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Why Medical Liability Reform is Good for Patients

Medical Liability Reform Promotes Access to Care

Our nation's broken medical liability system hurts all Americans, but it's patient access to care that is threatened the most. Across the nation, patients are finding it harder and harder to get access to vital medical services. The reason? Medical lawsuit abuse is driving good doctors out of the practice of medicine, leaving patients without the care they need when they need it.

- The *National Report Card on the State of Emergency Medicine* gives our nation's medical liability environment a grade of C-. Adverse legal environments have caused physicians to retire early, curtail higher-risk services, decrease their availability to emergency patients or move to states with less liability exposure – decreasing the medical care available to patients.¹
- Liability concerns forced 63% of all OB/GYNs to make changes in their practice and have driven some eight percent to stop practicing obstetrics altogether.²
- The average age at which physicians cease practicing obstetrics is now 48, an age once considered the midpoint of an OB/GYN's career.³
- There is currently no trauma center to treat the half million residents of the Philadelphia suburb of Chester County, and 17 maternity units have closed in the Philadelphia area in the last decade due to the medical liability crisis.⁴

Serious Physician Shortages Expected Without Medical Liability Reform

Physician shortages, led by a fear of medical liability lawsuits, are expected in the coming years.

Without medical liability reforms, physician supply will be unable to keep up with demand, and patients will feel the ripple effects in their doctors offices and local hospitals.

- The Bureau of Labor Statistics is predicting a need for up to 200,000 more doctors across the country by 2020.⁵
- The Association of American Medical Colleges (AAMC) predicts a national shortage of 62,900 physicians in 2015 that is projected to double by 2025 to 130,000 across all specialties.⁶
- Florida faces a critical shortage of physicians, with 64% older than 46 years old. Thirteen percent of Florida physicians plan to reduce significantly their scope of practice or leave medicine in the next five years, citing liability and reimbursement as the key reasons.⁷

1 "The National Report Card on the State of Emergency Medicine," American College of Emergency Physicians, 2009.

2 ACOG Survey, The American College of Obstetricians and Gynecologists, September 2009.

3 Testimony of Lisa Hollier, MD, MPH on behalf of the American College of Obstetricians and Gynecologists to the House Energy & Commerce Subcommittee on Health, April 6, 2011

4 "Building for Babies," *Bucks County Courier Times*, February 23, 2009, and "It's time for a Chester County Trauma Center," *West Chester Daily Local News*, July 6, 2008.

5 US Bureau of Labor Statistics

6 "https://www.aamc.org/download/150584/data/physician_shortages_to_worsen_without_increases_in_residency_tr.pdf

7 "Florida projects worsening doctor shortage," *American Medical News*, January 22, 2009.

- Half of all graduating medical residents or fellows trained in Illinois leave the state to practice medicine elsewhere, in large part due to the medical liability environment in Illinois. The study warns that Illinois faces a severe shortage of physicians if corrections are not made to its liability system.⁸

Medical Liability Reform Reduces the National Debt by Controlling Health Care Costs

Medical lawsuit abuse is driving up the cost of health care – both the direct costs of high insurance premiums for physicians and hospitals, and the indirect costs of “defensive medicine,” where patients are subjected to unnecessary and expensive treatments in order to reduce the risk of litigation. While numbers may vary from study to study, it’s safe to say the cost is in the tens of billions each year and negatively impacting our national deficit.

- According to a March 2011 report from the Congressional Budget Office, direct federal spending would be reduced by roughly \$50 billion from 2012-2021, due to savings from Medicaid, Medicare, the Children's Health Insurance Program, and the Federal Employees Health Benefits Program.⁹
- Over the same period, medical liability reform would reduce the federal deficit by \$62 billion.¹⁰
- Both the National Commission on Fiscal Responsibility and Reform and the Bipartisan Policy Center’s Debt Reduction Task Force included comprehensive medical liability reform as a necessary element in reducing our national deficit.
- The fear of lawsuits leads to defensive medicine, which causes health care expenditures to be higher than they otherwise would be. One report put the cost of defensive medicine between \$70 and \$126 billion per year.¹¹
- In Massachusetts alone, defensive medicine costs the state’s health care system over \$1.4 billion each year.¹²
- The cost of defending against a lawsuit that is dismissed or withdrawn before trial is over \$26,000, and an average of well over of \$100,000 for every lawsuit filed against a doctor that makes it to trial. These legal expenses total into the billions of dollars each year and are ultimately passed on to patients.¹³

Medical liability reform is the best way to ensure that health care is accessible, affordable, and available for patients when they need it.

8 “Illinois New Physician Workforce Study,” Northwestern University Feinberg School of Medicine, 2010

9 “Reducing the Deficit: Spending & Revenue Options,” Congressional Budget Office, March 2011

10 “Reducing the Deficit: Spending & Revenue Options,” Congressional Budget Office, March 2011

11 Office of the Assistant Secretary for Planning and Evaluation, U.S. Dep’t of Health and Human Servs., Addressing the New Health Care Crisis: Reforming the Medical Litigation System to Improve the Quality of Health Care 11 (2003).

12 Massachusetts Medical Society, 2008

13 PIAA Claim Trend Analysis 2010.