively successful, if you will, in addressing the needs of the markets.

One is in our home state of Indiana, in which we have the Indiana Medical Malpractice Residual Insurance Authority -- or it's called IMMRIA; and that's been in place since the mid '70s. But that -- the difference there between IMMRIA and New Hampshire's JUA is that IMMRIA operates as an insurer of last resort. It also goes through a particular rating mechanism, whereby its rates will always be a certain margin above the voluntary market, such that it won't compete with the voluntary market, but will be that last resort for providers that are having difficulty finding coverage.

Another option or potential alternative is something like the reinsurance plan that exists in Massachusetts, in which case providers are ceded into a reinsurance plan after being

essentially insured by a commercial carrier. That carrier cedes that risk to the plan; they're reimbursed via a ceding commission for operating expenses; and then the carriers that participate share in the -- the potential deficit or surplus that might arise from their reinsurance plan's operations.

The one shortcoming in the existing plan in Massachusetts -- or one of the shortcomings -- is that the plan itself doesn't properly address all of its potential costs in the course of accepting those risks. They receive a portion of the premium that should cover loss and loss adjustment expenses. They don't collect any premium for their operating expenses.

Also, the -- the premiums that are ceded to the plan are based on the voluntary market's rates, such that those premiums don't really reflect the potential adverse risk represented by the individual being ceded to the plan -- the assumption being that the reason they're being ceded to the plan is because the insurance company used them as a risk that exceeds what they can

hope to collect in terms of their file premiums. The expectation then is that the -- the plan will ultimately run at a deficit and require assessments over -- over a period of time.

A better structure would be one that fully contemplates all of the funding necessary for the plan to operate at an adequate level. That may mean an additional load to the premiums that are being ceded, such that a company doesn't have to file some kind of a different rate, but if they were going to cede business to a reinsurance plan, the -- the mechanism would allow for some kind of additional premium charge above and beyond what the voluntary market premium would have been.

The -- the Medical Protective Company obviously is supportive of a residual market mechanism that would provide that safety net for the healthcare providers in New Hampshire. As an individual commercial carrier, it's our desire to address the needs of as many different segments of the market as we possibly can.

Up to this point, we're currently writing insurance across a broad spectrum of those

segments; and we hope to continue to expand our market share and our coverage for those healthcare providers. But as I said earlier, we do recognize the fact that -- that there will be those unique situations where the commercial market may not be able to respond to the needs of every provider.

The remainder of our testimony will be in our written documentation.

COMMISSIONER SEVIGNY: Good. Thank you very much.

Just to make sure that I understand, Medical Protective is a national player in the medical malpractice marketplace and believes that the free market can meet most needs, but that there's still a need for some risk-sharing mechanism to address any unique needs.

Did I --

MR. WHITCRAFT: Yes, sir. That's correct.

COMMISSIONER SEVIGNY: And you gave two examples: One was Indiana, where there's an insurer of last resort that's been established and the rates that they develop.

And they're there to address these unique needs; I take it?

MR. WHITCRAFT: That's correct.

COMMISSIONER SEVIGNY: And the rates they develop are developed using market rates, with some sort of consideration for the fact that these are higher-risk --

MR. WHITCRAFT: Correct.

COMMISSIONER SEVIGNY: -- insureds.

The other plan that you mentioned is what's used in Massachusetts, which is a reinsurance plan. I'm familiar with these here in New Hampshire, not in the med mal market, but in the auto market, where a risk -- where a carrier takes the risks; and it's -- may or may not cede it; may keep the risk and insure it themselves without ceding -- or could cede it to the -- what's called "the facility" here in New Hampshire.

Does it work in that sort of fashion, in other words?

MR. WHITCRAFT: Yeah, would be very similar.

COMMISSIONER SEVIGNY: Take the risk once it comes to you -- guaranteed issue so you take it. You may keep it if you choose to, or you may cede it to this insurance mechanism.

MR. WHITCRAFT: Correct.

COMMISSIONER SEVIGNY: Okay. Thank you.

MR. WHITCRAFT: Thank you.

COMMISSIONER SEVIGNY: Next is Robert Lanney, L-a-n-n-e-y.

MR. LANNEY: Thank you. Hi. I'm Rob Lanney. I am here representing the New Hampshire Medical Society. I'm a partner at Sulloway & Hollis and have spent the last 30-plus years defending physicians and hospitals in medical malpractice cases. So I bring a little bit of a practical perspective, having worked with many physicians who have been insured through the JUA.

I think there's helpful information I can provide to you -- just the information we have received from the members of the medical society and that I have received from my clients about their relationship with the JUA and the availability of insurance.

Many of my clients and our members share with us that they feel they would not be able to retain and purchase affordable insurance coverage without the JUA or a similar residual market mechanism.

Many of those physicians had prior claims, but not necessarily because they provided substandard care, but, rather, they're very skilled physicians who are taking on high-risk patients. And high-risk patients -- typically many will do well, but many will not. And the high-risk patient leads to many claims. And the feeling of physicians who are willing to take on those high-risk patients is, in the absence of having the JUA be available to provide affordable coverage, they would not be able to take on that population. And eliminating the JUA or a similar mechanism would have likely a very chilling effect on physicians' ability to take on that high-risk population.

Secondly, with respect to the JUA itself, in terms of their claims handling for the physicians, they've done a very fine job. They're

very professional in their adjusting of claims. They've done a nice job resolving the claims that should be resolved and trying the cases that need to be tried.

So as a company, they've handled the cases quite well, which is not directly to the point you're looking at, but I think, as you look at the JUA, it is important to know that the service they've provided has been strong and appreciated by the physicians who are insured with them.

And I think, finally, the care providers -- the New Hampshire physicians in particular -- want as many options as can be available, both in the commercial marketplace and through systems like the JUA.

And one of the questions that you've obviously asked is to comment on the -- what is the best way to make malpractice insurance available on a guaranteed-issue basis? And many of the physicians who I've talked to about this issue who are insured with the JUA feel that we have that system in place currently.

So for those reasons, the medical society and its member physicians support the continuation of the JUA, although recognizing there may need to be some modification to reflect the time frame we're in now -- 2014 -- as opposed to when the legislation or the regulations were initially issued.

Thank you.

COMMISSIONER SEVIGNY: Good. Thank you very much, Rob.

Again, just to capture a little bit of what you said, the -- the JUA -- that a risk-sharing mechanism addresses the need to provide a way for providers that take on very high-risk patients to be able to get coverage, where they may not be able to get it in the open market -- at least that's some sense -- that they may not be able to get it in the open market if they weren't using the JUA.

MR. LANNEY: Yes. I also think that there have been a lot of relationships that have been formed over the years with the physicians who have been with the JUA for many years in terms of

claims handling that is an important part of what the JUA has done. There have been institutional people there, have been there for many, many years; they form relationships with the physicians.

And so in addition to the whole availability and affordability, there is also a relationship and a bonding that has gone on between the organization and its insureds.

COMMISSIONER SEVIGNY: So it's, in part, the need; and it's, in part, the fact that it provides a service to those that avail themselves of it appreciate.

MR. LANNEY: Sure.

COMMISSIONER SEVIGNY: And if I heard you right also, it provides another option in the marketplace?

MR. LANNEY: Yes, sir.

COMMISSIONER SEVIGNY: Okay. Good. Thank you.

Next, Jim Vaccarino.

MR. VACCARINO: Thank you, Commissioner. My name is Jim Vaccarino,

V-a-c-c-a-r-i-n-o.

COMMISSIONER SEVIGNY: I'm sorry. I was supposed to spell it.

MR. VACCARINO: I'm happy to do it.

I've been involved with the New Hampshire JUA since 1984 -- administering the program since that time.

And I thought I'd just give a brief five-year history of some of the salient points of operation for your benefit -- obviously you know a lot of this, but also for the benefit of those attending the hearing -- from an underwriting perspective, a claims perspective, and just an operational perspective.

During the period 2010 through the third quarter of this year, the JUA saw a decrease in the number of insured policyholders from 676 in 2010 to 550 in 2011; 504 in 2012; 469 in 2013; and 457 as of today.

The split between those purchasing claims made and a coverage [verbatim] has remained relatively constant at 65 percent claims made and about 35 percent occurrence; and the written

premium, as of January 1st, 2010, was 6.02 million, and at the end of the third quarter of this year was 2.07 million. So you can see the dramatic decline.

The JUA has also funded $3.4 million to cover the cost of so-called "tail premium," which are the reporting endorsements of those claims made policyholders who retire under the modified claims made program, which affords them essentially prepaid tail.

According to that plan, any insured with a claims made policy who holds that policy for at least 10 years and retires from the practice of medicine at age 55 or later will receive a reporting endorsement at no cost.

As of January 1st, 2010, there were a total of 37 policyholders that were experience rated for excessive indemnity paid. The number of experience-rated policyholders as of today is down to 27; and they account for $49,800 in surcharges on their premiums.

During the summary period, the five-year period, the JUA has each year offered a 15 percent

premium credit to any policyholder taking advantage of a risk management home study course. The courses have mirrored issues which reflect what we believe to be areas of concern for the JUA, such as poorly-written medical records or misdiagnosis. We carry a large number of radiologists, and misdiagnosis is a fairly common claim.

Interestingly enough, for 2014, of 419 eligible policyholders to take this credit, only 182 took the course, which I thought was very interesting.

On a claim -- from a claims perspective, we've seen a fairly constant payout of claims in total paid indemnity. In 2010, we paid 3.4 million; 2011 was a heavy year at 6.9 million paid; but 2012 was 2.8; 2013, 2.9; and thus far -- and I'm pretty sure this is it for the year -- 3.1 for 2014.

Outstanding case reserves have come down. In 2010, the outstanding reserves for indemnity were 11.3 million; 2011, 8.8; 2012, 5.6; 2013, 5.5; and this year, 6.4 million for

outstanding case reserves.

Actually, I'm -- I'm pretty pleased with the comments that Mr. Lanney made about the claims, because our posture in claims management has led to the surpluses that we've experienced by being fairly tight with the JUA funds and not paying claims unless the demands are reasonable and the claim is legitimate.

For the period 2010 through 2014, save for the distribution of the $110 million, the investment portfolio has grown. While it was 164.5 million in 2010, then it dropped to 62.3 with a payment of the 110. But in 2012, it went from 62 to 76 million; 2013, to now 81.9; and this year it's at -- at the end of the third quarter -- 82.9.

Lastly, with respect to actuarial activity, no rate change was effected in either 2010 or 2011. But in 2012, the JUA increased rates by 12 percent; 3.5 percent in 2013; and 4 percent in 2014.

In 2013 the JUA board established a premium deficiency reserve of $600,000 as security

in the event that premiums collected were insufficient against projected liabilities and expenses.

The JUA actuaries have recommended an 80 percent rate increase overall for both claims made and occurrence for the coming year, 2015; and the board has yet to act on that recommendation.

In 2010 the New Hampshire legislature passed Senate Bill 170, obligating the JUA to distribute a surplus of $110 million to policyholders of record from 1986. The result of the senate action has seen a number of material changes to the JUA structure. The most significant is the elimination of the JUA's exemption from federal tax, and the formation of this legislative study commission which has resulted in this hearing.

To get directly to the points that you've raised, the one thing that I've learned over the period -- '84 to today, looking back, is that there is definitely a need for a residual market mechanism in a state with a thin market for medical professional liability.

And in reflection, it's interesting to hear the testimony. Everybody touches on a different perspective or a different aspect of the need for that residual market, from the four -- what I've come to believe are of the four basic constituencies: There are the providers; and clearly the providers are interested to make sure that there is coverage available so they can go on and continue their practices.

But from the regulator's perspective as well, so that, in the event that there's a crisis -- as there was back in '76 -- that there's a mechanism in place that's able to absorb the problem.

The industry perspective: We see the industry as being competitive, but the industry -- the residual market mechanism permits the industry -- the med mal industry -- the luxury of deciding to write or not write a certain piece of business. If they decide to decline somebody, there is a market that that person can go to.

If they decide that they want to drop somebody because they're of a greater risk, there

is a mechanism they can use to keep their book more profitable than it would be if they were forced to keep that person.

And then, lastly, the most important constituency is the public. The public is assured that they will have access to healthcare providers, because those providers are required to carry malpractice insurance if they want to have any privileges at any facility in the state -- or hospital.

So as I look at it, yes, I think there's definitely a need for a residual market mechanism. The format -- there are a variety of different ways of approaching it. And whatever the department and the legislature decides to approach, the JUA will be happy to -- I'm sure the board will be happy to cooperate with.

Thank you.

COMMISSIONER SEVIGNY: Good. Thank you very much, Jim.

Just to give a brief recap: The JUA's been well run for a number of years.

And No. 2, the JUA and its board

believes that there is continued need for some form of risk-sharing mechanism so that the providers can access coverage outside of the commercial market if they need to; and consumers or patients are protected because their providers have the coverage.

MR. VACCARINO: Right.

COMMISSIONER SEVIGNY: Thank you.

MR. VACCARINO: Thank you.

COMMISSIONER SEVIGNY: Next, if Scott Colby could provide us with comments, please?

MR. COLBY: Thank you, Commissioner. I'm Scott Colby from New Hampshire Medical Society; and the medical society does support the existence and continuation of the JUA. And whether or not that needs to take a slightly different form, we believe that the legislature would be well serving -- would be serving the public well by studying the issue further and determining whether the current structure is, in fact, the appropriate structure.

We would suggest that the current structure does operate properly in the market; and

that, to Mr. Lipman's point, that we are currently not in a crisis mode in New Hampshire; and we would offer that we're not in a crisis mode in large part due to the mere existence of the JUA; that the JUA itself acts as a very stabilizing force.

We've heard some suggestion that in certain instances the JUA may compete more aggressively than the private market because they have the luxury to do so.

That was my belief. And in the spirit of full disclosure, I am a licensed producer and the medical society has a wholly-owned subsidiary that offers property and casualty products to healthcare providers in the State of New Hampshire.

And what I'm about to say may go a little bit contrary to some of our insuring partners, but I'll continue.

Up until Monday, I was under the distinct belief that the private market couldn't compete on premium relative to a specific specialty -- in this instance, radiology.

Monday our business partner who works with us on the agency was able to provide a couple of quotes -- one for an admitted carrier; one from a nonadmitted carrier -- that actually was very competitive relative to radiology specialty.

So my point is that, if the JUA's existence can help create competition in what should be characterized as an oligopoly -- high barrier to entry, few players in the market -- then it's doing its proper role in ensuring real competition -- to the benefit, ultimately, of New Hampshire citizens.

So in closing, I think Attorney Lanney definitely touched on some really good issues relative to bad outcomes don't always mean medical malpractice, yet providers realize higher premiums as a result of bad outcomes.

And, in short, we would support a study looking at this issue to see exactly what the impact of the JUA is and what the proper structure of the JUA should be moving forward. Thank you.

COMMISSIONER SEVIGNY: Thank you very much, Scott.

Again, to recap just a little bit: The New Hampshire Medical Society supports some sort of risk-sharing mechanism. The current form is working well, as far as you're concerned, but not to the exclusion of having the legislature consider what other forms could be available.

MR. COLBY: Correct.

COMMISSIONER SEVIGNY: -- or could be used.

And in addition to that, I think one of the final points you made is that in -- in your mind -- at least most recently -- you see it as helping create competition.

MR. COLBY: Yes, sir.

COMMISSIONER SEVIGNY: Okay. Good. Thank you.

Next, if I could call on Dr. David Strang, S-t-r-a-n-g; please.

DOCTOR STRANG: Thank you for getting the spelling correct, Commissioner.

My name is Dr. David Strang. I am a partner and officer with Central New Hampshire Emergency -- I'm sorry -- Central New Hampshire ER

Associates, which is a large emergency medical group that provides emergency medical care to the citizens of the Lakes Region of New Hampshire.

And a couple of weeks ago when I learned of this hearing, there were a couple of questions that immediately came to mind, which is, one, how many malpractice carriers are needed in New Hampshire to insure a competitive marketplace? Two, what body determined that New Hampshire is adequately supplied with such malpractice carriers such that the JUA can or should be dissolved; and, three, how was that determination made?

Furthermore, what has changed in the New Hampshire insurance climate that has welcomed this new adequate amount of carriers? I'm not aware of any legislation that's been filed that makes it easier for carriers to enter New Hampshire and offer policies to our medical providers.

And how can we be sure that the climate will not reverse in three years, five years, or longer to drive away these carriers, leaving us with just one or two carriers, at which point we do not have a competitive marketplace?

In reading paragraph 2 of the final report that was handed to all of us as we came through the door here, it's very clear to me that we don't know the answers to these questions.

But what troubles me more is the conclusion reached in paragraph 3, which states; and I quote, "Until there is a finding that medical malpractice insurance is not readily available in the voluntary market, then further legislative action is premature."

That legislative action would continue the functioning of the JUA. I think until we answer these questions, then, we ought to reach the exact opposite conclusion, which is, that, until there is a finding that medical malpractice insurance is readily available in the voluntary market, then we should welcome further legislative action to keep the JUA functioning and make sure that we have a fair and competitive marketplace for malpractice insurance in the State of New Hampshire. Thank you.

COMMISSIONER SEVIGNY: Good. Thank you very much, Doctor Strang.

So if I hear you correctly -- just to summarize the point that you made to address the two questions: You believe that there is continued need for some form of risk-sharing mechanism.

DOCTOR STRANG: Yes, I do.

COMMISSIONER SEVIGNY: Good. Thank you.

That's it for those that have said they would speak.

I do have one question, though, that I'd like to get a little more clarity on if I could; and the question is for Doctor Tuttle.

DOCTOR TUTTLE: Yes.

COMMISSIONER SEVIGNY: You spoke earlier -- and I meant to ask you, but I went on to the next speaker -- you mentioned something about the tail coverage; and that, whatever happens, you would want there to be consideration in some fashion by the JUA by -- somewhere about the tail coverage for those number of providers that could be impacted if the JUA were to be unwound; am I right in that?

DOCTOR TUTTLE: Yes, sir. Yes. That's

correct, because whether you have claims made or occurrence, if I -- I have occurrence insurance; I don't think I told you that. I don't remember if I did -- I can lock my door today. If I go to a new company -- I've checked a few companies -- I can buy insurance, but I'll have to work at least five years. And if I retire or close my practice early, I would have to pay some fee -- anywhere from 10,000 to $60,000, depending on my risk -- to remain covered after that.

So I'm -- physicians like me would be harmed; and, therefore, want to lock their door if the JUA went away.

The only other thing I wanted to add,I misinterpreted premature -- I was thankful for Mr. Strang's comments. When I said I thought this was premature, I thought -- I meant closing down the JUA, but he interpreted it differently. So I just want to clarify that.

I think it's premature to close it; and I wanted to clarify that. Thank you.

COMMISSIONER SEVIGNY: Good. Thank you very much.

We do have another -- someone else that has asked to speak.

David Luca, please.

MR. LUCA: Good morning, Commissioner. Thanks for having us. I'm Dave Luca from Coverys; and I have with me Mike Miller, our vice president of underwriting, in case you have any questions.

One of our member companies, ProSelect Insurance Company, is a main carrier here in New Hampshire. And we did submit written comments, so I'll just highlight a few notes, and you have the written comments you can consider as well.

As to your first question, whether medical malpractice coverage is readily available, we believe it is. We'll point out that there are 16 commercial carriers writing business in New Hampshire that have at least 1 percent of the market share -- not including the JUA.

Speaking for ProSelect specifically, we write all types of healthcare providers -- midwives, dentists -- in all geographic areas of New Hampshire. We write both claims made and occurrence.

We'll highlight that we don't feel that the JUA is functioning as an option of last resort; and they are functioning more as a market competitor; and their -- the intention is that they were an option of last resort.

As for question two, we do think that some kind of -- if there were some kind of residual market mechanism available, we'll echo the earlier testimony that a reinsurance plan could work. And we'll add to that testimony that in Massachusetts, not only do they have a reinsurance plan, but they also are a take-all-comers state; and we think something like that could work.

We don't think Massachusetts is necessarily perfect. It might need tweaks, but that, as the earlier testimony said, a reinsurance plan where we could choose to cede insurance, as you cede certain policies to the plan, and because it's a take-all-comers state, everyone -- there is a guaranteed mechanism for coverage for everyone.

So like I said, we -- I'll keep it short, 'cause we're thrown on the end here, and we

did submit written comments, but if you have any questions, we'll be happy to try our best to answer them.

COMMISSIONER SEVIGNY: Good. Thank you very much.

If I were to sort of recap a little bit, Coverys is an extensive writer of medical malpractice coverage, and you've got both claims made and occurrence policies available.

And it's your belief that there is significant market availability. I believe you then mentioned that if there is a risk-sharing mechanism that is to be considered for the future; that you believe that a system that -- that maybe New Hampshire should look at what -- what's happened elsewhere with regard to some form of reinsurance mechanism.

MR. LUCA: That's right.

COMMISSIONER SEVIGNY: Okay. And Chiara says that I forgot Stanley Gorgol, G-o-r-g-o-l.

DOCTOR GORGOL: Thank you, Mr. Chairman.

My name is Stanley A. Gorgol, G-o-r-g-o-l. I'm a podiatrist; and I guess I'm

one of the oldies, 'cause I got the JUA insurance in November of '78. So I've been a long-time member, so I'll speak to that. But I'm also the executive director for New Hampshire Podiatric Medical Association.

We're a small group. There's only 47 of us here in the state. I come to find out that now it's down to 19 of us that have the JUA as a malpractice carrier.

Concerning your questions, as far as it being needed, I would say yes. And the reason I'm saying yes is because it has been strongly run, well run, and has been an extreme help to my small profession.

There was a crisis in podiatry in the early '80s, where there was no carriers in the country, period. And there was a company formed call PICA, Podiatry Institute, that started insuring. And they're licensed, I believe, now in 45 states. They are licensed here in New Hampshire too.

However, if I was going to get similar premiums with PICA, it would be 35 percent higher.

There is no tail. As Doctor Tuttle, I have occurrence. I'm old. I'm going to be retiring some day; and if it there is no JUA to cover me in the years that I retire, I don't know how I can manage that, with coming up with -- she cited 50,000. I have no idea what the number would be. So in that regard, I feel the JUA is a necessary entity. It needs to continue.

Many of the other doctors in my state are employed through either Matthew Thorn -- not Matthew Thorn; I'm sorry - Dartmouth-Hitchcock, you know, Core, and some other places or in large group hospitals like Concord, where they can get a large group, and the podiatrists get covered under them.

So as far it maintaining and being continued, I would strongly encourage your committee to allow the JUA to continue. I don't know -- I'm not an insurance person -- what is the best mechanism risk-wise and so forth; that's for you experts to come up with that decision.

But I believe it needs to be there. I need to believe -- I believe it should continue

and not cease to exist in 2017. There are carriers out there. But at a significantly higher premium.

So to address some of the other speakers, they had made it competitive and worthwhile to our members; and if you're looking out for constituents in this state -- not just the general public -- we're public also. We have to pay these premiums.

I'm not employed. I'm a sole practitioner. Therefore, any discount, any help I can get, I'm very much in favor of; and I urge the committee to continue.

COMMISSIONER SEVIGNY: Thank you very much, Doctor.

If I were to, again, capture what -- what you've just testified to, you believe that the -- that a risk-sharing mechanism is -- is needed. The form of this risk-sharing mechanism should allow for a guaranteed issue -- did I get that out of there -- so the providers can get courage.

DOCTOR GORGOL: Yes, sir.

COMMISSIONER SEVIGNY: You believe the JUA, in its current form, is well run.

DOCTOR GORGOL: Yes, sir.

COMMISSIONER SEVIGNY: You indicated that coverage, although available for your specialty, for example, the cost is significantly greater than what you would -- than what you currently pay in the -- as a JUA insured.

DOCTOR GORGOL: Yes -- with no tail.

COMMISSIONER SEVIGNY: And -- and that tail coverage is a -- is a major concern of yours, as it was with Doctor Tuttle -- and other providers, I would imagine, in New Hampshire.

In addition to that, you mentioned that JUA's existence -- you've seen it have an impact on healthy competition in the state.

DOCTOR GORGOL: Yes, sir.

COMMISSIONER SEVIGNY: Did I essentially capture what...

Next I'll ask Dr. Mark Timmerman, T-i-m-m-e-r-m-a-n, please.

DOCTOR TIMMERMAN: I'm a sole family practitioner from Merrimack, New Hampshire.

I have not recently researched the availability of coverage, but want to emphasize my comfort in the State of New Hampshire -- finding the JUA is of significant importance in an environment where I see so many other things in the environment changing, including large group practices and the -- the abilities of factors we may not able to predict to alter medical coverage. And I feel the comfort of my own state providing that coverage to be a very important factor to me.

I would propose that the most important thing to me is the JUA be preserved. If the JUA needs to be in some other format, that that be a further-down-the-line and secondary determination. That might make it easier to -- to meet the continuing needs and -- and to do it at a comfortable situation.

I'm not opposed to it being changed, but I think that preservation is a first priority that I would appreciate.

Thank you.

COMMISSIONER SEVIGNY: Okay. Thank you, Doctor.

If I've captured it right, you're -- one of the priorities that -- first of all, you indicated that having a risk-sharing mechanism like the JUA in place provides the comfort that you need, as a -- as a sole practitioner -- as a provider, to be able to access coverage.

DOCTOR TIMMERMAN: Yeah.

COMMISSIONER SEVIGNY: But the future's uncertain; and to simply not have a risk-sharing mechanism -- whether it be in the form of the JUA or some other form where there's guaranteed coverage -- would be -- would be a mistake.

DOCTOR TIMMERMAN: I agree.

COMMISSIONER SEVIGNY: Okay. Thank you.

Is there anyone else that would like to testify?

Yes, sir. Please state your name and etcetera.

REP. HANSEN: Thank you, Commissioner.

My name is Representative Peter Hansen, a member of the New Hampshire House and have -- I would say -- somewhat extensive experience with the JUA on some other issues.

Having said that, I think it's important for our notes today to reflect a number of things, if you don't mind: One of them is -- is aggressive claims resolution. It's -- it was mentioned by, I think, the folks from the JUA that one of the reasons their premiums are so low is because they had aggressive claims resolution.

I think if we reflect back on the -- the industry of Workmen's Compensation, at one time, we found that aggressive claims were not -- were not in place at the time; and -- and the -- and the providers were using that as a -- as a mechanism to raise their rates. And I think it should be noted that, with someone -- something like the JUA remaining in position, that this will help us to at least caution the public companies that they need to tend to business.

I also concur that competition is very, very necessary in the state in this industry; and particularly I think it should be noted that we need to pay attention to issues about tail and occurrence insurance.

Thank you.

COMMISSIONER SEVIGNY: Good. Thank you very much, Representative Hansen. Appreciate your comments.

If I were to capture it, you -- you mentioned the fact that it's -- that handling claims -- and specifically now in medical malpractice, but you also used an analogy to Workers' Compensation -- in an aggressive, effective fashion is a very important component of success in the med mal business.

REP. HANSEN: As far as premiums are concerned, that's very true; yes.

COMMISSIONER SEVIGNY: You also indicated that, whatever the state does, we need to be very mindful of both tail coverage and occurrence.

REP. HANSEN: That's also correct.

And one final comment, if I might?

COMMISSIONER SEVIGNY: Please.

REP. HANSEN: There was talk about a stress test on the industry itself. I think it's important that we keep in mind that, just like ourselves -- our bodies -- we can do a stress test

today, and we'll be fine. If we do the same stress test five years from now, it may be very, very different.

And I think that to put a lot of emphasis on today's stress test would be unadvisable.

COMMISSIONER SEVIGNY: Thank you, sir.

If you would allow me to draw a conclusion that, for the factors you mentioned, that some sort of risk-sharing mechanism -- whether it be the JUA in its current form or some other that provides guaranteed issue -- and that, just in case something happens in the industry, continue to be in place.

REP. HANSEN: That's correct.

COMMISSIONER SEVIGNY: Okay. Thank you.

REP: HANSEN: Thank you.

COMMISSIONER SEVIGNY: Is there anyone else that -- yes. In the back of the room. Name. And come to a speaker, please.

MS. HOWARD: My name is Judy Howard; and I'm a -- H-o-w-a-r-d -- I'm a licensed producer in the State of New Hampshire at People's United

Insurance Agency; and I've been an agent for 30 years here.

And my concern about the JUA is that -- I think it's expertly run. I think that they do a great job. And the market seems to be very volatile for agencies where companies come and go. They come; they want the business; they get the business; and then, the next thing you know, you've got to replace it in three years.

And it just seems like the JUA provides a great deal of stability for us and for our clients. And they offer affordable insurance. They offer insurance for low-risk practices.

And some of the other companies that we've looked into can't insure naturopathic doctors, homeopathic doctors, and other alternative medical -- nonmedical kinds of practices.

And so I just think that the JUA, as it currently operates, is excellent for those kinds of businesses. And that's all.

COMMISSIONER SEVIGNY: Good. Thank you very much.

If I were to capture a little bit of what you said here, you believe that the JUA is very, very well run. And you believe that it serves -- that it serves a function when there is market turmoil; and that carriers could come and go.

You also indicated that the JUA provides a low-cost alternative to -- to insureds.

MS. HOWARD: Well -- and especially for the businesses that never have claims. You go to another carrier, and you ask about it, and they can only offer claims made or they're charging, you know, 50 percent more, 100 percent more, 400 percent more for, you know, businesses that you can prove have never had a claim in 30 years.

And so it just seems, you know, some of these companies should be thinking about -- maybe if they really want to compete against the JUA -- should be thinking about alternative medicines that -- or, you know, alternative therapies. They don't really offer much for them.

And when I got the notice of the hearing, I called around to a lot of these brokers

that are looking for medical malpractice business and other companies, and none of them could offer me occurrence form policies.

Now, I may not have access to every one. There are some that are -- have become direct writers and taken business away; and so we don't have access to those.

But I think the JUA is an excellent resource for us, for our clients, and I've enjoyed working with them.

COMMISSIONER SEVIGNY: Good. Thank you.

So, you know, again, part of your last statement was -- although the coverage may be available, it's not immediately available to you because of some -- some of what's happened in the marketplace with direct writers and things of that name.

MS. HOWARD: Yeah. But we probably have 20 brokers that are asking us for med mal business; and when you talk to them about acupuncturists and physical therapists -- the people who aren't MDs -- there really isn't a great alternative from the JUA. So...

COMMISSIONER SEVIGNY: Good. Thank you.

Is there anyone else that would like to provide testimony this morning?

Yes. Back of the room.

DOCTOR CRANFORD: My name is Dr. Kathryn Cranford, and I'm a naturopathic physician licensed in New Hampshire; and I'm also a New Hampshire certified midwife.

And I would just add to what's already been said about the necessity of the JUA to some of those of us who practice outside of MD medicine, that my experience is, as a naturopath, having had coverage with two other companies, that when they -- a year, two years down the line -- decided that they didn't want to cover me because of my midwifery exposure, they would discontinue my policy as a naturopath as well.

And to have local affordable coverage that covers me as a naturopath and as a home-birth midwife, where my population, according to my license and my law, has to be low risk, this is something that my small private practice -- solo practitioners can absorb.

Some of the larger policies are out there, but my small practice and what I am reimbursed by both Medicaid and by insurance for home birth doesn't begin to allow me to pay for a -- for a policy from the general market.

And so the fact that the JUA exists keeps open to the public some of these options when they are low risk and know exactly what they're looking for in the market, we're still available to them.

But if this goes away, we very well may not be available to them.

COMMISSIONER SEVIGNY: Good. Thank you, Doctor.

So to sort of recap what you -- what you mentioned, in your specialty, you find that there -- there can be or has been in the past occasions of difficulty in both availability and affordability of coverage; that, if it's available, it may be beyond what you would be able to reasonably afford; and that the -- if I were to reach some sort of conclusion here, that risk-sharing mechanism needs to be continued.

DOCTOR CRANFORD: Yes. Thank you.

COMMISSIONER SEVIGNY: Thank you.

Is there anyone else that would like to speak this morning?

Thank you. Let me close this portion of the hearing. That is to say, we're going to leave open, as I mentioned, the opportunity to submit written comments. Please submit those written comments by next Thursday, December 11th, so that they can be included as part of the thought process that we need to go through here at the department in order to be able to provide the legislature with the best information we possibly can.

And, again, thank you for joining us all this morning.

(Whereupon the hearing recessed at 11:18 a.m.)

CERTIFICATE

I, P. Jodi Ohnemus, New Hampshire LCR #91, do hereby certify that the foregoing transcript pages 1 through 69 is a true, accurate and complete transcript of my stenotype notes taken to the best of my knowledge, skill and ability.

P. Jodi Ohnemus, LCR #91
RMR, RPR CRR