



February 29, 2016

Honorable Donald White, Chair
Banking and Insurance Committee
Senate of Pennsylvania
286 Main Capitol
Harrisburg, PA 17120

Honorable Sean Wiley, Minority Chair
Banking and Insurance Committee
Senate of Pennsylvania
535 Main Capitol
Harrisburg, PA 17120

Honorable Tina Pickett, Chair
Insurance Committee
Pennsylvania House of Representatives
315-A Main Capitol
Harrisburg, PA 17120

Honorable Anthony DeLuca, Minority Chair
Insurance Committee
Pennsylvania House of Representatives
115 Irvis Office Building
Harrisburg, PA 17120

Dear Senators and Representatives:

We are pleased to provide this Annual Report on the Medical Care Availability and Reduction of Error Fund (Mcare) which includes information on Pennsylvania's patient compensation fund from inception through December 31, 2015.

Newly reported excess claims decreased during the claims year 2015 to 2,960 compared to 3,008 in 2014. Total payments for claims finalized during claims year 2015 were \$160 million as compared to \$156 million for claims finalized in claims year 2014.

The annual actuarial study, prepared by PricewaterhouseCoopers LLP, concludes that an unfunded liability of \$1.08 billion exists as of December 31, 2014. This amount is a decrease over last year's estimate of \$1.13 billion.

If you have any questions about this report, please feel free to contact me, Acting Deputy Insurance Commissioner Laura Slaymaker at (717) 787-6009 or Mcare Executive Director Theodore Otto at 717-783-7657.

Sincerely,

A handwritten signature in blue ink that reads "Teresa D. Miller".

Teresa D. Miller
Insurance Commissioner

Enclosure