

Senate Bill 36

By: Senator Jones of the 10th

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 9 of the Official Code of Georgia Annotated, relating to civil practice, so as
2 to enact a new chapter relating to medical malpractice actions; to provide for applicability;
3 to provide for definitions; to provide for qualifications of health care providers under the
4 chapter; to provide for proof of financial responsibility and surcharges by health care
5 providers; to provide for procedures for the establishment of financial responsibility; to
6 provide for an annual surcharge on health care providers; to provide for the computation and
7 collection of an annual surcharge; to provide for the creation of the patient's compensation
8 fund; to provide for the payment and processing of claims for the fund; to provide for the
9 tolling of the applicable statute of limitations; to provide for the presentation of a claim for
10 medical malpractice to a medical review panel prior to commencing an action; to provide for
11 exceptions to the requirement to commence a medical review panel; to provide for the
12 establishment of medical review panels; to provide for the composition, procedures, and
13 operation of medical review panels; to provide for a report by a medical review panel; to
14 provide for health care provider liability based on breach of contract; to provide for a duty
15 to obtain informed consent; to provide for form of consent; to provide for exceptions to
16 obtaining informed consent; to provide for a limitation on the period of liability with relation
17 to malpractice coverage; to provide for limitations on damages for liability under this
18 chapter; to provide for payments from the patient's compensation fund; to provide for claims
19 in excess of policy limits; to provide for advance payments; to provide that a patient's claim
20 is not assignable; to provide for the creation of the residual malpractice insurance authority;
21 to provide for the duties and operation of the authority; to provide for a segregated fund for
22 the authority; to provide for attorney's fees from the patient's compensation fund; to provide
23 for related matters; to provide for related matters; to provide for a contingent effective date;
24 to repeal conflicting laws; and for other purposes.

1 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

2 SECTION 1.

3 Title 9 of the Official Code of Georgia Annotated, relating to civil practice, is amended by
4 adding after Chapter 9 a new Chapter 9A to read as follows:

5 "CHAPTER 9A

6 ARTICLE 1

7 9-9A-1.

8 This chapter shall not apply to an act of malpractice that occurred prior to July 1, 2005.

9 9-9A-2.

10 As used in this chapter, the term:

11 (1) 'Annual aggregate' means the limitation on a health care provider's liability as
12 provided in Code Section 9-9A-10.

13 (2) 'Authority' refers to the residual malpractice insurance authority established under
14 Code Section 9-9A-141.

15 (3) 'Commissioner' means the Commissioner of Insurance.

16 (4) 'Department' means the Insurance Department.

17 (5) 'Health care' means an act or treatment performed or furnished, or that should have
18 been performed or furnished, by a health care provider for, to, or on behalf of a patient
19 during the patient's medical care, treatment, or confinement.

20 (6) 'Health care provider' means any person licensed under Chapter 9, 11, 26, 30, 33, 34,
21 35, or 39 of Title 43 or any hospital, nursing home, home health agency, institution, or
22 medical facility licensed or defined under Chapter 7 of Title 31. The term shall also
23 include any corporation, professional corporation, partnership, limited liability company,
24 limited liability partnership, authority, or other entity comprised of such health care
25 providers.

26 (7) 'Hospital' means a facility that has a valid permit or provisional permit issued by the
27 Department of Human Resources under Chapter 7 of Title 31.

28 (8) 'Insurer' means the authority or an insurance company or other entity authorized to
29 issue medical malpractice liability insurance pursuant to Title 33.

30 (9) 'Long-term care facility' means a nursing home, personal care home, or intermediate
31 care facility that is licensed or permitted under Title 31.

1 (10) 'Malpractice' means a tort or breach of contract based on health care or professional
 2 services that were provided, or that should have been provided, by a health care provider
 3 to a patient.

4 (11) 'Medical facility' means any institution or medical facility licensed as such under
 5 Chapter 7 of Title 31.

6 (12) 'Patient' means an individual who receives or should have received health care from
 7 a health care provider under a contract, express or implied, and includes a person having
 8 a claim of any kind, whether derivative or otherwise, as a result of alleged malpractice
 9 on the part of a health care provider. Derivative claims include the claim of a parent or
 10 parents, guardian, trustee, child, relative, attorney, or any other representative of the
 11 patient including claims for loss of services, loss of consortium, expenses, and other
 12 similar claims.

13 (13) 'Physician' means an individual with an unlimited license to practice medicine under
 14 Article 2 of Chapter 34 of Title 43.

15 (14) 'Qualified provider' means a health care provider that is qualified under this chapter
 16 by complying with the procedures set forth in Code Section 9-9A-3.

17 (15) 'Representative' means the spouse, parent, guardian, trustee, attorney, or other legal
 18 agent of the patient.

19 (16) 'Risk' means a health care provider that must apply for malpractice liability
 20 insurance coverage under Article 14 of this chapter.

21 (17) 'Risk manager' means an insurance company that is:

22 (A) Authorized to issue medical malpractice liability insurance pursuant to Title 33;

23 and

24 (B) Appointed by the Commissioner to manage the authority.

25 ARTICLE 2

26 9-9A-3.

27 (a) A health care provider who fails to qualify under this chapter is not covered by this
 28 chapter and is subject to liability under the law without regard to this chapter. If a health
 29 care provider does not qualify, a patient's remedy is not affected by this chapter.

30 (b) For a health care provider to be qualified under this chapter, the health care provider
 31 or the health care provider's insurance carrier shall:

32 (1) Cause to be filed with the Commissioner proof of financial responsibility as
 33 established under Code Section 9-9A-10; and

34 (2) Pay the surcharge assessed on all health care providers pursuant to Article 4 of this
 35 chapter.

1 (c) The officers, agents, and employees of a health care provider, while acting in the
2 course and scope of their employment, may be qualified under this chapter if the following
3 conditions are met:

4 (1) The officers, agents, and employees are individually named or are members of a
5 named class in the proof of financial responsibility filed by the health care provider under
6 Article 3 of this chapter.

7 (2) The surcharge assessed pursuant to Article 4 of this chapter is paid.

8 (d) A claim against the state or a political subdivision of the state, or an employee of the
9 state or a political subdivision of the state, based on an occurrence of malpractice is
10 governed exclusively by this chapter if the governmental entity or employee is qualified
11 under this chapter.

12 9-9A-4.

13 (a) Except as provided in subsection (b) of this Code section, the receipt of proof of
14 financial responsibility and the surcharge constitutes compliance with subsection (b) of
15 Code Section 9-9A-3:

16 (1) As of the date on which they are received; or

17 (2) As of the effective date of the policy

18 if this proof is filed with and the surcharge paid to the department not later than 90 days
19 after the effective date of the insurance policy.

20 (b) If an insurer files proof of financial responsibility and makes payment of the surcharge
21 to the department at least 91 days but not more than 180 days after the policy effective
22 date, the health care provider is in compliance with subsection (b) of Code Section 9-9A-3
23 if the insurer demonstrates to the satisfaction of the Commissioner that the insurer:

24 (1) Received the premium and surcharge in a timely manner; and

25 (2) Erred in transmitting the surcharge in a timely manner.

26 (c) If the Commissioner accepts a filing as timely under subsection (b) of this Code
27 section, the filing must, in addition to any penalties under Code Section 9-9A-22, be
28 accompanied by a penalty amount as follows:

29 (1) Ten percent of the surcharge, if the proof of financial responsibility and surcharge are
30 received by the Commissioner at least 91 days and not more than 120 days after the
31 original effective date of the policy;

32 (2) Twenty percent of the surcharge, if the proof of financial responsibility and surcharge
33 are received by the Commissioner at least 121 days and not more than 150 days after the
34 original effective date of the policy; or

1 (3) Fifty percent of the surcharge, if the proof of financial responsibility and surcharge
 2 are received by the Commissioner at least 151 days and not more than 180 days after the
 3 original effective date of the policy.

4 9-9A-5.

5 Within five business days after the department receives the information required under
 6 subsection (b) of Code Section 9-9A-3 for the qualification of a health care provider, the
 7 Commissioner shall notify the health care provider of the following:

- 8 (1) Whether the provider is qualified; and
- 9 (2) If the provider is qualified, the date the provider becomes qualified.

10 9-9A-6.

11 The Commissioner shall promulgate rules to implement this chapter.

12 ARTICLE 3

13 9-9A-10.

14 Financial responsibility of a health care provider and the provider's officers, agents, and
 15 employees while acting in the course and scope of their employment with the health care
 16 provider may be established:

17 (1) By the health care provider's insurance carrier filing with the Commissioner proof
 18 that the health care provider is insured by a policy of malpractice liability insurance in
 19 the amount of at least \$250,000.00 per occurrence and \$750,000.00 in the annual
 20 aggregate, except for the following:

21 (A) If the health care provider is a hospital, as defined in Code Section 9-9A-2, the
 22 minimum annual aggregate insurance amount is as follows:

- 23 (i) For hospitals of not more than 100 beds, \$5,000,000.00; or
- 24 (ii) For hospitals of more than 100 beds, \$7,500,000.00;

25 (B) If the health care provider is a health maintenance organization as defined in
 26 Chapter 21 of Title 33, the minimum annual aggregate insurance amount is
 27 \$1,750,000.00; or

28 (C) If the health care provider is a long-term care facility, the minimum annual
 29 aggregate insurance amount is as follows:

- 30 (i) For long-term care facilities with not more than 100 beds, \$750,000.00;
- 31 (ii) For long-term care facilities with more than 100 beds, \$1,250,000.00;

32 (2) By filing and maintaining with the Commissioner cash or a surety bond approved by
 33 the Commissioner in the amounts set forth in paragraph (1) of this Code section; or

1 (3) If the health care provider is a hospital, by submitting annually a verified financial
2 statement that, in the discretion of the Commissioner, adequately demonstrates that the
3 current and future financial responsibility of the health care provider is sufficient to
4 satisfy all potential malpractice claims incurred by the provider or the provider's officers,
5 agents, and employees while acting in the course and scope of their employment up to a
6 total of \$250,000.00 per occurrence and annual aggregates as follows:

7 (A) For hospitals of not more than 100 beds, \$5,000,000.00; or

8 (B) For hospitals of more than 100 beds, \$7,500,000.00.

9 The Commissioner may require the deposit of security to assure continued financial
10 responsibility.

11 9-9A-11.

12 Security provided under paragraph (2) of Code Section 9-9A-10 may be held in any
13 manner mutually agreeable to the Commissioner and the health care provider. The
14 agreement must provide that the principal may not be withdrawn before receiving the
15 written permission of the Commissioner. However, any interest earned may be withdrawn
16 at any time by the health care provider.

17 9-9A-12.

18 To establish financial responsibility under this article, each individual who is a member of
19 a partnership or professional corporation must establish financial responsibility separate
20 from the partnership or professional corporation as well as pay the surcharge required
21 under Code Section 9-9A-21. However, this Code section does not require a health care
22 provider to qualify under this article.

23 ARTICLE 4

24 9-9A-20.

25 To create a source of funding for the patient's compensation fund, an annual surcharge
26 shall be levied on all health care providers in Georgia.

27 9-9A-21.

28 (a) The actuarial program used or created by the department to determine the actuarial risk
29 posed to the patient compensation fund under Article 5 of this chapter by a hospital must
30 be:

31 (1) Developed to calculate actuarial risk posed by a hospital, taking into consideration
32 risk management programs used by the hospital;

- 1 (2) An efficient and accurate means of calculating a hospital's malpractice actuarial risk;
2 (3) Publicly identified by the department by July 1 of each year; and
3 (4) Made available to a hospital's malpractice insurance carrier for purposes of
4 calculating the hospital's surcharge under subsection (g) of this Code section.

5 (b) Except as provided in subsections (f) and (g) of this Code section, beginning July 1,
6 2006, the amount of the annual surcharge shall be 100% of the cost to each health care
7 provider for maintenance of financial responsibility. Except as provided in subsections (f)
8 and (g) of this Code section, beginning July 1, 2008, the annual surcharge shall be set
9 pursuant to rules adopted by the Commissioner.

10 (c) The amount of the surcharge shall be determined based upon actuarial principles and
11 actuarial studies and must be adequate for the payment of claims and expenses from the
12 patient's compensation fund.

13 (d) The surcharge for qualified providers other than physicians and hospitals may not
14 exceed the actuarial risk posed to the patient's compensation fund under Article 5 of this
15 chapter by qualified providers other than physicians and hospitals.

16 (e) There is imposed a minimum annual surcharge of \$100.00.

17 (f) Notwithstanding subsections (b), (c), and (e) of this Code section, beginning July 1,
18 2006, the surcharge for a qualified provider who is a physician is calculated as follows:

19 (1) The Commissioner shall contract with an actuary that has experience in calculating
20 the actuarial risks posed by physicians. Not later than July 1 of each year, the actuary
21 shall calculate the median of the premiums paid for malpractice liability policies to the
22 malpractice insurance carrier or carriers in the state that have underwritten the most
23 malpractice insurance policies for all physicians practicing in the same specialty class in
24 Georgia during the previous 12 month period. In calculating the median, the actuary shall
25 consider the:

26 (A) Manual rates of the leading malpractice insurance carrier or carriers in the state;
27 and

28 (B) Aggregate credits or debits to the manual rates given during the previous 12 month
29 period.

30 (2) After making the calculation described in paragraph (1) of this subsection, the
31 actuary shall establish a uniform surcharge for all licensed physicians practicing in the
32 same specialty class. This surcharge must be based on a percentage of the median
33 calculated in paragraph (1) of this subsection for all licensed physicians practicing in the
34 same specialty class under rules adopted by the Commissioner. The surcharge must be
35 sufficient to cover and may not exceed the actuarial risk posed to the patient
36 compensation fund under Article 5 of this chapter by physicians practicing in the
37 specialty class.

1 (g) Beginning July 1, 2006, the surcharge for a hospital that establishes financial
2 responsibility under Code Section 9-9A-10 after June 30, 2006, shall be established by the
3 department through the use of an actuarial program. At the time financial responsibility
4 is established for the hospital, the hospital shall pay the surcharge amount established for
5 the hospital under this Code section. The surcharge must be sufficient to cover and may
6 not exceed the actuarial risk posed to the patient compensation fund under Article 5 of this
7 chapter by the hospital.

8 (h) An actuarial program used or developed under subsection (a) of this Code section shall
9 be treated as a public record and shall be subject to Article 4 of Chapter 18 of Title 50,
10 relating to inspection of public records.

11 9-9A-22.

12 (a) The surcharge shall be collected on the same basis as premiums by each insurer, risk
13 manager, or surplus lines producer.

14 (b) The surcharge is due and payable within 30 days after the premium for malpractice
15 liability insurance has been received by the insurer, risk manager, or surplus lines producer
16 from a health care provider in Georgia. If a surcharge is not paid as required by this Code
17 section, the insurer, risk manager, or surplus lines producer responsible for the delinquency
18 is liable for the surcharge plus a penalty equal to 10 percent of the amount of the surcharge.

19 (c) If the annual premium surcharge is not paid within the time limit specified in
20 subsection (b) of this Code section, the certificate of authority of the insurer, risk manager,
21 or surplus lines producer shall be suspended until the annual premium surcharge is paid.

22 9-9A-23.

23 (a) The Commissioner may adopt rules establishing the following:

24 (1) The manner of determination of the surcharge for a health care provider that
25 establishes financial responsibility in a way other than by a policy of malpractice liability
26 insurance; and

27 (2) The manner of payment of the surcharge by such health care provider.

28 (b) The surcharge calculation established under subsection (a) of this Code section must
29 provide comparability in rates for insured and self-insured hospitals. This surcharge may
30 not exceed the surcharge that would be charged by the residual authority if the health care
31 provider electing to establish financial responsibility in this manner had applied to the
32 residual authority for insurance.

ARTICLE 5

1
2 9-9A-30.

3 (a) The patient's compensation fund is hereby created to be collected and received by the
4 Commissioner for exclusive use for the purposes stated in this article.

5 (b) The fund and any income from the fund shall be held in trust, deposited in a segregated
6 account, invested, and reinvested by the Commissioner as authorized by Title 33 and does
7 not become a part of the state general fund.

8 (c) Proceeds of the annual surcharge levied on all health care providers in Georgia under
9 Article 4 of this chapter shall be deposited in the fund.

10 9-9A-31.

11 (a) The Commissioner, using money from the patient's compensation fund, as considered
12 necessary, appropriate, or desirable, may purchase or retain the services of persons, firms,
13 and corporations to aid in protecting the fund against claims. The Commissioner shall
14 utilize the services of the Attorney General or retain the services of counsel described in
15 subsection (b) of this Code section to represent the department when a trial court
16 determination will be necessary to resolve a claim against the fund.

17 (b) When retaining legal services under subsection (a) of this Code section, the
18 Commissioner shall retain competent and experienced legal counsel licensed to practice
19 law in Georgia to assist in litigation or other matters pertaining to the fund.

20 (c) The Commissioner shall have the sole authority for the following:

21 (1) Making a decision regarding the settlement of a claim against the patient
22 compensation fund; and

23 (2) Determining the reasonableness of any fee submitted to the department by an
24 attorney who defends the patient compensation fund under this Code section.

25 (d) All expenses of collecting, protecting, and administering the fund shall be paid from
26 the fund.

27 9-9A-132.

28 (a) Claims for payment from the patient's compensation fund that become final during the
29 first six months of the calendar year must be computed on June 30 and must be paid not
30 later than the following July 15. Claims for payment from the fund that become final
31 during the last six months of the calendar year must be computed on December 31 and
32 must be paid not later than the following January 15.

33 (b) If the balance in the fund is insufficient to pay in full all claims that have become final
34 during a six-month period, the amount paid to each claimant must be prorated. Any

1 amount left unpaid as a result of the proration must be paid before the payment of claims
2 that become final during the following six-month period.

3 9-9A-33.

4 The state auditor shall issue a warrant in the amount of each claim submitted to the auditor
5 against the patient's compensation fund on June 30 and December 31 of each year. The
6 only claim against the fund shall be a voucher or other appropriate request by the
7 Commissioner after the Commissioner receives:

- 8 (1) A certified copy of a final judgment against a health care provider; or
- 9 (2) A certified copy of a court approved settlement against a health care provider.

10 9-9A-34.

11 (a) If an annual aggregate for a health care provider qualified under this chapter has been
12 paid by or on behalf of the health care provider, all amounts that may subsequently become
13 due and payable to a claimant arising out of an act of malpractice of the health care
14 provider occurring during the year in which the annual aggregate was exhausted shall be
15 paid from the patient's compensation fund under the following terms and conditions:

- 16 (1) A health care provider whose annual aggregate has been exhausted has no right to
17 object to or refuse permission to settle such a claim; and
- 18 (2) If a health care provider or the Commissioner and claimant agree on a settlement, the
19 following procedure must be followed:
 - 20 (A) A petition shall be filed by the claimant with the court in which the action is
21 pending against the health care provider or, if none is pending, in the Superior Court
22 of Fulton County, seeking approval of the agreed settlement;
 - 23 (B) A copy of the petition shall be served on the Commissioner and the health care
24 provider at least ten days before filing and must contain sufficient information to inform
25 the other parties about the nature of the claim and the amount of the proposed
26 settlement;
 - 27 (C) The Commissioner may agree to the settlement, or the Commissioner may file
28 written objections to the settlement. The agreement or objections shall be filed within
29 20 days after the petition is filed;
 - 30 (D) The judge of the court in which the petition is filed shall set the petition for
31 approval or, if objections have been filed, for hearing, as soon as practicable. The court
32 shall give notice of the hearing to the claimant, the health care provider, and the
33 Commissioner;
 - 34 (E) At the hearing, the Commissioner, the claimant, and the health care provider may
35 introduce relevant evidence to enable the court to determine whether or not the petition

1 should be approved if the evidence is submitted on agreement without objections. If
 2 the Commissioner and the claimant cannot agree on the amount, if any, to be paid out
 3 of the patient's compensation fund, the court shall determine the amount for which the
 4 fund is liable and render a finding and judgment accordingly. In approving a settlement
 5 or determining the amount, if any, to be paid from the patient's compensation fund, the
 6 court shall consider the liability of the health care provider as admitted and established;
 7 and

8 (F) A settlement approved by the court may not be appealed. A judgment of the court
 9 fixing damages recoverable in a contested proceeding is appealable under the rules
 10 governing appeals in other civil cases tried by the court.

11 (b) The Commissioner may adopt rules implementing this Code section.

12 9-9A-35.

13 The following are exempt from Article 3 of Chapter 5 of Title 50, governing state
 14 purchasing:

15 (1) Technical contractual personnel and services retained by the Commissioner for
 16 protecting and administering the patient's compensation fund; and

17 (2) Purchasing of annuities for structuring settlements from the patient's compensation
 18 fund or in combination with the patient's compensation fund and the health care
 19 provider's insurer.

20 ARTICLE 6

21 9-9A-40.

22 The filing of a proposed complaint shall toll the applicable statute of limitations to and
 23 including a period of 90 days following the receipt of the opinion of the medical review
 24 panel by the claimant.

25 9-9A-41.

26 (a) Except as provided in subsection (b) of this Code section, an action against a health
 27 care provider may not be commenced in a court in Georgia before:

28 (1) The claimant's proposed complaint has been presented to a medical review panel
 29 established under Article 7 of this chapter; and

30 (2) An opinion is given by that panel.

31 (b)(1) A claimant may commence an action in court for malpractice without the
 32 presentation of the claim to a medical review panel if the claimant and all parties named
 33 as defendants in the action agree that the claim is not to be presented to a medical review

1 panel. The agreement must be in writing and must be signed by each party or an
2 authorized agent of the party. The claimant must attach a copy of the agreement to the
3 complaint filed with the court in which the action is commenced.

4 (2) A claimant may commence an action against a health care provider for malpractice
5 without submitting a proposed complaint to a medical review panel if the claimant's
6 pleadings include a declaration that the patient seeks damages from the health care
7 provider in an amount not greater than \$15,000.00. In an action commenced under this
8 paragraph, the claimant is barred from recovering any amount greater than \$15,000.00,
9 unless the claimant subsequently learns, during the pendency of the action, that the bodily
10 injury is more serious than previously believed and that \$15,000.00 is insufficient
11 compensation for the bodily injury. In such a case, the claimant may move that the action
12 be dismissed without prejudice and, upon dismissal of the action, may file a proposed
13 complaint based upon the same allegations of malpractice as were asserted in the action
14 dismissed under this paragraph. In a second action commenced in court following the
15 medical review panel's proceeding on the proposed complaint, the patient may recover
16 an amount greater than \$15,000.00.

17 9-9A-42.

18 Within ten days after receiving a proposed complaint under Code Section 9-11-8, the
19 Commissioner shall forward a copy of the complaint by registered or certified mail to each
20 health care provider named as a defendant at the defendant's last and usual place of
21 residence or the defendant's office.

22 9-9A-43.

23 A medical liability insurer of a health care provider against whom an action has been filed
24 under Code Section 9-11-8 shall provide written notice of the action to the Commissioner
25 within 30 days after:

- 26 (1) The filing of the action; and
27 (2) The final disposition of the action.

28 9-9A-44.

29 (a) A health care provider's insurer shall notify the Commissioner of any malpractice case
30 upon which the insurer has placed a reserve of at least \$125,000.00. The insurer shall give
31 notice to the Commissioner under this subsection immediately after placing the reserve.
32 The notice and all communications and correspondence relating to the notice are
33 confidential and shall not be subject to Article 4 of Chapter 18 of Title 50, relating to
34 inspection of public records.

1 (b) All malpractice claims settled or adjudicated to final judgment against a health care
 2 provider shall be reported to the Commissioner by the plaintiff's attorney and by the health
 3 care provider or the health care provider's insurer or risk manager within 60 days following
 4 final disposition of the claim. The report to the Commissioner must state the following:

- 5 (1) The nature of the claim;
- 6 (2) The damages asserted and the alleged injury;
- 7 (3) The attorney's fees and expenses incurred in connection with the claim or defense;
- 8 and
- 9 (4) The amount of the settlement or judgment.

10 9-9A-45.

11 (a) At the time that it renders its opinion under Code Section 9-9A-71, the medical review
 12 panel as described in Article 7 of this chapter shall make a separate determination as to
 13 whether the name of the defendant health care provider should be forwarded to the
 14 appropriate board of professional registration for review of the health care provider's
 15 fitness to practice the health care provider's profession. The Commissioner shall forward
 16 the name of the defendant health care provider if the medical review panel unanimously
 17 determines that it should be forwarded. The medical review panel determination
 18 concerning the forwarding of the name of the defendant health care provider is not
 19 admissible as evidence in a civil action. In each case involving review of a health care
 20 provider's fitness to practice forwarded under this Code section, the appropriate board of
 21 professional registration and examination may, in appropriate cases, take the following
 22 disciplinary action:

- 23 (1) Censure;
- 24 (2) Imposition of probation for a determinate period;
- 25 (3) Suspension of the health care provider's license for a determinate period; or
- 26 (4) Revocation of the license.

27 (b) The appropriate board of professional registration and examination shall report to the
 28 Commissioner the board's findings, the action taken, and the final disposition of each case
 29 involving review of a health care provider's fitness to practice forwarded under this Code
 30 section.

31 ARTICLE 7

32 9-9A-50.

33 This article provides for the establishment of medical review panels to review proposed
 34 malpractice complaints against health care providers covered by this chapter.

1 9-9A-51.

2 Not earlier than 20 days after the filing of a proposed complaint, either party may request
3 the formation of a medical review panel by serving a request by registered or certified mail
4 upon all parties and the Commissioner.

5 9-9A-52.

6 (a) A medical review panel shall consist of one attorney and three health care providers.

7 (b) The attorney member of the medical review panel shall act as chairperson of the panel
8 and in an advisory capacity but may not vote.

9 (c) The chairperson of the medical review panel shall expedite the selection of the other
10 panel members, convene the panel, and expedite the panel's review of the proposed
11 complaint. The chairperson may establish a reasonable schedule for submission of evidence
12 to the medical review panel but must allow sufficient time for the parties to make full and
13 adequate presentation of related facts and authorities.

14 9-9A-53.

15 (a) Within 15 days after the filing of a request for formation of a medical review panel
16 under Code Section 9-9A-51, the parties shall select a panel chairperson by agreement.

17 (b) If no agreement on a panel chairperson can be reached, and after the payment of a
18 \$25.00 fee, either party may request the clerk of the Supreme Court to draw at random a
19 list of five names of attorneys who are qualified to practice law in this state; are presently
20 on the rolls of the Supreme Court; and maintain offices in the county of venue designated
21 in the proposed complaint or in a contiguous county. The chairperson shall be selected in
22 the following manner:

23 (1) The clerk shall notify the parties, and the parties shall then strike names alternately
24 with the plaintiff striking first until one name remains. The remaining attorney shall be
25 the chairperson of the panel. After the striking, the plaintiff shall notify the chairperson
26 and all other parties of the name of the chairperson; or

27 (2)(A) If a party does not strike a name within five days after receiving notice from the
28 clerk, the opposing party shall, in writing, request the clerk to strike for the party; and
29 the clerk shall strike for that party; and

30 (B) When one name remains, the clerk shall within five days notify the chairperson and
31 all other parties of the name of the chairperson.

32 (c) Within 15 days after being notified by the clerk of being selected as chairperson, the
33 chairperson shall:

34 (1) Send a written acknowledgment of appointment to the clerk; or

35 (2) Show good cause for relief from serving as provided in Code Section 9-9A-61.

1 9-9A-54.

2 Except for health care providers who are long-term care facility administrators, all health
3 care providers in Georgia, whether in the teaching profession or otherwise, who hold a
4 license to practice in their profession shall be available for selection as members of a
5 medical review panel. Long-term care facility administrators may not be members of a
6 medical review panel.

7 9-9A-55.

8 Each party to the action has the right to select one health care provider, and upon selection,
9 the two health care providers thus selected shall select the third panel member of the
10 medical review panel.

11 9-9A-56.

12 If there are multiple plaintiffs or defendants, only one health care provider shall be selected
13 per side. The plaintiff, whether single or multiple, has the right to select one health care
14 provider and the defendant, whether single or multiple, has the right to select one health
15 care provider.

16 9-9A-57.

17 If there is only one party defendant who is an individual, two of the panel members
18 selected must be members of the profession or specialty class of which the defendant is a
19 member. If the individual defendant is a health care professional who specializes in a
20 limited area, two of the panel members selected must be health care professionals who
21 specialize in the same area as the defendant.

22 9-9A-58.

23 Within 15 days after the chairperson of a medical review panel is selected, both parties
24 shall select a health care provider and the parties shall notify the other party and the
25 chairperson of their selections. If a party fails to make a selection within 15 days, the
26 chairperson shall make the selection and notify both parties. Within 15 days after their
27 selection, the health care provider members shall select the third member and notify the
28 chairperson and the parties. If the providers fail to make a selection, the chairperson shall
29 make the selection and notify both parties.

30 9-9A-59.

31 Within ten days after the selection of a medical review panel member, written challenge
32 without cause may be made to the panel member. Upon challenge or excuse, the party

1 whose appointee was challenged or dismissed shall select another panel member. If the
2 challenged or dismissed panel member was selected by the other two panel members, the
3 panel members shall make a new selection. If two such challenges are made and
4 submitted, the chairperson shall within ten days appoint a panel consisting of three
5 qualified panel members and each side shall, within ten days after the appointment, strike
6 one panel member. The party whose appointment was challenged shall strike last, and the
7 remaining member shall serve.

8 9-9A-60.

9 When a medical review panel is formed, the chairperson shall within five days notify the
10 Commissioner and the parties by registered or certified mail of the following:

- 11 (1) The names and addresses of the panel members; and
12 (2) The date on which the last member was selected.

13 9-9A-61.

14 (a) A member of a medical review panel who is selected under this article shall serve
15 unless:

- 16 (1) The parties by agreement excuse the panel member; or
17 (2) The panelist is excused as provided in this Code section for good cause shown.

18 (b) To show good cause for relief from serving, the attorney selected as chairperson of a
19 medical review panel must serve an affidavit upon the clerk of the Supreme Court. The
20 affidavit must set out the facts showing that service would constitute an unreasonable
21 burden or undue hardship. The clerk may excuse the attorney from serving. The attorney
22 shall notify all parties, who shall then select a new chairperson as provided in Code Section
23 9-9A-53.

24 (c) To show good cause for relief from serving, a health care provider member of a
25 medical review panel must serve an affidavit upon the panel chairperson. The affidavit
26 must set out the facts showing that service would constitute an unreasonable burden or
27 undue hardship. The chairperson may excuse the member from serving and notify all
28 parties. A new panel member shall be selected as provided in Code Sections 9-9A-55 and
29 9-9A-58.

30 9-9A-62.

31 (a) The medical review panel shall give its expert opinion within 180 days after the
32 selection of the last member of the initial panel. However, the panel has 90 days after the
33 selection of a new member to give an expert opinion if:

1 (1) The chairperson of the panel is removed under Code Section 9-9A-64, another
2 member of the panel is removed under Code Section 9-9A-65, or any member of the
3 panel, including the chairperson, is removed by a court order; and

4 (2) A new member is selected to replace the removed member more than 90 days after
5 the last member of the initial panel is selected.

6 (b) If the panel has not given an opinion within the time allowed under subsection (a) of
7 this Code section, the panel shall submit a report to the Commissioner, stating the reasons
8 for the delay.

9 9-9A-63.

10 A party, attorney, or panel member who fails to act as required by this article without good
11 cause shown is subject to mandate or appropriate sanctions upon application to the court
12 designated in the proposed complaint as having jurisdiction.

13 9-9A-64.

14 (a) The Commissioner may remove the chairperson of the panel if the Commissioner
15 determines that the chairperson is not fulfilling the duties imposed upon the chairperson
16 by this article.

17 (b) If the chairperson is removed under this Code section, a new chairperson shall be
18 selected as provided in Code Section 9-9A-53.

19 9-9A-65.

20 (a) The chairperson may remove a member of the panel if the chairperson determines that
21 the member is not fulfilling the duties imposed upon the panel members by this article.

22 (b) If a member is removed under this Code section, a new member shall be selected as
23 provided in Code Sections 9-9A-55 and 9-9A-58.

24 9-9A-66.

25 (a) The evidence in written form to be considered by the medical review panel shall be
26 promptly submitted by the respective parties.

27 (b) The evidence may consist of medical charts, X-rays, lab tests, excerpts of treatises,
28 depositions of witnesses including parties, and any other form of evidence allowable by the
29 medical review panel.

30 (c) Depositions of parties and witnesses may be taken before the convening of the panel.

31 (d) The chairperson shall ensure that before the panel gives its expert opinion under Code
32 Section 9-9A-71, each panel member has the opportunity to review every item of evidence
33 submitted by the parties.

1 (e) Before considering any evidence or deliberating with other panel members, each
2 member of the medical review panel shall take an oath in writing on a form provided by
3 the panel chairperson, which must read as follows:

4 'I (swear) (affirm) under penalties of perjury that I will well and truly consider the
5 evidence submitted by the parties; that I will render my opinion without bias, based upon
6 the evidence submitted by the parties; and that I have not and will not communicate with
7 any party or representative of a party before rendering my opinion, except as authorized
8 by law.'

9 9-9A-67.

10 Neither a party, a party's agent, a party's attorney, nor a party's insurance carrier may
11 communicate with any member of the panel, except as authorized by law, before the giving
12 of the panel's expert opinion under Code Section 9-9A-71.

13 9-9A-68.

14 The chairperson of the panel shall advise the panel relative to any legal question involved
15 in the review proceeding and shall prepare the opinion of the panel as provided in Code
16 Section 9-9A-71.

17 9-9A-69.

18 (a) Either party, after submission of all evidence and upon ten days' notice to the other
19 side, has the right to convene the panel at a time and place agreeable to the members of the
20 panel. Either party may question the panel concerning any matters relevant to issues to be
21 decided by the panel before the issuance of the panel's report.

22 (b) The chairperson of the panel shall preside at all meetings. Meetings shall be informal.

23 9-9A-70.

24 (a) The panel has the right and duty to request all necessary information.

25 (b) The panel may consult with medical authorities.

26 (c) The panel may examine reports of other health care providers necessary to fully inform
27 the panel regarding the issue to be decided.

28 (d) Both parties shall have full access to any material submitted to the panel.

29 9-9A-71.

30 (a) The panel has the sole duty to express the panel's expert opinion as to whether or not
31 the evidence supports the conclusion that the defendant or defendants acted or failed to act
32 within the appropriate standards of care as charged in the complaint.

1 (b) After reviewing all evidence and after any examination of the panel by counsel
2 representing either party, the panel shall, within 30 days, give one or more of the following
3 expert opinions, which must be in writing and signed by the panel members:

4 (1) The evidence supports the conclusion that the defendant or defendants failed to
5 comply with the appropriate standard of care as charged in the complaint;

6 (2) The evidence does not support the conclusion that the defendant or defendants failed
7 to meet the applicable standard of care as charged in the complaint;

8 (3) There is a material issue of fact, not requiring expert opinion, bearing on liability for
9 consideration by the court or jury; or

10 (4) The conduct complained of was or was not a factor of the resultant damages. If so,
11 whether the plaintiff suffered:

12 (A) Any disability and the extent and duration of the disability; and

13 (B) Any permanent impairment and the percentage of the impairment.

14 9-9A-72.

15 A report of the expert opinion reached by the medical review panel is admissible as
16 evidence in any action subsequently brought by the claimant in a court of law. However,
17 the expert opinion is not conclusive, and either party, at the party's cost, has the right to
18 call any member of the medical review panel as a witness. If called, that panel member
19 shall appear and testify.

20 9-9A-73.

21 A panel member has absolute immunity from civil liability for all communications,
22 findings, opinions, and conclusions made in the course and scope of duties prescribed by
23 this chapter.

24 9-9A-74.

25 (a) Each health care provider member of the medical review panel is entitled to be paid:

26 (1) Up to \$350.00 for all work performed as a member of the panel, exclusive of time
27 involved if called as a witness to testify in court; and

28 (2) Reasonable travel expenses.

29 (b) The chairperson of the panel is entitled to be paid:

30 (1) At the rate of \$250.00 per diem, not to exceed \$2,000.00; and

31 (2) Reasonable travel expenses.

32 (c) The chairperson shall keep an accurate record of the time and expenses of all the
33 members of the panel. The record shall be submitted to the parties for payment with the
34 panel's report.

1 (d) Fees of the panel, including travel expenses and other expenses of the review, shall be
2 paid by the side in whose favor the majority opinion is written. If there is no majority
3 opinion, each side shall pay 50 percent of the cost.

4 9-9A-75.

5 The chairperson of the medical review panel shall submit by registered or certified mail
6 within 5 days after the panel gives its opinion a copy of the panel's report to the
7 Commissioner and all parties and attorneys.

8 ARTICLE 8

9 9-9A-80.

10 (a) A court having jurisdiction over the subject matter and the parties to a proposed
11 complaint filed with the Commissioner under this article may, upon the filing of a copy of
12 the proposed complaint and a written motion under this article, do one or both of the
13 following:

14 (1) Preliminarily determine an affirmative defense or issue of law or fact that may be
15 preliminarily determined under Chapter 11 of Title 9, the 'Georgia Civil Practice Act'; or

16 (2) Compel discovery in accordance with Chapter 11 of Title 9, the 'Georgia Civil
17 Practice Act.'

18 (b) The court has no jurisdiction to rule preliminarily upon any affirmative defense or issue
19 of law or fact reserved for written opinion by the medical review panel under Code Section
20 9-9A-71.

21 (c) The court has jurisdiction to entertain a motion filed under this article only during that
22 time after a proposed complaint is filed with the Commissioner under this article but before
23 the medical review panel gives the panel's written opinion under Code Section 9-9A-71.

24 (d) The failure of any party to move for a preliminary determination or to compel
25 discovery under this article before the medical review panel gives the panel's written
26 opinion under Code Section 9-9A-71 does not constitute the waiver of any affirmative
27 defense or issue of law or fact.

28 9-9A-81.

29 (a) A party to a proceeding commenced under this chapter, the Commissioner, or the
30 chairperson of a medical review panel, if any, may invoke the jurisdiction of the court by
31 paying the statutory filing fee to the clerk and filing a copy of the proposed complaint and
32 motion with the clerk.

1 (b) The filing of a copy of the proposed complaint and motion with the clerk confers
2 jurisdiction upon the court over the subject matter and the parties to the proceeding for the
3 limited purposes stated in this article, including the taxation and assessment of costs or the
4 allowance of expenses, including reasonable attorney's fees, or both.

5 (c) The moving party or the moving party's attorney shall cause as many summonses as
6 are necessary to be issued by the clerk and served on the Commissioner, each nonmoving
7 party to the proceedings, and the chairperson of the medical review panel, if any, unless the
8 Commissioner or the chairperson is the moving party, together with a copy of the proposed
9 complaint and a copy of the motion.

10 9-9A-82.

11 (a) Each nonmoving party to the proceeding, including the Commissioner and the
12 chairperson of the medical review panel, if any, shall have a period of 20 days after service,
13 or a period of 23 days after service if service is by mail, to appear and file and serve a
14 written response to the motion, unless the court, for cause shown, orders the period
15 extended.

16 (b) The court shall enter a ruling on the motion:

17 (1) Within 30 days after the motion is heard; or

18 (2) If no hearing is requested, granted, or ordered, within 30 days after the date on which
19 the last written response to the motion is filed.

20 (c) The court shall order the clerk to serve a copy of the court's ruling on the motion by
21 first-class mail on the Commissioner, each party to the proceeding, and the chairperson of
22 the medical review panel, if any.

23 9-9A-83.

24 Upon the filing of a copy of the proposed complaint and motion with the clerk of the court,
25 all further proceedings before the medical review panel shall be stayed automatically until
26 the court has entered a ruling on the motion.

27 9-9A-84.

28 The court may enforce its ruling on any motion filed under this chapter in accordance with
29 Chapter 11 of Title 9, the 'Georgia Civil Practice Act,' subject to the right of appeal.

ARTICLE 9

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9-9A-90.

Liability may not be imposed on a health care provider on the basis of an alleged breach of contract, express or implied, assuring results to be obtained from any procedure undertaken in the course of health care unless the contract is in writing and signed by that health care provider or by an authorized agent of the health care provider.

9-9A-91.

A rebuttable presumption is created that the consent is an informed consent if a patient's written consent is:

- (1) Signed by the patient or the patient's authorized representative;
- (2) Witnessed by an individual at least 18 years of age; and
- (3) Explained, orally or in the written consent, to the patient or the patient's authorized representative before a treatment, procedure, examination, or test is undertaken.

9-9A-92.

The explanation given in accordance with Code Section 9-9A-91 must include the following information:

- (1) The general nature of the patient's condition;
- (2) The proposed treatment, procedure, examination, or test;
- (3) The expected outcome of the treatment, procedure, examination, or test;
- (4) The material risks of the treatment, procedure, examination, or test; and
- (5) The reasonable alternatives to the treatment, procedure, examination, or test.

9-9A-93.

(a) This article does not relieve a qualified health care provider of the duty to obtain an informed consent.

(b) This article does not prevent a patient, after having signed a consent, from withdrawing that consent.

(c) This article does not require that a patient's consent or the information described under Code Section 9-9A-91 be in writing in all cases.

(d) Compliance with this article is not required to create an informed consent.

(e) A patient may refuse to receive some or all of the information described in Code Section 9-9A-91.

1 (f) Code Sections 9-9A-90 and 9-9A-91 do not apply to a person who is mentally
2 incapable of understanding the information required to be provided by Code Section
3 9-9A-91. This Code section does not require consent to health care in an emergency.

4 ARTICLE 10

5 9-9A-100.

6 Only while malpractice liability insurance remains in force are the health care provider and
7 the health care provider's insurer liable to a patient or the patient's representative for
8 malpractice to the extent and in the manner specified in this chapter.

9 9-9A-101.

10 The filing of proof of financial responsibility with the Commissioner constitutes, on the
11 part of the insurer, a conclusive and unqualified acceptance of this chapter.

12 9-9A-102.

13 A provision in a policy attempting to limit or modify the liability of the insurer contrary to
14 this chapter is void.

15 9-9A-103.

16 Every policy issued under this chapter is considered to include the following provisions
17 and any change made by general law as fully as if the change were written in the policy:

18 (1) The insurer assumes all obligations to pay an award imposed against its insured under
19 this chapter;

20 (2) A termination of any policy by cancellation initiated by the insurance company is not
21 effective for patients claiming against the insured covered by the policy, unless at least
22 30 days before the taking effect of the cancellation, a written notice giving the date upon
23 which termination becomes effective has been received by the insured and the
24 Commissioner at their respective offices; and

25 (3) A termination of any policy by cancellation initiated by the insured is not effective
26 for patients claiming against the insured covered by the policy, unless at least 30 days
27 before the taking effect of the cancellation, a written notice giving the date upon which
28 termination becomes effective has been received by the Commissioner.

29 9-9A-104.

30 If an insurer fails or refuses to pay a final judgment, except during the pendency of an
31 appeal, or fails or refuses to comply with this chapter, in addition to any other legal

1 remedy, the Commissioner may also revoke the approval of the insurer's policy form until
 2 the insurer pays the award or judgment or has complied with the violated provisions of this
 3 chapter and has resubmitted its policy form and received the approval of the
 4 Commissioner.

5 ARTICLE 11

6 9-9A-110.

7 As used in this article, 'cost of the periodic payments agreement' means the amount
 8 expended by the health care provider or its insurer, the Commissioner, or the
 9 Commissioner and the health care provider or its insurer, at the time the periodic payments
 10 agreement is made, to obtain the commitment from a third party to make available money
 11 for use as future payment, the total of which may exceed the limits provided in Code
 12 Section 9-9A-112.

13 9-9A-111.

14 As used in this article, 'periodic payments agreement' means a contract between a health
 15 care provider or its insurer and the patient or the patient's estate under which the health
 16 care provider is relieved from possible liability in consideration of:

- 17 (1) A present payment of money to the patient or the patient's estate; and
 18 (2) One or more payments to the patient or the patient's estate in the future; whether or
 19 not some or all of the payments are contingent upon the patient's survival to the proposed
 20 date of payment.

21 9-9A-112.

22 (a) The total amount recoverable for an injury or death of a patient may not exceed
 23 \$750,000.00 for an act of malpractice that occurs after June 30, 2005.

24 (b) A health care provider qualified under this chapter is not liable for an amount in excess
 25 of \$250,000.00 for an occurrence of malpractice.

26 (c) Any amount due from a judgment or settlement that is in excess of the total liability of
 27 all liable health care providers, subject to subsections (a), (b), and (d) of this Code section,
 28 shall be paid from the patient's compensation fund under Code Section 9-9A-120.

29 (d) If a health care provider qualified under this chapter admits liability or is adjudicated
 30 liable solely by reason of the conduct of another health care provider who is an officer,
 31 agent, or employee of the health care provider acting in the course and scope of
 32 employment and qualified under this chapter, the total amount that shall be paid to the
 33 claimant on behalf of the officer, agent, or employee and the health care provider by the

1 health care provider or its insurer is \$250,000.00. The balance of an adjudicated amount
2 to which the claimant is entitled shall be paid by other liable health care providers or the
3 patient's compensation fund, or both.

4 9-9A-113.

5 (a) If the possible liability of the health care provider to the patient is discharged solely
6 through an immediate payment, the limitations on recovery from a health care provider
7 stated in subsections (b) and (d) of Code Section 9-9A-112 shall apply without adjustment.

8 (b) If the health care provider agrees to discharge its possible liability to the patient
9 through a periodic payments agreement, the amount of the patient's recovery from a health
10 care provider in a case under this subsection is the amount of any immediate payment made
11 by the health care provider or the health care provider's insurer to the patient, plus the cost
12 of the periodic payments agreement to the health care provider or the health care provider's
13 insurer. For the purpose of determining the limitations on recovery stated in subsections (b)
14 and (d) of Code Section 9-9A-112 and for the purpose of determining the question under
15 Code Section 9-9A-122 of whether the health care provider or the health care provider's
16 insurer has agreed to settle its liability by payment of its policy limits, the sum of the
17 following must exceed \$187,000.00:

18 (1) The present payment of money to the patient or the patient's estate by the health care
19 provider or the health care provider's insurer; and

20 (2) The cost of the periodic payments agreement expended by the health care provider
21 or the health care provider's insurer.

22 (c) More than one health care provider may contribute to the cost of a periodic payments
23 agreement, and in such an instance the sum of the amounts expended by each health care
24 provider for immediate payments and for the cost of the periodic payments agreement shall
25 be used to determine whether the \$187,000.00 requirement in subsection (b) of this Code
26 section has been satisfied. However, one health care provider or its insurer must be liable
27 for at least \$50,000.00.

28 9-9A-114.

29 (a) If the possible liability of the patient's compensation fund to the patient is discharged
30 solely through a direct payment made under Code Section 9-9A-120, the limitations on
31 recovery from the patient's compensation fund established under Code Section 9-9A-112
32 apply without adjustment.

33 (b) If an agreement is made to discharge the fund's possible liability to the patient through
34 a periodic payments agreement, and for the purposes of the limitations on recovery from

1 the fund established under Code Section 9-9A-112, the amount of the patient's recovery
2 from the fund is:

- 3 (1) The amount of any immediate payment made directly to the patient from the fund;
4 and
5 (2) The cost of the periodic payments agreement paid by the Commissioner on behalf of
6 the fund.

7 ARTICLE 12

8 9-9A-120.

9 (a) The obligation to pay an amount from the patient's compensation fund under Code
10 Sections 9-9A-34, 9-9A-112, or 9-9A-122 may be discharged as follows:

- 11 (1) Payment in one lump amount;
12 (2) An agreement requiring periodic payments from the fund over a period of years;
13 (3) The purchase of an annuity payable to the patient; or
14 (4) Any combination of paragraphs (1), (2), and (3) of this subsection.

15 (b) The Commissioner may contract with approved insurers to insure the ability of the
16 fund to make periodic payments under paragraph (2) of subsection (a) of this Code section.

17 9-9A-121.

18 Notwithstanding Article 5 of this chapter, the Commissioner may:

- 19 (1) Discharge the possible liability of the patient's compensation fund to a patient
20 through a periodic payments agreement as defined in Code Section 9-9A-111; and
21 (2) Combine money from the fund with money of the health care provider or its insurer
22 to pay the cost of the periodic payments agreement with the patient or the patient's estate.
23 However, the amount provided by the Commissioner may not exceed 80 percent of the
24 total amount expended for the agreement.

25 9-9A-122.

26 If a health care provider or its insurer has agreed to settle its liability on a claim by payment
27 of its policy limits of \$250,000.00, and the claimant is demanding an amount in excess of
28 that amount, the following procedure must be followed:

- 29 (1) A petition shall be filed by the claimant in the court named in the proposed
30 complaint, or in the Superior Court of Fulton County, at the claimant's election, seeking:
31 (A) Approval of an agreed settlement, if any; or
32 (B) Demanding payment of damages from the patient's compensation fund.

1 (2) A copy of the petition with summons shall be served on the Commissioner, the health
2 care provider, and the health care provider's insurer and must contain sufficient
3 information to inform the other parties about the nature of the claim and the additional
4 amount demanded.

5 (3) The Commissioner and either the health care provider or the insurer of the health care
6 provider may agree to a settlement with the claimant from the patient's compensation
7 fund, or the Commissioner, the health care provider, or the insurer of the health care
8 provider may file written objections to the payment of the amount demanded. The
9 agreement or objections to the payment demanded shall be filed within 20 days after
10 service of summons with copy of the petition attached to the summons.

11 (4) The judge of the court in which the petition is filed shall set the petition for approval
12 or, if objections have been filed, for hearing, as soon as practicable. The court shall give
13 notice of the hearing to the claimant, the health care provider, the insurer of the health
14 care provider, and the Commissioner.

15 (5) At the hearing, the Commissioner, the claimant, the health care provider, and the
16 insurer of the health care provider may introduce relevant evidence to enable the court
17 to determine whether or not the petition should be approved if the evidence is submitted
18 on agreement without objections. If the Commissioner, the health care provider, the
19 insurer of the health care provider, and the claimant cannot agree on the amount, if any,
20 to be paid out of the patient's compensation fund, the court shall, after hearing any
21 relevant evidence on the issue of claimant's damage submitted by any of the parties
22 described in this Code section, determine the amount of claimant's damages, if any, in
23 excess of the \$250,000.00 already paid by the insurer of the health care provider. The
24 court shall determine the amount for which the fund is liable and make a finding and
25 judgment accordingly. In approving a settlement or determining the amount, if any, to
26 be paid from the patient's compensation fund, the court shall consider the liability of the
27 health care provider as admitted and established.

28 (6) A settlement approved by the court may not be appealed. A judgment of the court
29 fixing damages recoverable in a contested proceeding is appealable pursuant to the rules
30 governing appeals in any other civil case tried by the court.

31 (7) A release executed between the parties does not bar access to the patient's
32 compensation fund unless the release specifically provides otherwise.

33 9-9A-123.

34 If a health care provider or the health care provider's surety or liability insurance carrier
35 fails to pay any agreed settlement or final judgment within 90 days, the agreed settlement
36 or final judgment shall be paid from the patient's compensation fund, and the fund shall be

1 subrogated to any and all of claimant's rights against the health care provider, the health
2 care provider's surety or liability insurance carrier, or both, with interest, reasonable costs,
3 and attorney's fees.

4 ARTICLE 13

5 9-9A-130.

6 Except as provided in Code Section 9-9A-122, any advance payment made by the
7 defendant health care provider or the health care provider's insurer to or for the plaintiff
8 or any other person may not be construed as an admission of liability for injuries or
9 damages suffered by the plaintiff or anyone else in an action brought for medical
10 malpractice.

11 9-9A-131.

12 (a) Evidence of an advance payment is not admissible until there is a final judgment in
13 favor of the plaintiff. In this case the court shall reduce the judgment to the plaintiff to the
14 extent of the advance payment. The advance payment inures to the exclusive benefit of the
15 defendant or the defendant's insurer making the payment.

16 (b) If the advance payment exceeds the liability of the defendant or the insurer making the
17 advance payment, the court shall order any adjustment necessary to equalize the amount
18 that each defendant is obligated to pay, exclusive of costs. An advance payment in excess
19 of an award is not repayable by the person receiving the advance payment.

20 9-9A-132.

21 A patient's claim for compensation under this chapter is not assignable.

22 ARTICLE 14

23 9-9A-140.

24 The purpose of this article is to make malpractice liability insurance available to risks as
25 defined in Code Section 9-9A-2.

26 9-9A-141.

27 (a) The residual malpractice insurance authority is hereby created.

28 (b) The Insurance Department is designated as the residual malpractice insurance authority
29 for the purposes of this article.

1 (c) The authority is authorized to issue medical malpractice liability insurance in
2 accordance with Title 33.

3 9-9A-142.

4 The Commissioner shall appoint a risk manager for the authority. The separate, personal,
5 or independent assets of the risk manager are not liable for or subject to use or expenditure
6 for the purpose of providing insurance by the authority.

7 9-9A-143.

8 In the administration and provision for malpractice liability insurance by the authority, the
9 risk manager shall do the following:

- 10 (1) Obey all Georgia statutes and rules that apply to insurance pursuant to Title 33;
- 11 (2) Prepare and file appropriate forms with the department;
- 12 (3) Prepare and file premium rates with the department;
- 13 (4) Perform the underwriting function;
- 14 (5) Dispose of all claims and litigations arising out of insurance policies;
- 15 (6) Maintain adequate books and records;
- 16 (7) File an annual financial statement regarding the authority's operations under this
17 chapter with the department on forms prescribed by the Commissioner;
- 18 (8) Obtain private reinsurance for the authority, if necessary;
- 19 (9) Prepare and file for approval of the Commissioner a schedule of agent's
20 compensation; and
- 21 (10) Prepare and file a plan of operations with the Commissioner for approval.

22 9-9A-144.

23 The risk manager shall receive, as compensation for services, a percentage of all premiums
24 received by the risk manager under this chapter, as determined by the Commissioner. The
25 rate of compensation may be adjusted by the Commissioner.

26

27 9-9A-145.

28 If a risk, after diligent effort, has been declined by at least two insurers, the risk may
29 forward an application to the risk manager, together with evidence of the two declinations.

30 9-9A-146.

31 If the risk manager declines to accept the risk, notice of declination, together with the
32 reasons, shall be sent to the applicant and the Commissioner. The applicant has ten days

1 after the date of notice to file an appeal for review by the Commissioner. On appeal, the
2 Commissioner shall review the decision of the risk manager and enter an appropriate order.

3 9-9A-147.

4 All money appropriated by the state and any surplus of premiums over losses and expenses
5 received by the authority shall be placed in a segregated fund and shall be invested and
6 reinvested by the Commissioner within any limitations set forth in Title 33. Investment
7 income generated shall remain in the segregated fund.

8 **ARTICLE 15**

9 9-9A-150.

10 When a plaintiff is represented by an attorney in the prosecution of the plaintiff's claim,
11 the plaintiff's attorney's fees from any award made from the patient's compensation fund
12 may not exceed 15 percent of any recovery from the fund.

13 9-9A-151.

14 A patient has the right to elect to pay for the attorney's services on a mutually satisfactory
15 per diem basis. The election, however, must be exercised in written form at the time of
16 employment."

17 **SECTION 2.**

18 This Act shall become effective July 1, 2005, only if Senate Bill 3 (LC 14 8923), in
19 substantially the same form as introduced, or a similar bill is enacted by the General
20 Assembly in the 2005 regular session and signed by the Governor with respect to limitations
21 on noneconomic damages of \$250,000.00 against one or more health care providers or a
22 single medical facility in certain actions relating to health care.

23 **SECTION 3.**

24 All laws and parts of laws in conflict with this Act are repealed.