

1 A bill to be entitled

2 An act relating to the financial responsibility of
3 physicians and osteopathic physicians; amending ss.
4 458.320 and 459.0085, F.S.; providing additional licensure
5 requirements for professional liability insurance
6 coverage, an escrow account, and an irrevocable letter of
7 credit; revising the amounts required through the escrow
8 account or letter of credit; providing for submittal, to
9 the Department of Health, by a physician or an osteopathic
10 physician of a sworn statement and documentation relating
11 to the liability insurance coverage, the escrow account,
12 or the letter of credit; providing for notification of the
13 department by a bank or savings association when the
14 escrow account is closed or transferred or the letter of
15 credit is canceled or expires; removing provisions
16 governing license suspension following cancellation or
17 nonrenewal of professional liability insurance; providing
18 for notification of the department and requiring a sworn
19 statement by the physician or osteopathic physician when
20 the professional liability insurance is canceled or not
21 renewed, the escrow account is closed or transferred, or
22 the letter of credit is canceled or expires; providing for
23 license suspension following such termination of
24 insurance, escrow account, or letter of credit; providing
25 criminal penalties for a physician or an osteopathic
26 physician who fails to submit a required notice or
27 statement, who knowingly makes a false declaration in the
28 sworn statement, or who fails to timely file the sworn

29 statement; removing provisions authorizing a physician or
30 osteopathic physician to be exempt from the financial
31 responsibility requirements upon posting notice and
32 meeting certain other criteria; providing that
33 requirements previously applicable to self-insured
34 physicians and osteopathic physicians apply to all such
35 physicians who are required to maintain financial
36 responsibility; requiring that a physician or osteopathic
37 physician satisfy an adverse final judgment within a
38 specified period unless otherwise agreed to in writing;
39 providing that a physician or osteopathic physician is not
40 relieved from his or her obligation to satisfy the entire
41 amount of a judgment or award; requiring the department to
42 suspend the license of a physician or osteopathic
43 physician upon the mailing of a notice of failure to
44 satisfy an adverse final judgment; providing an exemption
45 for certain physicians or osteopathic physicians for
46 payment to a judgment creditor; requiring the department
47 to verify that a physician or osteopathic physician has
48 met financial responsibility requirements before granting
49 or renewing a license; requiring the Board of Medicine and
50 the Board of Osteopathic Medicine to adopt rules;
51 providing an effective date.

52
53 Be It Enacted by the Legislature of the State of Florida:

54
55 Section 1. Section 458.320, Florida Statutes, is amended
56 to read:

57 | 458.320 Financial responsibility.--
 58 | (1) As a condition of licensing and maintaining an active
 59 | license, and prior to the issuance or renewal of an active
 60 | license or reactivation of an inactive license for the practice
 61 | of medicine, an applicant must by one of the following methods
 62 | demonstrate to the satisfaction of the board and the department
 63 | financial responsibility to pay claims and costs ancillary
 64 | thereto arising out of the rendering of, or the failure to
 65 | render, medical care and ~~or~~ services:
 66 | (a) Establishing and maintaining an escrow account
 67 | consisting of cash or assets eligible for deposit in accordance
 68 | with s. 625.52 in an amount sufficient to meet the minimum
 69 | annual aggregate claim amount ~~the per claim amounts~~ specified in
 70 | paragraph (b). The escrow account must be payable to the
 71 | physician as beneficiary upon presentation of a final judgment
 72 | indicating liability and awarding damages to be paid by the
 73 | physician or upon presentation of a settlement agreement signed
 74 | by all parties to such agreement when such final judgment or
 75 | settlement is a result of a claim arising out of the rendering
 76 | of, or the failure to render, medical care and services. The
 77 | required escrow amount set forth in this paragraph may not be
 78 | used for litigation costs or attorney's fees for the defense of
 79 | any medical malpractice claim. The escrow account must be
 80 | nonassignable and nontransferable. Such escrow account must be
 81 | made with and held by the trust department of a bank or saving
 82 | association organized and existing under the laws of this state
 83 | or a bank or savings association organized under the laws of the
 84 | United States which has its principal place of business in this

85 state or has a branch office that is authorized under the laws
86 of this state or of the United States to receive deposits in
87 this state.

88 (b) Obtaining and maintaining professional liability
89 coverage in an amount not less than \$100,000 per claim, with a
90 minimum annual aggregate of not less than \$300,000, from an
91 authorized insurer as defined under s. 624.09, from a surplus
92 lines insurer as defined under s. 626.914(2), from a risk
93 retention group as defined under s. 627.942, from the Joint
94 Underwriting Association established under s. 627.351(4), or
95 through a plan of self-insurance as provided in s. 627.357. The
96 required coverage amount set forth in this paragraph may not be
97 used for litigation costs or attorney's fees for the defense of
98 any medical malpractice claim.

99 (c) Obtaining and maintaining an unexpired, irrevocable
100 letter of credit, established pursuant to chapter 675, in an
101 amount sufficient to meet the minimum annual aggregate claim
102 amount specified in paragraph (b) not less than \$100,000 per
103 claim, with a minimum aggregate availability of credit of not
104 less than \$300,000. The letter of credit must be payable to the
105 physician as beneficiary upon presentment of a final judgment
106 indicating liability and awarding damages to be paid by the
107 physician or upon presentment of a settlement agreement signed
108 by all parties to such agreement when such final judgment or
109 settlement is a result of a claim arising out of the rendering
110 of, or the failure to render, medical care and services. The
111 letter of credit may not be used for litigation costs or
112 attorney's fees for the defense of any medical malpractice

113 claim. The letter of credit must be nonassignable and
 114 nontransferable. Such letter of credit must be issued by any
 115 bank or savings association organized and existing under the
 116 laws of this state or any bank or savings association organized
 117 under the laws of the United States which has its principal
 118 place of business in this state or has a branch office that is
 119 authorized under the laws of this state or of the United States
 120 to receive deposits in this state.

121 (2) Physicians who perform surgery in an ambulatory
 122 surgical center licensed under chapter 395 and, as a continuing
 123 condition of hospital staff privileges, physicians who have
 124 staff privileges must also establish financial responsibility by
 125 one of the following methods:

126 (a) Establishing and maintaining an escrow account
 127 consisting of cash or assets eligible for deposit in accordance
 128 with s. 625.52 in an amount sufficient to meet the minimum
 129 annual aggregate claim amount ~~the per claim amounts~~ specified in
 130 paragraph (b). The escrow account must be payable to the
 131 physician as beneficiary upon presentation of a final judgment
 132 indicating liability and awarding damages to be paid by the
 133 physician or upon presentation of a settlement agreement signed
 134 by all parties to such agreement when such final judgment or
 135 settlement is a result of a claim arising out of the rendering
 136 of, or the failure to render, medical care and services. The
 137 required escrow amount set forth in this paragraph may not be
 138 used for litigation costs or attorney's fees for the defense of
 139 any medical malpractice claim. The escrow account must be
 140 nonassignable and nontransferable. Such escrow account must be

141 made with and held by the trust department of a bank or savings
 142 association organized and existing under the laws of this state
 143 or a bank or savings association organized under the laws of the
 144 United States which has its principal place of business in this
 145 state or has a branch office that is authorized under the laws
 146 of this state or of the United States to receive deposits in
 147 this state.

148 (b) Obtaining and maintaining professional liability
 149 coverage in an amount not less than \$250,000 per claim, with a
 150 minimum annual aggregate of not less than \$750,000 from an
 151 authorized insurer as defined under s. 624.09, from a surplus
 152 lines insurer as defined under s. 626.914(2), from a risk
 153 retention group as defined under s. 627.942, from the Joint
 154 Underwriting Association established under s. 627.351(4),
 155 through a plan of self-insurance as provided in s. 627.357, or
 156 through a plan of self-insurance which meets the conditions
 157 specified for satisfying financial responsibility in s. 766.110.
 158 The required coverage amount set forth in this paragraph may not
 159 be used for litigation costs or attorney's fees for the defense
 160 of any medical malpractice claim.

161 (c) Obtaining and maintaining an unexpired irrevocable
 162 letter of credit, established pursuant to chapter 675, in an
 163 amount sufficient to meet the minimum annual aggregate claim
 164 amount specified in paragraph (b) ~~not less than \$250,000 per~~
 165 ~~claim, with a minimum aggregate availability of credit of not~~
 166 ~~less than \$750,000.~~ The letter of credit must be payable to the
 167 physician as beneficiary upon presentment of a final judgment
 168 indicating liability and awarding damages to be paid by the

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169 physician or upon presentment of a settlement agreement signed
170 by all parties to such agreement when such final judgment or
171 settlement is a result of a claim arising out of the rendering
172 of, or the failure to render, medical care and services. The
173 letter of credit may not be used for litigation costs or
174 attorney's fees for the defense of any medical malpractice
175 claim. The letter of credit must be nonassignable and
176 nontransferable. The letter of credit must be issued by any bank
177 or savings association organized and existing under the laws of
178 this state or any bank or savings association organized under
179 the laws of the United States which has its principal place of
180 business in this state or has a branch office that is authorized
181 under the laws of this state or of the United States to receive
182 deposits in this state.

183

184 This subsection shall be inclusive of the coverage in subsection
185 (1).

186 (3) (a) Meeting the financial responsibility requirements
187 of this section or the criteria for any exemption from such
188 requirements must be established at the time of issuance or
189 renewal of a license.

190 (b) Any person may, at any time, submit to the department
191 a request for an advisory opinion regarding such person's
192 qualifications for exemption.

193 (4) (a) If financial responsibility requirements are met by
194 maintaining professional liability insurance as provided for in
195 this section, the physician shall, at the time of applying for
196 or renewing a license, and within 10 days after any such

197 insurance coverage is instituted, submit to the department a
 198 sworn statement identifying the insurer and certifying that the
 199 coverage meets the requirements of this section. The statement
 200 shall be accompanied by a copy of the certificate of insurance
 201 and is considered to be incorporated in the statement. Each
 202 insurer, self insurer, risk retention group, or Joint
 203 Underwriting Association must promptly notify the department of
 204 cancellation or nonrenewal of insurance required by this
 205 section. Unless the physician demonstrates that he or she is
 206 otherwise in compliance with the requirements of this section,
 207 the department shall suspend the license of the physician
 208 pursuant to ss. 120.569 and 120.57 and notify all health care
 209 facilities licensed under chapter 395 of such action. Any
 210 suspension under this subsection remains in effect until the
 211 physician demonstrates compliance with the requirements of this
 212 section. If any judgments or settlements are pending at the time
 213 of suspension, those judgments or settlements must be paid in
 214 accordance with this section unless otherwise mutually agreed to
 215 in writing by the parties. This paragraph does not abrogate a
 216 judgment debtor's obligation to satisfy the entire amount of any
 217 judgment.

218 (b)1. If financial responsibility requirements are met by
 219 maintaining an escrow account as provided for in this section,
 220 the physician shall, at the time of applying for or renewing a
 221 license, and within 10 days after any such escrow account is
 222 opened, submit to the department a sworn statement identifying
 223 the assets held in escrow and their value; identifying the
 224 financial institution that is holding the escrow; affirming that

225 the account is nonassignable, nontransferable, and not
226 encumbered or pledged to a purpose other than meeting the
227 financial responsibility requirements of this section; and
228 granting such authorization as is necessary for the department
229 to verify such information with the financial institution. A
230 copy of the escrow agreement and a recent statement from the
231 institution reflecting the value of the assets in the escrow
232 account shall accompany the statement and are considered to be
233 incorporated in the statement.

234 2. If financial responsibility requirements are met by
235 maintaining a letter of credit as provided for in this section,
236 the physician shall, at the time of applying for or renewing a
237 license, and within 10 days after any such letter of credit is
238 issued, submit to the department a sworn statement identifying
239 the financial institution that issued the letter of credit;
240 affirming that the letter of credit is nonassignable,
241 nontransferable, otherwise meets the requirements of this
242 section, and is not encumbered or pledged to a purpose other
243 than meeting the financial responsibility requirements in this
244 section; and granting such authorization as is necessary for the
245 department to verify such information with the financial
246 institution. A copy of the letter of credit shall accompany the
247 statement and is considered to be incorporated in the statement.

248 3. If financial responsibility requirements are met by
249 maintaining an escrow account or letter of credit as provided in
250 this section, upon the entry of an adverse final judgment
251 arising from a medical malpractice arbitration award, from a
252 claim of medical malpractice either in contract or tort, or from

253 noncompliance with the terms of a settlement agreement arising
 254 from a claim of medical malpractice either in contract or tort,
 255 the licensee shall pay the entire amount of the judgment
 256 together with all accrued interest, or the amount maintained in
 257 the escrow account or provided in the letter of credit as
 258 required by this section, whichever is less, within 60 days
 259 after the date such judgment became final and subject to
 260 execution, unless otherwise mutually agreed to in writing by the
 261 parties. If timely payment is not made by the physician, the
 262 department shall suspend the license of the physician pursuant
 263 to procedures ~~set forth~~ in subsection (6) subparagraphs
 264 ~~(5) (g) 3., 4., and 5.~~ Nothing in This paragraph does not shall
 265 abrogate a judgment debtor's obligation to satisfy the entire
 266 amount of any judgment.

267 (c)1. Each insurer, self-insurer, risk retention group, or
 268 the Joint Underwriting Association shall promptly notify the
 269 department of the cancellation or nonrenewal of insurance that
 270 is required by this section. Each bank or savings association
 271 shall promptly notify the department of the closing or transfer
 272 of an escrow account, or the cancellation or expiration of a
 273 letter of credit, which account or letter is required by this
 274 section.

275 2. Within 10 days after the cancellation or nonrenewal of
 276 professional liability insurance, the closing or transfer of an
 277 escrow account, or the cancellation or expiration of a letter of
 278 credit being used by a physician to meet the financial
 279 responsibility requirements of this section, such physician
 280 shall notify the department of such cancellation or nonrenewal

281 of the insurance coverage, closing or transfer of the escrow
282 account, or cancellation or expiration of the letter of credit
283 and submit the sworn statement required by paragraph (a) or
284 paragraph (b) reflecting the institution of professional
285 liability insurance coverage, the opening of an escrow account,
286 or the issuance of a letter of credit, as applicable, to
287 otherwise meet the financial responsibility requirements of this
288 section. The department shall suspend, pursuant to ss. 120.569
289 and 120.57, the license of a physician whose liability insurance
290 is canceled or not renewed, whose escrow account is closed or
291 transferred, or whose letter of credit is canceled or expires
292 and who does not notify the department of such action and submit
293 the sworn statement required by this subsection demonstrating
294 that he or she is otherwise in compliance with the requirements
295 of this section. The department shall notify all health care
296 facilities licensed under chapter 395 of such suspension action.
297 A suspension under this subparagraph shall remain in effect
298 until the physician demonstrates compliance with the
299 requirements of this section. If any judgments or settlements
300 are pending at the time of suspension, those judgments or
301 settlements shall be paid in accordance with this section unless
302 otherwise agreed in writing by the parties. This paragraph does
303 not abrogate a judgment debtor's obligation to satisfy the
304 entire amount of any judgment.

305 (d) The sworn statement required by paragraph (a) or
306 paragraph (b) shall include the following declaration: "Under
307 penalties of perjury, I declare that I have read the foregoing
308 statement and that the facts stated in it are true." The

309 declaration shall be printed or typed at the end of the
310 statement and above the signature of the physician making the
311 declaration. A physician who knowingly makes a false declaration
312 under this paragraph, in addition to being subject to discipline
313 as otherwise authorized by this chapter, commits the crime of
314 perjury by false written declaration, a felony of the third
315 degree, punishable as provided in s. 775.082, s. 775.083, or s.
316 775.084.

317 (e) A physician who fails to timely file a statement
318 required by paragraph (a) or paragraph (b) or the notice
319 required by paragraph (c) commits a misdemeanor of the first
320 degree, punishable as provided in s. 775.082 or s. 775.083.

321 (5) The requirements of subsections (1), (2), and (3) do
322 not apply to:

323 (a) Any person licensed under this chapter who practices
324 medicine exclusively as an officer, employee, or agent of the
325 Federal Government or of the state or its agencies or its
326 subdivisions. For the purposes of this subsection, an agent of
327 the state, its agencies, or its subdivisions is a person who is
328 eligible for coverage under any self-insurance or insurance
329 program authorized by the provisions of s. 768.28(16).

330 (b) Any person whose license has become inactive under
331 this chapter and who is not practicing medicine in this state.
332 Any person applying for reactivation of a license must show
333 either that such licensee maintained tail insurance coverage
334 which provided liability coverage for incidents that occurred on
335 or after January 1, 1987, or the initial date of licensure in
336 this state, whichever is later, and incidents that occurred

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337 before the date on which the license became inactive; or such
338 licensee must submit an affidavit stating that such licensee has
339 no unsatisfied medical malpractice judgments or settlements at
340 the time of application for reactivation.

341 (c) Any person holding a limited license pursuant to s.
342 458.317 and practicing under the scope of such limited license.

343 (d) Any person licensed or certified under this chapter
344 who practices only in conjunction with his or her teaching
345 duties at an accredited medical school or in its main teaching
346 hospitals. Such person may engage in the practice of medicine to
347 the extent that such practice is incidental to and a necessary
348 part of duties in connection with the teaching position in the
349 medical school.

350 (e) Any person holding an active license under this
351 chapter who is not practicing medicine in this state. If such
352 person initiates or resumes any practice of medicine in this
353 state, he or she must notify the department of such activity and
354 fulfill the financial responsibility requirements of this
355 section before resuming the practice of medicine in this state.

356 (f) Any person holding an active license under this
357 chapter who meets all of the following criteria:

358 1. The licensee has held an active license to practice in
359 this state or another state or some combination thereof for more
360 than 15 years.

361 2. The licensee has either retired from the practice of
362 medicine or maintains a part-time practice of no more than 1,000
363 patient contact hours per year.

364 3. The licensee has had no more than two claims for

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365 medical malpractice resulting in an indemnity exceeding \$25,000
366 within the previous 5-year period.

367 4. The licensee has not been convicted of, or pled guilty
368 or nolo contendere to, any criminal violation specified in this
369 chapter or the medical practice act of any other state.

370 5. The licensee has not been subject within the last 10
371 years of practice to license revocation or suspension for any
372 period of time; probation for a period of 3 years or longer; or
373 a fine of \$500 or more for a violation of this chapter or the
374 medical practice act of another jurisdiction. The regulatory
375 agency's acceptance of a physician's relinquishment of a
376 license, stipulation, consent order, or other settlement,
377 offered in response to or in anticipation of the filing of
378 administrative charges against the physician's license,
379 constitutes action against the physician's license for the
380 purposes of this paragraph.

381 6. The licensee has submitted a form supplying necessary
382 information as required by the department and an affidavit
383 affirming compliance with this paragraph.

384 7. The licensee must submit biennially to the department
385 certification stating compliance with the provisions of this
386 paragraph. The licensee must, upon request, demonstrate to the
387 department information verifying compliance with this paragraph.

388
389 A licensee who meets the requirements of this paragraph must
390 post notice in the form of a sign prominently displayed in the
391 reception area and clearly noticeable by all patients or provide
392 a written statement to any person to whom medical services are

393 being provided. The sign or statement must read as follows:
 394 "Under Florida law, physicians are generally required to carry
 395 medical malpractice insurance or otherwise demonstrate financial
 396 responsibility to cover potential claims for medical
 397 malpractice. However, certain part-time physicians who meet
 398 state requirements are exempt from the financial responsibility
 399 law. YOUR DOCTOR MEETS THESE REQUIREMENTS AND HAS DECIDED NOT TO
 400 CARRY MEDICAL MALPRACTICE INSURANCE. This notice is provided
 401 pursuant to Florida law."

402 ~~(g) Any person holding an active license under this~~
 403 ~~chapter who agrees to meet all of the following criteria:~~

404 (6)1. Upon the entry of an adverse final judgment arising
 405 from a medical malpractice arbitration award, from a claim of
 406 medical malpractice either in contract or tort, or from
 407 noncompliance with the terms of a settlement agreement arising
 408 from a claim of medical malpractice either in contract or tort,
 409 a licensee who does not qualify for an exemption from the
 410 financial responsibility requirements under subsection (5) the
 411 licensee shall pay the judgment creditor at least the lesser of
 412 the entire amount of the judgment with all accrued interest or
 413 either \$100,000, if the physician is licensed pursuant to this
 414 chapter but does not maintain hospital staff privileges, or
 415 \$250,000, if the physician is licensed pursuant to this chapter
 416 and maintains hospital staff privileges, within 30 60 days after
 417 the date such judgment became final and subject to execution,
 418 unless otherwise mutually agreed to in writing by the parties.
 419 Such adverse final judgment shall include any cross-claim,
 420 counterclaim, or claim for indemnity or contribution arising

421 from the claim of medical malpractice. This section does not
422 abrogate a licensee's obligation to satisfy the entire amount of
423 any judgment, arbitration award, or other court order.

424 (a) Upon notification of the existence of an unsatisfied
425 judgment or payment pursuant to this subsection ~~subparagraph~~,
426 the department shall notify the licensee by certified mail that
427 he or she shall be subject to disciplinary action unless, within
428 30 days from the date of mailing, he or she either:

429 1.a. Shows proof that the unsatisfied judgment has been
430 paid in the amount specified in this subsection ~~subparagraph~~; or

431 2.b. Furnishes the department with a copy of a timely
432 filed notice of appeal and either:

433 a.(I) A copy of a supersedeas bond properly posted in the
434 amount required by law; or

435 b.(II) An order from a court of competent jurisdiction
436 staying execution on the final judgment pending disposition of
437 the appeal.

438 (b)2. The Department of Health shall issue an emergency
439 order suspending the license of any licensee who, after 30 days
440 following the mailing ~~receipt~~ of a notice from the Department of
441 Health, has failed to: satisfy a medical malpractice claim
442 against him or her in accordance with this subsection; furnish
443 the Department of Health a copy of a timely filed notice of
444 appeal; furnish the Department of Health a copy of a supersedeas
445 bond properly posted in the amount required by law; or furnish
446 the Department of Health an order from a court of competent
447 jurisdiction staying execution on the final judgment pending
448 disposition of the appeal.

449 (c)~~3.~~ Upon the next meeting of the probable cause panel of
450 the board following 30 days after the date of mailing the notice
451 of disciplinary action to the licensee, the panel shall make a
452 determination of whether probable cause exists to take
453 disciplinary action against the licensee pursuant to paragraph
454 (a) ~~subparagraph 1.~~

455 (d)~~4.~~ If the board determines that the factual
456 requirements of this subsection ~~subparagraph 1.~~ are met, it
457 shall take disciplinary action as it deems appropriate against
458 the licensee. Such disciplinary action shall include, at a
459 minimum, probation of the license with the restriction that the
460 licensee must make payments to the judgment creditor on a
461 schedule determined by the board to be reasonable and within the
462 financial capability of the physician. Notwithstanding any other
463 disciplinary penalty imposed, the disciplinary penalty may
464 include suspension of the license for a period not to exceed 5
465 years. In the event that an agreement to satisfy a judgment has
466 been met, the board shall remove any restriction on the license.

467 (e) This subsection does not apply to a licensee whose
468 medical malpractice judgment or settlement is to be paid
469 pursuant to a licensee's professional liability insurance
470 coverage that is maintained in accordance with paragraph (1) (b)
471 or paragraph (2) (b).

472 ~~5. The licensee has completed a form supplying necessary~~
473 ~~information as required by the department.~~

474
475 ~~A licensee who meets the requirements of this paragraph shall be~~
476 ~~required either to post notice in the form of a sign prominently~~

477 ~~displayed in the reception area and clearly noticeable by all~~
 478 ~~patients or to provide a written statement to any person to whom~~
 479 ~~medical services are being provided. Such sign or statement~~
 480 ~~shall state: "Under Florida law, physicians are generally~~
 481 ~~required to carry medical malpractice insurance or otherwise~~
 482 ~~demonstrate financial responsibility to cover potential claims~~
 483 ~~for medical malpractice. YOUR DOCTOR HAS DECIDED NOT TO CARRY~~
 484 ~~MEDICAL MALPRACTICE INSURANCE. This is permitted under Florida~~
 485 ~~law subject to certain conditions. Florida law imposes penalties~~
 486 ~~against noninsured physicians who fail to satisfy adverse~~
 487 ~~judgments arising from claims of medical malpractice. This~~
 488 ~~notice is provided pursuant to Florida law."~~

489 (7)~~(6)~~ Any deceptive, untrue, or fraudulent representation
 490 by the licensee with respect to any provision of this section
 491 shall result in permanent disqualification from any exemption to
 492 mandated financial responsibility as provided in this section
 493 and shall constitute grounds for disciplinary action under s.
 494 458.331.

495 (8)~~(7)~~ Any licensee who relies on any exemption from the
 496 financial responsibility requirement shall notify the
 497 department, in writing, of any change of circumstance regarding
 498 his or her qualifications for such exemption and shall
 499 demonstrate that he or she is in compliance with the
 500 requirements of this section.

501 (9) The department shall verify that the licensee has the
 502 required financial responsibility in accordance with subsections
 503 (1) and (2) before a license is granted or renewed.

504 ~~(8) Notwithstanding any other provision of this section,~~

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505 ~~the department shall suspend the license of any physician~~
506 ~~against whom has been entered a final judgment, arbitration~~
507 ~~award, or other order or who has entered into a settlement~~
508 ~~agreement to pay damages arising out of a claim for medical~~
509 ~~malpractice, if all appellate remedies have been exhausted and~~
510 ~~payment up to the amounts required by this section has not been~~
511 ~~made within 30 days after the entering of such judgment, award,~~
512 ~~or order or agreement, until proof of payment is received by the~~
513 ~~department or a payment schedule has been agreed upon by the~~
514 ~~physician and the claimant and presented to the department. This~~
515 ~~subsection does not apply to a physician who has met the~~
516 ~~financial responsibility requirements in paragraphs (1)(b) and~~
517 ~~(2)(b).~~

518 (10)~~(9)~~ The board shall adopt rules to implement the
519 provisions of this section.

520 Section 2. Section 459.0085, Florida Statutes, is amended
521 to read:

522 459.0085 Financial responsibility.--

523 (1) As a condition of licensing and maintaining an active
524 license, and prior to the issuance or renewal of an active
525 license or reactivation of an inactive license for the practice
526 of osteopathic medicine, an applicant must by one of the
527 following methods demonstrate to the satisfaction of the board
528 and the department financial responsibility to pay claims and
529 costs ancillary thereto arising out of the rendering of, or the
530 failure to render, medical care and ~~or~~ services:

531 (a) Establishing and maintaining an escrow account
532 consisting of cash or assets eligible for deposit in accordance

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533 with s. 625.52 in an amount sufficient to meet the minimum
534 annual aggregate claim amount ~~the per-claim amounts~~ specified in
535 paragraph (b). The escrow account must be payable to the
536 osteopathic physician as beneficiary upon presentation of a
537 final judgment indicating liability and awarding damages to be
538 paid by the osteopathic physician or upon presentation of a
539 settlement agreement signed by all parties to such agreement
540 when such final judgment or settlement is a result of a claim
541 arising out of the rendering of, or the failure to render,
542 medical care and services. The required escrow amount set forth
543 in this paragraph may not be used for litigation costs or
544 attorney's fees for the defense of any medical malpractice
545 claim. The escrow account must be nonassignable and
546 nontransferable. Such escrow account must be made with and held
547 by the trust department of a bank or savings association
548 organized and existing under the laws of this state or any bank
549 or savings association organized under the laws of this state or
550 a bank or savings association organized under the laws of the
551 United States which has its principal place of business in this
552 state or has a branch office that is authorized under the laws
553 of this state or of the United States to receive deposits in
554 this state.

555 (b) Obtaining and maintaining professional liability
556 coverage in an amount not less than \$100,000 per claim, with a
557 minimum annual aggregate of not less than \$300,000, from an
558 authorized insurer as defined under s. 624.09, from a surplus
559 lines insurer as defined under s. 626.914(2), from a risk
560 retention group as defined under s. 627.942, from the Joint

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561 Underwriting Association established under s. 627.351(4), or
562 through a plan of self-insurance as provided in s. 627.357. The
563 required coverage amount set forth in this paragraph may not be
564 used for litigation costs or attorney's fees for the defense of
565 any medical malpractice claim.

566 (c) Obtaining and maintaining an unexpired, irrevocable
567 letter of credit, established pursuant to chapter 675, in an
568 amount sufficient to meet the minimum annual aggregate claim
569 amount specified in paragraph (b) ~~not less than \$100,000 per~~
570 ~~claim, with a minimum aggregate availability of credit of not~~
571 ~~less than \$300,000~~. The letter of credit must be payable to the
572 osteopathic physician as beneficiary upon presentment of a final
573 judgment indicating liability and awarding damages to be paid by
574 the osteopathic physician or upon presentment of a settlement
575 agreement signed by all parties to such agreement when such
576 final judgment or settlement is a result of a claim arising out
577 of the rendering of, or the failure to render, medical care and
578 services. The letter of credit may not be used for litigation
579 costs or attorney's fees for the defense of any medical
580 malpractice claim. The letter of credit must be nonassignable
581 and nontransferable. Such letter of credit must be issued by any
582 bank or savings association organized and existing under the
583 laws of this state or any bank or savings association organized
584 under the laws of the United States which has its principal
585 place of business in this state or has a branch office that is
586 authorized under the laws of this state or of the United States
587 to receive deposits in this state.

588 (2) Osteopathic physicians who perform surgery in an

589 ambulatory surgical center licensed under chapter 395 and, as a
 590 continuing condition of hospital staff privileges, osteopathic
 591 physicians who have staff privileges must also establish
 592 financial responsibility by one of the following methods:

593 (a) Establishing and maintaining an escrow account
 594 consisting of cash or assets eligible for deposit in accordance
 595 with s. 625.52 in an amount sufficient to meet the minimum
 596 annual aggregate claim amount ~~the per-claim amounts~~ specified in
 597 paragraph (b). The escrow account must be payable to the
 598 osteopathic physician as beneficiary upon presentation of a
 599 final judgment indicating liability and awarding damages to be
 600 paid by the osteopathic physician or upon presentation of a
 601 settlement agreement signed by all parties to such agreement
 602 when such final judgment or settlement is a result of a claim
 603 arising out of the rendering of, or the failure to render,
 604 medical care and services. The required escrow amount set forth
 605 in this paragraph may not be used for litigation costs or
 606 attorney's fees for the defense of any medical malpractice
 607 claim. The escrow account must be nonassignable and
 608 nontransferable. Such escrow account must be made with and held
 609 by the trust department of a bank or savings association
 610 organized and existing under the laws of the state or any bank
 611 or savings association organized under the laws of this state or
 612 a bank or savings association organized under the laws of the
 613 United States which has its principal place of business in this
 614 state or has a branch office that is under the laws of the
 615 United States to receive deposits in this state.

616 (b) Obtaining and maintaining professional liability

617 coverage in an amount not less than \$250,000 per claim, with a
618 minimum annual aggregate of not less than \$750,000 from an
619 authorized insurer as defined under s. 624.09, from a surplus
620 lines insurer as defined under s. 626.914(2), from a risk
621 retention group as defined under s. 627.942, from the Joint
622 Underwriting Association established under s. 627.351(4),
623 through a plan of self-insurance as provided in s. 627.357, or
624 through a plan of self-insurance that meets the conditions
625 specified for satisfying financial responsibility in s. 766.110.
626 The required coverage amount set forth in this paragraph may not
627 be used for litigation costs or attorney's fees for the defense
628 of any medical malpractice claim.

629 (c) Obtaining and maintaining an unexpired, irrevocable
630 letter of credit, established pursuant to chapter 675, in an
631 amount sufficient to meet the minimum annual aggregate claim
632 amount specified in paragraph (b) ~~not less than \$250,000 per~~
633 ~~claim, with a minimum aggregate availability of credit of not~~
634 ~~less than \$750,000~~. The letter of credit must be payable to the
635 osteopathic physician as beneficiary upon presentment of a final
636 judgment indicating liability and awarding damages to be paid by
637 the osteopathic physician or upon presentment of a settlement
638 agreement signed by all parties to such agreement when such
639 final judgment or settlement is a result of a claim arising out
640 of the rendering of, or the failure to render, medical care and
641 services. The letter of credit may not be used for litigation
642 costs or attorney's fees for the defense of any medical
643 malpractice claim. The letter of credit must be nonassignable
644 and nontransferable. The letter of credit must be issued by any

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645 bank or savings association organized and existing under the
646 laws of this state or any bank or savings association organized
647 under the laws of the United States which has its principal
648 place of business in this state or has a branch office that is
649 authorized under the laws of this state or of the United States
650 to receive deposits in this state.

651
652 This subsection shall be inclusive of the coverage in subsection
653 (1).

654 (3) (a) Meeting the financial responsibility requirements
655 of this section or the criteria for any exemption from such
656 requirements must be established at the time of issuance or
657 renewal of a license.

658 (b) Any person may, at any time, submit to the department
659 a request for an advisory opinion regarding such person's
660 qualifications for exemption.

661 (4) (a) If financial responsibility requirements are met by
662 maintaining professional liability insurance as provided for in
663 this section, the physician shall, at the time of applying for
664 or renewing a license, and within 10 days after any such
665 insurance coverage is instituted, submit to the department a
666 sworn statement identifying the insurer and certifying that the
667 coverage meets the requirements of this section. The statement
668 shall be accompanied by a copy of the certificate of insurance
669 which shall be deemed to be incorporated in the statement. ~~Each~~
670 insurer, self-insurer, risk retention group, or joint
671 underwriting association must promptly notify the department of
672 cancellation or nonrenewal of insurance required by this

673 ~~section. Unless the osteopathic physician demonstrates that he~~
674 ~~or she is otherwise in compliance with the requirements of this~~
675 ~~section, the department shall suspend the license of the~~
676 ~~osteopathic physician pursuant to ss. 120.569 and 120.57 and~~
677 ~~notify all health care facilities licensed under chapter 395,~~
678 ~~part IV of chapter 394, or part I of chapter 641 of such action.~~
679 ~~Any suspension under this subsection remains in effect until the~~
680 ~~osteopathic physician demonstrates compliance with the~~
681 ~~requirements of this section. If any judgments or settlements~~
682 ~~are pending at the time of suspension, those judgments or~~
683 ~~settlements must be paid in accordance with this section unless~~
684 ~~otherwise mutually agreed to in writing by the parties. This~~
685 ~~paragraph does not abrogate a judgment debtor's obligation to~~
686 ~~satisfy the entire amount of any judgment.~~

687 (b)1. If financial responsibility requirements are met by
688 maintaining an escrow account as provided for in this section,
689 the physician shall, at the time of applying for or renewing a
690 license, and within 10 days after any such escrow account is
691 opened, submit to the department a sworn statement identifying
692 the assets held in escrow and their value; identifying the
693 financial institution that is holding the escrow; affirming that
694 the account is nonassignable, nontransferable, and not
695 encumbered or pledged to a purpose other than meeting the
696 financial responsibility requirements of this section; and
697 granting such authorization as is necessary for the department
698 to verify such information with the financial institution. A
699 copy of the escrow agreement and a recent statement from the
700 institution reflecting the value of the assets in the escrow

701 account shall accompany the statement and is considered to be
702 incorporated in the statement.

703 2. If financial responsibility requirements are met by
704 maintaining a letter of credit as provided for in this section,
705 the physician shall, at the time of applying for or renewing a
706 license, and within 10 days after any such letter of credit is
707 issued, submit to the department a sworn statement identifying
708 the financial institution that issued the letter of credit;
709 affirming that the letter of credit is nonassignable,
710 nontransferable, otherwise meets the requirements of this
711 section, and is not encumbered or pledged to a purpose other
712 than meeting the financial responsibility requirements in this
713 section; and granting such authorization as is necessary for the
714 department to verify such information with the financial
715 institution. A copy of the letter of credit shall accompany the
716 statement and is considered to be incorporated in the statement.

717 3. If financial responsibility requirements are met by
718 maintaining an escrow account or letter of credit as provided in
719 this section, upon the entry of an adverse final judgment
720 arising from a medical malpractice arbitration award, from a
721 claim of medical malpractice either in contract or tort, or from
722 noncompliance with the terms of a settlement agreement arising
723 from a claim of medical malpractice either in contract or tort,
724 the licensee shall pay the entire amount of the judgment
725 together with all accrued interest or the amount maintained in
726 the escrow account or provided in the letter of credit as
727 required by this section, whichever is less, within 60 days
728 after the date such judgment became final and subject to

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729 execution, unless otherwise mutually agreed to in writing by the
730 parties. If timely payment is not made by the osteopathic
731 physician, the department shall suspend the license of the
732 osteopathic physician pursuant to procedures ~~set forth~~ in
733 subsection (6) subparagraphs (5) (g) 3., 4., and 5. ~~Nothing in~~
734 This paragraph does not shall abrogate a judgment debtor's
735 obligation to satisfy the entire amount of any judgment.

736 (c)1. Each insurer, self-insurer, risk retention group, or
737 the Joint Underwriting Association shall promptly notify the
738 department of the cancellation or nonrenewal of insurance that
739 is required by this section. Each bank or savings association
740 shall promptly notify the department of the closing or transfer
741 of an escrow account, or the cancellation or expiration of a
742 letter of credit, which account or letter is required by this
743 section.

744 2. Within 10 days after the cancellation or nonrenewal of
745 professional liability insurance, the closing or transfer of an
746 escrow account, or the cancellation or expiration of a letter of
747 credit being used by a physician to meet the financial
748 responsibility requirements of this section, such physician
749 shall notify the department of such cancellation or nonrenewal
750 of the insurance coverage, closing or transfer of the escrow
751 account, or cancellation or expiration of the letter of credit,
752 and submit the sworn statement required by paragraph (a) or
753 paragraph (b) reflecting the institution of professional
754 liability insurance coverage, the opening of an escrow account,
755 or the issuance of a letter of credit, as applicable, to
756 otherwise meet the financial responsibility requirements of this

757 section. The department shall suspend, pursuant to ss. 120.569
758 and 120.57, the license of a physician whose liability insurance
759 is canceled or not renewed, whose escrow account is closed or
760 transferred, or whose letter of credit is canceled or expires,
761 and who does not notify the department of such action and submit
762 the sworn statement required by this subsection demonstrating
763 that he or she is otherwise in compliance with the requirements
764 of this section. The department shall notify all health care
765 facilities licensed under chapter 395 of such suspension action.
766 A suspension under this subparagraph shall remain in effect
767 until the physician demonstrates compliance with the
768 requirements of this section. If any judgments or settlements
769 are pending at the time of suspension, those judgments or
770 settlements shall be paid in accordance with this section unless
771 otherwise agreed in writing by the parties. This paragraph does
772 not abrogate a judgment debtor's obligation to satisfy the
773 entire amount of any judgment.

774 (d) The sworn statement required by paragraph (a) or
775 paragraph (b) shall include the following declaration: "Under
776 penalties of perjury, I declare that I have read the foregoing
777 statement and that the facts stated in it are true." The
778 declaration shall be printed or typed at the end of the
779 statement and above the signature of the physician making the
780 declaration. A physician who knowingly makes a false declaration
781 under this paragraph, in addition to being subject to discipline
782 as otherwise authorized by this chapter, commits the crime of
783 perjury by false written declaration, a felony of the third
784 degree, punishable as provided in s. 775.082, s. 775.083, or s.

785 775.084.

786 (e) A physician who fails to timely file a statement
 787 required by paragraph (a) or paragraph (b) or the notice
 788 required by paragraph (c) commits a misdemeanor of the first
 789 degree, punishable as provided in s. 775.082 or s. 775.083.

790 (5) The requirements of subsections (1), (2), and (3) do
 791 not apply to:

792 (a) Any person licensed under this chapter who practices
 793 medicine exclusively as an officer, employee, or agent of the
 794 Federal Government or of the state or its agencies or its
 795 subdivisions. For the purposes of this subsection, an agent of
 796 the state, its agencies, or its subdivisions is a person who is
 797 eligible for coverage under any self-insurance or insurance
 798 program authorized by the provisions of s. 768.28(16).

799 (b) Any person whose license has become inactive under
 800 this chapter and who is not practicing medicine in this state.
 801 Any person applying for reactivation of a license must show
 802 either that such licensee maintained tail insurance coverage
 803 that provided liability coverage for incidents that occurred on
 804 or after January 1, 1987, or the initial date of licensure in
 805 this state, whichever is later, and incidents that occurred
 806 before the date on which the license became inactive; or such
 807 licensee must submit an affidavit stating that such licensee has
 808 no unsatisfied medical malpractice judgments or settlements at
 809 the time of application for reactivation.

810 (c) Any person holding a limited license pursuant to s.
 811 459.0075 and practicing under the scope of such limited license.

812 (d) Any person licensed or certified under this chapter

813 who practices only in conjunction with his or her teaching
814 duties at a college of osteopathic medicine. Such person may
815 engage in the practice of osteopathic medicine to the extent
816 that such practice is incidental to and a necessary part of
817 duties in connection with the teaching position in the college
818 of osteopathic medicine.

819 (e) Any person holding an active license under this
820 chapter who is not practicing osteopathic medicine in this
821 state. If such person initiates or resumes any practice of
822 osteopathic medicine in this state, he or she must notify the
823 department of such activity and fulfill the financial
824 responsibility requirements of this section before resuming the
825 practice of osteopathic medicine in this state.

826 (f) Any person holding an active license under this
827 chapter who meets all of the following criteria:

828 1. The licensee has held an active license to practice in
829 this state or another state or some combination thereof for more
830 than 15 years.

831 2. The licensee has either retired from the practice of
832 osteopathic medicine or maintains a part-time practice of
833 osteopathic medicine of no more than 1,000 patient contact hours
834 per year.

835 3. The licensee has had no more than two claims for
836 medical malpractice resulting in an indemnity exceeding \$25,000
837 within the previous 5-year period.

838 4. The licensee has not been convicted of, or pled guilty
839 or nolo contendere to, any criminal violation specified in this
840 chapter or the practice act of any other state.

841 5. The licensee has not been subject within the last 10
842 years of practice to license revocation or suspension for any
843 period of time, probation for a period of 3 years or longer, or
844 a fine of \$500 or more for a violation of this chapter or the
845 medical practice act of another jurisdiction. The regulatory
846 agency's acceptance of an osteopathic physician's relinquishment
847 of a license, stipulation, consent order, or other settlement,
848 offered in response to or in anticipation of the filing of
849 administrative charges against the osteopathic physician's
850 license, constitutes action against the physician's license for
851 the purposes of this paragraph.

852 6. The licensee has submitted a form supplying necessary
853 information as required by the department and an affidavit
854 affirming compliance with this paragraph.

855 7. The licensee must submit biennially to the department a
856 certification stating compliance with this paragraph. The
857 licensee must, upon request, demonstrate to the department
858 information verifying compliance with this paragraph.

859

860 A licensee who meets the requirements of this paragraph must
861 post notice in the form of a sign prominently displayed in the
862 reception area and clearly noticeable by all patients or provide
863 a written statement to any person to whom medical services are
864 being provided. The sign or statement must read as follows:
865 "Under Florida law, osteopathic physicians are generally
866 required to carry medical malpractice insurance or otherwise
867 demonstrate financial responsibility to cover potential claims
868 for medical malpractice. However, certain part-time osteopathic

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869 physicians who meet state requirements are exempt from the
 870 financial responsibility law. YOUR OSTEOPATHIC PHYSICIAN MEETS
 871 THESE REQUIREMENTS AND HAS DECIDED NOT TO CARRY MEDICAL
 872 MALPRACTICE INSURANCE. This notice is provided pursuant to
 873 Florida law."

874 ~~(g) Any person holding an active license under this~~
 875 ~~chapter who agrees to meet all of the following criteria.~~

876 (6)1- Upon the entry of an adverse final judgment arising
 877 from a medical malpractice arbitration award, from a claim of
 878 medical malpractice either in contract or tort, or from
 879 noncompliance with the terms of a settlement agreement arising
 880 from a claim of medical malpractice either in contract or tort,
 881 a licensee who does not qualify for an exemption from the
 882 financial responsibility requirements under subsection (5) the
 883 licensee shall pay the judgment creditor at least the lesser of
 884 the entire amount of the judgment with all accrued interest or
 885 either \$100,000, if the osteopathic physician is licensed
 886 pursuant to this chapter but does not maintain hospital staff
 887 privileges, or \$250,000, if the osteopathic physician is
 888 licensed pursuant to this chapter and maintains hospital staff
 889 privileges, within 30 60 days after the date such judgment
 890 became final and subject to execution, unless otherwise mutually
 891 agreed to in writing by the parties. Such adverse final judgment
 892 shall include any cross-claim, counterclaim, or claim for
 893 indemnity or contribution arising from the claim of medical
 894 malpractice. This section does not abrogate a licensee's
 895 obligation to satisfy the entire amount of any judgment,
 896 arbitration award, or other court order.

897 (a) Upon notification of the existence of an unsatisfied
 898 judgment or payment pursuant to this subsection ~~subparagraph~~,
 899 the department shall notify the licensee by certified mail that
 900 he or she shall be subject to disciplinary action unless, within
 901 30 days from the date of mailing, the licensee either:

902 1.a. Shows proof that the unsatisfied judgment has been
 903 paid in the amount specified in this subsection ~~subparagraph~~; or

904 2.b. Furnishes the department with a copy of a timely
 905 filed notice of appeal and either:

906 a.(I) A copy of a supersedeas bond properly posted in the
 907 amount required by law; or

908 b.(II) An order from a court of competent jurisdiction
 909 staying execution on the final judgment, pending disposition of
 910 the appeal.

911 (b)2. The Department of Health shall issue an emergency
 912 order suspending the license of any licensee who, after 30 days
 913 following the mailing ~~receipt~~ of a notice from the Department of
 914 Health, has failed to: satisfy a medical malpractice claim
 915 against him or her in accordance with this subsection; furnish
 916 the Department of Health a copy of a timely filed notice of
 917 appeal; furnish the Department of Health a copy of a supersedeas
 918 bond properly posted in the amount required by law; or furnish
 919 the Department of Health an order from a court of competent
 920 jurisdiction staying execution on the final judgment pending
 921 disposition of the appeal.

922 (c)3. Upon the next meeting of the probable cause panel of
 923 the board following 30 days after the date of mailing the notice
 924 of disciplinary action to the licensee, the panel shall make a

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925 determination of whether probable cause exists to take
926 disciplinary action against the licensee pursuant to paragraph
927 (a) subparagraph 1.

928 (d)4. If the board determines that the factual
929 requirements of this subsection ~~subparagraph 1.~~ are met, it
930 shall take disciplinary action as it deems appropriate against
931 the licensee. Such disciplinary action shall include, at a
932 minimum, probation of the license with the restriction that the
933 licensee must make payments to the judgment creditor on a
934 schedule determined by the board to be reasonable and within the
935 financial capability of the osteopathic physician.

936 Notwithstanding any other disciplinary penalty imposed, the
937 disciplinary penalty may include suspension of the license for a
938 period not to exceed 5 years. In the event that an agreement to
939 satisfy a judgment has been met, the board shall remove any
940 restriction on the license.

941 (e) This subsection does not apply to a licensee whose
942 medical malpractice judgment or settlement is to be paid
943 pursuant to a licensee's professional liability insurance
944 coverage that is maintained in accordance with paragraph (1) (b)
945 or paragraph (2) (b).

946 ~~5.—The licensee has completed a form supplying necessary~~
947 ~~information as required by the department.~~

948
949 ~~A licensee who meets the requirements of this paragraph shall be~~
950 ~~required either to post notice in the form of a sign prominently~~
951 ~~displayed in the reception area and clearly noticeable by all~~
952 ~~patients or to provide a written statement to any person to whom~~

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953 ~~medical services are being provided. Such sign or statement~~
954 ~~shall state: "Under Florida law, osteopathic physicians are~~
955 ~~generally required to carry medical malpractice insurance or~~
956 ~~otherwise demonstrate financial responsibility to cover~~
957 ~~potential claims for medical malpractice. YOUR OSTEOPATHIC~~
958 ~~PHYSICIAN HAS DECIDED NOT TO CARRY MEDICAL MALPRACTICE~~
959 ~~INSURANCE. This is permitted under Florida law subject to~~
960 ~~certain conditions. Florida law imposes strict penalties against~~
961 ~~noninsured osteopathic physicians who fail to satisfy adverse~~
962 ~~judgments arising from claims of medical malpractice. This~~
963 ~~notice is provided pursuant to Florida law."~~

964 (7)~~(6)~~ Any deceptive, untrue, or fraudulent representation
965 by the licensee with respect to any provision of this section
966 shall result in permanent disqualification from any exemption to
967 mandated financial responsibility as provided in this section
968 and shall constitute grounds for disciplinary action under s.
969 459.015.

970 (8)~~(7)~~ Any licensee who relies on any exemption from the
971 financial responsibility requirement shall notify the department
972 in writing of any change of circumstance regarding his or her
973 qualifications for such exemption and shall demonstrate that he
974 or she is in compliance with the requirements of this section.

975 (9)~~(8)~~ If a physician is either a resident physician,
976 assistant resident physician, or intern in an approved
977 postgraduate training program, as defined by the board's rules,
978 and is supervised by a physician who is participating in the
979 Florida Birth-Related Neurological Injury Compensation Plan,
980 such resident physician, assistant resident physician, or intern

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981 is deemed to be a participating physician without the payment of
982 the assessment set forth in s. 766.314(4).

983 (10) The department shall verify that the licensee has the
984 required financial responsibility in accordance with subsections
985 (1) and (2) before a license is granted or renewed.

986 ~~(9) Notwithstanding any other provision of this section,~~
987 ~~the department shall suspend the license of any osteopathic~~
988 ~~physician against whom has been entered a final judgment,~~
989 ~~arbitration award, or other order or who has entered into a~~
990 ~~settlement agreement to pay damages arising out of a claim for~~
991 ~~medical malpractice, if all appellate remedies have been~~
992 ~~exhausted and payment up to the amounts required by this section~~
993 ~~has not been made within 30 days after the entering of such~~
994 ~~judgment, award, or order or agreement, until proof of payment~~
995 ~~is received by the department or a payment schedule has been~~
996 ~~agreed upon by the osteopathic physician and the claimant and~~
997 ~~presented to the department. This subsection does not apply to~~
998 ~~an osteopathic physician who has met the financial~~
999 ~~responsibility requirements in paragraphs (1)(b) and (2)(b).~~

1000 (11)~~(10)~~ The board shall adopt rules to implement the
1001 provisions of this section.

1002 Section 3. This act shall take effect upon becoming a law.