



# Attention: New Jersey Patients Medical liability reform is good for patients!

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## Reforms Promote Access To Care

There are many casualties from America's medical liability crisis – but those suffering most are patients. Across the nation, patients are finding it harder and harder to get access to vital medical services. The reason? Out-of-control litigation is making medical liability insurance either unaffordable or unobtainable at any price. As a result, more and more doctors are curtailing services, being forced to leave litigious states, or abandoning the practice of medicine.

- Faced with skyrocketing insurance premiums, approximately 1 out of 11 obstetricians nationwide have stopped delivering babies, scaling back their practices to gynecology only. (Self, April 2002) There are hardly any rural communities left in Mississippi that have doctors willing to deliver babies. (U.S. Department of Health and Human Services, July 24, 2002)
- Nearly 56% of Blue Cross/Blue Shield plans in the 12 "crisis" states identified by the American Medical Association are refusing some high-risk procedures. Nearly one-third of physicians in these states are moving their practices. (BlueCross BlueShield Association, January 15, 2003)
- In Wheeling, WV, all the neurosurgeons have left. Trauma patients must now be airlifted to Pittsburgh to receive care. (National Journal, 5/18/02)
- In Pennsylvania, 44 doctors practicing outside Philadelphia left the state or stopped practicing medicine in 2001 rather than pay rising liability premiums. (U.S. Department of Health and Human Services, July 24, 2002)
- In Florida, South Bay Hospital in Hillsborough County has lost the services of three specialists in July 2002, including a urologist and vascular surgeon, because the doctors were unable to find affordable medical liability insurance. (St. Petersburg Times, August 17, 2002)

## Reforms Keep Health Care Affordable

America's medical liability crisis is driving up health care costs: Direct costs of rising liability insurance premiums for doctors, hospitals and other care providers and indirect costs of "defensive medicine" – unnecessary treatment designed to reduce the prospect of litigation.

- An April 2002 survey of physicians revealed that nearly 4 out of 5 (79%) have ordered more tests than were medically needed due to fear of litigation. Three out of four (74%) said they have referred patients to specialists more often than necessary. (U.S. Department of Health and Human Services, July 24, 2002)
- Doctors spent \$6.3 billion last year on medical liability coverage. Hospitals and nursing homes spent billions more. (U.S. Department of Health and Human Services, July 24, 2002)
- The Federal Government – through its funding of Medicare, Medicaid and other programs – pays an additional \$28-\$47.5 billion per year for health care due to the costs of medical liability coverage and defensive medicine. (U.S. Department of Health and Human Services, July 24, 2002)
- A study published in the Quarterly Journal of Economics estimates that common sense liability reforms – such placing reasonable limits on non-economic damages – would reduce health care costs by 5-9%, generating savings of \$60-\$108 billion a year. (U.S. Department of Health and Human Services, July 24, 2002)

## Today's System Designed For Lawyers, Not Patients

Patients are losing access to health care... doctors are under siege... health care costs are rising due to soaring premiums and meritless litigation.

- Between 1996 and 1999, the average medical liability award jumped by a whopping 76%. In just one year, the median damage award in

cases involving OB/GYNs increased by 43%. (U.S. Department of Health and Human Services, July 24, 2002)

- Mega-verdicts are on the rise as, more and more frequently, trial attorneys ask juries for Powerball-sized awards. In 1999-2000, more than half (52%) of all awards exceeded \$1 million, compared to 34% from 1994-1996. Since 1995, there have been 21 verdicts in Mississippi of \$9 million or more – including a \$100 million award. (U.S. Department of Health and Human Services, July 24, 2002)
- Under typical contingency fee arrangements, lawyers walk away with 30-50% of any jury award to the plaintiff, plus an additional percentage of the award to cover expenses. (Physician Insurers Association of America, Medical Malpractice Claim Expenses, 1999)

**Medical liability reform means better access and more affordable health care for the patients that need it. That's why the New Jersey Assembly needs to support strong, common sense medical liability reforms like those proposed in the Senate version of Assembly Bill 50.**