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SENATOR MURPHY: Senator, I don't know how to explain that.

SENATOR CAVANAUGH: Well how do you think it should work?

SENATOR MURPHY: I think it should work to the effect that he is able to provide insurance and base it on the fees that would be generated by his assessment. Depending upon whom he is levying against, the total income of that group, what he deems to be proper as far as a load factor on those people in regard to their respective salaries, he would have latitude in that matter. I know of no other way to do it. Do you have a suggestion?

SENATOR CAVANAUGH: Well no. There are three ways I think there have always been three ways to approach this and one is the method adopted in the original bill which is a blanket assessment against the entire industry whenever one facet is without insurance. The other one, I think, is to provide for a general fund subsidy to cover this insurance so that all the taxpayers of the state carry that burden in the case insurance isn't available. The third, and I had never contemplated this one before, I always thought was to just have an assessment against the individual health care provider affected. The deficiency with that is you might not have enough base to insure them. The deficiency with the general fund one is that there is a natural antagonism to provide this insurance from the taxpayers. The deficiency of assessing everybody is, of course, you are assessing people who didn't cause the problem or don't have a problem for someone else who does simply because they happen to have some tenuous relationship in the same industry.

So, now this is a new one. I think we just ought to understand how it's going to function and how it's going to operate. Now as I understand it you're saying that the Insurance Commissioner first will assess it against the health care provider directly affected and then he can go out and selectively assess an income tax of some percentage against anyone else in the health industry that he chooses. That's what.... It's purely up to his discretion as to who he would choose.

SENATOR MURPHY: Yes sir.

SENATOR CAVANAUGH: So he could choose the physicians and not the registered nurses, or he could choose the registered nurses and not the physicians, he could choose the hospital and not the LPN's whatever, in his discretion, he felt was necessary or justifiable to support insurance for the nurse anesthetists. That's just what.... I'm asking just what are we doing?

SENATOR MURPHY: Well, Senator, this of course is ... you can presuppose anything based on what you think the logic of the Director of Insurance is, but it does provide, principally,

SENATOR CAVANAUGH: No, we're giving him some powers, Senator Murphy. I just want to know what power we're giving him.